

รายงานประจำปี ๒๕๕๘

# annual

report 2015

อีกหนึ่งแรงบันดาลใจสำหรับบ้านคุณ  
แผ่นพื้นและผนังตกแต่งทีโพอี  
TPI DECORATIVE FLOOR & WALL

มีทั้งแบบ On stock และ Made to order



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





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



## Ready to Move Steadily Forward

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*TPI Polene has maintained its proud position as one of the leading manufacturers for utilization of fully integrated renewable green energy.*

*The Company currently operates four cement production plants, with total production capacity of 13.5 TPA and it is strategically located in a single location, enabling us to generate electricity from waste heat emitted from cement production plants, and process industrial waste to boost its fuel value to generate electricity. Thus, TPI Polene has strengthened its position as the leading power plant operator to generate electricity through recovery recyclable materials from waste.*

*TPI Polene always pledges its commitment to pursue its business operations by emphasizing the balanced consideration of all related parties, fair treatment to all parties concerned along with being a good member of society, emphasizing ethical values and fairness and creating sustainable return on investment for shareholders.*



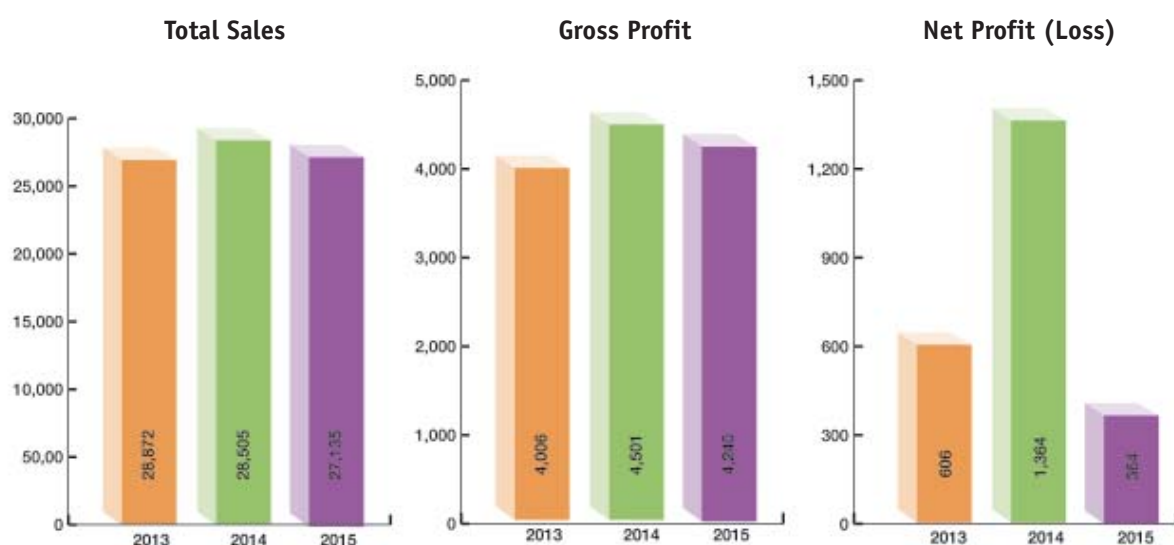
## Financial Highlights

	Unit	2013 **	2014	2015
<b>Operational Performance</b>				
Total Revenues	(Baht Mil.)	28,861	31,200	29,247
Total Sales	(Baht Mil.)	26,872	28,505	27,135
Gross Profit	(Baht Mil.)	4,006	4,501	4,240
Operating Profit (Loss) before income tax	(Baht Mil.)	1,188	775	137
Net Profit (Loss)	(Baht Mil.)	606	1,364	364
<b>Financial Status</b>				
Total Assets	(Baht Mil.)	82,412	99,931	107,645
Total Current Assets	(Baht Mil.)	12,601	13,515	16,953
Total Liabilities	(Baht Mil.)	24,699	42,146	51,679
Total Financial Debt	(Baht Mil.)	10,225	27,600	37,681
Total Shareholders' Equity	(Baht Mil.)	57,713	57,785	55,966
<b>Key Financial Ratios</b>				
Gross Profit Margin	(%)	14.91	15.79	15.63
Net Profit Margin	(%)	2.10	4.37	1.24
Paid-up Capital	(Baht Mil.)	20,190	20,190	20,190
Par value per share	(Baht)	10.00	1.00	1.00
Book Value per share	(Baht)	28.90	2.89	2.80
Earnings per Share	(Baht)	0.30	0.068	0.018
Dividend per Share	(Baht)	0.15	0.02	-
Dividend payout Ratio *	(%)	82.18	40.94	-
Debt to Equity Ratio	(times)	0.43	0.73	0.92
Financial Debt to Equity Ratio	(times)	0.18	0.48	0.67

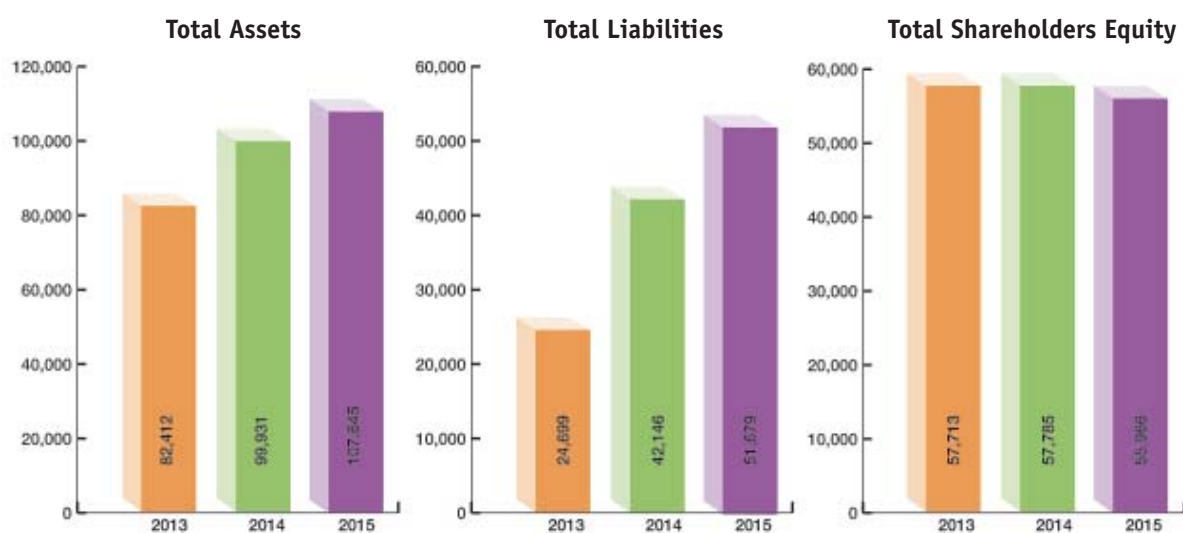
Remarks: \* Calculation based on separate financial statements.

\*\* Consolidated Financial Statements (before restated)

## Total Revenues and Net Profit



## Financial Status



## Corporate Profile

<b>Company's Name</b>	: TPI Polene Public Company Limited
<b>Abbreviation in the SET</b>	: TPIPL
<b>Registration Number</b>	: 01075370000564 (formerly Bor. Mor. Jor. 303)
<b>Nature of Business</b>	: Manufacture and sale of cement, Electricity, Ready-mixed concrete and LDPE / EVA plastic resin, Concrete roof tile, Fiber cement, Light weight Concrete, Organic Fertilizer and drinking water
<b>Registered Capital</b>	: Baht 24,815,000,000 Consisting of 24,815,000,000 ordinary shares, at the par value of Baht 1 each.
<b>Paid-up Capital</b>	: Baht 20,190,000,000 Consisting of 20,190,000,000 ordinary shares, at the par value of Baht 1 each.
<b>Accounting Period</b>	: January 1 - December 31
<b>Location</b>	
<b>Head Office Location</b>	: 26/56 Chan Tat Mai Road, Thungmahamek, Sathorn, Bangkok 10120
Tel. Number	: +66 (0) 2213-1039 - 49, 285-5090 -9
Fax Number	: +66 (0) 2213-1035, 213-1038
Web Address	: <a href="http://www.tpipolene.co.th">http://www.tpipolene.co.th</a>
<b>Cement Plant/Power Plant</b>	: 299 Moo 5, Mittraparp Road, Tambol Tubkwang, Kangkhoy, Saraburi 18260
<b>Cement Mortar Plant</b>	
<b>Light Weight Concrete Plant</b>	
<b>Pyrolysis and RDF Plant</b>	
Tel. Number	: +66 (0) 3633-9111
Fax Number	: +66 (0) 3633-9228-30
<b>LDPE Plant</b>	: 299 Moo 5 Sukhumvit Road, Tambol Chuengnoen, Amphur Muang, Rayong 21000
Tel. Number	: +66 (0) 3861-1333
Fax Number	: +66 (0) 3880-2568
<b>Concrete Roof Tiles and Fiber Cement Plant</b>	: 77 Moo 7, within CRT Plant sub-road from Sai Ban Kork Street, Banlarkkaopoon and Highway no. 1014, Tambol Ban Kang, Amphur Chaloem Phrakiat, Saraburi 18260
Tel. Number	: +66 (0) 3667-0370-5
Fax Number	: +66 (0) 3667-0377
<b>Solar Film Plant</b>	: 49/1Moo 1, Phichainarong Songkham Road, Tambol Nachong, Amphur Muang Saraburi, Saraburi 18260
Tel. Number	: +66 (0) 3673-1724
<b>Investors Relation Unit:</b>	
Tel. Number	: +66 (0) 2213-1039 ext. 12983 and 12985
<b>Other Relevant Information:</b>	
<b>Share Registrars</b>	: Thailand Securities Depository Company Limited
<b>Office Location</b>	: The Stock Exchange of Thailand, 93 Rajadapisek Road, Khwang Dindaeng, Dindaeng, Bangkok 10110
Tel. Number	: +66 (0) 2009-9000, call center +66 (0) 2009-9999
Fax Number	: +66 (0) 2009-9991

## Debentures, Debentures Registrar and Debenture Holders' Representatives Offering for Sale of Debentures

Debenture Series	Name	Type	Amount (MB)	Interest Rate (p.a.)	Issued Date	Maturity Date	Tenor
TIPL165A	Debentures of TPI Polene Public Company Limited No.1/2013 Due A.D.2016	Unsecured and Unsubordinated Debentures with a debentureholders' representative	3,000	5.20 %	30 May 2013	30 May 2016	3 Years
TIPL177A	Debentures of TPI Polene Public Company Limited No.1/2014 Series1 Due A.D.2017	Unsecured and Unsubordinated Debentures with a debentureholders' representative	3,000	5.00 %	17 Jan 2014	17 July 2017	3.5 Years
TIPL187A	Debentures of TPI Polene Public Company Limited No.1/2014 Series2 Due A.D.2018	Unsecured and Unsubordinated Debentures with a debentureholders' representative	2,000	5.30 %	17 Jan 2014	17 July 2018	4.5 Years
TIPL191A	Debentures of TPI Polene Public Company Limited No.1/2015 Series1 Due A.D.2019	Unsecured and Unsubordinated Debentures with a debentureholders' representative	3,000	4.85 %	22 Jan 2015	22 Jan 2019	4 Years
TIPL201A	Debentures of TPI Polene Public Company Limited No.1/2015 Series2 Due A.D.2020	Unsecured and Unsubordinated Debentures with a debentureholders' representative	3,000	5.20 %	22 Jan 2015	22 Jan 2020	5 Years
TIPL188A	Debentures of TPI Polene Public Company Limited No.2/2015 Series1 Due A.D.2018	Unsecured and Unsubordinated Debentures with a debentureholders' representative	3,000	4.10 %	5 Aug 2015	5 Aug 2018	3 Years
TIPL198A	Debentures of TPI Polene Public Company Limited No.2/2015 Series2 Due A.D.2019	Unsecured and Unsubordinated Debentures with a debentureholders' representative	2,750	4.40 %	5 Aug 2015	5 Aug 2019	4 Years
TIPL208A	Debentures of TPI Polene Public Company Limited No.2/2015 Series3 Due A.D.2020	Unsecured and Unsubordinated Debentures with a debentureholders' representative	2,205	4.65 %	5 Aug 2015	5 Aug 2020	5 Years
TIPL218A	Debentures of TPI Polene Public Company Limited No.2/2015 Series4 Due A.D.2021	Unsecured and Unsubordinated Debentures with a debentureholders' representative	3,600	4.90 %	5 Aug 2015	5 Aug 2021	6 Years
TIPL228A	Debentures of TPI Polene Public Company Limited No.2/2015 Series 5 Due A.D.2022	Unsecured and Unsubordinated Debentures with a debentureholders' representative	4,000	5.20 %	5 Aug 2015	5 Aug 2022	7 Years
		Total	29,555				

### Registrar

Address

Telephone

Fax

**Debenture Holders' Representative** : CIMB Thai Bank Plc

: 44, Langsuan Road, Lumpini Subdistrict, Pathumwan District, Bangkok.

: +66(0) 2626-7507-8, + 66(0) 2626-7591

: +66(0) 2657-3390

### Statutory Auditor

Office Location

Telephone

Fax

: KPMG Phoomchai Audit Limited.

: 195 Empire Building 21-22<sup>nd</sup> FL., South Sathorn Road, Kwaeng Yannawa, Sathorn, Bangkok 10120

: +66 (0) 2677-2000

: +66 (0) 2677-2222

## Message from the Board of Directors

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**To: Shareholders**

**Dear Sirs,**

The year 2015 was another year of challenges for TPIPL Group as the economic situation in 2015 started to recover gradually due to weakened demand consumption from the private sector; the political instability combined with the negative constraints from foreign countries, such as: financial fluctuation in the global market, the economic slowdown in developed countries and niche markets. All of these factors have directly affected Thailand's economy. However, there are still positive factors in the country stemming from higher demand consumption in the country, gains from the export sector due to a swift drop in crude oil prices, which directly affected the Thai economy and kept it from expanding as much as it should. However, with the full cooperation of all levels of the Company's staff and the management team to move the business forward, we strengthened our growth potential so as to create sustainability within the group.

### **Operating Performance**

In 2015, the Company and its subsidiaries reported total revenues and net profits of Baht 29,247 million and Baht 364 million compared with Baht 31,200 million and Baht 1,364 million in 2014 respectively.

### **Investment projects are completed as planned**

For the past several years, the Company has made several project investments, which are comprised of: cement line no. 4; concrete roof tiles; a renewable energy business with an Alternative Fuel Power Plant, or Refuse Derived Fuel (RDF) with an installed power generation capacity of 60 MW output; Waste Heat Recovery Power Plants with a total capacity of 30 MW output; Fiber Cement Project; Cement Mortar Plant; and Light Weight Concrete Project. Most of those projects have become commercially operational as planned.

### **The Offering for Sale of Baht 21,555 million debentures in 2015**

In January 2015, the Company successfully completed its fundraising through the issuance and sale offering of unsubordinated/unsecured debentures, in registered form with debenture holders' representatives, in the amount of Baht 6,000 million in January 2015 and Baht 15,555 million in August 2015, respectively, totaling Baht 21,555 million, with the TRIS affirmed rating of such debentures at BBB+, with a stable rating outlook. The proceeds from the fundraising through the issuance and sale offering of debentures will be utilized for working capital in business operations and/or to facilitate current project investments and potential investment projects in the future.

### **Began to Sell a Contracted Power Generation Capacity of 18 MW and 55 MW to EGAT**

In 2015, TPI Polene Power Co., Ltd. began to sell a contracted power generation capacity of 18 MW and 55 MW from a RDF-fired Power Plant with an installed power generation capacity of 20 MW and 60 MW respectively to The Electricity Generation Authority of Thailand (EGAT). The RDF-fired Power Plants receive an adder of Baht 3.50 per kWh, which is payable in addition to the standard price of EGAT, on alternative-fuel-generated electricity for a 7-year period, from The Power Electricity Authority of Thailand. These RDF-fired Power Plants have been granted promotion certificates from the BOI.

### **Received an Acceptance Letter from EGAT for a Sale of a Contracted Power Generation Capacity of 90 MW**

TPI Polene Power Co., Ltd. is in the process of entering into a contracted power generation capacity of 90 MW with EGAT. In this regard, a RDF-fired Power Plant with an installed power generation capacity of 100 MW received an acceptance letter from EGAT on November 21, 2014 approving the sale of 90 MW power generation capacity to EGAT on a non-firm basis, with an adder at the rate of THB 3.50 per KWH of electricity for a period of seven years.

Presently, TPI Polene Power Co., Ltd. has completed the construction of a Waste Heat Recovery Power Plant with an installed power generation of capacity of 30 MW, which will initially sell electricity generated from the waste heat recovery power generation unit to TPIPL to be used in TPIPL's cement production process until the RDF-fired power generation of capacity of 70 MW becomes commercially operational. Thereafter, a RDF-fired Power Plant with an installed power generation capacity of 100 MW will sell a contracted power generation capacity of 90 MW to EGAT in early 2017, both of which have been granted promotion certificates from the BOI, which entitles it to a number of benefits including tax exemptions.



### **The Initial Public Offering (“IPO”) of newly issued ordinary shares and spin-off Plan of TPI Polene Power Co., Ltd.**

To reduce liabilities of the Company to grant financial support for Power Generation Business and to clearly separate business structure to be focused on energy-related businesses. The Company has planned to sell the initial public offering (“IPO”) of the newly ordinary shares of TPI Polene Power Company Limited and the listing of TPI Polene Power Company Limited on the SET (“Spin-Off”), which the number of the shares for an initial public offering shall not exceed 30 percent of total registered and paid-up capital shares of TPI Polene Power Company Limited after the initial public offering. The IPO will result in the dilution of the Company’s shareholding in TPIPP from 100 percent to not less than 70 percent of the registered and paid-up capital after the offering. However, TPIPP will retain its status as the Company’s subsidiary. The above transaction needs to get approval from the 1016 Annual General Shareholding’s Meeting, which is scheduled on April 29, 2016.

### **Awards that make us proud**

TPI Polene Group has passed all assessments and was awarded and certified in the category of Corporate Social Responsibility and Energy Award as well as Industrial Standards for the year 2015 under Asian and National Standards. TPI Polene realizes the importance of operating the business to achieve excellence. Our pursuit of excellence is congruent with an adherence to foster a good governance corporate culture throughout the organization while creating public well-being in surrounding communities, industries, agriculture, communities and consistently protecting the surrounding environment to step forward internationally in an attempt to reduce our carbon footprint and reduce greenhouse gas emissions.

The Company’s current success has been one of our proudest achievements as a Thai Corporation to be able to be competitive internationally. On behalf of the Company, the Company’s Board of Directors would like to take this opportunity to thank all related parties for a well-coordinated effort and their ongoing trust in the Company to create unswerving progress for the organization. It is a major goal of the management team and all levels of the Company’s staff to move the business forward to overcome obstacles to achieve the goal. We strengthened our growth potential so as to create sustainability within the group, to create stability for the organization, and to enhance the economic strength of the country. To this end, TPIPL realized the importance of conducting business operations by emphasizing the balanced consideration of all related parties, fair treatment to all parties concerned, while supporting public well-being and consistently protecting the surrounding environment to further enhance the sustainable growth of the country.

**Sincerely Yours,**

A handwritten signature in black ink, consisting of stylized, flowing letters.

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

A handwritten signature in black ink, featuring a prominent, sweeping horizontal stroke.

**Mr. Prachai Leopairatana**  
Chief Executive Officer

## Awards that make us proud



### CSR Thailand Coal Award 2015

On June 25, 2015, TPI Polene won the award in 2 categories: 1. Corporate Social Responsibility: CSR; 2. "Special Submission" from the Department of Mineral Fuel, under the Ministry of Energy of Thailand (the "MOE"). The awards confirm that TPI Polene was selected as a corporation which focused on the importance of "Corporate Social Responsibility" to consistently preserve social and community improvement.

### Thailand Energy Awards 2015

On November 24, 2015, TPI Polene received the Thailand Energy Awards 2015 for renewable energy among off-grid connected renewable electricity generation projects, using high-efficiency energy recovery technology through a Pyrolysis Plant to generate crude oil and liquid fuel from tire pyrolysis, from the Department of Alternative Energy Development and Efficiency ("DEDE") under the Ministry of Energy of Thailand (the "MOE").



### Thailand Energy Awards 2015: For a Renewal Energy Business with an Alternative Fuel Power Plant, or Refuse Derived Fuel (RDF)

On November 24, 2015, TPI Polene received the awards on renewal energy with an Alternative Fuel Power Plant, or Refuse Derived Fuel (RDF), among on-grid connected renewable electricity generation projects for Power Generation from Burning Refuse-Derived Fuel with Circulating Fluidized Bed Combustion Boiler (CFBC Boiler) with an installed power generation capacity of 20 MW, from the Department of Alternative Energy Development and Efficiency ("DEDE") under the Ministry of Energy of Thailand (the "MOE").



### ASEAN Coal Award 2015

On October 7, 2015, TPI Polene received the winning prize at the ASEAN Coal Awards 2015 held in Kuala Lumpur, Malaysia in the category "Special Submission Category" for Best Practice of "Reduction risk of fire, machine damage and fuel cost: Cause of Coal Explosion in Preparation" from the Department of Mineral Fuel, under the Ministry of Energy of Thailand (the "MOE").



### CSR-DIW Awards 2015

On September 9, 2015, TPI Polene won the CSR-DIW Awards 2015 as a manufacturer in the country, under the category "Standard for Corporate Social Responsibility", from the Department of Industrial Works, the Ministry of Industry.

### Health Occupation and Safety Awards in the Workplace

In August 3, 2015, the Company was recognized for its achievement in the areas of Safety and Health in the Workplace, under the auspices of Her Royal Highness Princess Maha Chakri Sirindhorn, from the Department of Welfare and Labor Protection, the Ministry of Labor.

### Standards for Industrial Waste Management" in the category of Waste Management Services "Gold Class Award"

On August 4, 2015, the Company was certified "the Gold Class Award," in the category of Waste Management Services for the processing of waste to be co-fired in the production process, under the project to raise operator standards for Industrial Waste Management for 2015 ("Industrial Waste Management Program"), held by the Department of Industrial Works, Ministry of Industry, which aims to raise operator standards for Industrial Waste Management to further create sustainability on waste management, to diminish the problem of price cutting for waste disposal and improper treatment of waste, and to further support the reduction of greenhouse gas emissions that cause global warming.

### Carbon Footprints Award

The Company participated and registered in the project, "Carbon Footprint" for sustainability and responsible business practices in the industrial sector and received the certificate from General Surasak Karnchanarat, Minister of Natural Resources and Environment on September 24, 2015.

# Audit Committee's Report for 2015

**To: Shareholders:**

**Dear Sirs,**

The Audit Committee of TPI Polene Public Company Limited consists of 3 independent directors, who are all qualified with knowledge of finance, law and management administration: namely, Dr. Narasri Vaivanijkul as the Chairman of the Audit Committee; Mr. Manas Sooksmarn and Pol. Gen. Charnchit Bhiraleus as Audit Committee members; with Mr. Nitisit Jongphitakratana, the Corporate Secretary, as Secretary to the Audit Committee. All Audit Committee members possess appropriate qualifications and are, in all aspects, in compliance with the rules and regulations imposed by the Stock Exchange of Thailand.

The Audit Committee has fully performed its duties and responsibilities to review and evaluate internal control systems, disclosure of Company information, and to review implementation of the provisions of related governing laws, as well as any other important tasks. In 2015, the Audit Committee convened 5 meetings.

1. To review and to evaluate internal control systems.

The Company and its subsidiaries have appropriate internal control systems and have operated the business efficiently and effectively under appropriate and sufficient internal controls, as supported by the operational performance report. The Company and its subsidiaries have internal controls and risk management systems that can protect against potential risks to the Company and to all related parties. The systems are in place to ensure that any mistakes and irregularities will be identified in due course; and that financial reports are accurate, adequate and reliable; and the assets used by the Company and its subsidiaries, benefit all parties as well as shareholders. In addition, the Company has performed in compliance with the principles of good corporate governance and has embraced the Code of Conduct as a policy for all employees to follow, by emphasizing the balanced consideration of all related parties, fair treatment to all parties concerned, including shareholders, suppliers, contractors and the community as a whole. The Company also realizes the importance of public well-being creation and environmental conservation and fosters the development of all our staff to expand their knowledge so as to become a knowledge organization. This will further enhance our long-term development and create sustainable growth for the Company.

2. To review the disclosure of all relevant information for investors.

The Company has a policy of disclosing all relevant information for investors, such as connected transactions and any other transactions that might affect the interests of related parties. The Company always discloses accurate, reliable and relevant information on a timely basis.

3. To review and to ensure that the Company performs in compliance with all regulations and related governing laws.

The Company has a clear policy to comply with all regulations and related governing laws, and codes of conduct, to protect against the use of insider information. As announced in the Company's Rules and Regulations, any misuse of internal information shall be subject to disciplinary action, including dismissal. The Company supervises submission by the Management of reports of their shareholding in the Company to comply with related governing laws. The Company realizes the importance of information disclosure, including financial statements and other reports, and ensures that they are complete, accurate, reliable and timely.

4. To select, nominate, and propose the remuneration of the statutory auditors of the Company for the year 2016.

The Audit Committee has taken into consideration the independence, performance, experience and an appropriate remuneration of auditors. The Audit Committee has passed a unanimous resolution to propose to the Company's Board of Directors for consideration and to propose to the shareholders' meeting to consider and approve the appointment of Mr. Nirand Lilamethwat, CPA registration no. 2316 or Mr. Mr. Ekkasit Chuthamsathit, CPA registration no. 4195 or Mr. Boonyarit Thanormcharoen, CPA registration no. 7900 or Mr. Natthapongse Thantijattthanond, CPA registration no. 8829, KPMG Phoomchai Audit Limited, to be the statutory auditors of the Company for 2016.

The Audit Committee considers that in the previous year, the Board of Directors as well as the Management of the Company, was in complete compliance with the principles of good corporate governance. They performed their duties and responsibilities ethically, with integrity, and in a professional manner, to achieve the objectives of the Company. In addition, a product quality system, in compliance with international standards and applicable laws, has been developed. The Audit Committee recognizes that the Company is committed to social and environmental responsibility. The Company has also prepared financial reports in compliance with generally accepted accounting principles, with an adequate disclosure of information, internal control and audit systems, and is able to ensure product quality and good corporate governance, without any material deficiencies.

On behalf of the Audit Committee



**Dr. Narasri Vaivanijkul**

Chairman of the Audit Committee



## Corporate Social Responsibility (CSR)



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

In 2015, the Group CSR Committee was set up with an objective to increase overall assessment of TPI Polene Group's CSR activities. This also includes the development of CSR activities with a policy of full commitment to create value and sustainable growth of the CSR implementation. The policies of CSR implementation have been set aside to promote and to monitor CSR activities. The Group CSR committee consists of the Chairman, the Vice-Chairman, and the Committee members, who were recruited from top management in the relevant departments of TPIPL group.

### The Stakeholders of the Company

In 2015, the Company established "corporate governance policies for related parties who have conflicts of interest" by announcing the written publication of "the policies and measurements towards related parties who have conflicts of interest" as a principal guideline for the employees to interact properly with the related parties who have conflicts of interest. The Company still maintains a policy of full commitment to the principles to create value cooperatively with the related parties. Top management will be responsible for policy affairs treatment for all parties concerned and pass the opinion of the parties concerned through particular departments, who are responsible for all parties concerned. All related parties, who have a direct impact on business operations include employees, shareholders, suppliers, contractors, customers and the community, as well as related persons as a whole. The above policies are a principal guideline for the management and employees of the group that perform in compliance with the principles of good corporate governance by putting corporate social responsibility into clear practice.

## Guideline and Practices towards the Company's Stakeholders

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

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



## TPI Polene and Social Responsibility

Alongside our focus on business excellence, the Company has always strived to improve social development, community standards of living and the environment in order to deepen the harmonious coexistence of our Company and our society.

The Company and its subsidiaries, as a Thai corporation, realize the importance of the clear role of operating the business with an adherence to foster good corporate governance, while creating public well-being and be environmentally friendly by putting corporate social responsibility into practice. The Company has focused on development to further enhance the sustainable implementation in all respects, which can be partly reported below:

### 1. Environmental Activities

TPI Polene and its subsidiaries are committed to environmental conservation. Hence, the Company properly improves and preserves the environment to conform to environmental standards and regulations and continuously prevents pollution in every aspect of work. The Company also has a policy to manufacture cement products which are environmentally friendly with an aim to reduce environmental impact, by cutting carbon dioxide emissions. In addition, the Company has a policy to economize energy usage and to handle waste properly as well as to utilize resources effectively. The Company fully supports activities regarding the environment and promotes sustainable nature conservation. Throughout the year 2015, the Company has been awarded certificates at the international level as follows:

#### Thailand Energy Awards 2015

TPI Polene received the Thailand Energy Awards 2015 for renewable energy among off-grid connected renewable electricity generation projects, using high-efficiency energy recovery technology using a Pyrolysis Plant to generate crude oil and liquid fuel from tire pyrolysis, from the Department of Alternative Energy Development and Efficiency (“DEDE”) under the Ministry of Energy of Thailand (the “MOE”).

#### Thailand Energy Awards 2015

The Company received the Thailand Energy Awards 2015 from the Department of Alternative Energy Development and Efficiency (“DEDE”) under the Ministry of Energy of Thailand (the “MOE”) for adhering to best practices for energy efficiency and renewable energy among on-grid connected renewable electricity generation projects with an installed power generation capacity of 20 MW.

#### ASEAN Coal Award 2015

CSR Thailand Coal Award 2015: TPI Polene won the award in 2 categories: 1. Corporate Social Responsibility: CSR; 2. “Special Submission” from the Department of Mineral Fuel, under the Ministry of Energy of Thailand (the “MOE”). The awards confirm that TPI Polene was selected as a corporation which focused on the importance of “Corporate Social Responsibility” to consistently preserve social and community improvement.

The certificates that the Company has been awarded as above are considered to be an important part of raising the standards of manufacturers concerning coal mines and should be a prototype of the good manufacturer for others to perform and implement accordingly. Thus, it will have a direct impact on the overall





economic development of the country and will promote operational performance of coal mining to be at an international standard level with less harmful effects to the environment and surrounding communities while creating public well-being in surrounding communities and consistently creating sustainable development for societies and economies in ASEAN countries.

• **Plant trees project under Royal Auspices to mitigate the adverse effects of global warming in 2015.**

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

• TPI Polene promoted the use of organic agricultural products under a project with a goal, "To alleviate unhappiness, to encourage happiness and to create smiles" for the people in the district of Amphur Wiharndaeng, Amphur Muanglek, Amphur Phraputhabath, and Amphur Kangkhoi, Saraburi province; and "Mobile Smile Fair ", in the district of Amphur Kangkhoi, Saraburi province to "Display and Demonstrate the application of Organic Fertilizers " to be an alternative for the farmers, who are interested in organic agriculture, which are chemical free and safe for farmers and consumers. TPI Polene also sponsored "the Project for chemical free vegetables" to promote and encourage the growing of vegetables which are chemical free and safe for farmers and consumers and create revenues for students in Amphur Bansubborn, Saraburi province, under the Project, "Chemical Free Vegetables for Lunch".

• Made a contribution of 85 tons of cement to the governmental authority to support construction of a dam, which will create reservoirs that supply water for utilization during lean periods. Regulated flow of water helps form reservoirs to help in diluting harmful dissolved substances in waters by supplementing low inflows and can be used for irrigating arid lands. Reservoirs control the water running through a specific river, keep moisture on the surface of soil and further create a balance of nature. Those projects include the construction of 60 reservoirs to regulate flow of water at Task Force and Internal Security Operations Command Region 33, (Kawira Camp), Chiang Mai province, under the auspices of Her Royal Highness Princess Maha Chakri Sirindhorn, to conserve water and preserve forests, together with the Sub-District of Wieng, Pha Muang, together with 12 Infantry Regiments, King's Royal Guard, Chiang Rai province; the construction project of 15 reservoirs to regulate the flow of water at in Taphraya National Conserved Forest, in the areas of Ban Pangsrada, Sakaew province, together with 12 Infantry Regiments, King's Royal Guard, Paireerat Yordej Military Camp, (Paireerajyordej Camp), Sakaew Province; the project, "Construction of the dam under Internal Security Operations Command Region 1 (Phranasabordeesriuthai Camp), Chonburi province, to be "Knowledge-based center for the construction of proper dams" for the pupils and the students in the approximate areas and municipalities of Banthi, Lamphoon province.



## 2. Social Activities

### • Contribution of blankets in 2015

The management team and the staff of the Company, together with the Environment for Better Life Foundation, distributed 11,100 blankets together with 2015 calendars depicting photographs of His Majesty the King, to local people, who suffer in the cold in remote areas. TPI Polene wanted to share and help alleviate the cold for those in need in the remote areas. As for the areas in the Northeast, TPI Polene distributed blankets to Border Patrol Police Bureau (Udonthani Center) to further distribute to the students under surveillance of the Border Patrol Police Bureau and the local people, who suffer in the cold in Nakornrajsima province. In the North, the Company distributed blankets to Border Patrol Police Bureau (Maerim Center) to further distribute to the students under surveillance of the Border Patrol Police Bureau and the local people, who suffer in the cold in Amphur Mae-Ay, Amphur Chiangdao, Amphur Chaiprakarn, and distributed blankets to the temple of Sridonmoonand to further distribute to the Meditation Center "Thamsiri", Environmental Funds Foundation, Political Science Voluntary Camp (Chulalongkorn University), Rural Development Voluntary Camp (Rangsit University) to further distribute to the hill tribes and the elderly who suffered in the cold in remote areas in Chiang Mai, Chiang Rai, Tak and Prae province.

• Made a contribution of Baht 28,488,000 to the foundations, non-profit organizations, and government authorities to help support activities that benefit society such as the "Wan Sri Nakarin Fund under the patronage to honor Her Highness Princess Maha Chakri Sirindhorn to provide assistance to needy ill people, to accommodate the expanding requirements in learning and teaching for medical students, The encouragement of good health in science research will enhance the benefits and happiness to people of the country, to promote the project "Distribute Dream and Smile" to assist the ill people, the youth, poor kids and their families in terms of medical expenses, supported The Foundation For the Promotion and Development of impaired "under the Royal Patronage to be the host to arrange archery competition in the Asian Para Championship, Para CQT, Asia 2015, Bangkok and supported the Disabled Athletes Association of Thailand Association (under the patronage of His Majesty the King) for the training of Thai disabled athletes to join the competition in the Asian Para and Paralympics game, made a contribution to Saohai Hospital to honor His Majesty the King for the purchase of medical appliances such as laser and shortwave machines for remedy of the ill at physical therapy department to encourage them to go back to live their normal lives, made contribution of ; help support the project "Contribution of rice for Life" for Camillion Social Center Pracheenburi for the assistance and care of the elderly who are poor and to provide services to adapt to the needs of a broader range of homeless elderly; a group of orphans, who have HIV infection, a housing group of disabled kids to obtain good opportunity in life and help support the activity "Half Marathorn" in Bangsaen 21, Chonburi with aims to improve the quality of health. Part of the profits will be further distribute to "Child Development Fund" under the sponsorship of Songkhanakarin Hospital.







- Promoted the “Good Health Project” for the people in the community by continuously providing mobile medical units to protect them from overall hazards including seriously infectious illnesses. This also includes general check-up services, and lung inspection services, TPI Polene also held activities to provide health information to the local people in the community and further promote an awareness campaign for the people in the community to plant organic vegetables to encourage good health to the local people in the surrounding communities in Amphur Kaengkhoi, Amphur Muaklek, Amphur Chalermprakiat, Saraburi provinces, to join the project “Promote the growth of the childer between 1-6 years of age in the rural district of Thabkwang”, and joined the project “Precaution of dengue hemorrhagic fever infection” and distribute abate sand granules to eliminate mosquito breeding source in the communities, which including the uses of herb to eliminate breeding sources.

- Participated in the activity “Donation of blood for auspiciousness of His Majesty the King” under the coordination of the Center of Saraburi Hospital and Red Cross Saraburi. For the event, employees of TPI Polene, together with the local people in the community, jointly donated 100,000 cc of blood to patients in need in Saraburi province and the surrounding area.

- Support the project “Good Health Project and the Sound Mind to Overcome the Senility”, to take a group of the elderly in Amphur Kangkhoi to pay homage of holy Statue and to have a field trip to historic sites and ancient remains in the central and northeast part. The Company supported these projects for the better quality of life of the elderly in both physical and mental health to alleviate liabilities of the elderly and their families and so they can be happy in society. Promoted the activity of Red Cross Saraburi on “Mobile Eye Surgery Project under the Patronage of Her Highness Princess Maha Chakri Sirindhorn” to distribute pampers for the elderly people in the district of Thabkwang, Saraburi hospital and participate the activity “Thai Traditional Medical” to provide massage course for the elderly in the community to alleviate degenerative disease and heal them as well as to provide them knowledge concerning the physical healing in natural way and distribute “Tumeric”, Thai herb medicine for an alternative use health treatment.

- Help develop the potential of the community leaders by having a group of sheriffs, the management group Moo 5 (Ban Hinlap and Ban Subborn), local leaders and local people in Ban Anghin Moo 4, community group and local people in Bank Maikaokwian Moo 12, a group of sheriffs and The Public Health Voluntary Group (Or Sor Mor), and the management team and local agricultural group (9 Housing Community), Vitthanyasuksaphasadej (Sor Phor Por 4), the management team from the Sub-district Administrative Organization of Tabkwang, The Public Health Voluntary Group, the District of Muanlek and Tubkwang, Saraburi province to visit the historical place in the central and northeast parts of the country to join the seminar for the presentation of local merchandises to enhance work creation, develop knowledge and the potential of the learners and further convey knowledge to create revenues in the community.

- Made a contribution of 3,484.46 tons of cement as well as ready-mixed concrete, concrete roof tiles and other products, with total value of Baht 13,339,826.49 to the governmental authority for the renovation of office buildings, athletic grounds, construction of flag poles of the governmental authorities, such as the Rajchapak National Park, Huahin, Prajuabkirikhan province, Ibahturohmarn Mosque (Islamic), Prathumthani province, Royal Safeguard Signal Battalion 1, Amphur Wangmuang, Saraburi province, the Internal Security Operations Command Region 18 (Ardisorn camp), Amphur Muang, Saraburi province, for the construction of Rajchapak pavilion, restrooms, foundation development and renovation of routes to Phasadej, the historically sacred place, for the telecommunication system, the linked railway from Bangkok-Nakornrajsima, Saraburi province. The Company together with Infantry Regiments 12, King's Royal Guard, Paireerat Yordej Military Camp, (Paireerajyordej Camp), Sakaew Province participated to help the construction of dwelling and renovation housing for the poverty in the community, as well as the low-income governmental officers in the area of Banmai Thai Patana, Tambol Nongtakianborn, Amphur Watandej, Sakaew province.

- Distributed TPIPL 350 ml, 600 ml. and 1.5 liter bottled drinking water for a total of 329,580 bottles to the organizations to support activities such as "Bike for Mom", Saraburi province and supported the activity "Half Marathon", Bangsaen 21, supporting athletic activities such as "Riding to attribute love at Muaklek", Saraburi province, participating "Siriraj walk-run to harmonize the community # 9", to honor Her Highness Princess Maha Chakri Sirindhorn on the occasion of her 60<sup>th</sup> Birthday anniversary, joining the project "Precaution of dengue hemorrhagic fever infection", Saraburi province, promoting the activity "Career Promotion" at Health Care Hospital, the District of Tabkwang, Saraburi province, promoting "National Trees", Saraburi province and to cooperatively supported the tradition and culture in Asalha Puja Day and Kao Phansa Day in the temples of Saraburi province, supporting "Municipal Governor Day", Amphur Muang, Amphur Kangkhoi, Amphur Muanklek, Saraburi province, Amphur Chaturat, Amphur Nuensagha, Chaiyabhoon, supporting Youth Camp under the Anti-drug program, arranged by Royal Thai Army, Saraburi province, and TPI Polene jointly promoted awareness of risk mitigation from road accidents during New Year's holiday and the Songkran Festival to a variety of government authorities, such as the Provincial Constabulary Station in Saraburi province and Muaklek Police Station.







### 3. Academic and Youth Activities

TPI Polene knows the importance of academic development and educational support for creating good opportunities for young people to learn hands-on by broadening their skills as well as consistently developing the quality of academic institutions. TPI Polene fully understands that our youth are fundamental to the future of the nation. For events, the Company held many activities and supported many organizations that performed useful activities for young people and granted scholarships to those with special qualifications, such as academic talent, but who might have lacked monetary resources. They are as follows:

#### Scholarships Awarded

- Consistently supported educational funds in the form of scholarships and fellowships to a total of 10 students in the community of Kaset Samphan (limestone area at site C), TPI Polene cement plant, Saraburi province. Scholarships are reserved for students with special qualifications, such as academic talent and good behavioral performance until graduation.
- Supported educational funds in the form of 41 scholarships to enhance educational quality of all level of local people in the community, including students and a group of youth in certain areas Moo 5 (Ban Hinlab, Tambol Muaklek, Amphur Muaklek, Saraburi province).
- TPI Polene Power Co., Ltd. together with the Department of Mineral Fuels, Ministry of Energy awarded 335 scholarships to 19 schools for needy students in certain areas of the country such as Amphur Chaturatre, Amphur Nuensagha and Amphur Bankhwao, Chaiyaboom province in concession reserved area.
- Awarded 20 scholarships to support needy students with outstanding academic qualifications and supported educational funds of 1 scholarship to schools as well as learning and sports materials students in Banrongrakam School, Petchburi province.
- Supported educational funds for creation art work to "Statesman Prem Thinnasulanond Foundation" in the form of scholarships for students, Bachelor degree, Master's degree and Ph.D. degrees levels with outstanding academic qualifications, such as academic talent and good behavioral performance until graduation.
- Awarded 20 scholarships to support needy students with outstanding academic qualifications and supported educational funds of 1 scholarship to schools as well as learning and sports materials for a total of Baht 80,278.75 to students in Bantakolang School, Rajburi province, to support the "2015 Walk Rally Save the World" project, under the support of, "the Environment for Better Life Foundation, established foundation of TPI Polene, which was founded with an aim to cultivate awareness of natural resource preservation, environmental conservation and to further support tourism in Thailand.
- Consistently subsidized educational funds to "100-year Prince Srinagarindra Award Foundation" in the form of scholarships and fellowships to needy students in the community as well as supporting activity of the university and public activity of Mae Fah Luang University, Chiangrai province.



### To Enhance Academic Quality

- Promoted the project for national creative academics under the topic “Creative Local Wisdom”, the faculty of Architecture, Chiangmai University, by supporting the creative work presentation and the application of local wisdom for problem solving to reinforce academic fundamentals, research, developmental process, to create architectural teaching skills for students, professors, alumni in the faculty of Architecture, Chiangmai University.

- Promoted the film under the project “F. Hilaire” of Siam country for The Brother Hilaire Foundation, a charity project under Assumption College University with an aim to honor F. Hilaire, the legendary French priest, who devoted himself as beloved school master to teach young students the roots and nature the Thai languages in parallel with ethical and moral standards.

- Promoted the arrangement “World-Class Schools (WCS) Edu Fair 2015” of Vajravudth College, with the objective to enhance academic development potential as an international

academics by supporting the arrangement of educational network creation and further convey and widespread traditional culture of the country to be in the eyes of the global society through academic activity, cultural arts and music under the cooperation of more than 50 academic institutions all over the world.

- Supported a “Science Museum Project” by taking 120 students from Bansubprik School and Kao Maikwian School, Bansubprik School, Self-Help/Cow-Raising Settlement School, Muaklek School, Saraburi province to join the activity “Science Walk Rally” and had the children get responses to queries regarding exhibitions in the museum by contacting, testing, thinking, deciding and searching for the answers by themselves. They also attended the science show “Nitrogen”, the performance of which was applied in an easy way to be understood by the children, who had also joined the experiment in the “Science Show”. The students had a good time joining the above activity, which helped them increase their experience in science and technology.

Supported a “Bangkok Science Kid Museum Project” by taking 80 students from Bansubborn School, Kao Maikwian School, Bansubprik School, Self-Help/Cow-Raising Settlement School, Muaklek School, Saraburi province to join the activity and had the children obtain top up-ideas, searching for knowledge, testing and thinking in different zones, such as Creativity Hall, Creativity Science, Dinosaur Detective, Myself and marvelous and Inventive Club., etc.

- Supported the project “Walk Rally Echoism Studies”, for vocational academics by having the students from Ban Kaomaikwian, Saraburi province, learn and observe wild animals and wildlife preservation at Nakornrajsima Open Zoo and the students from Bansubprik, Saraburi province to join an education trip at Safari World Open zoo, Bangkok, which aims to perceive the value and preservation of wild animal.





Supported the project for vocational academics and teaching potential as a professional career to create the highest benefits for academic development by having a group management team members together with members of Sufficiency Economy Club, to visit Buddhism ancient places, marketing, folk life and marketplace in Petchburi province and Prajuabkirikhan province as well as having the same group to study herb plants, water management, alternative energy, herb in the kitchen at the Learning Center Surasri Camp to carry on with the philosophy of His Majesty the King to pursue their own living with sustainability and continuity in Kanjanaburi province.

- To be a host to support the organization of the 9<sup>th</sup> Lightweight Concrete Completion, under the cooperation of the Faculty of Engineering, Rajamangala University of Technology Rattanakorn, Klai Kangwon Palace and Concrete Association of Thailand, in “the Her Royal Highness Princess Maha Chakri Sirindhorn’s Trophy” with the scholarship worth Baht 100,000. In 2015, the total number of teams to compete in the competition was 21 teams, recruited from academic institutions throughout the country. The competition was held for the purpose of presenting new innovation for lightweight concrete development, to promote new technology for lightweight concrete work for the students of the Faculty of Engineering, Rajamangala University of Technology Rattanakorn, Klai Kangwon Palace, Prajuabkirikhan province.

- Support for the project of “Rural Development Voluntary Camps. The Company made a contribution of TPIPL cement products and dry concrete of 129.25 tons and TPIPL concrete roof tiles, totaling Bath 325,811.31 to both governmental institutions and private institutions, for the construction of multi-purpose buildings, and to repair dilapidated study rooms, dining rooms and ground floors in the academic institutions. These included Chulalongkorn University, Ramkhamhaeng University, Technology Rajmongkol, Nakornrajsima, Kasetsat University, Thammasat University, King Mongkut’s University of Technology, North Bangkok, King Mongkut’s Institute of Technology Thonburi, and Bangkok University etc, to encourage the students to join useful activities during their free time and promote the development of skills, knowledge and talent of the students to apply their knowledge to practical use in the work fields and convey the knowledge to people in the community to perform the activities that bring benefits to society.

Also, TPI Polene made contributions of TPIPL cement to the Faculties of Civil Engineering in 20 institutions throughout the country for the purpose of a course-training program for masons and to create useful activities for the society.



- Made a contribution of 5,705.95 tons of TPIPL cement products, dry concrete and ready-mixed concrete as well as TPIPL Nano Super Armour and concrete roof tiles, totaling Baht 2,463,961,17 to governmental authorities and academic institutions, for the renovation, repair and construction of buildings, such as the project under cooperation with TISCO Bank Plc., for the construction of dilapidated study rooms for Banthadindum School, Lopburi province, under the supervision of “the Office of Fundamental Academic Committee” in replacement of the old decay one-storey building, which was not safe for studying and teaching. This included for the renovation, repair and construction of buildings Ban Subprik School embraced a memorial to train cobra gold, Saraburi province, renovation of repair and construction of buildings of sport center and sanitarium for ex-teachers of Suankularb College Alumni Association Under the Royal Patronage, promoting knowledge activity BBL ( activity held in form of child playground), Ban Subprik, Saraburi province, construction of athletic courtyard to Ban sub Born School, Saraburi province, renovation of parking building, Muaklek technic College, Saraburi as well as the schools under the Royal Patronage all over the country of Prachanugrah foundation all over the country, renovation of school building, Wat Phonthong school, Saraburi province, Wat Ladkaopoon school and Watmongkol school, Amuphur Chalermphrakiat, Saraburi province. Also, the Company donated TPIPL organic fertilizers to support the agricultural Lunch Project of Ban Klong Song School, Chumporn province under the “New Theory of Agriculture Chemical Free Project”.

- TPI Polene, Saraburi plant, was a host to welcome and fully support activities regarding academic programs in cooperation with a group of professors and students at the level of Bachelor degree, Master's degree and Ph.D. degrees from various institutions, such as:

Faculty of Public Health and Health Technology, Nakornrajsima College, to observe “Environmental Management, Safety and Hygiene,” Faculty of Public Health and Health Technology, Khonkaen University to observe operations “Cement Production Process”, students from Phrayao University as well as pupils, science learning group from Triam Udonksuksa Normkloa School observed “to observe operations in each respective operation unit of the Company such as “Renewal Energy Operations”, “Production process of TPIPL Organic Fertilizers” and “ Environmental Management” and Technic Muaklek College, sheriff of Chalermphrakiat, Saraburi province and sheriff of Kao Phranom, Krabi province, together with the team to observe the operations “Production Process under standardized Quality Control”, “Reduction of Energy, Reduction of greenhouse gas emissions in the community, and are environmentally friendly. University of Technology Commerce Sukhothai observed the operations of “accounting and Computers” and University of Technology Rajchapatre, Lobburi province observed the operation “Industrial Waste Management”







#### 4. Religious Activities

##### • Katin Ceremony

TPI Polene Plc and its subsidiaries acknowledge the significance of promoting and preserving Buddhism and have consistently taken part in Katin ceremonies every year until the present. To this end, the management team, the company's staff, clients and mystic people together made donations for the construction and renovation of religious monasteries and buildings in the temples worth Baht 6,406,098.50. TPI Polene hosted/co-hosted Katin ceremonies, offerings for the priests, and jointly made donations to: a Royal Katin ceremony at Daraphirom Forest Temple, Chiang Mai province; hosted Katin ceremonies at Sridonmoon, Chiang Mai province; hosted Katin at Wat Baanhinlub, Saraburi province; hosted Katin at Wat Banree, Saraburi province; co-hosted Katin at Wat Korkao, Chumpohn province, Wat Kaoyaijansamno, Nakornrajsima province and Wat Pipatmonkol, Sukhothai province.

TPI Polene also supported the "Novices Propagation Ordination Project" at the Temple of the Rama IX Golden, to introduce and propagate the teachings of Lord Buddha to young people and kids by selecting 18 youngsters (9 Novices and 9 Buddhist nuns) to volunteer to stay in the project during March 13 - April 19, 2015. The event was broadcast "Live" for 24 hours through Suwannaphoom channel and introduced and propagated the teachings of Lord Buddha to young people and to the world community in order to bring about peace and harmony to the lives of the people in the country. The aim is to cultivate and create consciousness among Thai people. This also includes the propagation of Buddhism under the program "The Annual Novice Ordination in Summer", Wat Kaoman Thammaram, Saraburi province, and supporting "Dhamma Talk" so that laymen/laywomen can practice meditation at the Temple of Thampraphothisat, Amphur Kangkhoei, Saraburi province.

• TPI Polene and its subsidiaries supported the propagation of Buddhism through "The World Buddhist Television of Thailand (WBTV)" at Wat Yannawara and introduced and propagated the teachings of Lord Buddha in the country and to the world community in order to bring about peace and harmony to the lives of the people in the country with various nationalities and religions. The aim is to cultivate and create consciousness among Thai people, to be patriotic to their homeland and sacrifice themselves for the genuine good of the nation, their religion and the monarchy. This also includes the propagation of Buddhism under the program "The Miracles of Wisdom" with a monk as a daily speaker, Phrarajyannakawee and Phrapornphol Prasanno, at The Temple of the Rama IX Golden, to introduce and propagate the teachings of Lord Buddha.

- The Company donated TPIPL cement products and dry concrete of 4,084.94 tons, concrete roof tiles and ready-mixed concrete as well as other products, with total value of Baht 7,489,788.78, to more than 41 temples in the country for the purchase of construction materials to build and renovate religious places. These included ordination halls, meditation halls, Dharma study halls, a sermon hall in a monastery, a monk's house, crematory, Stupa, Dharma practice hall and surrounding areas around temples for Buddhists and people in general. These included the construction project of ordinary hall, Phrabhudasrisappanyoo in the Nakornsawan Buddhism Park, construction of Great Stupa, Wat Thammakai, and the construction of general purpose hall on Monastery of Phrabhuddasaiyart Lokkanartsartsadamunee to support Buddhism, Wat Paphookorn, Udonthani province. The Company donated cement to support Buddhism but also distributed cement for the construction of Phrabutthainsom Boromtriloktajnabordin, Amphur Muang, Leuy province and the construction of a crematorium, at the temple of Sathongbanhuadorn, Roied province.

In addition, the Company also recognizes the importance of Muslim practices by supporting and participating in Islamic rituals. We have also organized projects and activities to support the preparation of the Islamic Religious Holiday Calendar 2016, to celebrate the auspicious occasion of His Majesty the King's 88th Birthday and to support the Changing of Kaba Kiswa HD. We donated the clock for Ramadan (start) in the project "To bring peace to the troubled south of Thailand" with the objective to make clear and understand the Muslim instruction principles and religious context to stimulate and preach the spirit and awareness of the misled to cooperatively make and bring peace to southern Thailand under the Royal Philosophy of His Majesty King Bhumibol Adulyadej, "To Understand, Access and Develop" for the betterment of religion.

## 5. Preservation of Traditional Thai Culture

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

TPI Polene realizes the importance of art and culture and has consistently taken part in supporting cultural activities. The Company pursues its business operations with a full commitment to deepen the harmonious coexistence of the activities of the community from time to time by promoting and preserving Thai traditional cultures to be alongside the consistent development of Thai society. The Company knows that stucco molding is an artwork that requires skill, creativity and art developed over many years which can be seen at historical sites around the country. However, the interest of Thai craftsmen has waned and the art of stucco molding might vanish. TPIPL intends to keep on promoting Thai art and culture, and 2015 was the 15th year that the Company, with the collaboration of the Ministry of Culture, the Poh Chang Campus of the Rajamangala University of Technology Ratanakosin, and the Thai Sculptures Association arranged "The 15th Art of Stucco Molding" competition. The competition comprised two levels as follows:







II. General Public Level with three categories:

1. Molding stucco under the title "Phra Arpaimanee"
2. Molding cement mortar under the title "Local Music for 4 Parts"
3. Sculpturing of cement mortar under the title, "The Statesmen of the country in the Thai history (not less than the past 100 years)"

II. Youth level molding premixed cement under the title, "Local careers in 4 parts".

The competition was held on April 22-26, 2015.

General Surayud Chulanont, the guest of honor, presided at the opening ceremony of the 15th Thailand Art of Stucco Exhibition on October 6, 2015 at the National Museum Art Gallery, Chao-Fah Road, Bangkok. Her Royal Highness Princess Maha Chakri Sirindhorn bestowed the prize to the selected winners in "The Art of Stucco Molding of Thailand" competition, which further enhanced the highest spiritual kindness for the Art of Stucco Molding and the related persons for the further creation of the Art of Stucco Molding as the unique identity of our country. The Company was honored to take part in helping maintain the conservation of cultural art and development of the Art of Stucco as a unique Thai identity. The Art of Stucco, which appeared in ancient monuments, and valuable national sculptures all over the country, was developed in order to respond to and follow in the footsteps of His Majesty the King in maintaining the conservation and development of the Art of Stucco to remain as a valuable national sculpture forever.

#### • To Sustain Thailand's Traditional Cultures

In local areas, TPI Polene provided support for the offerings dedicated to Buddhist monks, and supplied the big candles used in the temples on the occasion of the beginning of Buddhist Lent, to more than 26 temples in Saraburi and Chaiyaboom provinces. TPI Polene also preserved the "Thai traditional Songkran Festival", a traditional way of paying respect to elders and receiving blessings from elders in Amphur Kangkoi, Amphur Muaklek, Amphur Wungmuang, Saraburi province, and participated in the following ceremonies:

"Floating Raft" in the sub-district of Thaklor, Saraburi province; the festival "Sun Flowers Garden" with the objective to support tourism and stimulus economy in the community; 7<sup>th</sup> Trace Back to World War" in the sub-district of Kangkhoi, Saraburi province; encouraged Thai people to take part in maintaining the conservation of Thai historical culture with an aim to stimulate the harmony of Thai people and to protect Royal institutions and upholding the Thai Traditional Loy Krathong Festival in Amphur Tabkwang, Municipal Muaklek, the Sub-District of Mittaparb, the Sub-District of Muaklek, the Sub-District of Thakhor, as well as Thakhor, Bangkok, Kkaodinpattana, Saraburi province. The Company has participated in traditional Loy Krathong Festival with local people in the community for over 21 years.

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



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

TPI Polene is well aware that our success and the sustainable growth of the organization at a level of excellence is primarily the result of growth from operational outcomes together with the acceptance and trust of the community and society. Consequently, the Company's management has implemented Quality Standard Systems ISO 9001, API Spec.Q1, Environment Standard System ISO14001, Health and Safety Management Standard TIS 18001, OHSAS 18001 as well as ISO/IEC 17025 Standard, certifying the performance evaluation test and calibration laboratories under the certified laboratory system of Thai Industrial Standards Institute. TPI Polene has applied the standardization in all respects to be implemented suitably and properly to enable TPI Polene to operate the business effectively and efficiently.

### Quality Management

TPI Polene Group focuses on producing, distributing and delivering quality products to satisfy customers' needs. The Company consistently improves the effectiveness of quality control and reduces greenhouse gases. All products of TPI Polene Group were developed under the Quality Control System ISO 9001:2008, API Specification Q1, SPI Specification Q10 and ISO/IEC 17025:2005. In addition, the Company reviews objectives and targets regarding quality at least once a year.

### Health and Safety Management

TPI Polene Group continuously emphasizes health and safety as a part of business operations to prevent all employees and all people involved from overall hazards including work-related injury and illness.

In 2015, The Company, together with the Department of Welfare and Labor Protection, the Ministry of Labor, arranged the project "Safety and Health in workplace" to provide knowledge to the employees, educational institutions and people in general for the auspicious of Her Royal Highness Princess Maha Chakri Sirindhorn, with an emphasis to reduce accidents associated from risk in the workplace to zero. Throughout the year 2015, the Company has understood the significance of occupational health and safety in workplace and has consistently taken part in developing safety system in the workplace, aiming to reduce accident to zero. The Company also participates in the projects as a corporation to conduct its business according to all the rules and regulations of Thailand regarding health and safety in order to reduce and control moderate to severe risks, was awarded and selected as the corporation in recognition for achievement of Safe and Health in workplace for the auspicious of Her Royal Highness Princess Maha Chakri Sirindhorn, from the Department of Welfare and Labor Protection on August 28, 2015.

The Company has implemented a Health and Safety Management System (OHSAS 18001:2007 /TIS 18001:2011) and has conducted its business according to all the rules and regulations of Thailand regarding health and safety in order to reduce and control moderate to severe risks. The Company believes that health and safety are a responsibility of executives and employees at all levels; therefore, the Company provides sufficient and proper resources such as personnel, time, budget, and training. Additionally, the Company reviews objectives and targets to control the risk of the activities of the company at least once a year and uses work performance in terms of safety as a factor in performance evaluation of employees.

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

### Public Well Being and Employee Healthcare

The Company shows its serious concern for public health in the surrounding community by continuously sending mobile medical units to offer health services to the public. The Company also extends medical welfare (OPD) for employees and covers the families of employees such as parents, spouses and their children. In addition, annual medical check-ups are provided for all employees. The Company also prepared for the prevention of seasonal epidemics by supplying tetanus for clostridium tetani vaccines, flu type B and Swine Flu vaccines to employees and their families.

### Environmental Management

TPI Polene Group is committed to environmental conservation. Hence, the Company properly improves and preserves the environment to conform to environmental standards and regulations and continuously prevents pollution in every aspect of work. The Company implemented international Environmental Standard System ISO 14001:2004 to reduce waste and environmental impact. The Company reduces the amount of dust as well as controls the quality of wastewater from the production process. In addition, the Company has a policy to economize energy usage and to handle waste properly as well as to utilize resources effectively. The Company fully supports activities regarding the environment in cooperation with the government, private sector and local communities. The Company promotes sustainable nature conservation by supporting reforestation and rehabilitation of used mine areas. The Company also reviews objectives and targets regarding the environment and provides suitable knowledge and training about the environment for all levels of employees in order to raise environmental awareness.

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

### **Laboratory Standards**

In addition, the laboratories of our cement plants passed the performance evaluation test under the certified laboratory system of Thai Industrial Standards Institute, according to ISO/IEC 17025:2005 and TIS 17025:2548, the performance evaluation test and calibration laboratories. Besides, the Company has bestowed the registration for private organization of “the analytical lab” in respect of environmental preservation by the Department of Industry, registration no. Ror-097.

### **Carbon Label: “the Symbol of Environmental-Friendly Production Process”**

The Company was the first Thai manufacturer in the country and the Asian region to be awarded the Carbon Label in Thailand and in Asia by the Thailand Greenhouse Gas Management Organization (TGO) in the cement production category in 2008. The 22 types of products passed the evaluation criteria and 9 types were awarded the Carbon Label. To this end, the Company has a strong commitment to consistently develop production processes at environmentally friendly plants.

### **Energy Management**

The Company has participated in a preparation project for energy management standards together with the Department of Renewable Energy and Energy Conservation, Ministry of Energy, to be in compliance with Energy Conservation Act B.E 2538 (revised version B.E 2550) for Control Building and Control Factory.

### **Productive Management**

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

### **Social Responsibility Standards**

The Company has implemented social responsibility standards ISO 26000 to be implemented through the organization covering 7 major issues: organization supervision, human rights, labor, the environment, fair operations, consumers, and participation in community development. The Company acts according to 237 standard regulations and 321 provisions. In addition, the Company operates sustainable community development projects in education, economics, public health, and the environment in order to enhance quality of life in the community in line with the Sufficiency Economy concept and ongoing organizational improvement. TPI Polene has always strived to improve educational and social development, community standards of living and the environment in order to deepen the harmonious coexistence of our Company and our society, following the Sufficiency Economy concept. On September 9, 2015, TPI Polene won CSR-DIW Awards 2015 as the top manufacturer in the country, under the category “Standards for Corporate Social Responsibility”, from the Department of Industrial Works, Ministry of Industry. On June 25, 2015, TPI Polene won the award in 2 categories: 1. Corporate Social Responsibility: CSR; and 2. “Special Submission” from the Department of Mineral Fuel, under the Ministry of Energy of Thailand (the “MOE”). The awards confirm that TPI Polene was selected as a corporation which focuses on the importance of “Corporate Social Responsibility” to consistently preserve social and community improvement.

### **Integrated Management Systems**

The Company’s LDPE plant has moved forward to be the top leading plastic resin manufacturer in Thailand and in the Asian region. TPI Polene is the first plastic resin manufacturer to be awarded Integrated Management Systems (IMS) from ISO Standard Institutions and it is among the top six manufacturers in the country, which all have been awarded the above certificate of Integrated Management Systems.

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

## Overview of Business Operations

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TPI Polene group operates its business operations by focusing on further development and building of business innovation by employing national resources for ultimate benefit. TPI Polene, therefore, has become a leading Thai cement manufacturer, which can generate electricity from waste heat recovery, process industrial waste to boost its fuel value (Refuse Derived Fuel or RDF) and to recover recyclable materials for environmental balance. We have maintained our position so as to create balance in business success, while participating in many activities to protect our environmental surroundings while strengthening society to be an integral part in moving the Thai economy forward together with Thai society.

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

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

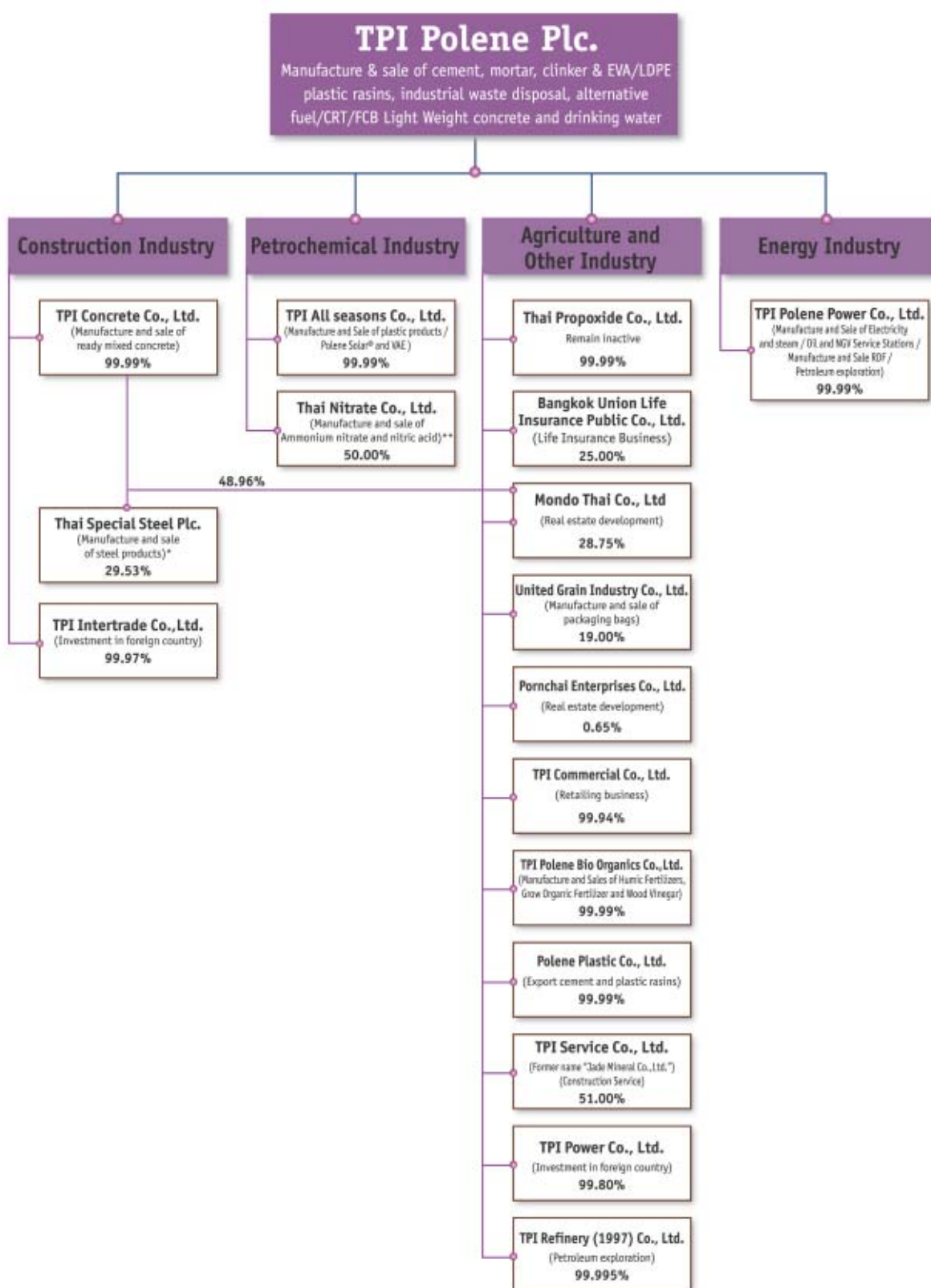
TPI Polene has established affiliate companies to support the core business and to be convenient, easy to manage, efficient to operate and increase its competitive advantages by considering any other factors, such as relevant governing laws, financial structure, taxes and risk management, etc.

TPI Polene has maintained a policy of managing its affiliated and subsidiary companies to operate their business to be in compliance with the policies of its mother company to ensure that the business administration and good corporate governance system is controlled in the same way. As for the administration of associated and affiliate companies, the Company has appointed a representative to a position in the executive management team to jointly manage and make decisions on policy and plan implementation by placing great importance on fostering a good governance corporate culture throughout the organization, with an emphasis on transparency to achieve set objectives.

TPI Polene and its subsidiaries have maintained our position as one of the top leading cement manufacturers to create stability and balance in business operations, public well-being, social and community improvement, while protecting our environmental surroundings to strengthen society and further enhance the sustainable growth of the Company to always be in compliance with the policy of TPI Polene's responsibility towards society.



## Structure of the Group as at December 31, 2015



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

\*\* As appeared in list of shareholders of the Company (Bor Or Jor 5) at the Department of Business Development, Ministry of Commerce, detailed in the 2014 financial statements, item 40.

# Nature of Business

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## 1. Cement, Clinker and Mortar Cement Business

TPI Polene is one of the major manufacturers and distributors of cement products and mortar cement under the brand name “TPIPL”. The plants are located in Saraburi province. All the Company’s cement products meet the ISO/TIS certifications of industrial standards, ASTM Industrial Standards and the EU Industrial Standards. TPI Polene was the first cement manufacturer in Thailand to be awarded ISO 9002 Certification from the International Standard Institute, for surpassing industrial and environmental protection standards. This has enabled the Company to export cement to the state of California, where surrounding communities are highly aware of environmental conservation.

TPI Polene was also the first cement manufacturer to be awarded the Carbon Label for both Portland cement and the mortar cement products. The Carbon Label demonstrates that the producer has submitted data to show that it has significantly reduced carbon dioxide (greenhouse) emissions, which cause global warming.

The Company currently operates four cement production plants with total production capacity of 13.5 MTPA (Cement line 4 become commercially operational in early 2016), using technologically advanced machinery, and is strategically located, adjacent to both a limestone quarry and an efficient transportation distribution network, which reaches throughout the country. This gives the Company its low-cost competitive advantage. Besides, TPI Polene Group operates Waste Heat Recovery Power Plants, which generate electricity from waste heat emitted from TPI Polene’s 4 cement production plants and/or uses Refuse Derived Fuel (RDF) as fuel to generate electricity in its RDF-fired power plants. As a result, TPI Polene Group become a power plant operator in Thailand, with the largest waste-to-energy power plant operations in the country, a renewable energy to enhance environment.

### Cement Industry

In 2015, cement demand in the country was 31 million tons, decreasing from 35 million tons in 2014, or a decrease of 11% as a result of the economic deterioration in the country and drastic slumps in agricultural product pricing, including rice and rubber. However, cement demand consumption in the country in 2015 decreased compared to 2014, mainly due to the slowdown of government infrastructure projects and private construction projects. However, in 2015, Company has consistently developed new cement products as a way to create added value. New products have been launched and introduced to the market, such as Lightweight concrete blocks (AAC type), Digital Board and products for fine art., etc.

Demand growth for cement and clinker as well as other products of TPIPL grew consistently in the export market, in parallel with expansion in the construction sector in Asia, which is mainly the export market that constantly consumes cement and other construction materials in large quantities, particularly by the development of large-scale investments in infrastructure construction in those countries.

In 2016, the Company anticipates that cement demand in the domestic market will increase, supported by investment in public utilities and telecommunication development systems in both the public infrastructure and state enterprises’ on-going investment scheme. In preparation for the ASEAN Economic Community, the Thai government will launch a pilot project to set up “Special Economy Zones” as announced by the government, such as the district in Amphur Maesort, Tak province, Amphur Aranprathet, Sakaew province, Amphur Kongyai, Tak province, Amphur Muang, Mookdaharn province and Amphur Sadao, Songkha province.,etc. All those factors have a direct impact on overall economic growth and demand for cement in the domestic market.

## 2. LDPE/EVA plastic resins

TPI Polene is the manufacturer and distributor of LDPE Homopolymer (LDPE) and LDPE Copolymer (EVA) plastic resin. TPI Polene operates this business in Rayong province, with total production of 158,000 TPA. The LDPE is the output to be used as a main raw material for many types of plastic products, while EVA plastic resin will be used to produce athletic shoes. Low-density polyethylene (LDPE) and Ethyl Vinyl Acetate (EVA) account for TPI Polene’s market share of 20% and 90% of total domestic sales volume in the country respectively. We are the sole producer of EVA in Thailand and one of the few producers of EVA in the world who can develop proprietary EVA production technology.

### LDPE/EVA Industry

In 2015, domestic demand consumption for LDPE/EVA plastic resins slowed down due to falling crude oil prices leading to a sharp drop in LDPE/EVA prices. Most consumers have ceased buying plastic resins owing to swift drop in crude oil prices. In addition, this scavenging of volume markets has slowed, leading to a substantial decrease in demand consumption in commodities during the year as well as a drastic decrease in production output in 2015. Plastic bags manufacturers decided to reduce production output or closed down factories, thereby resulting in a drastic reduction in production volumes of LDPE/EVA in the country.

As for international markets, competitive conditions for LDPE/EVA plastic resins was also intense as there was no sign of economic recovery in Eurozone countries, which caused weaker demand in international markets, particularly a slowdown of imported commodities from the countries in the Eurozone. Simultaneously, there were several manufacturers brought on stream with additional capacity from Korea whereas manufacturers in the Middle East and China produced plastic resins at full capacity, thereby resulting in a drastic reduction in plastic resin prices.

In 2016, the Company anticipates that plastic resin prices will increase in both the domestic market and international market, as there is a sign of economic recovery in the United States of America and in Eurozone countries, which caused strengthen demand in international markets. During the first half of year 2016, it is anticipated that the export market for plastic resins is set to become more stabilized whereas raw material prices will start to reduce accordingly.

For the international market, shale gas in the United States of America was found and explored and there were constructions of additional petrochemical complexes, leading to reduction of gas cost. Thus, petrochemical manufacturers started to produce and export petrochemical products to the international market, which enable it to have an advantage with a lower cost of production in plastic resin. In the country, petrochemical manufacturers primarily use naphtha as the main raw material, which tends to reduce, thereby leading to an improved operational performance of the Company in 2016.

### **3. Ready-mixed Concrete**

TPI Concrete Co., Ltd. Manufacture (a 99.9% owned subsidiary company) is the second largest manufacturer and distributor of ready-mixed concrete with a market share of 13% of ready-mixed concrete demand in the country. Product quality and consistent improvement of service is our prominent feature.

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

#### **Ready-mixed Concrete Industry**

The ready-mixed concrete industry slowed down in the first half of 2015, mainly due to the delay in government infrastructure projects and private construction projects which was a direct result of an economic slowdown in the country and lower purchasing power in the country caused by the drop of agricultural products prices while housing debt has climbed relatively high. However, demand for concrete in the country showed signs of recovery, a result of investment in construction sectors and the acceleration of the disbursement of national budgets from the government and state enterprise funds, to further drive the increase of property development of the country's infrastructure projects, whereas investment in private sector's investment scheme showed signs of shrinking, leading to the decrease in overall demand consumption of ready-mixed concrete in the country in 2015 compared to the previous year.

In 2016, it is anticipated that the construction situation will tend to improve, supported by an expedited disbursement of national budgets, particularly the investment fund for extension of the sky train's line routes to cover all areas in Bangkok and its outskirts in parallel with the Government's investment of infrastructure projects for the logistics system, which includes construction of double track railways throughout Thailand and an additional three routes of motorway construction project. These projects are in response to the opening of AEC (ASEAN Economic Community) and to further drive property development from the private sector and foreign investment, particularly increased investment in construction of residential housing, which is anticipated to expand to be in line with infrastructure development plans.

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

The Company has made investments in concrete roof tiles with total project investment of approximately Baht 500 million. This project will be fully operational in 2016. In addition, the Company has made investments in fiber cement projects with total project investment of approximately Baht 3,300 million. The fiber cement project was planned to become fully operational by the end of 2015. These projects have been granted promotional certificates from the Board of Investment ("BOI").

Concrete Roof Tiles and Fiber Cement Products are classified as one of our products under our logo, "TPIPL". The Company has a strong commitment to consistently develop the standardization of production processes and quality of the products surpassing the production standards from Thai Industrial Standards Institute and is designed through a production process that uses modern machinery and high technology. Concrete roof tiles and fiber cement products are made from high quality cement and are manufactured to meticulous strength specifications, ensuring endurance and ultimate press. It has captured all the characteristics of creative curb appeal, created a matte appearance and they make a roof stand out. TPI Polene put an emphasis on producing the products to be environmentally friendly and help to even out temperatures.



The Company also developed varieties of products from fiber cement by employing modern “digital technology”. TPI Polene is the very first manufacturer in the country to use digital technology, to create value added to the product and to be used as a substitute for timber fascia, marbled appearance and granite, etc.

Also, the Company also provides a full comprehensive range of design for structure of concrete roof tiles in professional styles. Our superior-quality tiles are available with roofing system, heat-resistant coating and also the budget for installation can be quickly estimated. Our tiles are ideal to complete sustainable building construction, assuring efficient installation work by the professional team under the standardization of roofing material and efficient production process, which can be tested. Our roof system has a large variety of quality products with an attractive appearance and has a comparatively long lifecycle, as well as a highly efficient product development team.

### **Concrete Roof Tile and Fiber Cement Industry**

The major manufacturers in the Concrete Roof Tile and Fiber Cement Industry are Siam Cement Plc, Siam City Cement Plc, Diamond Roofing Tiles Plc., TPI Polene Plc, Siam City Cement Plc., Mahaphant Fiber Cement Plc., and Oranit Roofing Tiles Co., Ltd. Big roofing manufacturers have competitive advantages in terms of controlled cost of production. TPIPL roofing is genuinely produced through research and development for product innovations, the production process that uses modern technology to obtain varieties of products from fiber cement to respond to the needs of new customers, in order to expand the market and capture existing market share.

As there is some limitation of wood properties to be used in decoration or construction work, the fiber cement market has growth potential as they can be used as a substitute for wood. They have better properties as compared with wood, as fiber cement is manufactured to ensure moisture endurance, flexibility, free of termite and insects, cost saving as compared to wood and its availability.

The Company has a policy to export fiber cement products and concrete roof tiles to AEC (ASEAN Economic Community) member countries such as Philippines, Laos and Myanmar and has a plan to expand the market to other countries and other continents, to accommodate economic expansion.

### **5. Light Weight Concrete**

The Company made investments in its Lightweight Concrete Project, with total investment of approximately Baht 800 million. This project became commercially operational in 2015. Demand consumption for lightweight concrete consistently grows, which was fueled by the acceleration of some massive infrastructure projects in those countries. As a result of which, lightweight concrete is now being used in an ever-increasing number of applications and it is a material suitable for a wide range of purposes, as well as achieving cost savings through construction speed and lower labor costs. Therefore, lightweight concrete can respond to the demand in the construction market, driving the market for lightweight concrete to expand rapidly. Lightweight concrete can be used for ready-made board with strengths equivalent to normal lightweight concrete. The dominant characteristic of the lightweight concrete project is that the Company can produce lightweight concrete using a variety of raw material produced at its own plant, which is greater than 90%, which include electricity and surplus of steam which will be reusable in the production process, thereby resulting in lower costs of production and creating competitive advantages.

### **Light Weight Concrete Industry**

Five major manufacturers in Light Weight Concrete Industry, under their distinctive trademarks, are Q-Con, Super Block, Thai Con, Smart Block and Diamond Block.

For the past several years, demand consumption for light weight concrete has grown consistently to be utilized in lieu of Mon brick. Up until 2015, supply for light weight concrete excess demand and simultaneously, there were several manufacturers brought on steam with additional capacity from all manufacturers in the country, thereby resulting in an intense price competition in the local market. However, the Company has developed and used modern technology, with a policy for developmental new product design of specialty to produce light weight concrete in wide range of size to respond the demand of the customers to be used as the strategic to expand the market and sustain the market shares for light weight concrete.

### **6. Refuse Derived Fuel (“RDF”) Plant**

TPI Polene Power Co., Ltd. (a 99.99% owned- subsidiary of the Company) operates a renewable energy business with an Alternative Fuel Power Plant, or Refuse Derived Fuel (RDF), with a total project investment of Baht 1,200 million. It commenced commercial operations in 2001. The plant is located within the area of our cement plant in Saraburi province. The RDF project enables the Company to use RDF fuel for the partial substitution of coal, thereby reducing our coal usage in the cement production process and/or RDF fuel can be substituted as coal energy to generate energy in the form of electricity in the Plant. The RDF Plant as above has been granted promotion certificates from the Board of Investment (“BOI”).

A Renewal Energy business to enhance recyclable materials not only enables us to reduce coal usage but helps manage waste by reducing the need for conventional waste treatment, such as landfilled waste and dumping grounds. This project also helps reduce environmental impact in the surrounding community and enhance recycling opportunities to further develop a recycling economy with sustainable economic benefits.

Presently, TPI Polene Power is expanding the production capacity for RDF fuel to accommodate its extensive usage as energy fuel for an Alternative Fuel Power Plant, or Refuse Derived Fuel (RDF), with total project investment of Baht 1,450 million with construction to be completed by 2017.

The Company procures three primary types of waste:

1. Unsorted landfill waste at the source that the Company manages by itself or through sub-contractors;
2. Unsorted MSW consists of unprocessed waste transported to the Company directly from municipal governments and waste management companies without prior sorting. Under this type of waste deposit agreements, TPI Polene Power agrees to pay MSW suppliers a fee, provided that TPI Polene Power is satisfied with the quality of the MSW.
3. Pre-sorted MSW transported to the Company by waste management companies to be used as energy fuel for power plants.

### **The Competition for the Procurement of RDF Fuel**

TPI Polene Power Co., Ltd.'s competitors for waste disposal business are power plants or cement manufacturers. However, the project enables the Company to use RDF fuel for the partial substitution of coal as coal prices in the global market tends to decrease accordingly thereby reducing the commercial value of RDF fuel, which can be substituted as coal energy. As a result, competition conditions to purchase RDF fuel in the market tends to be relatively moderate.

However, processing RDF to boost its fuel value and to recover recyclable materials for electricity generation is commercial worthiness as TPI Polene Power sell contracted power generation capacity to the Electricity Generation Authority of Thailand (EGAT) and receive an adder of Baht 3.50 per KWh, which is payable in addition to the standard price of EGAT among not many RDF-fired Power Plants in the country. TPI Polene Power Co., Ltd. is the largest waste-to-energy power plant operator in the country and has already entered into agreements to sell electricity to EGAT.

### **Source of Raw Material and the number of RDF-fuel Manufacturers.**

Presently, there are several RDF-fired power plant manufacturers in the country and most of them have an installed power generation capacity or capacity to process landfill waste at relatively moderate. However, there are some existing RDF-fired operators in the country, who procure landfill waste generally supplied by municipal governments and plan to make an investment for upcoming RDF-fired construction. However, the waste-to-energy industry in Thailand is in an early stage of development. The market has high barriers of entry due to the high technological demands and capital intensive nature of waste-to-energy facility construction. The Company competes with its competitors primarily in terms of waste procurement.

TPI Polene Power has a policy of operating an industrial waste disposal business for procurement of landfill wastes under the license to operate a central waste treatment plant and in order to acquire sufficient cyclical materials to be used as RDF fuel for the upcoming Power Plant.

### **Policy from Government Sector**

However, the Thai government has implemented policies to manage new waste and procure old waste for use as fuel to generate renewable energy. The budget has been allocated for transporting old landfill waste from their sources to be deposited at RDF plants. It is considered the Thai government's policy for procurement of landfill waste to be used for RDF-fired power generation.

The government has announced a clear policy for waste management with an emphasis on changing and giving up the conventional method of waste disposal such as dumping ground and landfill to support and promote resource recovery and convert them to energy in the form of usable heat, electricity or fuel by encouraging the private sector to take action. Therefore, the announced policy from the government has driven waste management companies in particular areas to seek a new way to dispose of waste. Waste procurement is to be processed in RDF-fired power plants or waste pre-sorting plants to sell them as raw materials to generate electricity in power plants or cement plants. It is considered the government's policy to support procurement of waste to feed in the RDF plants or RDF-fire power plants.

However, the government has announced a clear policy to economize energy usage and to increase the use of renewable sources by promoting energy diversity for newcomers to enter the renewable power plant business, particularly very small power producers (VSPP: producers with power generation capacity of less than 10 MW). This will cause the competition for the procurement of waste to further intensify in the future. However, those very small power producers receive adders to renewable power producers in the form of Feed In Tariff (FIT) , which is lower than an adder of Baht 3.50 per kWh. In addition, such VSPPs are the small waste-to-energy industry in

Thailand and there is no economy of scale of waste-to-energy facility construction, meaning VSPPs are at a disadvantage in terms of production cost as compared to the energy waste power plants of TPI Polene.

#### **Advantages of RDF-fired Power Plant of TPI Polene Power Co., Ltd.**

1. With high standards of production technology, TPI Polene Power is able to achieve the higher standards of performance to manage waste and process high quality RDF in larger quantities to boost its fuel value and to recover recyclable materials for electricity generation. TPI Polene Power has been entrusted by waste management companies as the standard-bearer to manage and process the waste residue as compared to others.

2. Production Cost Advantages due to economies of scale

In addition, TPI Polene Power has a clear policy to support procurement of landfill waste to be used for RDF-fired power generation as follows:

1. The Company has entered into waste deposit agreements with municipal governments and waste management companies in particular areas with the purpose of converting municipal solid waste and non-hazardous industrial waste to RDF energy.
2. To provide viable options for business units which plan to operate the waste disposal business and then can switch to operate waste disposal business to produce RDF fuel, with lower cost of capital, lower risk and less problems incurred from fighting against the waste disposal business rather than power plants, thereby increasing quantity of RDF fuel by leaps and bounds.
3. To support the transportation of pre-sorted landfill wastes to be used with the same transportation system of cement transport, thereby reducing transportation costs to some extent.

#### **7. Power Plants**

TPI Polene Power Co., Ltd. (99.99%-owned by TPI Polene) made investments in Power Plants with a total capacity of 18 MW each.

1. A waste heat recovery power plant (the “WHRPP-40MW”), which generates electricity from waste heat emitted from TPIPL’s cement production plants and has an installed power generation capacity of 40 MW, consisting of two 20 MW power generation units. These RDF-fired Power Plants have been granted promotion certificates from the BOI.

2. An RDF-fired Power Plant with an installed power generation capacity of 20 MW. TPI Polene Power Co., Ltd. began to sell a contracted power generation capacity of 18 MW in January 2015 to The Electricity Generation Authority of Thailand (EGAT). The RDF-fired Power Plants receive an adder of Baht 3.50 per kWh, which is payable in addition to the standard price of EGAT, on alternative-fuel-generated electricity for 7-year period, from EGAT. These RDF-fired Power Plants have been granted promotion certificates from the BOI.

3. An RDF-fired Power Plant with an installed power generation capacity of 60 MW. In August 2015, TPI Polene Power Co., Ltd. began to sell a contracted power generation capacity of 55 MW from RDF-fired Power Plant with an installed power generation capacity of 60 MW to The Electricity Generation Authority of Thailand (EGAT). The RDF-fired Power Plants receive an adder of Baht 3.50 per kWh, which is payable in addition to the standard price of EGAT, on alternative-fuel-generated electricity for 7-year period, from The Power Electricity Authority of Thailand. These RDF-fired Power Plants have been granted promotion certificates from the BOI.

4. A power plant with an installed power generation capacity of 100 MW, consisting of a 30 MW waste heat recovery power generation unit and a 70 MW RDF-fired power generation unit, which commenced commercial operations in February 2016. Presently, TPI Polene Power Co., Ltd. has completed the construction of a Waste Heat Recovery Power Plant with an installed power generation of capacity of 30 MW, which will initially sell electricity generated from the waste heat recovery power generation unit to TPIPL to be used in TPIPL’s cement production process until the RDF-fired power generation of capacity of 70 MW becomes commercially operational. Thereafter, a RDF-fired Power Plant with an installed power generation capacity of 100MW will sell a contracted power generation capacity of 90 MW to EGAT in the first quarter of 2017, both of which have been granted promotion certificates from the BOI, which entitles it to a number of benefits including tax exemptions.

5. An RDF-fired Power Plant with an installed power generation capacity of 70 MW with total project investment of Baht 3,300 million. The project is currently under construction and is expected to be completed by the end of 2016. TPI Polene Power Co., Ltd. will sell a contracted power generation capacity of 90 MW from RDF-fired Power Plant and a Waste Heat Recovery Power Plant with an installed power generation capacity of 30 MW and 70 MW respectively to The Electricity Generation Authority of Thailand (EGAT) within the first quarter of 2017. (We are currently in the process of signing the contract with EGAT and have already received the acceptance letter from EGAT on November 21, 2015). The Power Plants receive an adder of Baht 3.50 per kWh, which is payable in addition to the standard price of EGAT, on alternative-fuel-generated electricity for 7-year period, from The Power Electricity Authority of Thailand. These RDF-fired Power Plants have been granted promotion certificates from the BOI.



6. A coal/RDF-fired power plant with an installed power generation capacity of 150 MW, with the investment project of Baht 7,300 million. The project is currently under construction and is expected to commence commercial operations in the fourth quarter of 2017. The electricity generated from a coal/RDF-fired power generation unit will be sold to TPIPL to be used in TPIPL's cement production process. This coal/RDF-fired Power Plant has been granted promotion certificates from the BOI.

7. A coal and RDF-fired power plant with an installed power generation capacity of 70 MW, with the investment project of Baht 900 million. The project investment was made in 2015 and is expected to commence commercial operations in June 2017. The electricity generated from a coal/RDF-fired power generation unit will be sold to TPIPL to be used in TPIPL's cement production process. TPI Polene Power is in the process of filing an application to receive promotion certificates from the BOI.

## **8. Industrial Waste Disposal Business**

TPI Polene also operates an industrial waste disposal business to dispose of industrial waste from various industries in the country, under a license to operate a central waste treatment plant granted by Department of Industrial Works. This project helps eliminate industrial waste from industries, enhance recycling opportunities, lower raw material and fossil fuel usage, and develop a recycling economy with the preservation of environmental surroundings.

## **9. Pyrolysis Plant**

The Company operates modern, high-efficiency energy recovery technology using a Pyrolysis Plant, with total project investment of Baht 652 million. The pyrolysis plant is designed to generate crude oil and liquid fuel from waste plastic and tire pyrolysis. The project is operated adjacent to the RDF plant, which is located within the area of our cement plant in Saraburi province. The Pyrolysis Plant has been granted promotion certificates from the Board of Investment ("BOI"). The crude oil and liquid fuel will be used as energy power for truck transports of raw material in the cement production process, which enables the Company to reduce energy costs. Presently, the Company can produce crude oil to be used with the mixture of diesel fuel of approximately 3 million liters per year as power for truck transports of the Company. TPI Polene has a plan to enhance efficiency of crude oil production by setting the target of production output to be at 3 million liters per year.

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

TPI Polene Power Co., Ltd. (99.99% owned subsidiary of the Company) also operates oil service stations and NGV gas stations in Bangkok and provincial areas, under the logo "TPIPL". NGV gas stations have been granted promotion certificates from the Board of Investment. Currently, TPI Polene Power operates a total of 8 oil service stations, 1 NGV gas stations and 3 oil service stations and NGV in Bangkok and provincial areas.

## **11. Fertilizer Plant**

TPI Polene Bio Organics Co., Ltd. (99.99% owned by TPI Polene Power Co., Ltd., which is a 99.99% owned subsidiary of the Company). The project is operated adjacent to the RDF Plant, with total project investment of Baht 1,011 million. The composting or the biodegradable waste is sorted and reprocessed into new material bound for the manufacture of organic fertilizer for full cycling for waste management collection, treatment and disposal services. The plant is located within the area of our cement plant in Saraburi province. TPI Polene Bio Organics Co., Ltd. obtained quality products in compliance with the standards of IFOAM for liquid fertilizer on September 5, 2011. Most importantly, TPIPL organic fertilizers are toxic-free and safe for human beings and the environment.

In 2016, it is anticipated that the agricultural economy will expand at the growth rate of 2.5-3.5%, thereby helping increase sales quantity and enhance better operational performance.

## **Organic Fertilizer Industry**

In 2015, organic fertilizers in Thailand started to move in a good direction, driven mainly by private sector and civil society. TPI Polene Bio Organics Co., Ltd. is the manufacturer and distributor of high quality organic fertilizer and the fertilizers have been received a good response from customers in both Thailand and the international market.

## **12. Ammonium Nitrate and Nitric Acid**

Thai Nitrate Co., Ltd. (50% owned by TPI Polene, as it appears in the list of shareholders of the Company - Bor Or Jor 5 - at the Department of Business Development, Ministry of Commerce, detailed in the 2015 financial statements, item 40), is the largest producer of ammonium nitrate and nitric acid in the country and Thai Nitrate is the sole producer of nitric acid in Thailand.

### 13. TPIPL Drinking Water Business

TPI Polene has operated a drinking water business under the brand name “TPIPL” since 2011. It has good quality products and it is safe for consumers as it uses high quality reverse osmosis technology filtration systems (RO). This process requires that high pressure be exerted on the high concentration side of the membrane and by applying ultra violet treatment to eliminate biological contamination and the ozone treatment process in the water-bottling stage of the production of drinking water. These major benefits have made TPIPL drinking water possess quality characteristics of water; thus, we obtained a certificate approved from the Food and Drug Administration (FDA) in compliance with the standards from natural resources. TPIPL drinking water is consumed at the plants and head office and is also distributed to consumers.

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

TPI All Seasons Co., Ltd. (99.99%-owned subsidiary of the Company) is the manufacturer and distributor of EVA film that is used for encapsulant for photovoltaic (PV) modules, which are ideal for crystalline, amorphous thin film solar panels. In addition, EVA can be used in laminated safety glass, wrap film, top sheet masking film, multi-purpose plastic sheet, anti-slip mat applications under the brand names of Polene Solar® and Vista Solar® which are certified by Thai Industrial Standards Institute (TIS 9001-2552) and the International Standard Organization (ISO 9001:2008). TPI All Seasons presently operates 10 production lines with an annual capacity of 20,100 TPA (85% from Vista Solar® and 15% from Polene Solar®).

1) Polene Solar® plant with total production capacity of 3,100 TPA 2) Vista Solar® plant with total production capacity of 17,000 TPA. The project as above has been granted promotion certificates from the Board of Investment (“BOI”).

TPI All Seasons Co., Ltd. has also developed and launched VAE copolymer emulsion, which is widely used as adhesives for distribution, the main raw material of which are ethylene and vinyl acetate. It is classified as the green product. Also, the Company has developed and launched re-dispersible powder into the market.

Polene Solar® Products can be classified according to their components and application as follows:

#### 1. EVA encapsulant for Photovoltaic (PV) modules.

The encapsulant is very important for the solar module because it is used to fix all components of the modules together. Moreover, the EVA sheet must be robust and protect the solar cells against UV light and moisture for at least 25 years.

- Polene® Solar Film: In 2007, TPI All Seasons created the first EVA products by using high technology in collaboration with Thailand’s top-tier PV manufacturers and our R&D team, who have over 10 years of experience in polymeric materials. The product exhibits very outstanding properties such as high light transmitting, UV protection, excellent adhesion to glass which is suitable for various solar panels (crystalline and amorphous thin film) in order to meet the demands of domestic customers and the Indian market. Moreover, the company has also developed the EVA film for laminated safety glass and decorative ones.
- Vistasolar®: The most prestigious and oldest brand of EVA film in Europe has been purchased by TPI All Seasons Co., Ltd. in 2014. All machinery, equipment and its technology have been transferred to be installed Thailand. For this reason, the company has gained more market share and has become more well-known in the world market.

#### 2. Blown film products

Blown film extrusion is a well-known technology that is the most common method to make plastic films, especially for the packaging industry (wrap film, top sheet and masking film). The company also developed the plastic curtain used for cold rooms and clean rooms.

#### 3. Anti-slip mats

Polene EVA film can be used as a household multi-purpose plastic sheet such as anti-slip mats or surface protective film in the kitchen, living room and bathroom.

In 2015, TPI All Seasons Co., Ltd had the following total revenues: 75% from EVA encapsulant film, 14% from Blown film products and 11% from anti-slip mat and multi-purpose plastic film respectively.

### Opportunity and Constraints of Solar Film Business

Solar energy is a naturally occurring and clean energy. With the large magnitude of solar energy available and concerns about global climate change, many countries try to utilize sunlight to generate electricity instead of oil and coal as well as to reduce the emission of greenhouse gases. For this reason, solar power is a promising choice to address the world energy crisis.

However, there are other factors affecting the opportunities and limitations of the EVA solar film business.

1. Government policy on renewable energy (Internal and Foreign Policies):

The government action plan that encourages the use of the renewable energy, especially solar energy, will promote the solar power industry. The Ministry of Energy will possibly increase the proportion of solar energy within 10 years and will allow rooftop solar energy systems with unlimited power generation. This support by the Thai Government may facilitate increasing capacity of EVA solar film production by our company due to the increase of solar power demand in the future.

In addition to Thailand's energy policy, the government's foreign policy also plays an key role in this business. If solar power is promoted around the world, this will also help to increase our production capacity. For example, Japan will host the online auction of solar power plants due to the energy crisis after Tsunami Disaster in 2011. According to the 21<sup>st</sup> United Nations Framework Convention on Climate Change - UNFCCC COP21, the member nations agreed to fund 100,000 million dollars to poor countries for renewable energy to achieve the target of limiting global warming to less than 2 degrees Celsius compared to pre-industrial levels.

2. Crude Oil and coal price:

Crude oil and coal are the main fuel for electricity generation. If the price of those raw materials decreases, this will retard the business of renewable energy and the production capacity of TPI All Season as well.

3. Technology:

If the technology of solar cell and solar module fabrications is developed to obtain more power, the cost of solar power generation might be reduced compared to the conventional technology and other renewable energy generations.

### **Competition in Solar Film Industry**

TPI All Seasons Co., Ltd. is the sole producer in the country; however, in the international market, there are 3-5 competitors in China, South Korea and Spain. The most competent ones are those in China because the raw materials for production in China are cheaper with higher quality.

### **Forecast for the Year 2016**

According to TPI All Seasons forecast in 2016, the tendency of sales to domestic customers will increase because of the support of Thai government policy on solar energy. In addition, the real estate business in Thailand is growing continuously; this also increases the demand for our EVA film which is used for laminated glass and solar panels.

For the international market, sales revenues and profits will also increase owing to the agreement of the 21<sup>st</sup> United Nations Framework Convention on Climate Change - UNFCCC COP21 in Paris.

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

TPI Polene Power Co., Ltd. (99.99%-owned subsidiary) entered the Petroleum Concession no. 2/2554/110 for concession block no. L29/50 with the Ministry of Energy on February 8, 2011, as the concessionaire for Petroleum Exploration and Production Technology. Presently, the Company is in the process of petroleum exploration on the concession reserve.

In addition, the Company has invested in other businesses through its subsidiaries and affiliated companies, and is involved in real estate development, the provision of life insurance services, and the manufacture and sale of packing bags, etc.



## Affiliated Companies as of December 31, 2015

Company's name	Head Office Address	Business	Registered Capital (Baht)	Paid-up Capital (Baht)	Shareholding (%)
<b>Subsidiaries</b>					
1. TPI Concrete Co., Ltd.	26/56, 5 <sup>th</sup> Floor, TPI Tower, Chan Tat Mai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel: (02) 678-5350-74 Fax: (02) 678-5375-6	Manufacture and sale of ready-mixed concrete	840,000,000	840,000,000	99.99
2. TPI Polene Power Co.,Ltd.	26/56, 8 <sup>th</sup> Floor, TPI Tower, Chan Tat Mai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel: (02) 285-5090-9 Fax: (02) 213-1035	Manufacture and sale of electricity and steam, RDF, exploration and manufacture petroleum including oil and NGV service stations	5,900,000,000	5,900,000,000	99.99
3.TPI All Seasons Co., Ltd.	26/56, 8 <sup>th</sup> Floor, TPI Tower, Chan Tat Mai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel: (02) 285-5090-9 Fax: (02) 213-1035	Manufacture and sale of plastic product, Polene Solar®, Vista Solar®, VAE glue and RDP glue	450,000,000	450,000,000	99.99
4. Thai Propoxide Co., Ltd.	26/56, TPI Tower, Chan Tat Mai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel: (02) 678-5000, 678-5050 Fax: (02) 678-5001-5	Manufacture and sale of electricity (Remain inactive)	1,000,000	250,000	99.99
5. Mondo Thai Co., Ltd.	26/56, 19 <sup>th</sup> Floor, TPI Tower, Chan Tat Mai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel: (02) 678-5470 Fax: (02) 678-6511	Property development as a residential estate	36,000,000	36,000,000	77.71*
6. TPI Commercial Co.,Ltd.	26/56, TPI Tower, Chan Tat Mai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel: (02) 678-5470 Fax: (02) 678-6511	Retailing business	100,000	100,000	99.94
7. TPI Refinery (1977) Co.,Ltd.	26/56, TPI Tower, Chan Tat Mai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel: (02) 678-5470 Fax: (02) 678-6511	Petroleum exploration	1,000,000	1,000,000	99.995
8. Polene Plastic Co., Ltd	26/56, TPI Tower, Chan Tat Mai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel: (02) 285-5090-9 Fax: (02) 213-1035	Export cement and plastic resins	10,000,000	10,000,000	99.99
9. TPI Polene Bio Organics Co., Ltd.	26/56, G Floor, TPI Tower, Chan Tat Mai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel: (02) 285-5090-9 Fax: (02) 213-1035	Manufacture and sale of humic fertilizer and wood vinegar	2,000,000,000	2,000,000,000	99.99
10.TPI Power Co.,Ltd. (Former name "TPI Petroleum Co.,Ltd.")	26/56, TPI Tower, Chan Tat Mai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel: (02) 285-5090-9 Fax: (02) 213-1035	Energy business	1,000,000	1,000,000	99.80
11.TPI Service Co., Ltd. (Former name "Jade Minerals Co.,Ltd.")	26/56, TPI Tower, Chan Tat Mai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel: (02) 285-5090-9 Fax: (02) 213-1035	Construction business	1,000,000	1,000,000	51.00
12.TPI Intertrade Co., Ltd.	26/56, TPI Tower, Chan Tat Mai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel: (02) 285-5090-9 Fax: (02) 213-1035	Foreign investment	100,000	100,000	99.97

Remarks : \*Held by TPI Polene Plc. and TPI Concrete Co., Ltd., which accounted for 28.75% and 48.96% respectively, totaling 77.71%

Company's name	Head Office Address	Business	Registered Capital (Baht)	Paid-up Capital (Baht)	Shareholding (%)
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#### Joint venture company

1. Thai Nitrate Co., Ltd.*	26/56, 21 <sup>th</sup> Floor, TPI Tower, Chan Tat Mai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel: (02) 678-5450-2 Fax: (02) 678-5484	Manufacture and sale of ammonium nitrate and nitric acid	468,750,000	468,750,000	50.00**
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Remarks : \*\*As appeared in list of shareholders of the Company (Bor Or Jor 5) at the Department of Business Development, Ministry of Commerce, details in the 2015 financial statements, item 39(2)

#### Associated Companies

1. Thai Special Steel Industry Public Co.,Ltd.	26/56, TPI Tower, Chan Tat Mai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel: (02) 678-5350-74 Fax: (02) 678-5375-6	Manufacture and sale of Steel	11,200,000,000	4,220,000,000	29.53
2. Bangkok Union Life Insurance Public Co., Ltd.	175-177 Bangkok Insurance Tower, Surawongse, Bangrak, Bangkok 10500 Tel: (02) 634-7323-30 Fax: (02) 634-7331	Life Insurance	500,000,000	500,000,000	25.00
3. United Grain Industry Co.,Ltd.	26/56, 27 <sup>th</sup> Floor, TPI Tower, Chan Tat Mai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel: (02) 678-6988-97 Fax: (02) 678-6988-99	Manufacture and sale of Packaging	550,000,000	550,000,000	19.00

#### Other

1. Pornchai Enterprise Co.,Ltd.	26/56, 22 <sup>th</sup> Floor, TPI Tower, Chan Tat Mai Rd., Thungmahamek, Sathorn, Bangkok 10120 Tel: (02) 678-5490-3 Fax: (02) 678-5494	Real estate business and rental service	4,599,919,600	4,599,919,600	0.65
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## Sales Revenue Structure

TPI Polene's investment in reciprocal businesses will generate significant sales revenues and create steady growth for the Group. The sales revenues structure is as follows:

Unit: Baht Million

Product/Service	Operated by	% Of TPIPL's Shareholding	Sales revenues		Inter-company's revenues		Total Sales revenues			
			2015	2014	2015	2014	2015	%	2014	%
Construction material	TPI Polene Plc. TPI Concrete Co.,Ltd.	- 99.99	18,238	20,087	6,409	5,124	24,647	61.59	25,212	60.73
Petrochemical and Chemical Products	TPI Polene Plc. Thai Nitrate Co., Ltd 1/	- 50.00 1/	6,803	7,452	5,793	6,705	12,496	31.48	14,156	34.10
Electricity and utility	TPI Polene Power Co.,Ltd.	99.99	1,990	838	561	1,004	2,551	6.38	1,842	4.44
Organic Products	TPI Polene Bio Organics Co.,Ltd.	-	104	128	118	179	222	0.55	306	0.73
Total			27,135	28,505	12,881	13,011	40,016	100.00	41,516	100.00

Remarks: 1. Shareholding structure as stated in the Consolidated Financial Statements for 2015, shown in Notes to Financial Statements, item 39 .



## Corporate Developments in 2015

2015 was another year of success for TPI Polene Group as the Company has expanded projects to build up business operations and consistently reduce energy. TPI Polene has moved forward to ceaselessly create high growth potential for the business by making further investments in projects as follows:

### **Investment projects are completed as planned**

For the past several years, the Company has made project investments, which are comprised of cement line no. 4, concrete roof tiles, a renewable energy business with an Alternative Fuel Power Plant, or Refuse Derived Fuel (RDF) with an installed power generation capacity of 60 MW output, Waste Heat Recovery Power Plants with a total capacity of 30 MW output, Fiber Cement Project, Cement Mortar Plant and Light Weight Concrete Project. Most of those projects became commercially operational as planned.

### **The Offering for Sale of Baht 21,555 million debentures in 2015.**

In January 2015, the Company successfully completed its fundraising through the issuance and sale offering of unsubordinated/unsecured debentures, in registered form with debenture holders' representatives, in the amount of Baht 6,000 million in January 2015 and Baht 15,555 million in August 2015, respectively, totaling Baht 21,555 million, with the TRIS affirmed rating of such debentures at BBB+, with a stable rating outlook.

### **Began to Sell a Contracted Power Generation Capacity of 18 MW and 55 MW to EGAT**

In 2015, TPI Polene Power Co., Ltd. began to sell a contracted power generation capacity of 18 MW and 55 MW from RDF-fired Power Plant with an installed power generation capacity of 20 MW and 60 MW respectively to The Electricity Generation Authority of Thailand (EGAT). The RDF-fired Power Plants receive an adder of Baht 3.50 per kWh, which is payable in addition to the standard price of EGAT, on alternative-fuel-generated electricity for 7-year period, from The Power Electricity Authority of Thailand. These RDF-fired Power Plants have been granted promotion certificates from the BOI.

### **Investment in Electric Locomotives**

On December 10, 2015, TPI Polene entered into an agreement with the State Railway of Thailand for transportation of bulk cement, bagged cement and/or other commodities by train. On February 25, 2016, TPI Polene's eight locomotives could be in operation to run on routes of the State Railway of Thailand's railway for transportation of cement and other products of TPI Polene Group.

### **Capital Increase in TPI Polene Group**

To respond the business expansion of TPI Polene Group, capital increased and paid up capital in the group are summarized as follows:

1. In June 2015, TPI Polene Power increased its capital twice, for the amount of Baht 748,837,500 and Baht 1,000,000,000 making total amounts of Baht 4,900,000,000 and Baht 5,900,000,000 respectively.
2. In June 2015, TPI All Seasons Co., Ltd. increased its capital twice, for the amount of Baht 90,000,000 and Baht 213,750,000, making total amounts of Baht 236,250,000 and Baht 450,000,000 respectively.
3. In June 2015, TPI Polene Bio Organics Co., Ltd. increased its capital for the amount of Baht 2,000,000,000.

### **Underwent the Corporate Restructuring by disposing assets outside of its power generation business**

In 2015, TPI Polene Group restructured shareholding in TPI Polene Group to be an appropriate level to be in compliance with the Structure of Business Operation. As a consequence of such restructuring, the Company will hold shares in the subsidiaries companies as detailed in the shareholding structure of the Group.

### **The Initial Public Offering (IPO) of newly issued ordinary shares and spin-off plan of TPI Polene Power Co., Ltd.**

To reduce liabilities of the Company to grant financial support for the power generation business and to clearly separate our business structure to be focused on energy-related businesses, the Company has planned to sell the initial public offering (IPO) of the newly ordinary shares of TPI Polene Power Company Limited and the listing of TPI Polene Power Company Limited on the SET ("Spin-Off"), with the number of the shares for an initial public offering not exceeding 30 percent of total registered and paid-up capital shares of TPI Polene Power Company Limited after the initial public offering. The IPO will result in the dilution of the Company's shareholding in TPIPP from 100 percent to not less than 70 percent of the registered and paid-up capital after the offering. However, TPIPP will retain its status as the Company's subsidiary. The above transaction needs to get approval at the 2016 Annual General Shareholding's Meeting, which is scheduled for April 29, 2016.

### **The Projects currently under Investment of TPI Polene Power Co.,Ltd.**

1. TPI Polene Power Co., Ltd. has made an investment in the RDF-fired power generation of capacity of 70 MW, with a total investment of Baht 3,300 million. Presently, TPI Polene Power Co., Ltd. has completed the construction of a Waste Heat Recovery Power Plant with an installed power generation of capacity of 30 MW, which will initially sell electricity generated from the waste heat recovery power generation unit to TPIPL to be used in TPIPL's cement production process until the RDF-fired power generation of capacity of 70 MW becomes commercially operational. A RDF-fired Power Plant with an installed power generation capacity of 100 MW will sell a power generation capacity of 90 MW to EGAT within January 2017 ( RDF-fire Power Plant 100 MW is in the process of signing the Power Purchase Agreement), with an adder at the rate of THB 3.50 per kWh of electricity for a period of seven years. RDF-fired Power Plant has been granted a promotion certificate from BOI.
2. A coal/RDF-fired power plant with an installed power generation capacity of 150 MW, with the investment project of Baht 7,300 million. The project is currently under construction and is expected to commence commercial operations in the fourth quarter of 2017. The electricity generated from a coal/RDF-fired power generation unit will be sold to TPIPL to be used in TPIPL's cement production process. This coal/RDF-fired Power Plant has been granted promotion certificates from the BOI.
3. A coal and RDF-fired power plant with an installed power generation capacity of 70 MW, with the investment project of Baht 900 million. Project investment was in 2015 and is expected to commence commercial operations in June 2017. The electricity generated from a coal/RDF-fired power generation unit will be sold to TPIPL to be used in TPIPL's cement production process. TPI Polene Power is in the process of filing an application to promotion certificates from the BOI.
4. An expansion of RDF plant to transform waste into usable fuel through a dry combustion process, with the investment project of Baht 1,450 million. The project will commence commercial operations by the end of 2017. The plant will transform RDF into a usable fuel for RDF-fired power plant. It is under construction.

### **New Product Development in 2015**

#### **• Fiber Cement Products**

##### **- Deco Board**

Deco board has special attributes including virtually a smooth and flat surface that make a floor level stand out with no need for color paint on its surface, making a polished-surfaced appearance by plastering on the surface with a clear coat. Deco board possesses outstanding properties of high impact and durability, making it ideal for both internal and external decorative applications. Deco board is one of TPI Polene's products, which is environmentally friendly.



##### **- TPI Natural Wood**

TPI natural wood represents a combination of beautiful wood simulation printing with a tongue and groove system that can adjust the level of the floor. It can be used for both interior and exterior applications, with a combination of beautiful wood simulation, strength, durability and a very-cost effective.



#### **• Cement Mortar Products in 2015**

##### **- Plastering Cement mortar - M 209**

M 209, a ready-mixed mortar, which is especially well-suited for general plastering on brick and concrete block and can be applied for both internal and external applications. The package is 50 kg per bag.



#### - Masonry Cement mortar - M 309

M 309, a ready-mixed mortar, suitable for different types of wall masonry, which can be applied for both internal and external applications., i.e red brick wall and concrete block (not including lightweight concrete). The ingredients consist of special substances that enable it to increase its enhanced adhesive strength, which is convenient for brick wall masonry. Its properties comply with TIS 598-2004. The package (type 50) is 50 kg per bag.



#### - Light weight Concrete Masonry Cement mortar - M 319

M 319 is a mixed material of cement with special chemicals that is well-suited for lightweight concrete construction. The ingredients consist of special substances that enable it to increase its enhanced adhesive strength, while allowing for good workability, especially to sustain wall brick structure, ensuring an elegant leveling appearance, strength and durability. The package is 50 kg per bag.



#### - Ground Leveling Cement mortar M 409

M 409 is ready-mixed mortar, which is suitable for ground leveling, with 5-centimeter thickness, giving a smooth surface as it contains special chemicals for well-flow purposes to help users work easily on ground leveling. The package (type 50) is 50 kg per bag.

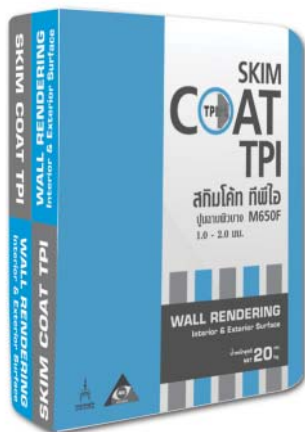
#### - High adhesive Cement mortar M 502

M 509 is a special adhesive mortar, specially designed for very highly adhesive strength, ensuring flexibility and high sustainability for the fiber cement board and cement gypsum board to be used as a light wall, allowing long open times. It gives more time adjustability for fiber cement board decoration and cement gypsum board. M 509 is easy to use, saving time and costs. The packages are 1, 5 and 20 kg per bag.



#### - Special tile Adhesive (M 509) for large tiles

Special tiles adhesive (M509) is a high performance adhesive with special components such as a high bond adhesive. It's an ideal type of specially designed adhesive for fixing/sustaining large size fiber cement boards and gypsum boards to be used as light wall, ensuring sound reaction resistant and heat resistance, allowing long open times, which gives more time adjustability for fiber cement board decoration and gypsum board. It can be easily applied and is cost effective. The packages are 1, 5 and 20 kg per bag.



#### - Super Asphalt M 609

Super Asphalt M 609 is a sticky, black and highly viscous liquid or semi-solid substance, which can be well flowed, to be used as a glue to completely fill the joint of asphalt pavement and concrete pavement to also create flexibility of the pavement, without stingy odor from fuel oil or solvent. The product can be ready to apply immediately by mixing well. The product is sold in 25 kilogram buckets.

#### - TPI Skim Coat Cement Plaster M 650F

M 650F is well developed to apply on cement or concrete surfaces and can be plastered with a hard power trowel or steel trowel or used for finishing and skim-coating concrete surfaces. With fine cement-based mixtures, it gives smooth and adhesive textures, which adhere firmly on concrete, to cover the rough surfaces of walls, inconsistent plastering concrete surfaces on both concrete wall or general concrete surfaces, i.e., concrete surfaces plastered with M100, M100C, M200 or M210, etc. The product is sold in 20 kilogram buckets.



**- TPI Non-Shrink Grout M670: hydraulic component for very high compressive strength.**

A hydraulic cement mortar is a high quality cement base tile grout with special components that is specially designed, allowing for good workability for both early strength and very high compressive strength with non-shrinkage property. Non Shrink Grout TPI M670 is suitable for industrial work, civil work and general engineering work, such as foundation super structures work for motor machinery, especially column members that have to sustain heavy loads from the entire structure. It can be poured easily in spite of the complexity of reinforcing bars in structural members, including general repairing work. The product is sold in 50 kilogram bags.



**Other Nano Products launched in 2015**

**TPI Super Special Armour Nano Paint (Top Coat: concentrated water-based colors) NP101S - Color paint to enhance both exteriors and interiors**

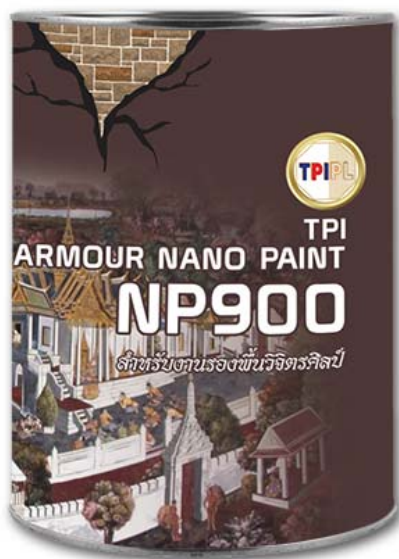
This is a colored cement in concentrated liquid form, ready to be used to cover the existing surface of wall. Super special Armour paint is well developed to apply on cement or concrete surfaces with brushes or rollers. It can cover all imperfections of the original surfaces with only 1 layer of painting, and is specially designed for decorations on building surfaces, and is ready to be used with no mixture of water. It can be applied on the required areas after painting with TPI Super Armour Nano Top Coat Paint (NP100S) or TPI Super Special Armour Nano Top Coat Paint (NP100SW). With fine cement-based mixtures, it gives the colors as needed on building surface, which adhere firmly on it and can be easily cleaned. The product is sold in 1/4, 1/2, 1, 2.5 and 5 gallon buckets.



**TPI Super Special Armour Paint “NP101S” (Top Coat: Concentrated water-based Colors) for building surface applications. (Shining golden color and glittering silver color)**

Super special Armour paint is a ready-mixed formula, with the combination of golden fine pearl and specialty grade of fine silver, that enables it to provide an outstanding sparkling surface look and glittering silver color. Additionally, the cement colors can be plastered with a laying-on trowel to make pigments or printing appearance on concrete surfaces, gypsum, fiber cement board. With the unique specialty formula with fine cement-based mixtures, the colors give a smooth and adhesive texture, which adhere firmly on concrete, cement and fiber cement panels, which can be applied to surfaces with brushes or roller. It is recommended to be used along with TPI Super Special Armour Nano Paint NP100SW, to be coated on the first layer. The product is sold in 1/2 and 1 gallon buckets.





#### **TPI Super Special Armour Paint “NP900” (Top Coat for Fine Arts Work)**

NP900: Super special formula coat paint in concentrated water-based formula, ready to be used to cover the existing surface of cement surfaces. It can cover all imperfections of the original surfaces with only 1 layer of painting with brushes or rollers. It is specially designed for coating on cement surfaces or fiber cement board. It is designed to provide a long-lasting durable finish, ready to be used with no mixture of water. It can be applied on the required areas before painting with golden color, NP901 TPIPL nano paint for fine arts or NP101, golden sparkling colored paint, to enhance both exteriors and interiors. The product is sold in 1/4 and 1gallon buckets.

#### **TPI Super Special Armour Paint “NP901” (TPI Paint for Fine Arts Work)**

NP901: Super special formula coat paint in dense liquid form, ready to be used on cement or concrete surfaces with brushes or rollers with no mixture of water. It can be applied on the required areas after painting on top of dried TPI Super Armour Nano Paint NP900 (Top Coat for Fine Arts Work) to enhance beautiful pigments of fine arts. The product is sold in 250 ml, 500 ml and 1 liter buckets.

#### **Other New Product Developments**

The Company has invented and developed a new formula TPI High Strength Concrete, to respond to the production process of reinforced concrete parts, which use modern technology development. With a proportionately designed fine particle size mix of specialty quality TPI cement and special additives mixture, TPI Super Flow Concrete applies smoothly and can be easily worked or molded into various shapes without segregating, allowing long open times, giving more time adjustability for polishing concrete surfaces with highly early compressive strength, and within 10 days it's suitable for concrete molding and slabs needed to be in immediate service.

## Consistently Develop Potential in our Human Resources

As at December 31, 2015, the Company and its subsidiaries employed 9,568 persons. Of these, 138 were management personnel.

The Company pursues its business operations with a full commitment to good corporate governance, with an emphasis on transparency, social and environmental responsibility, ethics and fairness. Such pursuit is congruent with our commitment to foster development in our human resources and to drive our corporate culture toward excellence in all respects. The Company strongly believes that highly competent employees are the key driver for corporate success. To this end, the Company has focused on continuous development of our human resources in addition to aiming for our employees to perform their duties ethically, responsibly, and with integrity. Furthermore, the Company strongly believes that encouraging our employees to embrace corporate social responsibilities will reinforce the sustainable growth of our organization. In addition to the aforementioned activities, the Company has taken the following initiatives in order to further enhance our employees' competency:

**Personnel Management System:** The personnel management system at our cement plant is an online system. The program provides several services online; for instance, employee online attendance system and compensation leave system. This includes online personnel management system linkage through all units of operation, such as online attendance system and leave system, by applying finger scan for recording work attendance. This also includes employees' performance appraisal system and pay roll. CCTV have be installed in particular spots in the workplace.

**Human Resource Development and Essential Knowledge:** The Company acknowledges the importance of human resources; therefore, we encourage our employees to continuously develop and strive to achieve their fullest potential by providing all our employees with the opportunities to learn and acquire the knowledge equally among employees. The Company offers the following programs to our employees:

- **Development courses and training programs:** The Company fosters staff development at all levels. Each year, the Company schedules training programs specifically designed for each business unit to educate and to provide employees at different levels with understanding of their tasks and responsibilities.
- **External Training:** The Company encourages employees to acquire external education by subsidizing independent courses and seminars to be in line with job descriptions. The Company also provides our employees with opportunities to visit international fairs and global companies in order to update our employees with current international standards and expand our employees' vision. Employees are regularly supported to attend course seminars with Skill Development Center and Safety Committee, hygiene and environment in the workplace as imposed by the ministry of labor for further preparation to be professional lecturer and auditors for technician classification at the factory.
- **In-house Training:** To develop our employees' ways of thinking, potential and knowledge to perform their duties to be in line with the corporate objectives and competitive circumstances, the Company provides several in-house training programs in the following topics:

**New Employees Orientation:** To enroll the employees in the new employee welcome and orientation class through the Employee Development & Training Unit to foster an understanding of integrity and ethics as well as their roles and functions to perform their duties. The course session is held for employees to educate them in view of the cement production process, types, and quality of our products such as cement, concrete roof tiles, Nano paints and organic fertilizers. New employees are trained to know functions of each department and we also encourage our employees to meditate and study the ways of Dharma from notable and well-respected monks, and engage in Dharma practice, mediation practice and meditation walking during a1-day course at Wat Rama IX Golden to ensure their confidence and pride in the Company, to encourage ethics and integrity, as well as to build positive working attitudes and relations with colleagues.

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







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

**Products and their Specifications Training Program:** techniques to use products, such as TPIPL products, overview of products specification of fiber cement, light weight concrete and penetration on agents for nano cement paints and cement mortar.

**Course Training Program on ISO 9001:2008, OHSAS 18001:2007** Upgrade Training Course as well as ISO/IEC 17025 Standard, certifying the performance evaluation test and Quality Standard Systems ISO 14001 and OHSAS 18001:2007. TPI Polene has applied the standardization in all respects to be implemented suitably and properly to enhance the management team to perform their duties under Corporate Social Responsively and to reduce gamma radiation impact and waste management in general. The Company reduces the amount of hazardous wastes.

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

**Technical Program:** Change of Telescopic Chute and Timing Belt, Joining Tig-6G, Technique to install Bal Mill, Polysom, Roller Mill, Kiln Shell, Fine and Valve Aeration and Heat Treatment, Roto Packer Classic, Monitoring of Speed Flex and Autoclave M/C and controlling of steam M/C system.,etc.

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

**Energy Saving Course:** The course session for energy management standards system, TSV energy Chart & Energy Equation and Awareness of Energy Preservation.

**Ethics and Quality of Life:** The company under the cooperation of the State Railway of Thailand, built the Statue of Kin Rama 5 to pay their respects beside the sideway of Phasadej railway station. In addition to placing Buddha statues at several significant spots in our factories for employees and visitors to pay their respects, we also encourage our employees and the management to meditate and study the ways of Dharma from notable and well-respected monks from Wat Praram 9, for instance: Phraponpol Visanno, Phrasriyansophon and Phrathambandit. These programs include the Dharma course arranged for children to cultivate the knowledge of Dharma through the practice of “self-consciousness, concentration and wisdom/study” with an aim to motivate the young students to concentrate on study (free of charge) at Wat Rama IX Golden, Bangkok.

In addition, the Company is focused on a policy to improve standards of living for employees, to be safe in both their lives and possessions as follows:

- The Company strictly prohibits drug activities; therefore, we have been certified as a “White Factory,” which signifies a permanent “Drug-Free” zone. Random alcohol breath tests are regularly set up. Any employee, who is found to have a preliminary reading of alcohol, will not be allowed to perform their duties and will face disciplinary punishment.
- Management program for “AIDS” precaution: The Company has been certified to have satisfied hygiene workplace standards “Silver Level” for AIDS Management.
- The Company has been assigned by the National Council for Peace and Order (NCPO) to be “the Waste Management Center”, responsible for managing and processing the wastes residue from Ayutthaya province and Lopburi province. The municipal waste will be processed to generate fuel energy and the organic material will produce organic fertilizers. Also, the plant is known as the Learning Center for “municipal waste disposal” and the place for cyclical materials to be processed to become organic fertilizers. It can be clearly seen by the organizations and institutions regularly visit the Plant.
- The Company is committed to supporting disabled people to join working in the workplace by encouraging and promoting equal opportunities and equity treatment of people with disabilities. The Company has a clear rules and regulation on employment to be strictly applied, regardless of sex, age, generic information, races, religious, education background which h also includes equal opportunities for employees to be progress in their careers as well as compensation. The employment policies and conditions of work are based on job requirement.

**Traditional and Cultural Aspects:** The Company has provided assistance to support society throughout 2015. This included donations of the Company’s products and financial assistance to a variety of organizations in Thailand. The Company made donations of cement for the construction and renovation of stupas, a sermon hall in a monastery, a monk’s dwelling, meditation halls, Ordination Halls, Dharma Study Buildings and Dharma Practice Halls etc. TPI Polene hosted the Royal Katin Offering at Wat Hinlab, Amphur Muaklek, Saraburi province, Wat Tham Sarika, Nakornnayok province; The Company made contributions of sets of new robes to Wat Sridonmun, Chiangmai Province. TPI Polene







also preserves the Thai Traditional and local cultures such as “Traditional Merit Thai-Vietnamese” in Amphur Chalmphrakiat, Saraburi and upholding the Thai Traditional Songkarn Festival, “Bestow the Elephant to the Sovereign”; The Founder of Chaiyaboom province, participated in the following ceremonies: the festival “Trace Back to World War” in the sub-district of Kangkhai, Saraburi province, “Flowing Fire Raft” in Amphur Thakor, Saraburi province and took part in maintaining the conservation of Thai historical cultural in the festival “Offering flowers to Monks”, with an aim to stimulate the harmony of Thai people and to protect Royal institutions, Buddhist Lent Day, Traditional Loy Kratong Festival and New Year’s day of community leader festivals.

**Productivity Enhancement:** In addition to our emphasis on HSE, OSHA and CSR as delineated above, we made a full commitment to improve our productivity and to ensure product quality control and assurance. The Company provides various training to our employees on Quality Management System pursuant to ISO 9000, Environmental Management System pursuant to ISO 14001, and Occupational Health and Safety Management System pursuant to Mor.Or.Kor. 18001. Training programs have been performed to encourage Office Improvement (“OI”) to be in line with Total Productive Management (“TPM”), in those departments that support (rather than being directly involved in) production. These “OI” programs focus on improving working processes, reducing waste, and increasing work efficiency, in order to effectively increase productivity.

Other than the employee performance evaluation of the annual review conducted by the supervisors of each respective department, in August 2015 onwards, the Company has implemented the new system of Annual performance evaluation, with the objective that employees actively acknowledge and are involved in understanding the requirements of their jobs and are together responsible for the performance of the plants, particularly total production costs, expenses, safety of operations of each respective department and activity involvement in TPM. Work flow analysis is as follows:

- Automation Warehouse System: to improve the distribution for the material handling with robots.
- Min-max Management: To ensure that the spare parts and tools are kept well-stocked, maintained and available.
- Management of cement fleet of trucks: To enhance efficiency to dispatch cement by fleet of trucks and ensure the allocation of sufficient parking spaces for trucks to stop prior to cement dispatching as well as the management of truck flows in the shortest period of time.
- E-Recruitment: Online recruitment system of employees to enhance efficiency and transparency.

**Efficient Time Management:** The Company also encourages employees to participate in social activities during their free time. Available activities include a Buddhism club and athletic clubs, such as a petanque club, a football club, a golf club and a table tennis club, etc.

**Encourage saving program:** TPI Polene and TPI Concrete have established a co-operative saving program for employees to encourage saving money. This also includes financial assistance in the form of loan offerings to employees at a lower interest rate as compared with financial institutions.

**Employee welfare:** The Company also provides educational support for children of employees by granting scholarships to outstanding students. The Company also provides subsidized healthcare benefits in the form of OPD medical expenses (outpatient department) to employees and their family members, including father, mother, spouses and legal offspring. In addition, the Company also provides free annual health check-ups; life and healthcare benefits are offered in the form of health insurance packages and accident insurance coverage. Financial assistance is also offered for funeral rites of the employees, as well as the family members of employees who pass away. In addition, the Company offers special care for employees who perform their work in particular areas by providing free health check-ups at medical centers and free vaccination against tetanus and hepatitis B (HBV) to all employees and to ensure that all levels of the Company's staff have received annual healthcare check-ups. Any employees found ill or with other physical impairments will be sent for repeated healthcare check-ups and put on other job rotations. Also, the Company provides mobile medical units for check-up services for the people in the surrounding community and encourages employees to jointly donate blood to Saraburi Center Hospital and Saraburi Red Cross every three months.

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

#### **Provide opportunity to the disables to work in the Company**

The Company strives to support equality opportunities in the society and it has clear rules and regulations on employment to be strictly applied, which also include equal opportunities for the employment regardless of sex, age, generic information, races, religion, educational background as well as compensation and career path. The employment policies and conditions of work are based on job requirements and qualifications of that particular person.





# Operating Results and Financial Status for 2015

## Revenues

Total consolidated revenues from sales in 2013, 2014 and 2015 were Baht 26,872 million, Baht 28,505 million and Baht 27,135 million respectively. A decrease in sales revenues was primarily caused by the decline in sales revenues in the construction business, which accounted for 69.6%, 70.5% and 67.2% of total revenue from sales respectively.

In addition, sales revenues generated from the petrochemical business sector accounted for 27.0%, 26.1% and 25.1% of total revenues from sales whereas sales revenues generated from energy and utilities businesses accounted for 3.1%, 2.9% and 7.3% of total revenues from sales respectively.

In 2015, sales revenues generated from the construction and petrochemical businesses decreased, which was primarily due to the economic recession. The mega construction projects from the government and the public sector have been delayed substantially compared with those in 2014, while sales revenues from energy and utilities businesses increased because the RDF power plants with capacity of 20 MW and 60 MW generated and sold electricity under the PPA to EGAT since January and August 2015 respectively.

Other revenues, which were comprised of revenues from transportation, reversal of provision for fines, net foreign exchange gain, investment income and other income in 2013, 2014 and 2015 were Baht 1,988 million, Baht 2,695 million and Baht 2,112 million respectively. Other revenues in 2014 were considered higher compared with the same in the previous year because there were net foreign exchange gains of Baht 762 million and reversal of provision for fines of Baht 200 million.

As a consequence, total consolidated revenues in 2013, 2014 and 2015 were Baht 28,861 million, Baht 31,200 million and Baht 29,247 million respectively.

## Other Income

In 2013, 2014, and 2015 the Company had net foreign exchange gain (loss) of Baht (168) million, 761 million, and 107 million respectively (from financial debt). In 2014 and 2015, the company and its subsidiaries had net foreign exchange gains due to a devaluation of the Euro currency against Baht currency as the Company incurred debt in Euro currency stemming from construction of the Cement Line no. 4.

## Cost of Goods Sold

Consolidated cost of goods sold in 2013, 2014 and 2015 were Baht 22,866 million, Baht 24,004 million and Baht 22,895 million respectively, which accounted for 85.1%, 84.2% and 84.4% of total revenues from sales. As a result, gross profit margins in 2013, 2014 and 2015 represented 14.9%, 15.8% and 15.6% of total revenues from sales respectively. Gross profit margin in 2015 decreased as compared with the same in 2014 as a result of a decrease in the selling prices of both construction and petrochemical products. This was due to less demand following the economic recession.

## Selling and Administrative Expenses

Consolidated selling and administrative expenses in 2013, 2014 and 2015 were Baht 4,557 million, Baht 5,005 million and Baht 5,081 million, which accounted for 17.0%, 17.7%, 18.7% of total revenues from sales respectively. The percentage in 2015 increased due to a decrease in revenue from the sale of goods.

## Interest Expenses (Cost of financial debt)

In 2013, 2014 and 2015, the Company and its subsidiaries had interest expenses of Baht 252 million, Baht 461 million and Baht 1,018 million respectively. The interest expenses in 2015 increased considerably as the debt liabilities of the Company increased as a result of the utilization of loans to be in line with the progress of the various investment projects.

## Net Profit

In 2013, 2014 and 2015, the Company and its subsidiaries registered net profits of Baht 606 million, Baht 1,364 million and Baht 364 million or basic earnings per share of Baht 0.030, Baht 0.068 and Baht 0.018 respectively. (In 2013, basic earnings per share were calculated by adjusting Par value of Baht 10 per share to Baht 1 per share for comparison purpose). Net profits in 2015 decreased compared with those in 2014 mainly because revenues from sales decreased as a result of lower prices, an increase in cost of debt, and a decrease of net foreign exchange gains. In 2014, the Company had gains on foreign exchange of Baht 762 million and reversal of fines of Baht 200 million.

The Company and its subsidiaries recorded normal operating profits (excluding gains/losses on foreign exchange, gains/losses on investments, reversal of provision for fines, and income tax expenses) of Baht 1,188 million, Baht 775 million and Baht 137 million respectively. The decrease in normal operating profits in 2015 was mainly due to lower prices of the Company's products and the higher cost of debt of the Company as a result of the utilization of loans to be in parallel with progress of the various investment projects.

## **Financial Status and Financial Ratio**

### **Assets**

At year-end 2013, 2014 and 2015, total consolidated assets were Baht 82,412 million, Baht 99,931 million and Baht 107,645 million respectively. The increase in assets value was mainly due to additional investments in various projects.

At year-end 2013, 2014 and 2015, total consolidated current assets were Baht 12,601 million, Baht 13,515 million and Baht 16,953 million respectively. The increase in total current assets was in line with the increase in cash, current investments and inventories. Inventory accounted for 65.7%, 68.6% and 64.7% of total current assets in 2013, 2014 and 2015, equating to average inventory turnover periods of 122 days, 132 days and 159 days respectively. Accounts payable (after the provision of doubtful debts) represented 20.7% 19.0% and 14.9% of total current assets, which equated to an average collection period of 36 days, 34 days and 35 days.

As of December 31, 2013, December 31, 2014 and December 31, 2015, the property, plant and equipment of the Company and its subsidiaries were Baht 67,012 million, Baht 82,368 million and Baht 85,848 million respectively. The increase in the property, plant and equipment was mainly due to additional investments in various projects such as Cement Line no. 4, Power Plant 90 MW, Concrete Roof Tile, Fiber Cement, and Light weight concrete and Dry Motor line No. 4.

### **Liabilities**

Total consolidated liabilities were Baht 24,586 million, Baht 42,146 million and Baht 51,679 million at the end of 2013, 2014 and 2015 respectively. The debt liabilities increased because the Company has utilized loans from financial institutions to invest in various projects as mentioned above. In addition, in 2015, the Company offered for sale additional debentures in the amount of Baht 21,555 million, the proceeds of which were mainly used for refinancing existing loans with higher costs debts and the rest as working capital for business operations and/or investment in current projects and future projects.

Trade account receivables at year-end 2013, 2014 and 2015 were Baht 3,471 million, Baht 2,777 million and Baht 2,524 million, equating to an average payment period of 47 days, 47 days and 42 days respectively. The trade account receivables decreased because the Company made more payments to trade creditors.

As of December 31, 2013, December 31, 2014 and December 31, 2015, the Company and its subsidiaries had bank overdrafts and short-term loans from financial institutes of Baht 1,577 million, Baht 2,743 million, and Baht 923 million respectively; long-term loans from financial institutions of Baht 4,897 million, Baht 16,333 million, and Baht 6,908million respectively; and debentures of Baht 3,000 million, Baht 8,000 million, and Baht 29,555 million respectively. Bank overdrafts and short-term loans from financial institutes decreased as the Company issued debentures to repay some of the loans from financial institutes.

### **Shareholders' Equity**

As of December 31, 2013, December 31, 2014 and December 31, 2015, shareholders' equity was Baht 58,123 million, Baht 57,785 million and Baht 55,966 million respectively. The shareholders' equity decreased due to a decrease of fixed assets reappraised by the independent appraiser to be in accordance with the accounting standard.

### **Capital Structure**

At the end of 2013, 2014 and 2015, the debts to equity ratios were at 0.43 times, 0.73 times and 0.92 times respectively. In 2015, the debt to equity ratio was higher compared with the same in the previous year because the Company has utilized loans from financial institutions to invest in various projects as mentioned above.

### **Financial Liquidity**

In 2013, 2014, and 2015, consolidated net cash flow from operating activities of the Company and its subsidiaries were Baht 2,569 million, Baht 1,834 million and 1,155 million respectively. It decreased in 2013 and 2014 as a result of an increase in inventories and repayments to trade creditors.

In 2013, 2014, and 2015 net cash flow from investing activities of the company and its subsidiaries were Baht (6,678) million, Baht (18,398) million and Baht (8,389) million respectively as the Company invested in plants including machinery and equipment from Cement Line No. 4, Mortar Plant, Power plants, Concrete Roof Tile Plant, Fiber Cement Plant, and Lightweight Concrete Plant.

In 2013, 2014, and 2015 net cash flow from financing activities of the Company and its subsidiaries were Baht 4,437 million, Baht 16,659 million, and Baht 8,151 million respectively. The Company received money from long-term loans from financial institutions and the issuance of debentures for the construction of various investment projects as mentioned above. As a result, by year-end 2013, 2014, and 2015 consolidated cash and cash equivalent were Baht 328 million, Baht 95 million and Baht 917 million respectively.

Interest Coverage Ratio in 2013, 2014, and 2015 equaled 12.70, 6.68, and 2.88 times respectively, which decreased consecutively because interest expenses increased due to an increase of the utilization of long-term loans for various project investments and short-term loans for capital in business operations. In addition, Debt Service Coverage Ratio were 1.81, 1.63 and 1.39 times respectively and Interest-bearing Debt to Equity Ratio were 0.18, 0.48, and 0.67 times respectively.

#### **Source of Funds and the Use of Funds**

The Company and its subsidiaries had sufficient funds for various project investments as the source of funds came from the issuance of debentures, loans from financial institutions from both domestic and international institutions, as well as the use of cash from business operations of the Company and its subsidiaries. The projects which used the funds from loans from financial institutions are as follows:

##### **- Cement Line no. 4 Project**

Cement Line no. 4 project, with project investment of approximate Baht 11,500 million was 100% funded by financial institutions. The company borrowed the funds from domestic financial institutions in the amount of Baht 5,500 million (which was fully prepaid in August 2015 by the money from the issuance of debentures in 2015) and from financial institutions abroad under the guarantee of Euler Hermes Deutschland AG, a German Export Credit Agency of the Ministry of Finance in Germany, and Office National Du Ducroire or ONDD, a Belgian Export Credit Agency in Belgium, in the amount of Euro 153,851,376.39 with a 36-month grace period and a 10-year repayment period. The conditions were to maintain Debt to Equity Ratio to be equal or less than 1:1 and to maintain Debt Service Coverage Ratio to be equal or more than 1.20: 1. As of December 31, 2015, the Company had an outstanding debt of Baht 6,033.3 million of the above mentioned loan.

##### **- Power Plant 90 MW**

Power Plant 90 MW, with the project investment of approximately Baht 4,700 million was 100% funded by domestic financial institutions. TPI Polene Power Co. Ltd. fully repaid the above mentioned loan in August 2015 using money from the issuance of debentures in 2015.

##### **- Fiber Cement Plant and Light Weight Concrete Plant**

Fiber cement Plant and Lightweight Concrete Plant had the project investment of Baht 3,300 million and Baht 800 million respectively. The Company borrowed funds of 75% of the project investments of each project and the Company repaid the above mentioned loans in August 2015 using the money raised by the issuance of debentures in 2015.

##### **- Electric Locomotives**

The Company made an investment to purchase electric locomotives for the amount of USD 24.2 million. The Company borrowed funds of 85% of the project investment from financial institutions abroad under the guarantee of SINOSURE, a Chinese Export Credit Agency in China. The condition was to maintain Debt to Equity Ratio to be equal or less than 1:1. As of December 31, 2015, the Company had an outstanding debt of Baht equivalent 658 million of the above mentioned loan.

As of December 31, 2015, the Company had debentures of Baht 29,555 million which met the terms and conditions to maintain Interest-bearing Debt to Equity Ratio to be equal or less than 1.5:1.

In addition, as of December 31, 2015 the Company's Debt Service Coverage Ratio (calculated for the past 12-month period according to condition stipulated in the loan agreement) equaled 1.39: 1 which was higher than the ratio 1.20: 1 as required in the loan agreement as mentioned above. The Interest-bearing debt to Equity equaled 0.67 which was equal or less than the ration of 1:1 as stipulated in the loan agreement as mentioned above.

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

### **Construction Business**

In 2014, cement and ready-mixed concrete sales volume increased to be in line with the expansion of the construction sector compared with the same in 2013. However, in 2013 the selling price of cement was at the same level while the selling price of ready-mixed concrete increased compared with the same in 2013 to be in line with rising demand in private residential construction.

In 2015, cement and ready-mixed concrete sales volume decreased 0.9% and 4.8% respectively compared with the same in 2014, due to economic recession, decreased prices of agricultural products resulting in decreased cement consumption. In 2015, the average domestic selling price of cement and ready mixed concrete decreased compared with the same in 2014.

### **Petrochemical and Chemical Business**

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

In 2015, sales volume of plastic products increased 8.8% while the average selling price of plastic products decreased by USD 280 per ton compared to the same in 2014. The price of plastic products decreased to be in line with continuously declining crude oil price.

### **Energy and Utility Business**

In 2014, total revenues decreased by 6.2% compared with the same in 2013, which was due to a decrease in revenue generated from power plants and disposal of waste. Out of the sales revenues in 2014, revenue generated from power plants represented 47%, revenue generated from oil and gas stations services represented 45% and revenue generated from disposal of waste business represented 8%.

In 2015, total revenue increased by 32.50% compared with the same in 2014, which was due to an increase in revenues generated from power plants and RDF power plants of 20MW and 60 MW, which commenced production and sold electricity to EGAT under the PPA of 18MW and 55MW since January 2015 and August 2015 respectively. Out of the sales revenues in 2015, revenue generated from power plants, oil and gas stations services, and disposal of waste business represented 63%, 32% and 5% respectively.

### **Agriculture Business**

In 2014, total revenue increased by 52% compared with the same in 2013 due to an increase in sales by 42%. However, the organic fertilizer business was in the initial stage by penetrating the markets of organic fertilizers to create an awareness of the quality of the products, which led to high promotion expenses.

In 2015, sales revenue decreased by 14% compared with the same in 2014 due to a decrease of sales volume and the selling price, because overall, the agricultural economy in 2015 went down by 4.2%, compared with the same in 2014, as a result of drought and weakening prices of agriculture produce. This lowered the need to use fertilizer as a factor of agricultural production.



**Summary of Consolidated financial statements of TPI Polene Plc. in 2013, 2014 and 2015**  
**Statements of financial position (Consolidated)**

Statement of Financial Position	Accounting Period ended December 31					
	2013 *		2014		2015	
	"000" Baht	Ratio	"000" Baht	Ratio	"000" Baht	Ratio
Total current assets	12,601,130	15.29	13,514,709	13.52	16,953,174	15.75
Property, plant and equipment	67,011,791	81.31	82,368,135	82.43	85,847,611	79.75
Other non-current assets**	2,798,900	3.40	4,048,164	4.05	4,844,257	4.50
<b>Total Assets</b>	<b>82,411,821</b>	<b>100.00</b>	<b>99,931,008</b>	<b>100.00</b>	<b>107,645,042</b>	<b>100.00</b>
Total current liabilities	9,923,524	12.04	11,117,581	11.13	11,670,571	10.84
Long-term loans from financial institutions	3,690,326	4.48	15,662,957	15.67	6,504,022	6.04
Other non-current liabilities***	11,084,804	13.45	15,365,712	15.38	33,504,762	31.13
<b>Total Liabilities</b>	<b>24,698,654</b>	<b>29.97</b>	<b>42,146,250</b>	<b>42.18</b>	<b>51,679,355</b>	<b>48.01</b>
<b>Equity</b>						
Authorized share capital	24,815,000	30.11	24,815,000	24.83	24,815,000	23.05
Issued and paid-up share capital	20,190,000	24.50	20,190,000	20.20	20,190,000	18.76
Treasury shares held by subsidiaries	(359,235)	(0.44)	(359,235)	(0.36)	(359,235)	(0.33)
Shares premium	60,600	0.07	60,600	0.06	60,600	0.06
Retained earnings	14,990,456	18.19	16,696,323	16.71	16,527,855	15.35
Other components of equity	22,830,364	27.70	21,181,027	21.20	19,538,392	18.15
Non-controlling interests	982	0.00	16,043	0.02	8,075	0.01
<b>Total Equity</b>	<b>57,713,167</b>	<b>70.03</b>	<b>57,784,758</b>	<b>57.82</b>	<b>55,965,687</b>	<b>51.99</b>
<b>Total Liabilities and Equity</b>	<b>82,411,821</b>	<b>100.00</b>	<b>99,931,008</b>	<b>100.00</b>	<b>107,645,042</b>	<b>100.00</b>

Remarks: \* consolidated financial statements (before restated)

\*\* Other non-current assets comprise investments in associates and joint venture, investments in subsidiaries, Long-term investments in related parties, Other long-term investments, investment properties, land leasehold rights, intangible assets, advances payment for plant and equipment, deferred tax assets and other non-current assets.

\*\*\* Other non-current liabilities comprise debentures, financial lease liabilities, deferred tax liabilities, employee benefit obligations and other non-current liabilities.

**Statements of comprehensive income (Consolidated)**

Statement of Comprehensive Income	Accounting Period ended December 31					
	2013 *		2014		2015	
	"000" Baht	Ratio	"000" Baht	Ratio	"000" Baht	Ratio
<b>Income</b>						
- Revenue from sales of goods	26,872,174	100.00	28,504,949	100.00	27,135,163	100.00
- Delivery income	1,441,839	5.37	1,223,292	4.29	1,245,348	4.59
- Reversal of provision for fine	0	0.00	200,000	0.70	0	0.00
- Net foreign exchange rate	0	0.00	761,137	2.67	106,504	0.39
- Other income	546,544	2.03	510,441	1.79	760,155	2.80
<b>Total income</b>	<b>28,860,557</b>	<b>107.40</b>	<b>31,199,819</b>	<b>109.45</b>	<b>29,247,170</b>	<b>107.78</b>
<b>Expenses</b>						
- Cost of sales of goods	22,866,044	85.09	24,004,080	84.21	22,894,808	84.37
- Selling expenses	3,307,764	12.31	3,456,064	12.12	3,680,025	13.56
- Administrative expenses	1,249,266	4.65	1,598,609	5.61	1,400,723	5.16
- Finance costs	251,799	0.94	460,879	1.62	1,018,145	3.75
- Penalty and surcharge Tax expenses	255,234	0.95	0	0.00	0	0.00
- Net foreign exchange loss	167,831	0.62	0	0.00	0	0.00
- Loss from disposal of investment	0	0.00	0	0.00	0	0.00
- Other expenses	0	0.00	0	0.00	0	0.00
<b>Total expenses</b>	<b>28,097,938</b>	<b>104.56</b>	<b>29,519,632</b>	<b>103.56</b>	<b>28,993,701</b>	<b>106.85</b>
Share of profit of investment in associates	2,608	0.01	56,313	0.20	42,766	0.16
<b>Profit before income tax expense</b>	<b>765,227</b>	<b>2.85</b>	<b>1,736,500</b>	<b>6.09</b>	<b>296,235</b>	<b>1.09</b>
Income tax expense	(159,214)	(0.59)	(372,891)	(1.31)	67,608	0.25
<b>Profit for the year</b>	<b>606,013</b>	<b>2.26</b>	<b>1,363,609</b>	<b>4.78</b>	<b>363,843</b>	<b>1.34</b>
Total Comprehensive gain (loss) for the year	(1,099,199)	(4.09)	(53,789)	(0.19)	(1,411,571)	(5.20)
Profit from operation	1,188,292	4.42	775,363	2.72	136,849	0.50

Remarks: \* consolidated financial statements (before restated)

\*\* Profit from operation not including net foreign exchange gain/loss, investment loss, provisions for fines, income tax and tax expenses

**Revenues from sales-outside customers**

	2013	%	2014	%	2015	%
	("000" Baht)		("000" Baht)		("000" Baht)	
Construction	18,699,529	69.59	20,087,333	70.47	18,237,937	67.21
Petrochemical and Chemical	7,252,117	26.99	7,451,721	26.14	6,803,148	25.07
Energy and Utilities	839,710	3.12	838,314	2.94	1,989,637	7.33
Agriculture	80,818	0.30	127,581	0.45	104,441	0.38
<b>Total</b>	<b>26,872,174</b>	<b>100.00</b>	<b>28,504,949</b>	<b>100.00</b>	<b>27,135,163</b>	<b>100.00</b>

**Statement of cash flow (Consolidated)**

	Accounting Period ended December 31		
	2013 * ("000" Baht)	2014 ("000" Baht)	2015 ("000" Baht)
<b>Net cash from (used in) operating activities</b>	<b>2,569,145</b>	<b>1,834,006</b>	<b>1,155,129</b>
<b>Net cash used in investing activities</b>	<b>(6,677,617)</b>	<b>(18,397,796)</b>	<b>(8,388,661)</b>
<b>Net cash from financing activities</b>	<b>4,436,515</b>	<b>16,658,797</b>	<b>8,150,856</b>
<b>Net increase in cash and cash equivalents</b>	<b>328,043</b>	<b>95,007</b>	<b>917,324</b>
Cash and cash equivalents at 1 January	517,000	660,785	762,149
Effect of exchange rate changes on balances held in foreign currencies	(110)	6,215	14,564
Cash and cash equivalents from changes in holding of investment in subsidiaries	0	142	1,141
<b>Cash and cash equivalents at December 31</b>	<b>844,933</b>	<b>762,149</b>	<b>1,695,178</b>

Remarks: \* consolidated financial statements (before restated)

## Key Financial Ratio

Financial Ratio	Accounting Period ended December		
	2013 ***	2014	2015
<b>Liquidity Ratio</b>			
1.Current Ratio (times)	1.27	1.22	1.45
2.Quick Ratio (times)	0.36	0.31	0.43
3.Cash Ratio (times)	0.28	0.17	0.10
4.Receivable Turnover (times)	10.13	10.56	10.21
5.Collection Period (days)	35.55	34.09	35.25
6.Inventory Turnover (times)	2.95	2.74	2.26
7.Inventory Turnover Period (days)	121.97	131.54	159.10
8.Account Payable Turnover (times)	7.58	7.68	8.64
9.Payment Period (days)	47.49	46.85	41.68
10.Cash Cycle (days)	110.03	118.78	152.67
<b>Profitability Ratio</b>			
11.Gross Profit Margin (%)	14.91	15.79	15.63
12.Operating Profit Margin (%)	9.73	8.81	8.91
13.Other Profit Margin (%)	(0.44)	3.24	(0.52)
14.Cash to Net Profit Ratio (times)	0.93	0.70	0.46
15.Net Profit Margin (%)	2.10	4.37	1.24
16.Return on Equity (%)	1.04	2.36	0.64
<b>Efficiency Ratio</b>			
17.Return on Assets (%)	0.76	1.50	0.35
18.Return on Fixed Assets (%)	3.79	4.44	2.96
19.Assets Turnover (times)	0.36	0.34	0.28
<b>Financial Policy Ratio</b>			
20.Debt to Equity Ratio (times)	0.43	0.73	0.92
21.Financial Debt to Equity Ratio (times) ****	0.18	0.48	0.67
22.Interest Coverage Ratio (times)	12.70	6.68	2.88
23.Debt Service Coverage Ratio (times)	1.81	1.63	*****1.39
24.Dividend Payout Ratio (%) *	82.18	40.94	0.00
<b>Per Share**</b>			
25.Book Value per Share (Baht)**	2.89	2.89	2.80
26.Net Profit per Share (Baht)**	0.030	0.068	0.018
27.Dividend per Share (Baht)**	0.015	0.020	0.00
<b>Growth Rate</b>			
28.Total Assets (%)	7.68	21.26	7.72
29.Total Liabilities (%)	40.95	70.64	22.62
30.Sales Revenue (%)	1.95	6.08	(4.81)
31.Operating Expenses (%)	(13.84)	10.92	0.52
32.Net Profit (%)	110.71	125.01	(73.32)

Remarks: \* Calculation base on Separate financial statement.

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

\*\*\* Consolidated Financial Statements (Before Restated)

\*\*\*\* The ratio as stipulated in the terms and condition, which shall not be more than 1.5:1

\*\*\*\*\* Prepayment amount not included

# INTER-COMPANY TRANSACTIONS

Disclosure of information about inter-company transactions, and other transactions that might have the potential to involve conflicts of interest, is in compliance with the rules and regulations imposed by the SET and the SEC.

The Audit Committee has performed its duties and responsibilities to review inter-company transactions. The procedures used in inter-company transactions have always been subject to the normal terms and conditions of business and reflect applicable market prices. The Company established procedures for the above transactions in the same manner as for transactions with general customers and all inter-company transactions reflect applicable market prices to ensure that there are no conflicts of interest.

As of December 31, 2015, the Company and its subsidiaries had inter-company transactions with related persons, which might have the potential to involve conflicts of interest. The Directors and/or Management have considered the reasonableness of the above inter-company transactions, and all were undertaken for the maximum benefit of the Company and were subject to the normal terms and conditions of business to reflect applicable market prices and in compliance with the rules and regulations imposed by the SET and the SEC. Details of the inter-company transactions are contained in Note 4 of the consolidated financial statements as at December 31, 2014, which can be summarized as follows:

Company (Description of relationship)	Description of transaction	Baht million	Necessity and reasonableness
1. Pornchai Enterprise Co.,Ltd. (There are some common Directors.)	The Company and its subsidiaries advanced funds for infrastructure expenses to obtain good terms and conditions to Pornchai Enterprise for 90-year lease period.	180.39	Such agreements are regarded as special reciprocal agreements because the advance rent is considered to be a financial support to Pornchai Enterprise for the construction of the building and to ensure that the Company and its subsidiaries pay the total rental expense below that in the market and at the fixed rate for 90-year lease period, free from inflation rate reflection. In addition, the location is suitable for office building in Bangkok Metropolitan and the number of employees. Such agreements are regarded as special reciprocal agreement.  Transactions are undertaken to accommodate the necessity to use office buildings of the Company. Therefore, the transaction is to support business operations under the same conditions as other tenants. The rental deposit and service fee are paid as the guarantee pursuant to Rental and Service Agreement.
	The Company pays rental advance to Pornchai Enterprise for 3-year lease period.	0.35	
	The Company pays rental and service fee as the deposit to Pornchai Enterprise	9.37	
	The Company and its subsidiaries pay rental fee to Pornchai Enterprise	27.63	
2. United Grain Industry Co., Ltd. ("UGI") (There are some common Directors.)	The Company and its subsidiaries pay UGI for cement bags.	8.06	Transactions are always undertaken at market rates to support normal business operations of the Company.
	Accounts Payable	1.38	
3. Thai Plastic Film Co.,Ltd. (There are some common Directors.)	The Company sells plastic resin to Thai Plastic Film.	35.99	Transactions are always undertaken at market rates to support normal business operations of the Company.
	The Company hires Thai Plastic Film Co., Ltd. to produce cement bags at the rate of Baht 2.00 to 2.60 per bag. (This rate includes labor cost, rental charges, electricity and other related expenses)	115.88	
	The Company and its subsidiaries pay Thai Plastic Film Co., Ltd. for cement bags.	81.19	
	Accounts Payable	58.06	
4. Thai Plastic Product Co.,Ltd. (There are some common Directors.)	The Company purchases cement bags for export from Thai Plastic Product.	376.32	Transactions are always undertaken at market rates to support normal business operations of the Company.
	Accounts Payable	48.46	
5. Bangkok Union Insurance Plc. (BUI) (There are some common Directors.)	The Company and its subsidiaries pay insurance premium to BUI.	155.52	Transactions are always undertaken market rates to support normal business operations of the Company.
6. Bangkok Union Life Insurance Plc. (There are some common Directors.)	The Company pays life insurance premium to Bangkok Union Life Insurance Plc.	10.24	Transactions are always undertaken at market rates to support normal business operations of the Company.



**Procedures to approve Related Transactions**

Since the Company is a listed company, its practices regarding related transactions are conducted according to the rules and regulations of the SET and the SEC. The Company is highly aware of the sensitivity of this issue and closely monitors any situation in which a potential related transaction could occur. The above inter-company transactions were subject to the normal terms and conditions of business to reflect applicable market prices. Directors of the Company who are not deemed to be connected parties to such transactions are responsible for making decisions in regard to the said connected transactions.

The process for approval of connected transactions will be carried out under the standards of integrity, and be reviewed by the Audit Committee to be in the best interests of the Company and its shareholders. This complies with SEC and SET regulations. The Company will disclose types and values of transactions that might present conflicts of interest accurately and completely. For any transactions that are considered to have potential conflicts of interest, market prices will be used as criteria to consider those transactions.

**Potential Future Related Transactions**

The Company expects to continue its business transactions with subsidiaries, the Joint Venture Company, affiliated companies, and related companies in the normal course of its business. Inter-company transactions are subject to normal terms and there is no conflict of interest. The Company adheres to practices for the above transactions that comply with the SET regulations, and regulations of other relevant governmental authorities, with regard to the reasonableness of the conditions and fair prices.

# Risk Factors

TPI Group has constantly managed risks to be at controllable and acceptable levels. The Company has already implemented a management information system ("MIS"), which covers various areas of management to identify different aspects of risk, in order to ensure that each operation unit operates so as to achieve its targets. Risk management can be classified as follows:

## **Risks associated with potential foreign currency exchange rate fluctuations**

As at December 31, 2015, the Company's major long-term loans are mainly denominated in Baht currencies, representing 82% while the remaining long-term borrowing is denominated in Euro currency and USD currency accounting for 16% and 2% respectively. Therefore, the Company has impact from risks associated with the exchange rate fluctuation to some extent.

Besides, the Company also has debt liability in the form of working capital, a significant amount of which is denominated in USD currency while part of it is denominated in Euro currency. However, most of the Company's income is generated in US dollars, which is higher than the payment of expenses in foreign currencies (in both US dollars and Euro based). The Company has a policy to mitigate foreign exchange risk through natural hedging by balancing its foreign currency revenues and expenses. These measures will partly protect the company against currency fluctuations, by balancing its cash flow in foreign currencies, revenue and expenses structure. The Company can use a number of financial mechanisms against risk caused by fluctuation in currency exchange rates by exporting products for payment in US dollars and maintaining a US dollar deposit account for repayment of principal and interest to creditors, to mitigate foreign exchange risk through natural hedging.

In addition, the Company has also applied the policy to mitigate risk associated with foreign exchange to use financial instruments, which is apt for hedging to enter into a forward exchange contract and /or cross currency swap, as considered appropriate; to hedge its foreign exchange exposure, and will closely monitors potential adverse currency movements, by balancing the income generated in US dollars and the payment of expenses in foreign currencies.

## **Risk associated with potential coal price fluctuations**

Coal is a principle source of kiln fuel in the manufacture of cement. Coal price fluctuation depends on supply from major exporters in Australia and Indonesia. In case that demand for coal from major importers of coal in China increases, coal prices will be adjusted upward. Therefore, the Company's fundamental approach to managing coal price fluctuation risk is to identify extensive supply sources for coal, and establish import sales contracts throughout the entire year, with an appropriate allocation of short-term and long-term contracts, in order to efficiently manage cement production costs.

## **Risk associated with credit provision**

To mitigate credit risk stemming from debtors' potential failure to comply with their contracts, the Company has the policy to conduct business transactions with reliable trade partners by selling cement products based on cash and credit terms. Usually customers are required to give collateral in the form of a letter guarantee or bank guarantee in return for customer credit lines. A Credit Committee has been appointed to consider proper criteria for offering credit lines to customers and to develop a monitoring process for cash collection from customers.

As at December 31, 2015 and December 31, 2014, Allowance for Doubtful Debt percentage to Total Account Receivable of the Company was 3.83 % and 4.22%, respectively.

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

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

## Financial Structure

### Ordinary Share

As of December 31, 2015, the registered capital of the company is Baht 24,815 million consisting of 24,815,000,000 ordinary shares, at the par value of Baht 1 each. Paid-up capital is Baht 20,190 million consisting of 20,190,000,000 ordinary shares, at the par value of Baht 1 each.

### Debentures

As of December 31, 2015, the Company issued unsubordinated/unsecured onshore Debentures, in registered form with debenture holders' representatives. Details of Debenture are summarized as follows:

Debenture Series	Total Amount (Baht)	Interest rate (%)	Term and redemption period	Credit Rating	Rating Outlook
TPIPL165A	3,000,000,000	5.20% p.a	3 Years, matured in 2016	BBB+	Stable
TPIPL177A	3,000,000,000	5.00% p.a	3.5 Years, mature in 2017	BBB+	Stable
TPIPL187A	2,000,000,000	5.30% p.a	4.5 Years, mature in 2018	BBB+	Stable
TPIPL191A	3,000,000,000	4.85% p.a	4 Years, mature in 2019	BBB+	Stable
TPIPL201A	3,000,000,000	5.20% p.a	5 Years, mature in 2020	BBB+	Stable
TPIPL188A	3,000,000,000	4.10 % p.a	3 Years, mature in 2018	BBB+	Stable
TPIPL198A	2,750,000,000	4.40 % p.a	4 Years, mature in 2019	BBB+	Stable
TPIPL208A	2,205,000,000	4.65 % p.a	5 Years, mature in 2020	BBB+	Stable
TPIPL218A	3,600,000,000	4.90 % p.a	6 Years, mature in 2021	BBB+	Stable
TPIPL228A	4,000,000,000	5.20 % p.a	7 Years, mature in 2022	BBB+	Stable
Total	29,555,000,000				

### Short term loan in form of bill of exchange

As of January 28, 2016, the Company' outstand debt in the form of Bill of Exchange was Baht 1,130 million.

## Shareholding Structure

Shareholders	Number of Shares	Shareholding (%)
1. Leophairatana Enterprises Co., Ltd. 1/	4,242,595,450	21.01
2. Thai Petrochemical Industry Co., Ltd. 1/	2,752,698,160	13.63
3. Mrs. Orapin Leophairatana	867,146,240	4.29
4. Mr. Prayad Liewphaitana	867,122,740	4.29
5. Mr. Pakorn Leophairatana	862,745,810	4.27
6. Dr. Pramuan Leophairatana	808,900,000	4.01
7. Bangkok Bank Public Company Limited	657,693,240	3.26
8. Miss Pattrapan Leophairut	629,077,220	3.12
9. Mr. Nared Ngamapichon	272,533,800	1.35
10. Mr. Veraphan Teepsuwan	231,185,600	1.15

*Note: 1/ Majority shares held by the Leophairatana family*

## Dividend Payment Policy

The dividend payout policy of the Company is subject to the operational results of single financial statements of the Company. Dividend payment will be paid to shareholders by taking into consideration other factors such as liquidity, cash flow and financial status of the Company. Such dividend payments shall be subject to the shareholders' approval or the Board of the Directors' approval.

In addition, the Board of Directors of the Company may from time to time approve the payment of interim dividends to shareholders, where it is justified by the profits of the Company. After the payment of dividends, the transaction shall be reported to shareholders at the next meeting.

	2013 *	2014	2015
Net Profit per share (Baht)	0.018	0.049	(0.019)
Dividend per share (Baht)	0.015	0.02	N/A
Par Value per Share (Baht)	1.00	1.00	1.00
Dividend Payout Ratio (%)	82.18	40.94	N/A

*Remarks: In 2013, Book value per share has be computed and adjusted from Baht 10/share to Baht 1/share in order to make comparison.*



# The Management

## Management Structure

As at December 31, 2015, the management structure of the Company consists of three Executive Committees: the Board of Directors, the Executive Management Committee and the Audit Committee. The Board of Directors of the Company had a total of 16 directors, consisting of 7 independent directors, which exceeds one third of the total number of directors, details of which are as follows:

### The Board of Directors as at December 31, 2015

Name	Position
1. Mr. Visith Noiphan	Chairman and Independent Director
2. Mr. Prachai Leophairatana	Director
3. Mr. Prateep Leopairut	Director
4. Dr. Pramuan Leophairatana	Director
5. Dr. Narasri Vaivanijkul	Independent Director and Chairman of the Audit Committee
6. Mrs. Boonsri Leophairatana	Director
7. Dr. Chavin Iamsopana	Director
8. Mr. Prayad Liewphairatana	Director
9. Mrs. Orapin Leophairatana	Director
10. Mr. Manas Sooksmarn	Independent Director and Audit Committee
11. Pol.Gen. Charnchit Bhiraueus	Independent Director and Audit Committee
12. Mr. Pisej Iamsakulrat	Director
13. Mr. Thavich Taychanavakul	Independent Director
14. Mr. Tayuth Sriyusiri	Director
15. Mr. Khantachai Vichakkhana	Independent Director
16. Mr. Chulasingh Vasantasingh	Director

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

## Functions and Responsibilities of the Board of Directors

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

**The Executive Management Committee** as at December 31, 2015

<b>Name</b>	<b>Position</b>
1. Mr. Prachai Leophairatana	Chairman of Executive Committee
2. Mr. Prateep Leopairut	Executive Director
3. Dr. Pramuan Leophairatana	Executive Director
4. Mr. Prayad Liewphairatana	Executive Director
5. Mrs. Orapin Leophairatana	Executive Director
6. Dr. Chavin Iamsopana	Executive Director
7. Mr. Tayuth Sriyuksiri	Executive Director

Seven Directors are authorized to sign on behalf of the Company. Two of the seven directors must jointly sign, together with the affixation of the official company stamp.

**Functions and Responsibilities of the Executive Management Committee**

1. To govern and determine the operational strategy of the business, in compliance with the policy of the Board of Directors.
2. To monitor operational results of each department.
3. To select and nominate top management of the Company.
4. To nominate and remove officers of the Company, and to determine their rewards.
5. To perform their duties in relation to the general administration of the Company

**The Audit Committee** as at December 31, 2015

<b>Name</b>	<b>Position</b>
1. Dr. Narasri Vaivanijkul	Chairman of the Audit Committee*
2. Mr. Manas Sooksmarn	Audit Committee
3. Pol. Gen. Charnchit Bhiraueus	Audit Committee

Remarks: \* Possess background and experience in auditing of financial statements.

**Functions and Responsibilities of the Audit Committee**

1. To control and monitor the Company's financial reports to ensure that they are complete, adequate and reliable.
2. To monitor the auditing process and internal control systems of the Company to ensure that they are appropriate and efficient.
3. To select and propose the appointment of the statutory auditor of the Company.
4. To supervise and ensure that the Company acts in compliance with the regulations imposed by the SET and the SEC and related governing laws.
5. To consider the disclosure of information regarding connected transactions or transactions that might have conflicts of interest, to ensure it is accurate and complete.
6. To prepare the Audit Committee Report as disclosed in the Company's Annual Report to be in compliance with the provisions imposed by the SET and the SEC.
7. To perform any other tasks that may be stipulated in the Articles of Association of the Company.
8. To perform any other tasks that may be delegated by the Board of Directors.

**The Management** as of December 31, 2015

<b>Name</b>	<b>Position</b>
1. Mr. Prachai Leophairatana	Chief Executive Officer
2. Mr. Prateep Leopairut	President
3. Dr. Pramuan Leophairatana	President
4. Mr. Prayad Liewphairatana	President
5. Mrs. Orapin Leophairatana	Senior Executive Vice President
6. Mr. Prasert Ittimakin	Senior Vice President-Accounting and Finance Division
7. Miss Chularat Danwattanachai	Vice President - Accounting and Finance Division
8. Mr. Anugoon Piyapakorn	Assistant Vice President - Accounting Department
9. Mr. Pongsak Yiengsakun	Assistant Vice President - Finance Department

**Functions and Responsibilities of the Chief Executive Officer**

1. To carry out activities prudently; to be in compliance with the objectives of the Articles of Association; and to be in line with establishing policy as approved by the Board of Directors of the Company, in order to protect the Company's interests and for the benefit of shareholders.
2. To monitor and manage daily operational results of each department to ensure these are carried out effectively and efficiently.
3. To assign, nominate, remove and punish employees and staff of the Company to comply with Company discipline.
4. To report work progress to be in line with work plans and budgets as approved by the Board of Directors.

**Business relationships or professional service relationships between independent directors and the Company, or the parent company, or its affiliates, or subsidiary companies, or associated companies, or juristic persons within the Company, that may impose conflicts of interest in an amount exceeding the restricted amount under the notification of the SEC regarding permission and approval of new shares issuance (if any), as well as the resolution and opinion of the Board of Directors approval (if any).**

**Selection of the Directors and the Management**

The Board of Directors of the Company is responsible for the selection of Directors and Management of the Company. Selection of Directors takes into consideration their background, knowledge, experience in related fields of business, ethical behavior, standards of integrity, independence, courage in giving opinions, responsible discharge of duties, precision and honesty, and consistent attendance at all Board meetings. Their resumes and their ethical behavior are taken into consideration as well as other appropriate qualifications deemed beneficial to the Company. We also consider other factors that may impose conflicts of interest.

Selection of the directors to replace those retiring by rotation is under the criteria of the Office of Securities and Exchange Commission and the Stock Exchange of Thailand.

Selection of Management takes into consideration their background, knowledge, abilities, professional skills, and experience deemed beneficial to the Company. Management selection is in compliance with recruitment procedures of the Company.

Criteria for selection of the Independent Directors are as follows:

1. Under the criteria of the Office of Securities and Exchange Commission and the Stock Exchange of Thailand, Independent Directors:
  - 1.1 Are restricted in the number of shares they may hold to not greater than 1% of the voting shares in the Company, its affiliates, its associated companies, or its juristic persons that may impose conflicts of interest (implicitly including related persons as stated in Section 258 of the SEC's Act B.E. 2535.)
  - 1.2 Have no management participation in the Company, its affiliates, or its associated companies; and are not employees or regularly paid consultants, or persons who have control over the Company, its affiliates, or its associated companies or its juristic persons that may impose conflicts of interest.
  - 1.3 Have no business relationship with the Company, its affiliates, or its associated companies; and do not have any loss or gain, directly or indirectly, in the finance or management of the Company, its affiliates, or its associated companies; or its juristic persons that may impose conflicts of interest.

- 1.4 Have no close relatives, or persons related in a way that may lead to a lack of independence from the management or major shareholders of the Company, its affiliates, or its associated companies, or its juristic persons that may impose conflicts of interest; nor may they be appointed to protect the interest of any director or major shareholders.
- 1.5 Maintain consistent attendance at all board meetings, and follow and monitor the business performance and operations of the Company.
2. Independent Directors must be capable, talented and knowledgeable, with backgrounds and experience deemed beneficial to the Company; such as backgrounds in engineering, accounting, finance etc.
3. Independent Directors must detail their qualifications and perform their duties with great care and loyalty in the best interest of the shareholders, without conflict of interest with/for their own businesses or former businesses, or related parties.

## Remuneration of the Directors and the management

### 1. Remuneration in monetary terms

#### 1.1 Remuneration of the Directors

In 2015, remuneration awarded to the Company's 16 directors in the form of meeting allowances and bonuses was Baht 28,333,440 compared to Baht 26,498,968 in 2014 for 16 directors. Details of remuneration in 2015 are as follows:

					<i>Unit: Baht</i>
No.	Name	Position	Meeting allowances	Bonus	Total
1.	Mr. Visith Noiphan	Chairman	1,528,260	242,580	1,770,840
2.	Mr. Prachai Leophairatana	Director	1,528,260	242,580	1,770,840
3.	Mr. Prateep Leopairut	Director	1,528,260	242,580	1,770,840
4.	Dr. Pramuan Leophairatana	Director	1,528,260	242,580	1,770,840
5.	Dr. Narasri Vaivanijkul	Director	1,528,260	242,580	1,770,840
6.	Mrs. Boonsri Leophairatana	Director	1,528,260	242,580	1,770,840
7.	Dr. Chavin Iamsopana	Director	1,528,260	242,580	1,770,840
8.	Mr. Prayad Liewphairatana	Director	1,528,260	242,580	1,770,840
9.	Mrs. Orapin Leophairatana	Director	1,528,260	242,580	1,770,840
10.	Mr. Manas Sooksmarn	Director	1,528,260	242,580	1,770,840
11.	Pol. Gen. Charnchit Bhiraueus	Director	1,528,260	242,580	1,770,840
12.	Mr. Pisej Iamsakulrat	Director	1,528,260	242,580	1,770,840
13.	Mr. Tayuth Sriyuksiri	Director	1,528,260	242,580	1,770,840
14.	Mr.Thavich Taychanakul	Director	1,528,260	242,580	1,770,840
15.	Mr. Khantachai Vichakkhana	Director	1,528,260	242,580	1,770,840
16.	Mr. Chulasingh Vasantasingh	Director	1,528,260	242,580	1,770,840
Total			24,452,160	3,881,280	28,333,440

#### 1.2 Remuneration of Management

In 2015, remuneration awarded to the Company's 5 Executives including salaries and bonuses was Baht 245,991,600 compared to Baht 236,649,100 for total of 5 persons in 2014.

#### 2. Other remuneration

Other remuneration to the Management includes company cars for each position.



## Audit Fees

### 1. The Company and its subsidiaries paid audit fees for 2015 to:

- 1.1 The statutory auditor of the Company for the financial year ended 2015 in the amount of Baht -0-
- 1.2 The office of the statutory auditor of the Company, or other persons or related enterprises relating to the statutory auditor of the Company for year 2015 in the amount of Baht 8,000,000.

### 2. Non-Audit Fees

TPI Polene and its subsidiaries paid a fee to KPMG Phoomchai Audit Limited to review the report of promotional privileges and benefits of exemption from payment of corporate income tax by virtue of the promotional certificates of the Board of Investment in 2015 for a total of Baht 240,000.

### Company shares held by the Directors and the Management (including couple marriage and their offspring) as at December 21, 2015

	Shareholding As at May 25, 2015	Shareholding As at December 25, 2015	Change
1. Mr. Visith Noiphan	-	-	-
2. Mr. Prachai Leophairatana	867,246,240	858,196,240	-
3. Mr. Prateep Leopairut	1,770,000	1,940,000	170,000
4. Dr. Pramuan Leophairatana	809,000,000	809,000,000	-
5. Dr. Narasri Vaivanijkul	-	-	-
6. Mrs. Boonsri Leophairatana	-	-	-
7. Dr. Chavin Iamsopana	21,910,000	21,910,000	-
8. Mr. Prayad Liewphairatana	883,217,140	883,217,140	-
9. Mrs. Orapin Leophairatana	*	*	*
10. Mr. Manas Sooksmarn	-	-	-
11. Pol.Gen.CharnchitBhiraleus	2,150,000	2,150,000	-
12. Mr. Pisej Iamsakulrat	16,000,000	15,400,000	(600,000)
13. Mr. Thavich Taychanavakul	1,091,180	1,091,180	-
14. Mr. Tayuth Sriyuksiri	91,425,890	165,325,890	3,000,000
15. Mr. Khantachai Vichakkhana	27,760	27,760	-
16. Mr.Chulasingh Vasantasingh**	50,000	50,000	-
17. Mr. Prasert Ittimakin	10,480	10,480	-
18. Miss Chularat Danwattanachai	-	-	-
19. Mr. Anugoon Piyapakorn	-	-	-
20. Mr. Pongsak Yiengsakun	-	-	-

Note : \* Included in shareholding changes of Mr.Prachai Leophairatana to comply with the provisions contained in the SEC Act, article 258.

**Positions of the Management and Controlling Persons over the Company, its Subsidiaries, the Joint Venture Company, Associated Companies and other related Companies as of 31 December 2015.**

Name	TPI	Subsidiaries 2/																
	Polene	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1. Mr.Visith Noiphan	X	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Mr.Prachai Leophairatana	//	//x	//x	//x	//x	//x	//x	//x	//	//x	-	//x	//x	-	//x	//x	//x	//x
3. Mr.Prateep Leopairut	//	//	//	//	//	//	//	//	//	//	-	//	//	-	//	//	//	//
4. Dr.Pramuan Leophairatana	//	//	//	//	//	//	//	//	//	//	//x	//	//	-	//	//	//	//
5. Dr.Narasri Vaivanijkul	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Mrs.Boonsri Leophairatana	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7. Dr.Chavin Iamsopana	//	-	-	-	-	-	-	-	-	-	//	//	-	-	-	-	-	-
8. Mr.Prayad Liewphairatana	//	//	//	//	//	//	//	//	//	//	//	//	//	-	//	//	//	//
9. Mrs.Orapin Leophairatana	//	//	-	//	//	//	//	//	-	//	-	//	//	-	//	//	//	//
10. Mr.Manas Sooksmarn	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11. Pol.Gen. Charnchit Bhiraueus	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12. Mr.Pisej Iamsakulrat	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13. Mr.Thavich Taychanavakul	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14. Mr.Tayuth Sriyusiri	//	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15. Mr.Khantachai Vichakkhana	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16. Mr.Chulasingh Vasantasingh	/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note: 1. / = Director X = Chairman // = Executive Director

2. / Names of the Companies

No.	Subsidiaries	Status
1	TPI Concrete Co.,Ltd.	Subsidiary company
2	Thai Propoxide Co.,Ltd.	Subsidiary company
3	TPI Polene Power Co.,Ltd.	Subsidiary company
4	TPI All Seasons Co.,Ltd.	Subsidiary company
5	Polene Plastic Co.,Ltd.	Subsidiary company
6	TPI Polene Bio Organics Co.,Ltd.	Subsidiary company
7	Thai Nitrate Co.,Ltd.	Joint Venture Company
8	Thai Special Steel Plc.	Associated company
9	Mondo Thai Co.,Ltd.	Subsidiary company
10	Bangkok Union Life Insurance Public Co.,Ltd.	Associated company
11	United Grain Industry Co.,Ltd.	Associated company
12	Pornchai Enterprises Co.,Ltd.	Related company
13	TPI Commercial Co.,Ltd.	Subsidiary company
14	TPI Service Co.,Ltd.	Subsidiary company
15	TPI Power Co.,Ltd.	Subsidiary company
16	TPI Intertrade Co.,Ltd.	Subsidiary company
17	TPI Refinery (1997) Co.,Ltd.	Subsidiary company

***The Board of Directors - TPI Concrete Co., Ltd.*** as at December 31, 2015

Name		Position
1.	Mr. Prachai Leophairatana	Chairman
2.	Mr. Prateep Leopairut	Director
3.	Dr. Pramuan Leophairatana	Director
4.	Mr. Prayad Liewphairatana	Director
5.	Mrs. Orapin Leophairatana	Director
6.	Mr. Panya Tangsingtrong	Director
7.	Ms. Niphond Punyaratabandhu	Director

***The Board of Directors - TPI Polene Power Co., Ltd.*** as at March 4, 2015

Name		Position
1.	Mr. Prachai Leophairatana	Chairman
2.	Mr. Prateep Leopairut	Vice Chairman
3.	Dr. Pramuan Leophairatana	Vice Chairman
4.	Mrs. Orapin Leophairatana	Vice Chairman
5.	Mr. Prayad Liewphairatana	Director
6.	Mr. Pakorn Leopairut	Director
7.	Miss Pattraporn Leopairut	Director
8.	Mr. Pakkapol Leopairut	Director
9.	Miss. Nitawan Leophairatana	Director
11.	Mr. Manue Leohairoj	Director
12.	Mr. Apichai Chantarasae	Director
13.	Mr. Khantachai Vichakkhana	Director
14.	Miss Malinee Leophairatana	Director
15.	Mr. Wanchai Manosutthi	Director

***The Board of Directors - Polene Plastic Co., Ltd.*** as at December 31, 2015

Name		Position
1.	Mr. Prachai Leophairatana	Chairman
2.	Mr. Prateep Leopairut	Director
3.	Dr. Pramuan Leophairatana	Director
4.	Mr. Prayad Liewphairatana	Director
5.	Mrs. Orapin Leophairatana	Director

***The Board of Directors - TPI Polene Bio Organics Co., Ltd.*** as at December 31, 2015

Name	Position
1. Mr. Prachai Leophairatana	Chairman
2. Mr. Prateep Leopairut	Director
3. Dr. Pramuan Leophairatana	Director
4. Mr. Prayad Liewphairatana	Director
5. Mrs. Orapin Leophairatana	Director
6. Miss Pattrapan Leopairut	Director
7. Mr. Pakorn Leopairut	Director
8. Mr. Pakkapol Leopairut	Director
9. Mrs. Achira Chatdarong	Director
10. Mrs. Nitawan Leophairatana	Director
11. Mr. Thanakorn Liewphairatana	Director
12. Miss Chutinan Liewphairatana	Director
13. Mr. Vipot Kotbua	Director
14. Mr. Pakpoom Thongsorn	Director

***The Board of Directors - TPI All Seasons Co., Ltd.*** as at December 31, 2015

Name	Position
1. Mr. Prachai Leophairatana	Chairman
2. Mr. Prateep Leopairut	Director
3. Dr. Pramuan Leophairatana	Director
4. Mr. Prayad Liewphairatana	Director
5. Mrs. Orapin Leophairatana	Director
6. Mr. Panya Tangsingtrong	Director
7. Mr. Pakorn Leopairut	Director
8. Mrs. Nitawan Leophairatana	Director

***The Board of Directors - Mondo Thai Co., Ltd.*** as at December 31, 2015

Name	Position
1. Mr. Prachai Leophairatana	Chairman
2. Mr. Prateep Leopairut	Director
3. Dr. Pramuan Leophairatana	Director
4. Mr. Prayad Liewphairatana	Director
5. Mrs. Orapin Leophairatana	Director



***The Board of Directors - TPI Commercial Co., Ltd.*** as at December 31, 2015

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

***The Board of Directors - TPI Service Co., Ltd.\**** as at December 31, 2015

Name	Position
1. Mr. Prachai Leophairatana	Chairman
2. Mr. Prateep Leopairut	Director
3. Dr. Pramuan Leophairatana	Director
4. Mr. Prayad Liewphairatana	Director
5. Mrs. Orapin Leophairatana	Director
6. Mr. Pakorn Leopairut	Director
7. Mr. Pakkapol Leopairut	Director
8. Mrs. Achira Chatdarong	Director
9. Mrs. Nitawan Leophairatana	Director
10. Mr. Thanakorn Liewphairatana	Director

\*Remarks: TPI Service Co.,Ltd. (former name Jade Minerals Co.,Ltd.)

***The Board of Directors - TPI Power Co., Ltd.*** as at December 31, 2015

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

***The Board of Directors - TPI Intertrade Co., Ltd.*** as at December 31, 2015

Name		Position
1.	Mr. Prachai Leophairatana	Chairman
2.	Mr. Prateep Leopairut	Director
3.	Dr. Pramuan Leophairatana	Director
4.	Mr. Prayad Liewphairatana	Director
5.	Mrs. Orapin Leophairatana	Director
6.	Mr. Pakorn Leopairut	Director
7.	Mrs. Nitawan Leophairatana	Director
8.	Mr. Pakkapol Leopairut	Director

***The Board of Directors - TPI Power Co., Ltd.*** as at December 31, 2015

Name		Position
1.	Mr. Prachai Leophairatana	Chairman
2.	Mr. Prateep Leopairut	Director
3.	Dr. Pramuan Leophairatana	Director
4.	Mr. Prayad Liewphairatana	Director
5.	Mrs. Orapin Leophairatana	Director
6.	Mr. Pakorn Leopairut	Director
7.	Mrs. Nitawan Leophairatana	Director
8.	Mr. Pakkapol Leopairut	Director
9.	Mr. Prasit Charnsittichok	Director

***The Board of Directors - Propoxide Thai Co., Ltd.*** as at December 31, 2015

Name		Position
1.	Mr. Prachai Leophairatana	Chairman
2.	Mr. Prateep Leopairut	Director
3.	Dr. Pramuan Leophairatana	Director
4.	Mr. Prayad Liewphairatana	Director

## Board of Directors as at January 21, 2015

NAME/AGE/ FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	EDUCATIONAL BACKGROUND/TRAINING	% SHARE HOLDING*	WORK EXPERIENCE		
			DURATION	POSITION	COMPANY/ BUSINESS
Mr.Visith Noiphan 82 years of age -no relationship	M.ENG.(Sanitary Engineering) Chulalongkorn University	-	2005-Present	Chairman and Independent Director	TPI Polene Public Co.,Ltd.
			1982-1984	Department of Industrial Works	Ministry of Industry
	1984-1986		Department of Industrial Promotion	Ministry of Industry	
	B.E. (Civil Engineering) Chulalongkorn University		1986-1988	Director General Secretary General Thai Industrial Standards	Ministry of Industry
			Directors Accreditation Program (DAP- No.5/2003) Thai Institute of Directors (IOD)	1988-1992	Director General Department of Mineral Resources
	1992-1993			Advisor	The Office Of Prime Minister
	Acting of Permanent Secretary		Ministry of Industry		
			Role of the Chairman (RCP) No.20/2008 Thai Institute of Directors (IOD)	Deputy Permanent Secretary	Ministry of Industry
	1994-2005			Director and member of the Audit Committee	TPI Polene Public Co.,Ltd.
			2001-Present	Chairman and Independent Director	Sahaviriya Plate Mill Co., Ltd.
	2004-May 2014			Independent Director	BangsaphanBarmill Plc.
	2006-Present		Chairman and Independent Director	Thai Agro Energy Plc.	
	May 2014-Present		Chairman and Independent Director	Bangsaphan Barmill Plc.	
	Mr. Prachai Leophairatana 71 years of age Elder brother of Mr. Prateep Leopairut, Dr. Pramuan Leophairatana and Mr. Prayad Liewphairatana		M.S.E.E. University of California (Berkeley) U.S.A.	4.30	2001-Present
1969-1997		Chairman			Cathay Finance & Securities Plc.
B.E. (1 <sup>st</sup> Class Hons.) University of Canterbury, New Zealand		1978-2006	Chief Executive Officer		Thai Petrochemical Industry Public Co.,Ltd. and TPI Polene Group of Companies.
		1992-2000	Senator		Parliamentary Commission
Directors Accreditation Program (DAP- No.35/2005) Thai Institute of Directors (IOD)		2000-2006	Board Executive Director		Bangkok Union Insurance Public Co.,Ltd.
		April 2012-Present	Director		Bangkok Union Insurance Public Co.,Ltd.
Dr. Narasri Vaivanijkul 82 years of age -no relationship		Ph.D. in Management Science The University of Texas at Austin, Texas. USA	-		2005-Present
	1998-2005			Independent Director and member of the Audit Committee	TPI Polene Public Co.,Ltd.
	Directors Accreditation Program (DAP- No.5/2003) Thai Institute of Directors (IOD)	2009-Present Present		Chairman of Audit Committee Director	Assumption University Council Asian University of Science and Technology Council
		Present Present		Chairman of Audit Committee Director	Rajapark College Council Pitchayabundit College Council
Mrs. Boonsri Leophairatana 93 years of age Mother of Mr. Prachai Leophairatana, Mr.Prateep Leopairut, Dr. Pramuan Leophairatana, and Mr. Prayad Liewphairatana	-	-	August 2014-Present	Director	TPI Polene Public Co.,Ltd.
			1987-Aug 2014	Executive Director	TPI Polene Public Co.,Ltd.
			2006-Present	Executive Director	Thai Petrochemical Industry Co., Ltd.

NAME/AGE/ FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	EDUCATIONAL BACKGROUND/TRAINING	% SHARE HOLDING*	WORK EXPERIENCE		
			DURATION	POSITION	COMPANY/ BUSINESS
<b>Mr. Prateep Leopairut</b> 69 years of age Younger brother of Mr.Prachai Leophairatana, elder brother of Dr. Pramuan Leophairatana, and Mr. Prayad Liewphairatana	M.S. (Engineering) Stanford University U.S.A.	0.01	1987-Present	President	TPI Polene Public Co., Ltd.
			1991-Present	Executive Director	TPI Concrete Co.,Ltd.
			1991-Present	President	TPI Polene Power Co.,Ltd.
	B.E. (Industrial Engineering) Chulalongkorn University		2002-Present	Executive Director	Polene Plastic Co.,Ltd.
			2007-Jan 2015	President	Thai Nitrate Co.,Ltd.
			2011-Jan 2015	President	TPI Polene Bio Organics Co.,Ltd.
			1978-Present	Director	United Grain Industry Co., Ltd.
	The Political "Leadership in new era" program, 2/2005, King Prajadhipok's Institute		1989-Present	Director	Thai Plastic Film Co., Ltd.
			1988-Present	Director	Thai Plastic Product Co., Ltd.
			1994-Present	Vice Chairman	Bangkok Union Insurance Public Co., Ltd.
			1981-2006	President	International Plastic Trading Co., Ltd.
	Degree Programs, National Defense College		1978-2006	President	Thai Petrochemical Industry Public Co.,Ltd.
			1973-Present	Executive Director	Leophairatana Enterprises Co., Ltd.
			1996-present	Executive Director	Pornchai Enterprises Co., Ltd.
	Directors Accreditation Program (DAP)		1996-Jul 2014	Director	Mondo Thai Co.,Ltd.
			1987-present	President	Thai Petrochemical Industry and Trade Association
	No.28/2004 Thai Institute of Directors (IOD)		1987-1993	Director	Bangkok Union Insurance Public Co., Ltd.
			1990-1992	President	The Thai Packaging Association
			2009-2011	Commission of Central Asia	Thai Chamber of Commerce
			2009-2011	Committee of International Trade	Thai Chamber of Commerce
	Directors Certification Program (DCP) No.53/2005		2009-2011	Committee of International Negotiation Trade	Thai Chamber of Commerce
	Thai Institute of Directors (IOD)		2009-Present	Specialist on the examination of working professionals with engineering diploma in industrial engineering field	Council of Engineers
	Audit Committee Program (ACP) No.8/2005		2009-Present	Expert on the examination of corporate en- gineering level of working professionals in- dustrial engineering field	Council of Engineers
	Thai Institute of Directors (IOD)				
			1992-1992	Honorary Member and Council Association	Thai Chamber of Commerce
	Understanding the Fundamental of Financial Statements (UFS)		2011-Present	Advisory committee on Trade and Development Association	Thai Chamber of Commerce
					Thai Chamber of Commerce
	no.1/2006 Thai Institute of Directors (IOD)		2011-Present	Committee of International Negotiation Trade	Thai Chamber of Commerce
			2011-2013	Commission European and Central Asia	Thai Chamber of Commerce
			2011-2013	Board of Trade	Thai Chamber of Commerce
	Chartered Director Class (CDC)		2011-2013	Committee to monitor the impact of FTA	Thai Chamber of Commerce
	No.5/2009		2011-2013	Committee of Industrial Trade Association	Thai Chamber of Commerce
	Thai Institute of Directors (IOD)		2012-2014	Chairman	ASEAN Federation of Cement Manufacturers (AFCM)
			2012-Present	Committee of the Examination of Working professionals with Engineering diploma in industrial engineering field	Council of Engineers
			2012-Present	President	Thai Cement Manufacturers Association (TCMA)
			-	President	Thai Recycling Group, EPS Foam
			2012-2014	Committee of the Federation of Thai Industries	The Federation of Thai Industries
			2012-2014	Executive Committee of Logistics Economic Division	The Federation of Thai Industries
			2012-2014	Committee of Logistics Economic and Infrastructure Development	The Federation of Thai Industries
			2012-2014	Committee of Logistics Trade	The Federation of Thai Industries
			2012-2014	Committee of Development of the economic co- operation of neighboring countries, the Mae- kong sub region (GMS/ACMECS/MJ/Business council of Burma-Loas-Cambodian-Vietnam)	The Federation of Thai Industries
			2012-2014	Committee of Facilitate on Trade, Import-Export and Custom Practices	The Federation of Thai Industries
			2012-2014	Committee of The Institute of Industrial Environment	The Federation of Thai Industries
			2012-2014	Committee of the Institute of Industrial Energy	The Federation of Thai Industries
			2012-Present	President of construction Materials Cluster	The Federation of Thai Industries
			2012-2014	Honorary Member and Council Association	The Thai Packaging Association
			2013-Present	Committee of the Examination of License for pro- fessional Engineer in industrial engineering field	Council of Engineers
			2013	Committee Council of the study system rice industry	Committee on Economics, commerce and Industrial of the Senate
			2013-2014	Honorary Council	Committee on Economics, commerce and Industrial of the Senate



NAME/AGE/ FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	EDUCATIONAL BACKGROUND/TRAINING	% SHARE HOLDING*	WORK EXPERIENCE		
			DURATION	POSITION	COMPANY/ BUSINESS
<b>Dr. Pramuan Leophairatana</b> 66 years of age Younger brother of Mr. Prachai Leophairatana, Mr. Prateep Leopairut, elder brother of Mr. Prayad Liewphairatana	M.S., SC.D. in Chemical Engineering, Massachusetts Institute of Technology at Cambridge, M.A., U.S.A.  B.S. (Honors) in Chemical Engineering, University of California at Berkeley, U.S.A.  Directors Accreditation Program (DAP- No.39/2005) Thai Institute of Directors (IOD)	4.01	2001-Present	President	TPI Polene Public Co.,Ltd.
			1973-Present	Executive Director	Leophairatana Enterprises Co.,Ltd.
			1978-2006	President	Thai Petrochemical Industry Public Co.,Ltd.
			1988-Present	Director	Thai Plastic Product Co.,Ltd.
			1989-Present	Director	Thai Plastic Film Co.,Ltd.
			1989-Present	Director	United Grain Industry Co.,Ltd.
			1990-Aug.2013	Director	Thai Nitrate Co.,Ltd.
			1991-Present	Executive Director	TPI Polene Power Co.,Ltd.
			1991-Present	Executive Director	TPI Concrete Co.,Ltd.
			1996-Jul.2014	Director	Mondo Thai Co.,Ltd.
			1997-Present	Chairman	BUI Life Insurance Co.,Ltd.
			2002-Present	Executive Director	Polene Plastic Co.,Ltd.
			2010-Present	Executive Director	TPI Polene Bio Organics Co.,Ltd.
			Oct.2013-Jan.2015	Executive Director	Thai Nitrate Co.,Ltd.
			1996-Present	Executive Director	Mondo Thai Co.,Ltd.
<b>Dr. Chavin Iamsopana</b> 73 years of age Brother-in-law of Mr. Prachai Leophairatana, Mr. Prateep Leopairut, Dr. Pramuan Leophairatana, and Mr. Prayad Liewphairatana	Doctor of Engineering, Osaka City University Japan  Directors Accreditation Program (DAP- No.28/2004) Thai Institute of Directors (IOD)  Directors Certification Program (DCP-No.28/2004) Thai Institute of Directors (IOD)  Audit Committee Program (ACP-No.15/2006) Thai Institute of Directors (IOD)	0.11	1987-Present	Executive Director	TPI Polene Public Co.,Ltd.
			1989-Present	Executive Director	Thai Plastic Film Co.,Ltd.
			1989-Present	Executive Director	Thai Plastic Product Co.,Ltd.
			1989-Present	Executive Director	United Grain Industry Co.,Ltd.
			1997-Present	President	BUI Life Insurance Co.,Ltd.
			2004-Present	Executive Director	Bangkok Union Insurance Public Co.,Ltd.
<b>Mr. Prayad Liewphairatana</b> 64 years of age Younger brother of Mr. Prachai Leophairatana, Mr. Prateep Leopairut, and Dr. Pramuan Leophairatana	M.S.C.E. University of Michigan (ANN ARBOR) U.S.A.  Directors Accreditation Program (DAP- No.29/2004) Thai Institute of Directors (IOD)	4.37	1987-Present	President	TPI Polene Public Co.,Ltd.
			1973-Present	Executive Director	Leophairatana Enterprises Co.,Ltd.
			1981-2006	Director	International Plastic Trading Co.,Ltd.
			1988-Present	President	Thai Plastic Product Co.,Ltd.
			1988-Present	President	United Grain Industry Co.,Ltd.
			1989-Present	President	Thai Plastic film Co.,Ltd.
			1991-Present	Executive Director	TPI Polene Power Co.,Ltd.
			1991- Present	Executive Director	TPI Concrete Co.,Ltd.
			1996-Present	Executive Director	Mondo Thai Co.,Ltd.
			1997- Present	Executive Director	BUI Life Insurance Co.,Ltd.
			2002-Present	Executive Director	Polene Plastic Co.,Ltd.
			Oct 2013-Jan 2015	Executive Director	Thai Nitrate Co.,Ltd.
			2009-Aug.2013	Director	Thai Nitrate Co.,Ltd.
			2010-Present	Executive Director	TPI Polene Bio Organics Co.,Ltd.

NAME/AGE/ FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	EDUCATIONAL BACKGROUND/TRAINING	% SHARE HOLDING*	WORK EXPERIENCE		
			DURATION	POSITION	COMPANY/ BUSINESS
<b>Mrs. Orapin Leophairatana</b> 68 years of age Mr. Prachai Leophairatana's wife	Political Science (2 <sup>nd</sup> Class Honors) Chulalongkorn University  Directors Accreditation Program (DAP- No.35/2005) Thai Institute of Directors (IOD)	4.30	1998-2003, 2005-Present	Senior Executive Vice President	TPI Polene Public Co.,Ltd.
			1977- 1982	Third Secretary	Ministry of Foreign Affairs
			1986-1997	Managing Director	Cathay Finance & Securities Plc.
			1995-1997	Director	Bangkok Stock Trading Center
			1995-1997	Chairman	Association of the Securities Brokerage
			April-Dec.1997	Director	Association of Finance Companies
			1998-Present	Executive Director	TPI Concrete Co., Ltd.
			2001-2011	Director	Thai Listed Company Association
			2002-Present	Executive Director	Polene Plastic Co.,Ltd.
			2007-Present	Executive Director	TPI Polene Power Co., Ltd
			2009-Present	Executive Director	TPI All Season Co., Ltd.
			2009-Aug.2013	Director	Thai Nitrate Co.,Ltd.
			2010-Present	Executive Director	United Grain Industry Co.,Ltd.
			2010-Present	Executive Director	Thai Petrochemical Industry Co.,Ltd.
			2010-Present	Executive Director	TPI Polene Bio Organics Co.,Ltd.
			Oct.2013-Jan.2015	Executive Director	Thai Nitrate Co.,Ltd.
			Jul.2014-Present	Executive Director	Mondo Thai Co.,Ltd.
<b>Mr. Manas Sooksmarn</b> 79 years of age -no relationship	Master of Science In Industrial Engineering and Management, Oklahoma State University, U.S.A.  Post Graduate diploma Industrial Development Programming. (Economics) Institute of Social  Master of Political Science, Ramkhamhaeng University  B.E. (Industrial Engineering), Chulalongkorn University.  National Defense College No.31  Directors Accreditation Program (DAP- No.47/2005) Thai Institute of Directors (IOD)	-	2005-Present	Independent Director and mem- ber of the Audit	TPI Polene Public Co.,Ltd.
			1996-2000	Senator	
			1996-1997	Committee	Express Authority of Thailand
			1997	Advisor to Deputy Minister	Ministry of Interior
			1997, 2001	Advisor to Deputy Minister	Ministry of Agriculture and Cooperatives
			2006	Honorable Committee	The Constitutional Court
<b>Mr. Pises Iamsakulrat</b> 51 years of age -no relationship	Master of International Trade, Golden Gate University, U.S.A.  Bachelor Degree, Business Administration, Menlo College, California, U.S.A	0.08	2008- Present	Director	TPI Polene Public Co., Ltd
			1987- Present	Director Managing	Iamsakulrat Co., Ltd.
			1990- Present	Director Managing	Lampang Food Products Co., Ltd.
			1995- Present	Vice President	Laos Industrial-Agriculture Co., Ltd.
			1997- Present	Executive Director	K. Cotton & Gloss Co., Ltd.
			1997- Present	Executive Director	TPI Holding Co., Ltd.
			2004- Present	Director Managing	Maekong Inter Trade Co., Ltd.

NAME/AGE/ FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	EDUCATIONAL BACKGROUND/TRAINING	% SHARE HOLDING*	WORK EXPERIENCE			
			DURATION	POSITION	COMPANY/ BUSINESS	
<b>Pol.Gen.Charnchit Bhiraleus</b> 71 years of age -no relationship	Master Program of Public and Private Management, National Institute of Development Administration (NIDA)	0.01	2005-Present	Independent Director and member of the Audit Committee	TPI Polene Public Co., Ltd.	
			2000-2004	Deputy Commissioner -General	Royal Thai Police	
	Bachelor of Public Administration (Royal Police Cadet Academy) and Bachelor of Law		2002-2010	Vice Chairman	Asian Crime Prevention Foundation (Thailand)	
			2005-2006	Advisor to Deputy Minister	Ministry of Justice	
	Directors Accreditation Program (DAP- No.47/2005) Thai Institute of Directors (IOD)		2006-2007	Advisor to Deputy Prime Minister		
			2006-2010	Committee of National Justice	Ministry of Justice	
			2007- 2008	Vice Chairman and CEO	TOT Public Co.,Ltd	
	Understanding the Fundamental of Financial Statements (UFS) No.11/2007 Thai Institute of Directors (IOD)		2007-Present	Honorable Committee	Parliamentary Commission	
			Jan 2001-Jul.2014	Honorable Committee	Royal Thai Police	
	Finance for Non-finance Director (FND) No.38/2007 Thai Institute of Directors (IOD)					
<b>Mr. Thavich Taychanavakul</b> 66 years of age -no relationship	Bachelor Degree, Business Administration Kinki University, Japan	0.01	2008- Present	Independent Director	TPI Polene Public Co., Ltd	
			1990- Present	Managing Director	Thai Industrial Estate Co., Ltd.	
	National Defense College No. 366		1991-Present	Board Executive Director	Hi-Tech Nittsu (Thailand) Co.,Ltd.	
			1999-2013	Chairman of the Audit Committee	Bangkok Union insurance Plc.	
	Directors Accreditation Program (DAP- No. (6/2003) Thai Institute of Directors (IOD)		1999-Present	Board Executive Director	Ayutthaya Technology Hi-Tech CenterCo.,Ltd.	
			2012-Present	Board Executive Director	Hi-Tech Kabin Logistics Co.,Ltd.	
	Finance for Non-finance		2012-Present	Advisor	Thai Industrial Estate Association	
	Director (FND) No.30/2006 Thai Institute of Directors (IOD)		2013-Present	Board Executive Director	Mae Fah Luang University Council	
			2013-Present	Member of the Audit Committee /Independent Director	Bangkok Union insurance Plc.	
<b>Mr.Tayuth Sriyuksiri</b> 61 years of age -no relationship	Master Of Business Administration, Boston University, U.S.A.	0.47	2008-Present	Executive Director	TPI Polene Public Co., Ltd	
			1982- Present	Managing Director	K. Cotton & Gloss Co., Ltd.	
	Bachelor's Degree, Engineering, Mechanic, Worcester University, U.S.A.		1994- Present	Director	TPI Holdings Co., Ltd.	
			1999- Present	Director	Micro Fiber Industry Co., Ltd.	
	Director Accreditation Program (DAP- No.29/2004) Thai Institute of Directors (IOD)		2005- Present	Director	Hua Thai Manufacturing Plc.	

NAME/AGE/ FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	EDUCATIONAL BACKGROUND/TRAINING	% SHARE HOLDING*	WORK EXPERIENCE		
			DURATION	POSITION	COMPANY/ BUSINESS
Mr. Khantachai Vichakkhana 67 years of age -no relationship	Master of Political Science, (Public Administration), Thammasat University	-	Oct 2009 - Present	Independent Director	TPI Polene Public Co., Ltd
			1986	Land Officer- Uttaradit	Department of Lands
			1986-1988	Land Officer- Nakhornnayok	Department of Lands
	Bachelor of Law, Thammasat University		1988-1989	Land Officer- Nonthaburi and Bangyai District	Department of Lands
			1989-1990	Land Officer- Phuket	Department of Lands
			1990-1992	Land Officer- Chonburi	Department of Lands
	Guest Speaker Training Program- Land Class 2: Department of Land (1979)		1992-1995	Department of Important book	Department of Lands
			1995-1998	Land Management Division	Department of Lands
			1998-1999	Director of Bureau Authority Land	Department of Lands
	Division Director of Security within the Kingdom Program (Ka.Rmn): Royal Thai Army (1979)		1999-2000	Inspector-General	Department of Lands
			2000	Staff Plan & Policy Analysis (Land)	Department of Lands
			2000-2002	Directors: Land Registration	Department of Lands
	Advance Land Management School Program Class 3: Department of Lands (1984)		2002-2008	Bureau of Standards	Department of Lands
				Deputy Director -General	
			Aug.2014-Present	Director and the Nomination, Remuneration and Corporate Governance committee	L.P.N. Development Public Co.,Ltd.
	Advance administration Program: Class 30, Institute of Administration Development, Department of Provincial Administration (1993)		Feb 2016-Present	Independent Director	L.P.N. Development Public Co.,Ltd.
				Extracurricular	
				Council Member	Rajamangala University or technology Bangkok
	High Level Information Technology Executives (CIO) Seminar (2003)			Qualified Director	National Council Boy Scouts
				Assets Management Committee	Thai Red Cross Council
				Sub-Committee	Office of the National Anti- Corruption Commission (NACC)
	Political Development in Democratic Governance for Executives Program Class 8, King Prajadhipok's Institute (2004)			School Board	Triamudomsuksa School
				Chairman	Triamudomsuksa Parents and Teachers Association
				Hearing Committee	Office of The Election Commission of Thailand
				Diagnosis Sub-Committee	Office of The Election Commission of Thailand
				Committee	Retired Government Officials' Pension
				Committee	Association of Interior Foundation
				Counselor	The Institution of Local Administration, Thailand
				Committee	Islamic bank of Thailand
				Committee	Executive Public Administration Foundation (EPAF) TriamudomsuksaAlumni Foundation
				Committee	Anan Anantakool Foundation
				Committee	Dr.Suk Phukyaphon, Foundation
				Committee	Hospital & phrapiya school Foundation



NAME/AGE/ FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	EDUCATIONAL BACKGROUND/TRAINING	% SHARE HOLDING*	WORK EXPERIENCE		
			DURATION	POSITION	COMPANY/ BUSINESS
<b>Mr.Chulasingh Vasantasingh</b> 65 years of age -no relationship	Bachelor of Law (Honor), Chulalongkorn University	-	Aug.2014-Present	Director	TPI Polene Public Co., Ltd
			2005-2009	Deputy Attorney General	Office of The Attorney General
			2009-2013	Attorney General	Office of The Attorney General
	Thai Barrister at law, Institute of Legal Education of the Thai Bar		2010-2013	Independent Director and Chairman of the Audit Committee	PTT Public Co., Ltd
	Master of Comparative Law (MCL.) University of Illinois, U.S.A.		2010-2013	Independent Director and Chairman of the Audit Committee	Airways International Public Co., Ltd
	Honorary doctor of laws, Ramkhamhaeng University		2010-2014	Independent Director and Chairman of the Audit Committee	Krung Thai Bank Public Co., Ltd
	Honorary doctor of laws, Chulalongkorn University		Nov.2013-May2014	Independent Director and member of the Audit Committee	Thai Oil Public Co., Ltd
	Honorary doctor of laws, Yonok University		May2014-Present	Independent Director and Chairman of the Audit Committee	Thai Oil Public Co., Ltd
	Honorary doctor of laws, Yonok University		Feb.2014-Present	Independent Director and Chairman	Aqua Corporation Public Co., Ltd
	The Certificate, Harvard Business School		2014-Present	Independent Director and member of the Audit Committee	Global Power Synergy Public Co., Ltd
	The Certificate, Harvard Business School		2014-Present	Director and Chairman of the Audit Committee	Thanachart Insurance Public Co., Ltd
	Degree Programs, National Defense College No.388			<b>Honor and Social roles</b>	
	Advanced Certificate Course in Politics and Governance in Democratic Systems, King Prajadhipok's Institute			Council of State	Office of the Council of State
	Advanced Certificate Course, Capital Market Academy			Chairman	Chulalongkorn University Alumni
	Advanced Certificate Course, Thailand Energy Academy			Professor emeritus	Association under the Patronage of his majesty the king
	Top Executive Program in Commerce and Trade, TEPCOT			Member of University Council	Chulalongkorn University
	Poompalungpandin Program, Chulalongkorn University			Advisor to the Bureau	Chulalongkorn University Council
	Directors Certification Program (DCP35/ 2003), Thai Institute of Directors			Director	Crown Property Bureau
	Finance for Non-Finance Director (FN 7/2003), Thai Institute of Directors			Member of Property Committee	Chulalongkorn University
	Understanding the Fundamental of Financial Statements (UFS 1/ 2006), Thai Institute of Directors				
	Audit Committee Program (ACP 17/ 2007), Thai Institute of Directors				
	DCP Refresher Course (1/2008), Thai Institute of Directors				
	Financial Institutions Governance Program (FGP 4/2012), Thai Institute of Directors				
<b>Mr. Nitisit Jongphitakratana</b> 45 years of age -no relationship	Master of Law, Thammasat University		2006-Present	Secretary	TPI Polene Public Co., Ltd
			2011-Present	Asst.Vice President Department	TPI Polene Public Co., Ltd
			2006-2011	Manager Department	TPI Polene Public Co., Ltd

NAME/AGE/ FAMILY RELATION AMONG DIRECTORS & EXECUTIVES	EDUCATIONAL BACKGROUND/TRAINING	% SHARE HOLDING*	WORK EXPERIENCE		
			DURATION	POSITION	COMPANY/ BUSINESS

## OTHER EXECUTIVES

<b>Mr. Prasert Ittimakin</b> 56 years of age -no relationship	M.B.A. Finance University of St. Thomas, U.S.A.  Bachelor of Accounting, Chulalongkorn University	-	2001-Present	Senior Vice President Finance and Account Division	TPI Polene Public Co.,Ltd.
			1998-2001	Vice President Finance and Account Division	TPI Polene Public Co.,Ltd.
			1990-1998	Vice President Corporate Finance Department	Asia Credit & Securities Plc.
<b>Miss Chularat Danwattanachai</b> 54 years of age -no relationship	M.B.A. Thammasart University	-	2001-Present	Vice President Finance and Account Division	TPI Polene Public Co.,Ltd.
			1999-2001	Asst.Vice President Finance and Account Division	TPI Polene Public Co.,Ltd.
			1989-1998	Asst. Vice President Corporate Finance Department	Asia Credit & Securities Plc.
<b>Mr. Anugoon Piyapakorn</b> 57 years of age -no relationship	M.B.A. Chulalongkorn University	-	2012-Present	Vice President Accounting Department	TPI Polene Public Co.,Ltd.
			2001-2012	Asst. Vice President Accounting Department	TPI Polene Public Co.,Ltd.
			1989-2001	Manager Accounting Department	TPI Polene Public Co.,Ltd.
<b>Mr. Pongsak Yiengsakun</b> 60 years of age -no relationship	Bachelor of Accounting, Chulalongkorn University	-	2012-Present	Vice President Financial Operation Departmen	TPI Polene Public Co.,Ltd.
			2001-2012	Asst.Vice President Financial Operation Department	TPI Polene Public Co.,Ltd.
			1992-2001	Manager Finance Department	TPI Polene Public Co.,Ltd.

Remarks: \* Percentage of shareholding above includes shares held by spouses and offspring.

# Corporate Governance

Throughout 2015, the Board of Directors of the Company operated in compliance with the principles of good corporate governance by carrying out their duties with transparency, ethics, and responsibility to shareholders, customers, employees, society and others stakeholders.

As the Company values ethical business conduct, we issued a Code of Business Conduct, which is constantly reviewed to make it more suitable for changed circumstances. The Company's Directors acknowledge best practice for directors of a listed company as their principle guideline. The Directors, the management and all levels of staff carry out their duties with honesty, integrity, and good ethics. All realize that the Company is a long-established, leading, reputable company with a track record of over 20 years. Corporate governance practices of the Company can be divided into 5 sections as follows:

## **Section 1. Stakeholder Rights**

The Company realizes and respects the importance of the rights of all shareholders. The Company has policies to protect shareholders fundamental rights and ensure equitable treatment under the law as follows:

### **1. Shareholders' Meeting**

The Company schedules an annual general meeting of the shareholders ("AGM") within 4 months of the annual closing date of its accounting books. In case there are emergency issues that might affect the interest of the shareholders and/or related to the terms and regulations or any legal issues, to be proposed for approval in the meeting. The extraordinary shareholders' meeting will be held as the case may be. In 2015, the Annual General Shareholders' meeting was held on April 21, 2015 at the Conference Room on the 9th floor of TPI Tower, 26/56 Chan Tat Mai Rd, Thungmahamek, Sathorn, Bangkok. A total of 14 directors attended the AGM.

The Audit Committee of the Company and the Legal Advisor were acted as the agents for the ballot throughout the meeting.

### **2. Delivering Meeting Notices**

After the Company's Board of Directors approved and resolved the Annual General Shareholders Meeting, the Company will disclose the Invitation to the Annual General Shareholders Meeting with all relevant documents on the Company's website at <http://www.tpipolene.co.th> for shareholders' consideration in advance of the meeting.

The Company assigned Thailand Securities Depository Co., Ltd., its SEC Securities Registrar, to mail meeting notices together with details of the agenda and accompanying documents (both supplementary and supporting) for the decisions of the Board of Directors. The Securities Registrar mails the opinion of the Board, minutes of the previous meeting, the annual report, all meeting documents, and proxy forms designed by the Ministry of Commerce, to shareholders at least 7 days ahead of the meeting date. An invitation to the AGM is also announced in newspapers for 3 consecutive days in advance of the meeting.

### **3. Facilitating Shareholders**

The Company treats all shareholders in a fair manner. The Company always allows registration of shareholders at least one hour before each meeting. A barcode system summarizing details of each shareholder is printed on the registration form, or the proxy form, to facilitate registration and save time. A suitable reception is also extended to all shareholders.

### **4. Conduct of Shareholders' Meetings**

Before the meeting, the Chairman explains clearly the rules on voting and vote counting for individual agenda items. Once information has been disclosed for each item, the chairman allocates sufficient time for each item and facilitates the meeting appropriately. During the meeting, the chairman allows thorough expression of views and queries by shareholders before voting and summarizes the meeting's resolution on each agenda item. Minutes of the meeting must be completely and accurately recorded, with a summary of voting results on each item.

### **5. After the Shareholders' Meetings**

The Company duly submits the resolution of the Shareholders' meeting to the SET one day after the meeting ends. The Company duly submits the minutes of the Shareholders' meeting to the SET, the Securities Registrar of Public Company, Department of Business Development, the Ministry of Commerce, within 14 days and also discloses the minutes of the Shareholders' meeting on the Company's website at [www.tpipolene.co.th](http://www.tpipolene.co.th)

## Section 2. Equitable Treatment of Shareholders

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

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

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

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

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

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

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

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

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

## Section 3. Stakeholder Roles

The Company is well aware of the roles of all stakeholders. The Company sets precise responsibilities to be prudent, fair, and respect the rights of all stakeholders, in operating its business. Hence, the Company has established a Code of Business Conduct emphasizing the balanced consideration of all stakeholders, which has been disclosed via <http://www.tpipolene.co.th>

TPI Polene has embraced the Code of Conduct as a policy for Directors, Management and all employees to put the Code into practice and to abide by strict moral guidelines.

All management levels have to strictly follow the Code of Conduct as best practice principles, and it is a strict policy to ensure that all employees under each relevant organization line will acknowledge, understand, and follow the Code of Conduct.

The Company has a strict policy to treat all stakeholders fairly as follows:

- 1. Shareholders:** In its business operations, the Company concentrates on establishing the greatest benefit to shareholders. The accounting and financial systems are in place to ensure that any mistakes and irregularities will be identified in due course and that financial reports are accurate, adequate and reliable. The Company's continuously strong financial potential is demonstrated in its ability to make appropriate dividend payments to shareholders.
- 2. Customers:** The Company places a great emphasis on customer satisfaction through the quality of its products and services, provided at reasonable prices. For the manufacturing of cement, plastic resin and ready-mixed concrete, the Company and its subsidiaries have also been awarded ISO 9001:2000 certifications from the International Organization for Standardization. In addition, TPI Group has gained recognition for the quality of all cement products from the Thai Industrial Standards Institute and the Office of Customer Protection Board.



In addition, the Company holds seminars for customers to enhance relationships and to educate them about the variety of products offered. We also develop customer interaction via certified agents that welcome all customer suggestions, as these lead to higher efficiency of product development, and maintain customer loyalty.

- 3. Management and Employees:** The Company realizes the importance of human resources. Hence, the Company fosters development of all levels of management and staff with internal and external training to enhance their capabilities. The Company applies compensation systems which reward and benefit management and staff appropriately and in line with remunerations in other companies in the same industry.

In addition, the Company also focuses on the safety of its human resources by adopting Health and Safety Management standards. This is reflected in the attainment of the Health and Safety Management standard TIS 18001 certification from the Anglo Japanese American Registrars (AJA) for our cement plant. For our plastic resin and ready-mixed concrete businesses, the Company was also awarded TIS 18001 certifications. These systems have been implemented to reduce accidents in the workplace.

- 4. Trade partners:** The Company ethically sets its business operation strategies, thus enhancing relationships with all trade partners through transparent and fair practices. The Company has a policy of benefit sharing and equitable treatment for trade partners and strictly adheres to contractual agreements made. The Company is independent, without strong involvement with any trade partners.
- 5. Competitors:** The Company applies equitable treatment and abides by the framework of fair competition.
- 6. Community and Society:** The Company, as a Thai Company, continues to be determined to discharge its responsibilities towards the nation, society and communities. Accordingly, the Company is continuously committed to promoting and supporting beneficial activities towards society, religion, education and youth by establishing a full-scale foundation under the name, “the Environment for Better Life Foundation” as detailed in section “TPI Polene and Society”.
- 7. Environmental Responsibility:** The Company acts as a good citizen, conscious and aware of being one part of this society. It continues to be determined to discharge its responsibilities towards relevant rules and regulations and support the community surrounding its facilities by eliminating problems and protecting the environment, thus providing better living standards for the communities near its plants. As reflected in its full support for environmental enhancement, the Company has received ISO 14001 certification for Environmental Management System as detailed in section “TPI Polene for Safety and Environment”.

#### Section 4. Information Disclosure and Transparency

The Company is aware of its duty to conduct business in conformity with relevant rules and regulations as follows:

- 1. Disclosure of Company information including financial reports** is executed accurately, completely and in a timely fashion as reflected in the Annual Report form (Form 56-1), the Company’s Annual Report (Form 56-2) and other reports, which are carried out in compliance with the guidelines set by the SEC and the SET.
- 2. A plant visit** is provided for interested institutional investors, shareholders and analysts to access information and have meetings with the Management of the Company. In addition, the Investor Relations Unit has been established to be responsible for communicating information to institutional investors, shareholders, analysts, and relevant authorities in an equitably and fair manner.
- 3. Disclosure of Company information is made through approved communication channels** via the SET, the SEC and the Company’s Internet website in Thai and in English.
- 4. The Company pays close attention to the quality of the financial information it provides:** particularly in its accuracy and adequacy. In addition, all financial information conforms to generally-accepted accounting principles and is audited by independent auditors. Hence, the Company has provided a report of the Board of Director’s responsibility for financial statements in this Annual Report.
- 5. Functions and responsibilities of the Board and Sub-Committees are disclosed:** see above in the section “Management”. In addition, the number of meetings and meeting attendance of each member are disclosed in the section “Corporate Governance”, clause 5 “Responsibilities of the Board”.
- 6. Disclosure of remuneration to Directors and Management Remuneration:** this is detailed above in the section “Management”. Remuneration levels are based on the operating results of the Company during the previous fiscal year; reflect duties and responsibilities fairly and reasonably; and are comparable to general practices in the industry.

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

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

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

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

As of December 31, 2015, the Company's Board of Directors consists of 16 directors, of whom 7 were management team members and 9 were non-management, of whom 7 were independent directors. This exceeds one-third of the Board.

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

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

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

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

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

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

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

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

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

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

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

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

### **2. Sub-Committee:**

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

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

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

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

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

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

**(2) Conflict of Interest:** The Board has a clear policy to execute transactions, which have potential conflicts of interest in a manner that is in the best interests of the Company and its shareholders. Transactions between the Company (and its subsidiaries) and anyone, with which a possible conflict of interest might occur, require approval under the rules and regulations imposed by the SEC and the SET concerning information disclosure. In addition, such transactions are subject to an approval process in which only unconnected persons may participate.

Details of connected transactions that may involve conflicts of interest (according to criteria of the SET and the SEC) must be disclosed in the Company's Annual Report; in the Annual Report form (Form 56-1) or declared in other reports. This also includes disclosure of information on connected transactions according to the general accepted accounting standard criteria. Details of connected transactions are disclosed in the section "Inter-Company Transactions".

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

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

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

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

At the Board of Directors' meeting no. 1/2559 held on January 29, 2016, attended by the Audit Committee and the Independent Directors, the Board evaluated five aspects of the sufficiency of the internal control systems of the Company and its subsidiaries. These were: the organization and environmental control system; the risk management system; Management control system; the information and communication system; and the monitoring system.

The resultant assessment showed that the internal control systems of the Company and its subsidiaries operated appropriately and sufficiently in all five aspects, thus mitigating business and operational risks and allowing the Company to manage its operations effectively and efficiently.

In addition, the Company and its subsidiaries have policies and measures in place to regulate business transactions with major shareholders, Directors and Management or connected persons so as to avoid conflicts of interest, in order to pursue the best interests of all parties concerned. (See details in the Audit Committee Report)

**(4) Meetings of the Board:** The Company arranges regular meetings of the Board at least once a month, and may hold special meetings as deemed appropriate, to continuously supervise management operations. The time allowed for each meeting is sufficient for the Board to consider all related matters. The Chairman and the Chief Executive Officer jointly establish and approve meeting agendas to ensure that all material issues are fully considered by the Board. Each Director may independently propose agenda items and freely expresses opinions. At meetings, Directors are encouraged to use discretion to consider all raised issues.

The Company convenes each meeting in compliance with the provisions of the Public Company Act. The minutes of each meeting are properly documented, are certified by the Board, and are systematically filed under tight security. In 2015, the Board of Directors and the Audit Committee convened meetings a total of 12 times and 5 times, respectively, with attendance as detailed below:

Name	Position	Number of Meeting Attendance	
		The Board of Directors 12 Times / 2015	The Audit Committee 5 Times / 2015
1. Mr. Visith Noiphan	Chairman and Independent Director	12/12	-
2. Mr. Prachai Leophairatana	Director	12/12	-
3. Mr. Prateep Leopairut	Director	10/12	-
4. Dr. Pramuan Leophairatana	Director	11/12	-
5. Dr. Narasri Vaivanijkul	Independent Director and Audit Committee	10/12	5/5
6. Mrs. Boonsri Leophairatana	Director	0/12	-
7. Dr. Chavin Iamsopana	Director	12/12	-
8. Mr. Prayad Liewphairatana	Director	9/12	-
9. Mrs. Orapin Leophairatana	Director	12/12	-
10. Mr. Manas Sooksmarn	Independent Director and Audit Committee	12/12	5/5
11. Pol.Gen. Charnchit Bhiraueus	Independent Director and Audit Committee	12/12	4/5
12. Mr. Pises Iamsakulrat	Director	10/12	-
13. Mr. Thavich Taychanavakul	Independent Director	10/12	-
14. Mr. Tayuth Sriyusiri	Director	10/12	-
15. Mr. Khantachai Vichakkana	Independent Director	11/12	-
16. Mr. Chulasingh Vasantasingh	Director	12/12	-

Remark \* Mr. Chulasingh Vasantasingh has been in the position of Independent Director on March 27, 2015.

#### 4. Remuneration of Directors and Management

The Company rewards its Directors fairly and reasonably, taking into account directors' responsibilities and the Company's operating results. Directors' remuneration has been approved at the shareholders meeting.

The Company fairly remunerates its Management, taking into account their responsibilities, performance, the operating results of the Company, and comparability within the same field of business. Details of remuneration are disclosed in the section "Management".

#### 5. Training of Directors and the Executive

The Company continuously builds the corporate governance knowledge of its Directors and Management so they may carry out their business operations in compliance with good corporate governance principles. The Company supports all Directors to participate in training courses organized by the Thai Institute of Directors Association ("IOD"), so as to add to their knowledge concerning their roles in the Company, and apply such learning to their job performance.

## Report of the Board of Directors' Responsibilities for Financial Statements

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The Board of Directors of the Company are aware of their duties and responsibilities to ensure that the financial reports of the Company and its subsidiaries are accurate, complete, and transparent, and are prepared in compliance with generally accepted accounting principles, and reflect the application of an appropriate and consistent accounting policy. Such reports must be prepared prudently and on a reasonable basis, and must reflect the Company's financial position and operational performance fairly and precisely for the benefit of shareholders and general investors.

In this regard, the Board of Directors have entrusted an Independent Audit Committee to be responsible for the review of accounting policy and financial reports, internal controls, internal audit and risk management systems. Comments on these issues have been included in the Audit Committee Report, which thereby forms a part of this Annual Report.

The Board of Directors are of the opinion that the overall internal control systems of the Company and its subsidiaries have functioned satisfactorily and creditably to ensure that the financial statements of the Company and its subsidiaries present financial position, operational results and financial cash flow which are accurate and reliable in all material aspects.

Sincerely Yours,



**Visith Noiphan**  
Chairman of the Board



**Prachai Leopairatana**  
Chief Executive Officer



# Independent Auditor's Report

## To the Shareholders of TPI Polene Public Company Limited

I have audited the accompanying consolidated and separate financial statements of TPI Polene Public Company Limited and its subsidiaries (the "Group"), and of TPI Polene Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2015, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated and Separate Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinion**

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2015 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Emphasis of Matter**

Without qualifying my opinion, I draw attention to the following matters:

As described in note 3 to the financial statements stating the effect of the Company's adoption from 1 January 2015 of certain new accounting policies and the adjustment of investment. The corresponding figures presented are based on the audited financial statements as at and for the year ended 31 December 2014 after making the adjustments described in note 3.

As described in note 39 (2) to the financial statements, the transfer of shares of the joint venture is currently being considered by the Supreme Court. Pending resolution of this matter the Company has, therefore, prepared consolidated financial statements for the year ended 31 December 2015 using the former ownership of interest of 50% in accordance with the joint venture's shareholders list.

As described in note 39 (4) to the financial statements, the uncertainty related to the outcome of lawsuit in relation to its operation of mining which is under the consideration of the Court.



(Ekkasit Chuthamsatid)

Certified Public Accountant

Registration No. 4195

KPMG Phoomchai Audit Ltd.

Bangkok

29 February 2016

# Statement of financial position

TPI Polene Public Company Limited and its Subsidiaries

(in thousand Baht)

	Note	Consolidated financial statements			Separate financial statements	
		31 December 2015	31 December 2014 (Restated)	1 January 2014 (Restated)	31 December 2015	31 December 2014
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	6	1,695,178	762,149	660,785	928,804	492,443
Current investments	7	680,958	-	-	679,958	-
Trade accounts receivable	5, 8	2,527,611	2,571,290	2,516,709	3,626,902	3,518,075
Other receivables		549,932	458,661	471,239	506,710	418,291
Short-term loans to related parties	5	-	-	-	1,738,838	308,090
Receivables and advances to related par	5	73,970	67,139	76,278	165,421	553,016
Inventories	9	10,969,059	9,267,841	8,198,706	9,141,177	7,550,526
Other current assets		456,466	387,629	304,383	99,147	98,139
<b>Total current assets</b>		<b>16,953,174</b>	<b>13,514,709</b>	<b>12,228,100</b>	<b>16,886,957</b>	<b>12,938,580</b>
<b>Non-current assets</b>						
Investments in associates and joint venture	10	1,582,702	1,599,481	1,562,313	513,909	513,909
Investments in subsidiaries	11	-	-	-	8,675,389	5,147,761
Long-term investments in related parties	12	45,870	45,870	45,870	45,870	45,870
Other long-term investments	7	36,178	36,178	192,063	18,934	18,884
Long-term loans to related party	5	-	-	-	1,635,021	-
Receivables and advances to related parties	5	-	-	-	421,984	421,984
Investment properties	13	616,382	619,768	597,131	447,528	447,528
Property, plant and equipment	14	85,847,611	82,368,135	66,364,455	72,467,985	71,243,823
Land leasehold rights		1,459	2,649	3,838	-	-
Intangible assets	15	234,021	225,537	255,988	234,021	225,537
Advances payment for plant and equipment		1,841,059	1,148,249	1,031,419	897,130	1,055,663
Deferred tax assets	16	183,572	116,564	117,721	-	-
Other non-current assets	5, 39	303,014	253,868	427,792	251,311	200,776
<b>Total non-current assets</b>		<b>90,691,868</b>	<b>86,416,299</b>	<b>70,598,590</b>	<b>85,609,082</b>	<b>79,321,735</b>
<b>Total assets</b>		<b>107,645,042</b>	<b>99,931,008</b>	<b>82,826,690</b>	<b>102,496,039</b>	<b>92,260,315</b>

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

# Statement of financial position

TPI Polene Public Company Limited and its Subsidiaries

(in thousand Baht)

	Note	Consolidated financial statements			Separate financial statements	
		31 December 2015	31 December 2014 (Restated)	1 January 2014 (Restated)	31 December 2015	31 December 2014
<b>Liabilities and equity</b>						
<b>Current liabilities</b>						
Bank overdrafts and short-term loans from						
financial institutions	17	923,136	2,743,488	1,577,461	923,136	2,200,426
Trade accounts payable	5, 18	2,523,938	2,776,895	3,470,341	2,629,166	2,780,330
Other payables	19	4,223,560	4,355,679	2,973,844	2,487,907	3,091,700
Payables and advances from related parties	5	61,674	76,446	53,829	118,418	214,511
Current portion of long-term loans from						
financial institutions	17	404,436	669,610	1,207,003	404,436	363,919
Current portion of debentures	17	3,000,000	-	-	3,000,000	-
Interest payable		189,222	99,839	22,977	189,222	98,251
Current portion of finance lease						
liabilities	17	203,797	227,093	237,885	110,152	102,424
Income tax payable		948	117,204	111,588	-	102,136
Provision for fine	21	-	-	200,000	-	-
Other current liabilities		139,860	51,327	41,275	42,710	34,876
<b>Total current liabilities</b>		<b>11,670,571</b>	<b>11,117,581</b>	<b>9,896,203</b>	<b>9,905,147</b>	<b>8,988,573</b>
<b>Non-current liabilities</b>						
Long-term loans from financial institutions	17	6,504,022	15,662,957	3,690,326	6,504,022	12,911,745
Debentures	17	26,555,000	8,000,000	3,000,000	26,555,000	8,000,000
Finance lease liabilities	17	90,921	297,151	512,555	43,597	156,182
Deferred tax liabilities	16	5,167,145	5,614,819	5,919,283	5,162,355	5,598,135
Employee benefit obligations	20	1,317,394	1,087,648	1,332,320	1,159,678	960,946
Other non-current liabilities		374,302	366,094	353,107	491,271	485,322
<b>Total non-current liabilities</b>		<b>40,008,784</b>	<b>31,028,669</b>	<b>14,807,591</b>	<b>39,915,923</b>	<b>28,112,330</b>
<b>Total liabilities</b>		<b>51,679,355</b>	<b>42,146,250</b>	<b>24,703,794</b>	<b>49,821,070</b>	<b>37,100,903</b>

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

# Statement of financial position

TPI Polene Public Company Limited and its Subsidiaries

(in thousand Baht)

		Consolidated financial statements			Separate financial statements	
		31 December	31 December	1 Januaray	31 December	31 December
	Note	2015	2014	2014	2015	2014
			(Restated)	(Restated)		
Liabilities and equity						
Equity						
Share capital:	22					
Authorised share capital		24,815,000	24,815,000	24,815,000	24,815,000	24,815,000
Issued and paid-up share capital		20,190,000	20,190,000	20,190,000	20,190,000	20,190,000
Treasury shares held by subsidiaries	23	(359,235)	(359,235)	(359,235)	-	-
Additional paid in capital						
Shares premium		60,600	60,600	60,600	60,600	60,600
Retained earnings						
Appropriated						
Legal reserve	24	808,505	808,505	759,193	808,505	808,505
Unappropriated		15,719,350	15,887,818	14,636,007	12,259,874	13,161,205
Other components of equity		19,538,392	21,181,027	22,835,349	19,355,990	20,939,102
Equity attributable to owners of the Company		55,957,612	57,768,715	58,121,914	52,674,969	55,159,412
Non-controlling interests		8,075	16,043	982	-	-
Total equity		55,965,687	57,784,758	58,122,896	52,674,969	55,159,412
Total liabilities and equity		107,645,042	99,931,008	82,826,690	102,496,039	92,260,315

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

# Statement of comprehensive income

TPI Polene Public Company Limited and its Subsidiaries

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2015	2014 (Restated)	2015	2014
<b>Income</b>	<b>5, 25</b>				
Revenue from sale of goods	34	27,135,163	28,504,949	21,219,195	23,293,963
Transportation income		1,245,348	1,223,292	1,358,215	1,385,882
Reversal of provision for fine	21	-	200,000	-	200,000
Net foreign exchange gain		106,504	761,137	96,947	731,880
Investment income	26	76,293	23,889	149,602	38,104
Other income	27	683,862	486,552	670,783	492,529
<b>Total income</b>		<b>29,247,170</b>	<b>31,199,819</b>	<b>23,494,742</b>	<b>26,142,358</b>
<b>Expenses</b>	<b>5, 31</b>				
Cost of sales of goods	9	22,894,808	24,004,080	18,398,938	19,862,520
Selling expenses	28	3,680,025	3,456,064	3,332,131	3,123,678
Administrative expenses	29	1,400,723	1,598,609	1,179,379	1,391,806
Finance costs	32	1,018,145	460,879	955,677	432,590
<b>Total expenses</b>		<b>28,993,701</b>	<b>29,519,632</b>	<b>23,866,125</b>	<b>24,810,594</b>
Share of profit of investments in associates and joint venture	10	42,766	56,313	-	-
<b>Profit (loss) before income tax expense</b>		<b>296,235</b>	<b>1,736,500</b>	<b>(371,383)</b>	<b>1,331,764</b>
Income tax (expense) income	33	67,608	(372,891)	(7,270)	(345,531)
<b>Profit (loss) for the year</b>		<b>363,843</b>	<b>1,363,609</b>	<b>(378,653)</b>	<b>986,233</b>
<b>Other comprehensive income (loss)</b>					
<b>Items that will never be reclassified to profit or loss</b>					
Depreciation on revaluation surplus		(1,978,966)	(2,056,255)	(1,978,966)	(2,056,255)
Defined benefit plan actuarial gains (losses)	20	(166,457)	296,273	(148,597)	161,138
Share of other comprehensive loss of investment in joint venture	10	(37,612)	(32,342)	-	-
Income tax on other comprehensive income	16, 33	429,466	351,996	425,512	379,023
		<b>(1,753,569)</b>	<b>(1,440,328)</b>	<b>(1,702,051)</b>	<b>(1,516,094)</b>

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



# Statement of comprehensive income

TPI Polene Public Company Limited and its Subsidiaries

(in thousand Baht)

		Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2015	2014 (Restated)	2015	2014
<b>Other comprehensive income (loss) (continue)</b>					
<i>Items that are or may be reclassified to profit or loss</i>					
Net change in fair value of available-for-sale investments		103	(12)	76	(12)
Share of other comprehensive income (loss)					
of investments in associates	10	(21,933)	22,940	-	-
Income tax on other comprehensive income	16, 33	(15)	2	(15)	2
		<u>(21,845)</u>	<u>22,930</u>	<u>61</u>	<u>(10)</u>
<b>Other comprehensive income (loss) for the year, net of tax</b>		<b>(1,775,414)</b>	<b>(1,417,398)</b>	<b>(1,701,990)</b>	<b>(1,516,104)</b>
<b>Total comprehensive income (loss) for the year</b>		<b>(1,411,571)</b>	<b>(53,789)</b>	<b>(2,080,643)</b>	<b>(529,871)</b>
<b>Profit (loss) attributable to:</b>					
Owners of the Company		363,673	1,363,609	(378,653)	986,233
Non-controlling interests		170	-	-	-
<b>Profit (loss) for the year</b>		<b>363,843</b>	<b>1,363,609</b>	<b>(378,653)</b>	<b>986,233</b>
<b>Total comprehensive income (loss) attributable to:</b>					
Owners of the Company		(1,411,746)	(53,789)	(2,080,643)	(529,871)
Non-controlling interests		175	-	-	-
<b>Total comprehensive income (loss) for the year</b>		<b>(1,411,571)</b>	<b>(53,789)</b>	<b>(2,080,643)</b>	<b>(529,871)</b>
<b>Basic earnings (loss) per share (in Baht)</b>	35	<b>0.018</b>	<b>0.068</b>	<b>(0.019)</b>	<b>0.049</b>

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

# Statement of changes in equity

TPI Polene Public Company Limited and its Subsidiaries

(in thousand Baht)

Year ended 31 December 2014													
	20,190,000	(359,235)	60,600	759,193	14,231,263	(273)	22,781,723	(4,029)	52,943	22,830,364	57,712,485	982	57,713,167
	-	-	-	-	404,744	-	(197,334)	202,319	-	4,985	409,729	-	409,729
3	20,190,000	(359,235)	60,600	759,193	14,231,263	(273)	22,584,389	198,290	52,943	22,835,349	58,121,914	982	58,122,896
Transaction with owners, recorded directly in equity													
Distributions to owners of the Company													
36	-	-	-	-	(299,517)	-	-	-	-	-	(299,517)	-	(299,517)
	-	-	-	-	(299,517)	-	-	-	-	-	(299,517)	-	(299,517)
Total distributions to owners of the Company													
Changes in ownership interests in subsidiary													
	-	-	-	-	13	-	-	-	-	-	13	(487)	(474)
	-	-	-	-	-	94	-	-	-	94	94	15,548	15,642
Total changes in ownership interests in subsidiaries													
	-	-	-	-	13	94	-	-	-	94	107	15,061	15,168
Total transaction with owners, recorded directly in equity													
	-	-	-	-	(299,504)	94	-	-	-	94	(299,410)	15,061	(284,349)
Comprehensive income (loss) for the year													
	-	-	-	-	1,363,609	-	-	-	-	-	1,363,609	-	1,363,609
	-	-	-	-	237,018	(10)	(1,645,004)	(9,402)	-	(1,654,416)	(1,417,398)	-	(1,417,398)
Total comprehensive income (loss) for the year - restated													
	-	-	-	-	1,600,627	(10)	(1,645,004)	(9,402)	-	(1,654,416)	(53,789)	-	(53,789)
24	-	-	-	49,312	(49,312)	-	-	-	-	-	-	-	-
Transfer to legal reserve													
	20,190,000	(359,235)	60,600	808,505	15,887,818	(189)	20,939,385	188,888	52,943	21,181,027	57,768,715	16,043	57,784,758
Year ended 31 December 2015													
	20,190,000	(359,235)	60,600	808,505	15,451,578	(189)	21,104,377	3,831	52,943	21,160,962	57,312,410	16,043	57,328,453
	-	-	-	-	436,240	-	(164,992)	185,057	-	20,065	456,305	-	456,305
3	20,190,000	(359,235)	60,600	808,505	15,887,818	(189)	20,939,385	188,888	52,943	21,181,027	57,768,715	16,043	57,784,758
Transaction with owners, recorded directly in equity													
Distributions to owners of the Company													
36	-	-	-	-	(399,357)	-	-	-	-	-	(399,357)	-	(399,357)
	-	-	-	-	(399,357)	-	-	-	-	-	(399,357)	-	(399,357)
Total distributions to owners of the Company													
Changes in ownership interests in subsidiary													
	-	-	-	-	-	-	-	-	-	-	-	(8,143)	(8,143)
Total changes in ownership interests in subsidiaries													
	-	-	-	-	-	-	-	-	-	-	-	(8,143)	(8,143)
Total transaction with owners, recorded directly in equity													
	-	-	-	-	(399,357)	-	-	-	-	-	(399,357)	(8,143)	(407,500)
Comprehensive income (loss) for the year													
	-	-	-	-	363,673	-	-	-	-	-	363,673	170	363,843
	-	-	-	-	(132,784)	83	(1,583,173)	(59,545)	-	(1,642,635)	(1,775,493)	5	(1,775,494)
Total comprehensive income (loss) for the year													
	-	-	-	-	230,889	83	(1,583,173)	(59,545)	-	(1,642,635)	(1,411,746)	175	(1,411,571)
Balance at 31 December 2015													
	20,190,000	(359,235)	60,600	808,505	15,719,350	(106)	19,356,212	129,343	52,943	19,536,392	55,957,612	8,075	55,965,687

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

# Statement of changes in equity

TPI Polene Public Company Limited and its Subsidiaries

(in thousand baht)

	<i>Note</i>	Separate financial statements						
		Retained earnings			Other components of equity			
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Fair value changes in available-for-sale investments	Revaluation surplus	Total other components of equity
								Total equity
<b>Year ended 31 December 2014</b>								
Balance at 1 January 2014		20,190,000	60,600	759,193	12,396,224	(273)	22,584,389	55,992,133
Transaction with owners, recorded directly in equity								
<i>Distributions to owners of the Company</i>								
Dividends to owners of the Company	36	-	-	-	(302,850)	-	-	(302,850)
Total transaction with owners, recorded directly in equity		-	-	-	(302,850)	-	-	(302,850)
Comprehensive income (loss) for the year								
Profit		-	-	-	986,233	-	-	986,233
Other comprehensive income (loss)		-	-	-	128,910	(10)	(1,645,014)	(1,516,104)
Total comprehensive income (loss) for the year		-	-	-	1,115,143	(10)	(1,645,014)	(529,871)
Transfer to legal reserve	24	-	-	49,312	(49,312)	-	-	-
Balance at 31 December 2014		20,190,000	60,600	808,505	13,161,205	(283)	20,939,385	55,159,412
<b>Year ended 31 December 2015</b>								
Balance at 1 January 2015		20,190,000	60,600	808,505	13,161,205	(283)	20,939,385	55,159,412
Transaction with owners, recorded directly in equity								
<i>Distributions to owners of the Company</i>								
Dividends to owners of the Company	36	-	-	-	(403,800)	-	-	(403,800)
Total transaction with owners, recorded directly in equity		-	-	-	(403,800)	-	-	(403,800)
Comprehensive income (loss) for the year								
Loss		-	-	-	(378,653)	-	-	(378,653)
Other comprehensive income (loss)		-	-	-	(118,878)	61	(1,583,173)	(1,701,990)
Total comprehensive income (loss) for the year		-	-	-	(497,531)	61	(1,583,173)	(2,000,643)
Balance at 31 December 2015		20,190,000	60,600	808,505	12,259,874	(222)	19,356,212	52,674,969

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

# Statement of cash flows

TPI Polene Public Company Limited and its Subsidiaries

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2015	2014 (Restated)	2015	2014
<b><i>Cash flows from operating activities</i></b>				
Profit (loss) for the year	363,843	1,363,609	(378,653)	986,233
<i>Adjustments for</i>				
Depreciation and amortisation	2,122,410	1,949,743	1,530,811	1,421,208
Interest income	(42,480)	(23,355)	(107,320)	(24,562)
Finance costs	1,018,145	460,879	955,677	432,590
Dividend income	(5)	(6)	(5)	(6)
Unrealised (gain) loss on foreign exchange	26,380	(589,564)	(33,483)	(601,626)
(Reversal of) bad and doubtful debt expense	(102,386)	98,318	(114,679)	115,914
(Reversal of) loss on decline in value of inventories	(104,938)	205,265	(179,472)	205,265
Provision for employees benefits	75,931	67,542	59,687	53,991
Provision for decommissioning	5,972	5,625	5,453	5,218
Reversal of provision for fine	-	(200,000)	-	(200,000)
(Gain) loss on disposal of plant and equipment	8,856	31,817	114	313
(Reversal of) loss on impairment of investment properties	3,274	(300)	-	-
Change in investment holding in subsidiary	9,277	9,646	-	-
Share of profit of investments in associates and joint venture	(42,766)	(56,313)	-	-
Income tax expense (income)	(67,608)	372,891	7,270	345,531
	3,273,905	3,695,797	1,745,400	2,740,069
<b><i>Changes in operating assets and liabilities</i></b>				
Trade accounts receivable	35,728	(34,214)	(107,603)	(794,611)
Other receivables	20,264	(104,475)	23,578	(96,553)
Receivable and advances to related parties	(6,831)	9,139	387,595	(340,468)
Inventories	(1,596,280)	(1,274,400)	(1,411,179)	(1,042,186)
Other current assets	(38,256)	(85,760)	27,809	(30,030)
Other non-current assets	(47,704)	173,276	(49,093)	174,531
Trade accounts payable	(253,343)	(693,900)	(151,222)	(436,246)
Other payables	(127,902)	448,277	(146,260)	345,281
Payable and advances from related parties	(14,772)	22,540	(96,093)	65,525
Other current liabilities	88,012	10,321	7,832	5,135
Employee benefit paid by the plan	(12,642)	(15,941)	(9,552)	(14,662)
Other non-current liabilities	(590)	2,175	496	-
Cash generated from operating activities	1,319,589	2,152,835	221,708	575,785
Income tax paid	(164,460)	(318,829)	(148,506)	(294,378)
<b>Net cash from operating activities</b>	<b>1,155,129</b>	<b>1,834,006</b>	<b>73,202</b>	<b>281,407</b>

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

# Statement of cash flows

TPI Polene Public Company Limited and its Subsidiaries

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	Year ended 31 December		Year ended 31 December	
	2015	2014 (Restated)	2015	2014
<b><i>Cash flows from investing activities</i></b>				
Interest received	42,978	28,742	108,702	22,099
Dividend received	5	6	5	6
Increase in current investments	(682,870)	-	(681,870)	-
Purchase of property, plant and equipment	(5,778,729)	(16,168,479)	(3,935,623)	(13,284,910)
Sale of plant and equipment	450	4,183	8,711	31,792
Advance payment for plant and equipment	(1,912,988)	(2,365,938)	(554,880)	(1,275,737)
Loans to related parties	-	-	(6,308,281)	(1,688,687)
Proceeds from loans to related parties	-	-	3,241,088	1,414,912
Purchase of other long-term investments	-	(500)	-	-
Purchase of investment properties	(2,923)	(32,772)	-	-
Sale of other long-term investments	-	155,850	-	-
Purchase of intangible assets	(36,924)	(200)	(36,924)	(200)
Net cash outflow on acquisition of subsidiaries	(620)	-	(1,475,041)	-
Cash outflow for investment in subsidiaries	(17,040)	(18,688)	(2,052,587)	(90,913)
<b>Net cash used in investing activities</b>	<b>(8,388,661)</b>	<b>(18,397,796)</b>	<b>(11,686,700)</b>	<b>(14,871,638)</b>
<b><i>Cash flows from financing activities</i></b>				
Finance cost paid	(1,569,024)	(949,100)	(1,396,598)	(821,668)
Dividend paid	(399,357)	(299,517)	(403,800)	(302,850)
Finance lease payments	(229,526)	(226,196)	(104,857)	(96,484)
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(1,820,352)	1,164,883	(1,277,290)	1,355,051
Proceeds from short-term loans from related parties	-	450,000	-	1,130,211
Repayment of short-term loans from related parties	-	(450,000)	-	(1,130,211)
Proceeds from long-term loans from financial institutions	2,469,556	13,175,729	1,997,469	10,730,519
Repayment of long-term loans from financial institutions	(11,855,441)	(1,207,002)	(8,326,451)	(1,207,003)
Proceeds from issue of debentures	21,555,000	5,000,000	21,555,000	5,000,000
<b>Net cash from financing activities</b>	<b>8,150,856</b>	<b>16,658,797</b>	<b>12,043,473</b>	<b>14,657,565</b>
<b>Net increase in cash and cash equivalents</b>	<b>917,324</b>	<b>95,007</b>	<b>429,975</b>	<b>67,334</b>
Cash and cash equivalents at 1 January	762,149	660,785	492,443	421,186
Effect of exchange rate changes on balances held in foreign currencies	14,564	6,215	6,386	3,923
Cash and cash equivalents from changes in holding of investments in subsidiaries	1,141	142	-	-
<b>Cash and cash equivalents at 31 December</b>	<b>1,695,178</b>	<b>762,149</b>	<b>928,804</b>	<b>492,443</b>

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



# Notes to the financial statements

TPI Polene Public Company Limited and its Subsidiaries

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were authorised for issue by the audit committee, as appointed by the Board of Directors of the Company, on 29 February 2016.

## 1 General information

TPI Polene Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 26/56, TPI Tower, Chan Tat Mai Road, Tungmahamek, Sathorn, Bangkok.

The Company was listed on the Stock Exchange of Thailand in November 1990.

The Company operates in 3 major industries and has 18 distribution terminals around the country. It operates in the cement industry at Kang-Khoi, Saraburi and has 7 plants consisting of 3 cement manufacturing plants and 4 dry mortar manufacturing plants. It operates in the construction materials industry at Amphur Chalermprakiet, Saraburi. It operates in the plastic industry at Amphur Muang, Rayong and has 2 LDPE and EVA plastic manufacturing plants. Details of the Company’s subsidiaries and indirect subsidiary as at 31 December 2015 and 2014 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest direct/indirect (%)	
			2015	2014
<i>Direct subsidiaries</i>				
Prosper Delta Ltd.	Negotiating and entering into a debt repurchase at discount agreement with foreign creditor (dissolution)	Hong Kong	-	100.00
TPI Concrete Co., Ltd.	Manufacturing and distributing ready mixed concrete	Thailand	99.99	99.99
TPI Polene Power Co., Ltd.	Distributing gasoline, diesel and natural gas / Manufacturing and distributing electricity and refuse derived fuel (RDF) and organics waste	Thailand	99.99	99.99
TPI All Seasons Co., Ltd.	Manufacturing and distributing melt sheets	Thailand	99.99	99.99
Thai Propoxide Co., Ltd.	Manufacturing electricity (dormant)	Thailand	99.99	99.99
Polene Plastic Co., Ltd. (formerly:indirectly held by a subsidiary at 99.99%) (see note 11)	Export cement and plastic	Thailand	99.99	99.99
TPI Polene Bio Organics Co., Ltd. (formerly:indirectly held by a subsidiary at 99.99%) (see note 11)	Manufacturing and distributing organic fertilizer	Thailand	99.99	99.99
TPI Refinery (1997) Co.,Ltd. (see note 11)	Petroleum exploration	Thailand	99.99	-
TPI Intertrade Co.,Ltd. (see note 11)	Manufacturing electricity (dormant)	Thailand	99.97	-
TPI Commercial Co., Ltd. (see note 9)	Retailing business	Thailand	99.94	99.94
TPI Power Co.,Ltd. (formerly:TPI Petroleum Co., Ltd. (formerly:indirectly held by a subsidiary at 99.80%) (see note 11)	Manufacturing electricity (dormant)	Thailand	99.80	99.80
TPI Service Co., Ltd. (formerly:indirectly held by a subsidiary at 51.00%) (see note 11)	Construction service	Thailand	51.00	51.00
<i>Indirect subsidiaries</i>				
Mondo Thai Co., Ltd.	Property developing	Thailand	77.72	54.05

## 2 Basis of preparation of the financial statements

### (a) *Statement of compliance*

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

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2015. The initial application of these new and revised TFRS has resulted in changes in certain of the Group's accounting policies. The effects of these changes, where such effects are considered material to the financial statements, are disclosed in note 3.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2016 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 40.

### (b) *Basis of measurement*

The financial statements have been prepared on the historical cost basis except as stated in accounting policies.

### (c) *Functional and presentation currency*

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

### (d) *Use of estimates and judgements*

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 14	Surplus on fixed assets revaluation
Note 16	Current and deferred taxation
Note 20	Measurement of defined benefit obligations
Note 39	Contingent liabilities

#### *Measurement of fair values*

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 13 Investment property;
- Note 14 Property, plant and equipment; and
- Note 37 Financial instruments

### 3 Changes in accounting policies and adjustments

#### **(a) Overview**

From 1 January 2015, consequent to the adoption of new and revised TFRS as set out in note 2, the Group has adopted the following new and revised TFRS having a material effect on the Group's financial statements:

- TAS 28 (revised 2014) Investments in Associates and Joint Ventures
- TFRS 11 Joint Arrangements
- TFRS 12 Disclosure of Interests in Other Entities
- TFRS 13 Fair Value Measurement

A description of the nature and effect of the changes in accounting policy and adjustments consequent to the adoption of these new and revised TFRS is included in notes 3 (b) to 3 (f) below:

#### **(b) TAS 28 (revised 2014) - Investments in Associates and Joint Ventures**

TAS 28 defines significant influence as the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies and provides accounting guidance for investments in associates and joint ventures accounted for using equity method. The management has reconsidered influence of the Company through its shareholding and directorship. The Company has adjusted the investment in United Grain Industry Co., Ltd which previously recognised as other long-term investment using cost method to be recognised as investment in associate using equity method. Further details of the effect of the change from the retrospective adjustments are set out in note 3 (f) below.

#### **(c) TFRS 11 - Joint Arrangements**

TFRS 11 has changed principle of joint arrangement's determination. The Group need to reclassify joint arrangements into joint ventures in which the parties have rights to the net assets. As a result, Thai Nitrate Co., Ltd (see note 39 (2)) has been reclassification and the Group is required to adjust from proportionate consolidation to equity method. Consequently, there has been impact on the recognized assets, liabilities and comprehensive income of the Group. Further details of the effect of the change from the retrospective adjustments are set out in note 3 (f) below.

#### **(d) TFRS 12 - Disclosure of Interests in Other Entities**

TFRS 12 brings together into a single standard for all the disclosure requirements about an entity's interests in its subsidiaries, joint arrangements, associates and unconsolidated structured entities. In addition, TFRS 12 requires the disclosure of information about the nature, risks and financial effects of these interests.

#### **(e) TFRS 13 - Fair Value Measurement**

TFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other TFRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurements date. It also replaces and expands the disclosure requirements about fair value measurements in other TFRSs.

In accordance with the transitional provisions of TFRS 13, the Group has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures. Further details of the effect of the change are set out in note 13, 14 and 37.

#### **(f) Summary of quantitative impact**

The following tables summarise the material impacts resulting from the above changes in accounting policies and adjustments on the consolidated statements of financial position, comprehensive income and cash flows. The adjustments have no impact on the separate financial statements.

(in thousand Baht)

(in thousand Baht)

	As previously reported	Joint venture (see Note 3 (c))	Quantitative impact Associate (see Note 3 (b))	As restated
<b>Consolidated statement of financial position</b>				
<b>At 1 January 2014</b>				
Cash and cash equivalents	844,933	(184,148)	-	660,785
Trade accounts receivable	2,603,331	(86,622)	-	2,516,709
Inventories	8,273,975	(75,269)	-	8,198,706
Other current assets	324,836	(20,453)	-	304,383
Investments in associates	138,987	-	(138,987)	-
Investments in associates and joint venture	-	909,097	653,216	1,562,313
Long-term investments in related parties	150,370	-	(104,500)	45,870
Property, plant and equipment	67,011,791	(647,336)	-	66,364,455
Others	3,181,319	(7,850)	-	3,173,469
<b>Total assets</b>	<b>82,529,542</b>	<b>(112,581)</b>	<b>409,729</b>	<b>82,826,690</b>
Other payables	2,998,364	(24,520)	-	2,973,844
Deferred tax liabilities	5,988,942	(69,659)	-	5,919,283
Employee benefit obligations	1,343,791	(11,471)	-	1,332,320
Others	14,485,278	(6,931)	-	14,478,347
<b>Total liabilities</b>	<b>24,816,375</b>	<b>(112,581)</b>	<b>-</b>	<b>24,703,794</b>
Retained earnings	14,990,456	-	404,744	15,395,200
Other components of equity	22,830,364	-	4,985	22,835,349
Others	19,892,347	-	-	19,892,347
<b>Total equity</b>	<b>57,713,167</b>	<b>-</b>	<b>409,729</b>	<b>58,122,896</b>
<b>Total liabilities and equity</b>	<b>82,529,542</b>	<b>(112,581)</b>	<b>409,729</b>	<b>82,826,690</b>
<b>Consolidated statement of financial position</b>				
<b>At 31 December 2014</b>				
Cash and cash equivalents	1,002,035	(239,886)	-	762,149
Trade accounts receivable	2,643,378	(72,088)	-	2,571,290
Inventories	9,352,939	(85,098)	-	9,267,841
Other current assets	401,765	(14,136)	-	387,629
Investments in associates	139,270	-	(139,270)	-
Investments in associates and joint venture	-	899,406	700,075	1,599,481
Long-term investments in related parties	150,370	-	(104,500)	45,870
Property, plant and equipment	82,949,825	(581,690)	-	82,368,135
Others	2,933,626	(5,013)	-	2,928,613
<b>Total assets</b>	<b>99,573,208</b>	<b>(98,505)</b>	<b>456,305</b>	<b>99,931,008</b>
Other payables	4,375,199	(19,520)	-	4,355,679
Deferred tax liabilities	5,676,156	(61,337)	-	5,614,819
Employee benefit obligations	1,100,301	(12,653)	-	1,087,648
Others	31,093,099	(4,995)	-	31,088,104
<b>Total liabilities</b>	<b>42,244,755</b>	<b>(98,505)</b>	<b>-</b>	<b>42,146,250</b>
Retained earnings	16,260,083	-	436,240	16,696,323
Other components of equity	21,160,962	-	20,065	21,181,027
Others	19,907,408	-	-	19,907,408
<b>Total equity</b>	<b>57,328,453</b>	<b>-</b>	<b>456,305</b>	<b>57,784,758</b>
<b>Total liabilities and equity</b>	<b>99,573,208</b>	<b>(98,505)</b>	<b>456,305</b>	<b>99,931,008</b>



(in thousand Baht)

	Quantitative impact			
	As previously reported	Joint venture (see Note 3 (c))	Associate (see Note 3 (b))	As restated
<b>Consolidated statement of comprehensive income</b>				
<b>For the year ended 31 December 2014</b>				
Revenue from sale of goods	28,917,866	(412,917)	-	28,504,949
Cost of sales of goods	(24,324,617)	320,537	-	(24,004,080)
Selling expenses	(3,487,713)	31,649	-	(3,456,064)
Administrative expenses	(1,640,273)	41,664	-	(1,598,609)
Share of profit of investments in associates	2,166	-	(2,166)	-
Share of profit of investments in associates and joint venture	-	22,651	33,662	56,313
Others	1,864,684	(3,584)	-	1,861,100
<b>Profit for the year</b>	<b>1,332,113</b>	<b>-</b>	<b>31,496</b>	<b>1,363,609</b>
<b>Other comprehensive income (loss) for the year, net of tax</b>	<b>(1,432,478)</b>	<b>-</b>	<b>15,080</b>	<b>(1,417,398)</b>
<b>Total comprehensive income (loss) for the year</b>	<b>(100,365)</b>	<b>-</b>	<b>46,576</b>	<b>(53,789)</b>
<b>Earnings per share (basic) (in Baht)</b>	<b>0.066</b>	<b>-</b>	<b>0.002</b>	<b>0.068</b>
<b>Consolidated statement of cash flows</b>				
<b>For the year ended 31 December 2014</b>				
Net cash from (used in) operating activities	1,859,092	(57,210)	-	1,801,882
Net cash from (used in) investing activities	(18,367,144)	1,472	-	(18,365,672)
Net cash from financing activities	16,658,797	-	-	16,658,797
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>150,745</b>	<b>(55,738)</b>	<b>-</b>	<b>95,007</b>

#### 4 Significant accounting policies

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

##### (a) Basis of consolidation

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

##### *Acquisitions from entities under common control*

Business combinations of entities or businesses under common control are accounted for using a method similar to the pooling of interest method and in accordance with the Guideline issued in 2009 by the FAP.

##### *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

##### *Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

##### *Interests in equity-accounted investees*

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

#### *Transactions eliminated on consolidation*

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

#### **(b) Foreign currencies**

##### *Foreign currency transactions*

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

Non-monetary assets and liabilities measured at fair value in foreign currencies are translated to the functional currency at the exchange rates at the dates that fair value was determined.

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

##### *Foreign operations*

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the reporting date.

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

Foreign exchange differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investment, except to extent that the translation difference is allocated to non-controlling interest.

#### **(c) 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.

#### **(d) 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.

#### **(e) Inventories**

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

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

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

#### **(f) Investments**

Investments in associates, subsidiaries and joint venture

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

#### *Investments in other debt and equity securities*

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

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

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

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

#### *Disposal of investment*

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

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

### **(g) Investment properties**

Investment properties are stated at cost less accumulated depreciation and impairment losses.

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

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of condominium which are 20 years.

Reclassification to property, plant and equipment

When the use of a property changes such that it is reclassified as property, plant and equipment, its historical cost becomes its cost for subsequent accounting.

### **(h) Property, plant and equipment**

#### *Recognition and measurement*

##### *Owned assets*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, except for certain buildings, machinery and equipment which are stated at their revalued amounts. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

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

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

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

#### *Leased assets*

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

#### *Revalued assets*

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

Any increase in value, on revaluation, is recognised in other comprehensive income and presented in the revaluation reserve in equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset. A decrease in value is recognised in profit or loss to the extent it exceeds an increase previously recognised in other comprehensive income in respect of the same asset. The revaluation surplus is utilised by reference to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost and transferred directly to retained earnings. Upon disposal of a revalued asset, any remaining related revaluation surplus is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal. In addition, the Company has acted in accordance with the Federation of Accounting Professions Announcement No.18/2554, regarding the recognition of revalued assets until the end of periods starting prior to 1 January 2016. The aforesaid announcement has deferred the recognition of accounting method for reappraisal of existing assets and therefore, the revaluation surplus is not charged to profit or loss.

#### *Subsequent costs*

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

#### *Exploration assets*

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

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

#### *Depreciation*

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

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

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

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

No depreciation is provided on freehold land, assets under construction and installation, and major spare parts have not been issued.

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

**(i) Intangible assets**

Cost of concessions on mining limestone and shale are include acquisition, exploration and development costs and are measured at cost less accumulated amortisation and accumulated impairment losses.

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

*Amortisation*

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

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

Concessions	Life of concessions :	13 - 25	years
Software licenses		3 - 12	years

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

**(j) Impairment**

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

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

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

*Calculation of recoverable amount*

The recoverable amount of a non-financial asset is the greater of the assets' value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

*Reversals of impairment*

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(k) Interest-bearing liabilities**

Interest-bearing liabilities are recognised at cost.

**(l) Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

**(m) Employee benefits**

*Defined contribution plans*

Obligations for contributions to defined contribution plans are expensed as the related service is provided.



#### *Defined benefit plans*

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

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### *Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### **(n) Provisions**

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

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

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

### **(p) Revenue**

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

#### *Sale of goods and services rendered*

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

#### *Loyalty programmes*

The Company has a customer loyalty programme whereby customers are awarded credits (Points) entitling customers to the right to qualify for a free gift from the Company. The fair value of the consideration received or receivable in respect of the initial sale is allocated between the Points and the other components of the sale. The amount allocated to the Points is estimated by reference to the fair value of the free gift. The fair value is estimated based on the amount of the discount adjusted to take into account the expected forfeiture rate. Such amount is deferred and revenue is recognised only when the Points are redeemed and the Company has fulfilled its obligations to supply the products. The amount of revenue recognised in those circumstances is based on the

number of Points that have been redeemed in exchange for discounted products, relative to the total number of Points that is expected to be redeemed. Deferred revenue is also released to profit or loss when it is no longer considered probable that the Points will be redeemed.

#### *Investments*

Revenue from investments comprises rental income from investment properties and dividend and interest income from investments and bank deposits.

#### *Rental income*

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

#### *Dividend income*

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

#### *Interest income*

Interest income is recognised in profit or loss as it accrues.

### **(q) Finance costs**

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

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.

### **(r) Lease payments**

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

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

#### *Determining whether an arrangement contains a lease*

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

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

### **(s) Income tax**

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

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint venture to the extent that it is probable that they will not reverse in the foreseeable future.

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

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

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

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

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

#### **(t) Earnings per share**

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held and adjusted for the split of par value of ordinary shares.

#### **(u) Segment reporting**

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

### **5 Related parties**

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

Relationships with key management and related parties were as follows:

<b>Name of entities</b>	<b>Country of incorporation/nationality</b>	<b>Nature of relationships</b>
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.
TPI Concrete Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, more than 50% of directors are representatives of the Company
TPI Polene Power Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, more than 50% of directors are representatives of the Company
TPI All Seasons Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, more than 50% of directors are representatives of the Company
Thai Propoxide Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, more than 50% of directors are representatives of the Company
Polene Plastic Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, more than 50% of directors are representatives of the Company (see note 11)
TPI Polene Bio Organics Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, more than 50% of directors are representatives of the Company (see note 11)
TPI Refinery (1997) Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, more than 50% of directors are representatives of the Company (see note 11)
TPI Intertrade Co., Ltd.	Thailand	Subsidiary, 99.97% shareholding, more than 50% of directors are representatives of the Company (see note 11)

Name of entities	Country of incorporation/nationality	Nature of relationships
TPI Commercial Co., Ltd.	Thailand	Subsidiary, 99.94% shareholding, more than 50% of directors are representatives of the Company
TPI Power Co., Ltd. (formerly: TPI Petroleum Co., Ltd.)	Thailand	Subsidiary, 99.80% shareholding, more than 50% of directors are representatives of the Company (see note 11)
TPI Service Co., Ltd.	Thailand	Subsidiary, 51.00% shareholding, more than 50% of directors are representatives of the Company (see note 11)
Mondo Thai Co., Ltd.	Thailand	Indirect subsidiary, 28.75% shareholding held by the Company and 48.97% shareholding held by TPI Concrete Co., Ltd., more than 50% of directors are representatives of the Company
Thai Nitrate Co., Ltd.	Thailand	Jointly venture entity, 50.00% shareholding, a half of directors are representatives of the Company (see note 39 (2))
BUI Life Insurance Public Co., Ltd.	Thailand	Associate, 25% shareholding, more than 20% of directors are representatives of the Company
United Grain Industry Co., Ltd.	Thailand	Associate, 19% shareholding, more than 20% of directors are representatives of the Company
Thai Special Steel Public Co., Ltd.	Thailand	Indirect associate, 29.53% shareholding held by TPI Concrete Co., Ltd., more than 20% of directors are representatives of the Company
Thai Plastic Film Co., Ltd.	Thailand	Indirect associate, 99.99% shareholding held by United Grain Industry Co., Ltd., more than 20% of directors are representatives of the Company
Thai Plastic Products Co., Ltd.	Thailand	Indirect associate, 99.99% shareholding held by United Grain Industry Co., Ltd., more than 20% of directors are representatives of the Company
Pornchai Enterprise Co., Ltd.	Thailand	Co-director
TPI Holding Co., Ltd.	Thailand	Co-director
Leophairatana Enterprise Co., Ltd.	Thailand	Co-director
Bangkok Union Insurance Public Co., Ltd.	Thailand	Co-director
Lampang Food Products Co., Ltd.	Thailand	Co-director
Thai Agriculture Co., Ltd.	Thailand	Co-director
Hong Yiah Seng Co., Ltd.	Thailand	Co-director
Saraburi Ginning Mill Co., Ltd.	Thailand	Co-director
Thai Petrochemical Industry Co., Ltd.	Thailand	Co-director
Rayong Forest Co., Ltd.	Thailand	Co-director
Hong Yiah Seng Real Estates and Investment Co., Ltd.	Thailand	Co-director

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Sale of goods	Market price
Transportation income	Market price
Energy service for electrical manufacturing income	Agreed price
Purchase of raw materials and spare parts	Market price
Purchase of electricity	Referred to market price
Purchase of refuse derived fuel (RDF)	Agreed price
Purchase of steam	Agreed price
Purchase of goods for sales promotion	Market price
Acquisition of investment	Book value
Interest income	MLR-2% to MLR-1.5%
Insurance premium	Market price
Paper bag production charge	2.0 - 2.6 Baht per bag
Interest expense	MLR-2% / 4.50%

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014
<b>Subsidiaries</b>				
Sales of goods	-	-	8,823,989	9,258,372
Transportation income	-	-	264,303	284,303
Purchase of raw materials and spare parts	-	-	3,284,706	2,531,286
Purchase of electricity	-	-	466,045	933,860
Purchase of refuse derived fuel (RDF)	-	-	43,148	22,729
Purchase of steam	-	-	12,702	-
Purchase of goods for sales promotion	-	-	452	898
Acquisition of investment (see note 11)	-	-	1,474,421	-
Interest income	-	-	67,251	10,340
Interest expense	-	-	-	5,977
Other income	-	-	80,716	108,617
Administrative expenses	-	-	69,012	62,531
<b>Indirect subsidiary</b>				
Other income	-	-	56	-
<b>Joint venture</b>				
Sales of goods	214	218	103	93
Purchase of raw materials	40,320	36,960	40,320	36,960
Other income	843	850	843	850
<b>Associates</b>				
Sale of goods	432	477	206	139
Purchase of raw materials	8,060	129,270	1,743	129,270
Other income	-	82	-	82
Insurance premium	10,238	6,971	5,218	3,283
Administrative expenses	960	960	-	-
Interest expense	-	3,811	-	3,811
<b>Indirect associates</b>				
Sale of goods	49,853	64,625	49,853	64,625
Purchase of raw materials	573,387	539,407	565,723	539,407
<b>Other related parties</b>				
Sales of goods	8,320	61,666	7,073	59,919
Transportation income	327	607	327	607
Other income	81	200	81	81
Acquisition of investment (see note 11)	620	-	620	-
Insurance premium	155,486	159,766	121,662	126,500
Administrative expenses	93,847	95,476	73,129	81,079
Interest expense	-	5,481	-	5,481
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefits	333,140	321,983	333,140	321,983
Post-employment benefits	14,100	12,703	14,100	12,703
<b>Total key management personnel compensation</b>	<b>347,240</b>	<b>334,686</b>	<b>347,240</b>	<b>334,686</b>



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

(in thousand Baht)

<i>Trade accounts receivable - related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014 (Restated)	2015	2014
<b>Subsidiaries</b>				
TPI Concrete Co., Ltd.	-	-	883,941	851,962
TPI Polene Power Co., Ltd.	-	-	211	670
TPI All Seasons Co., Ltd.	-	-	62,318	31,009
Polene Plastic Co., Ltd.	-	-	1,885,878	1,822,130
TPI Polene Bio Organics Co., Ltd.	-	-	552	1,411
TPI Commercial Co., Ltd.	-	-	563	-
<b>Joint venture</b>				
Thai Nitrate Co., Ltd.	26	38	4	15
<b>Associates</b>				
BUI Life Insurance Public Co., Ltd.	14	14	-	-
United Grain Industry Co., Ltd.	18	8	14	8
<b>Indirect associate</b>				
Thai Plastic Film Co., Ltd.	-	17,848	-	17,848
<b>Other related parties</b>				
Bangkok Union Insurance Public Co., Ltd.	11	13	-	5
Pornchai Enterprise Co., Ltd.	259	84	212	8
Rayong Forest Co., Ltd.	1,048	1,417	-	-
Leophairatana Enterprise Co., Ltd.	11	82	-	-
<b>Total</b>	<b>1,387</b>	<b>19,504</b>	<b>2,833,693</b>	<b>2,725,066</b>

<i>Loans to related parties</i>	<b>Interest rate</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2015	2014	2015	2014
	(% per annum)				(in thousand Baht)
<b>Subsidiaries</b>					
TPI Concrete Co., Ltd.	MLR-1.5	-	-	420,000	-
TPI Polene Power Co., Ltd.	MLR-1.5 to MLR-2.0	MLR-2.0	-	1,635,021	231,000
TPI All Seasons Co., Ltd.	MLR-1.5 to MLR-2.0	MLR-2.0	-	17,000	73,109
TPI Refinery (1997) Co., Ltd.	MLR-1.5	-	-	1,294,000	-
TPI Intertrade Co., Ltd.	MLR-1.5 to MLR-2.0	-	-	5,281	-
		-	-	3,371,302	304,109
Accrued interest receivable		-	-	2,557	3,981
<b>Total</b>		<b>-</b>	<b>-</b>	<b>3,373,859</b>	<b>308,090</b>

All short-term loans and long-term loans to related parties are promissory notes which have repayment schedules on demand and in December 2017, respectively.

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

(in thousand Baht)

<i>Loans to related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014	2015	2014
<b>Subsidiaries</b>				
At 1 January	-	-	304,109	30,334
Increase	-	-	6,308,281	1,688,687
Decrease	-	-	(3,241,088)	(1,414,912)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>3,371,302</b>	<b>304,109</b>

(in thousand Baht)

<b>Receivables and advances to related parties - current</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014 (Restated)	2015	2014
<b>Subsidiaries</b>				
Prosper Delta Ltd.	-	-	-	141
TPI Concrete Co., Ltd.	-	-	3,198	3,407
TPI Polene Power Co., Ltd.	-	-	60,652	112,936
TPI All Seasons Co., Ltd.	-	-	7,349	11,719
Thai Propoxide Co., Ltd.	-	-	130	130
Polene Plastic Co., Ltd.	-	-	6,484	232,299
TPI Polene Bio Organics Co., Ltd.	-	-	25,969	134,628
TPI Commercial Co., Ltd.	-	-	91	-
TPI Service Co., Ltd.	-	-	145	138
<b>Indirect subsidiary</b>				
Mondo Thai Co., Ltd.	-	-	414	400
<b>Joint venture</b>				
Thai Nitrate Co., Ltd.	133	134	133	134
<b>Associates</b>				
BUI Life Insurance Public Co., Ltd.	3,433	3,392	3,068	2,998
United Grain Industry Co., Ltd.	1,346	1,346	-	-
<b>Other related parties</b>				
Bangkok Union Insurance Public Co., Ltd.	68,089	61,291	57,361	53,654
Pornchai Enterprise Co., Ltd.	900	901	358	359
Rayong Forest Co., Ltd.	69	73	69	73
Saraburi Ginning Mill Co., Ltd.	-	2	-	-
<b>Total</b>	<b>73,970</b>	<b>67,139</b>	<b>165,421</b>	<b>553,016</b>

**Receivables and advances to related parties - non-current****Subsidiary**

Thai Propoxide Co., Ltd.	-	-	421,984	421,984
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In 1997, the Company entered into an agreement to sell land to Thai Propoxide Co., Ltd. (a subsidiary) at the price of Baht 477 million, in consideration for a loan payable by August 2000, with interest of 16%. No payments of principal or interest were subsequently made by the subsidiary and consequently the Company deferred recording the gain on the sale land of Baht 40 million and interest income of Baht 155 million in income, and ceased accrued interest. The deferred gain and interest income are disclosed as non-current liabilities in the statement of financial position of the separate financial statements.

The subsidiary used the land as collateral for a bank loan, the proceeds of which were subsequently loaned to the Company. In 2000 the subsidiary's bank loan was assigned to the Company. Subsequently, in 2011, the land has been released by the bank as collateral and the subsidiary has sold a part of land to the Company and repaid a part of the land loan to the Company of Baht 68 million.

At 31 December 2015, the outstanding amount of accounts receivable from the subsidiary from the sale of land total Baht 422 million and the deferred gain on the sale of Baht 35 million and deferred interest income of Baht 134 million in the statement of financial position of the separate financial statements.

(in thousand Baht)

**Trade accounts payable - related parties**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014 (Restated)	2015	2014
<b>Subsidiaries</b>				
TPI Polene Power Co., Ltd.	-	-	12,223	9,615
Polene Plastic Co., Ltd.	-	-	649,757	508,436
TPI Polene Bio Organics Co., Ltd.	-	-	1,477	824
<b>Joint venture</b>				
Thai Nitrate Co., Ltd.	5,152	5,992	5,152	5,992
<b>Associate</b>				
United Grain Industry Co., Ltd.	1,384	75,838	63	74,019
<b>Indirect associates</b>				
Thai Plastic Film Co., Ltd.	58,055	50,841	57,743	50,693
Thai Plastic Products Co., Ltd.	48,457	117,169	47,990	114,034
<b>Other related parties</b>				
Pornchai Enterprise Co., Ltd.	-	6	-	-
Leophairatana Enterprise Co., Ltd.	-	2	-	-
<b>Total</b>	<b>113,048</b>	<b>249,848</b>	<b>774,405</b>	<b>763,613</b>

(in thousand Baht)

**Payables and advances from related parties**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014 (Restated)	2015	2014
<b>Subsidiaries</b>				
TPI Concrete Co., Ltd.	-	-	5,949	10,768
TPI Polene Power Co., Ltd.	-	-	35,847	80,933
TPI All Seasons Co., Ltd.	-	-	3,433	83
Polene Plastic Co., Ltd.	-	-	25,960	54,752
TPI Polene Bio Organics Co., Ltd.	-	-	136	280
<b>Associates</b>				
BUI Life Insurance Public Co., Ltd.	-	4	-	-
United Grain Industry Co., Ltd.	4,420	3,403	214	82
<b>Indirect associates</b>				
Thai Special Steel Public Co., Ltd.	5,065	4,449	5,065	4,449
Thai Plastic Film Co., Ltd.	722	-	722	-
Thai Plastic Products Co., Ltd.	-	70	-	-
<b>Other related parties</b>				
Pornchai Enterprise Co., Ltd.	7,882	22,050	7,180	21,255
Bangkok Union Insurance Public Co., Ltd.	38,365	42,966	28,897	38,405
Lampang Food Products Co., Ltd.	1	9	1	9
Hong Yiah Seng Co., Ltd.	5,219	3,225	5,014	3,225
Hong Yiah Seng Real Estates and Investment Co., Ltd.	-	270	-	270
<b>Total</b>	<b>61,674</b>	<b>76,446</b>	<b>118,418</b>	<b>214,511</b>

Movements during the years ended 31 December of short-term loans from related parties were as follows:

(in thousand Baht)

<b>Short-term loans from related parties</b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014	2015	2014
<b>Subsidiary</b>				
At 1 January	-	-	-	-
Increase	-	-	-	680,211
Decrease	-	-	-	(680,211)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other related parties</b>				
At 1 January	-	-	-	-
Increase	-	450,000	-	450,000
Decrease	-	(450,000)	-	(450,000)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total short-term loans from related parties</b>				
At 1 January	-	-	-	-
Increase	-	450,000	-	1,130,211
Decrease	-	(450,000)	-	(1,130,211)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### **Significant agreements with related parties**

##### **(a) Office building lease agreements**

The Company and its subsidiary have long-term office building lease agreements with a related company. Previously, the initial lease term for each lease agreement was for 3 years, with the lease being renewable. In July 1999, the Company and a subsidiary entered into a 90 years office building lease agreement with a related company to replace the expired original office building lease agreements in which the Company and a subsidiary made one payment for the whole lease period (*the total rental for the 90 years term of the lease is Baht 40,000 per square meter, equivalent to a monthly rental, before discounting cash flows, of Baht 37 per square meter*). The annual rental is deducted from the prepaid rentals. Subsequently, on 24 July 2001, the Company and its subsidiary agreed to sign the amendments in addition to the existing office building lease agreements with a related company. The initial period of the lease is for 30 years, commencing from the original date on which the rentals of each respective agreement were prepaid. The related party warranted that the lease would be renewable for another 2 subsequent periods of 30 years under the same conditions, including rental fee as set out in the original agreements.

On 25 August 2006, the Company and its subsidiary registered the lease with the Land Department.

Significant details of long-term office building lease agreements with a related company as at 31 December were as follows:

<b>Type of agreement</b>	<b>Prepaid rentals</b>	<b>Remaining prepaid rentals</b>	
	2015	2015	2014
	(in thousand Baht)		
<b>The Company</b>			
30 years lease agreement			
(3 years for original agreement)	143,517	110,592	112,186
30 years lease agreement			
(90 years for original agreement)	29,669	24,064	24,394
	173,186	134,656	136,580
<b>Subsidiary</b>			
30 years lease agreement			
(3 years for original agreement)	47,000	36,080	36,600
30 years lease agreement			
(90 years for original agreement)	11,659	9,457	9,586
	58,659	45,537	46,186
<b>Total</b>	<b>231,845</b>	<b>180,193</b>	<b>182,766</b>

Should either party terminate the lease agreement, the unused prepaid rentals are refundable to the Companies. Both parties agreed in principle to execute a mortgage on the office building as security for the unused prepaid rentals. As at 31 December 2015, there was no mortgage agreement as security for the unused prepaid rentals, so the recoverability of prepaid rentals depends on the ability of the related company to repay.

**(b) Electricity supply agreement**

On 12 December 2007, the Company entered into an electricity supply contract with a subsidiary company, to provide the waste heat to the subsidiary that will be used in the manufacturing process for electricity. The subsidiary company shall supply the electricity to the Company based on certain percentage as specified in the agreement. The agreement shall remain in full force and effect so long as, unless it is terminated by mutual agreement in writing of both parties.

**(c) Land lease agreement**

The Company and its subsidiaries entered into several land and office building space lease agreements with related parties for 3 years and 30 years as stated in each agreement. The details as at 31 December were as follows:

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014
<b>Non-cancellable operating lease commitments</b>				
Within one year	58,618	62,191	48,724	47,798
After one year but within five years	31,436	40,119	30,076	33,672
After five years	-	-	21,594	22,124
<b>Total</b>	<b>90,054</b>	<b>102,310</b>	<b>100,394</b>	<b>103,594</b>

As at 31 December 2015, the Company had no contingent liabilities in respect of guarantees issued on behalf of subsidiaries (2014: Baht 3,600 million).

## 6 Cash and cash equivalents

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014
Cash on hand	10,378	9,904	3,437	5,979
Cash at banks - current accounts	176,875	79,507	74,252	44,075
Cash at banks - savings accounts	1,324,371	670,364	668,262	440,025
Cash at banks - savings accounts (private fund)	180,549	-	180,549	-
Highly liquid short-term investments	3,005	2,374	2,304	2,364
<b>Total</b>	<b>1,695,178</b>	<b>762,149</b>	<b>928,804</b>	<b>492,443</b>

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014
Thai Baht (THB)	1,139,681	655,762	841,004	475,703
United States Dollar (USD)	551,968	105,623	86,970	16,239
EURO (EUR)	2,850	343	229	104
Others	679	421	601	397
<b>Total</b>	<b>1,695,178</b>	<b>762,149</b>	<b>928,804</b>	<b>492,443</b>



## 7 Other investments

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Current investments</b>				
Fixed deposits with financial institutions (Private fund)	150,000	-	150,000	-
Fixed deposits with financial institutions	1,000	-	-	-
Marketable debt securities (Private fund)	529,958	-	529,958	-
	<b>680,958</b>	<b>-</b>	<b>679,958</b>	<b>-</b>
<b>Other long-term investments</b>				
Equity securities available-for-sale	262	187	262	187
Other non-marketable equity securities	1,596	1,596	1,596	1,596
Other debt securities held-to-maturity	34,320	34,395	17,076	17,101
	<b>36,178</b>	<b>36,178</b>	<b>18,934</b>	<b>18,884</b>
<b>Total</b>	<b>717,136</b>	<b>36,178</b>	<b>698,892</b>	<b>18,884</b>

During 2015, the Group set up private fund which is managed by an independent assets management company. As at 31 December 2015, value of private fund totalling Baht 820 million. This private fund has invested in fixed deposits with the financial institutions and debt securities which had high liquidity and rating as investment grade.

Other investments of the Group and the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

Deposits at financial institutions and other debt securities held-to-maturity of the Group and the Company are pledged as collateral of Baht 27 million and Baht 17 million, respectively (2014: Baht 26 million and Baht 16 million, respectively).

Movements during the years ended 31 December of marketable equity securities were as follows:

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Other long-term investments</b>				
<b>Equity securities available-for-sale</b>				
At 1 January	187	199	187	199
Valuation adjustment	75	(12)	75	(12)
<b>At 31 December</b>	<b>262</b>	<b>187</b>	<b>262</b>	<b>187</b>

## 8 Trade accounts receivable

(in thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014 (Restated)	2015	2014
Related parties	5	1,387	19,504	2,833,693	2,725,066
Other parties		2,637,587	2,654,199	877,261	880,333
<b>Total</b>		<b>2,638,974</b>	<b>2,673,703</b>	<b>3,710,954</b>	<b>3,605,399</b>
Less allowance for doubtful		(111,363)	(102,413)	(84,052)	(87,324)
<b>Net</b>		<b>2,527,611</b>	<b>2,571,290</b>	<b>3,626,902</b>	<b>3,518,075</b>
Bad and doubtful debts expense for the year (Reversal of)		<b>8,950</b>	<b>(17,656)</b>	<b>(3,272)</b>	<b>(60)</b>

Aging analyses for trade accounts receivable were as follows:

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014
<b>Related parties</b>				
Within credit terms	945	19,247	782,609	1,052,252
Overdue:				
Less than 3 months	442	99	2,017,909	1,672,803
3 - 6 months	-	158	33,175	11
	<b>1,387</b>	<b>19,504</b>	<b>2,833,693</b>	<b>2,725,066</b>
Less allowance for doubtful accounts	-	-	-	-
	<b>1,387</b>	<b>19,504</b>	<b>2,833,693</b>	<b>2,725,066</b>
<b>Other parties</b>				
Within credit terms	2,346,541	2,218,828	713,002	750,715
Overdue:				
Less than 3 months	153,506	324,996	80,847	42,935
3 - 6 months	7,790	3,361	-	-
6 - 12 months	21,306	3,475	-	-
Over 12 months	108,444	103,539	83,412	86,683
	<b>2,637,587</b>	<b>2,654,199</b>	<b>877,261</b>	<b>880,333</b>
Less allowance for doubtful accounts	(111,363)	(102,413)	(84,052)	(87,324)
	<b>2,526,244</b>	<b>2,551,786</b>	<b>793,209</b>	<b>793,009</b>
<b>Net</b>	<b>2,527,611</b>	<b>2,571,290</b>	<b>3,626,902</b>	<b>3,518,075</b>

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

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

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014
Thai Baht (THB)	2,045,206	1,954,588	3,578,506	3,518,075
United States Dollars (USD)	478,851	616,347	48,396	-
EURO (EUR)	3,554	355	-	-
<b>Total</b>	<b>2,527,611</b>	<b>2,571,290</b>	<b>3,626,902</b>	<b>3,518,075</b>

## 9 Inventories

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014
Finished goods	2,448,700	2,823,347	1,585,232	2,034,521
Work in process	2,120,922	1,126,053	1,754,568	812,898
Raw materials and chemicals	1,395,469	1,546,566	1,284,542	1,439,421
Packages	441,024	387,684	378,316	324,820
Oil and coal	1,430,924	1,093,031	1,425,546	1,085,503
Spare parts and general supplies	2,705,957	2,254,197	2,327,940	1,960,473
Goods in transit	526,390	242,228	410,826	98,155
	<b>11,069,386</b>	<b>9,473,106</b>	<b>9,166,970</b>	<b>7,755,791</b>
Less allowance for decline in value	(100,327)	(205,265)	(25,793)	(205,265)
<b>Net</b>	<b>10,969,059</b>	<b>9,267,841</b>	<b>9,141,177</b>	<b>7,550,526</b>
Inventories recognised as an expense in cost of sales of goods				
- Cost	22,999,746	23,798,815	18,578,410	19,657,255
- (Reversal of) write-down to net realisable value	(104,938)	205,265	(179,472)	205,265
<b>Net</b>	<b>22,894,808</b>	<b>24,004,080</b>	<b>18,398,938</b>	<b>19,862,520</b>

## 10 Investments in associates and joint venture

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014
<b>Associates</b>				
At 1 January	700,075	653,216	229,500	239,850
Share of net profit of investments in associates	18,790	33,662	-	-
Share of other comprehensive income (loss) of investments in associates	(21,933)	22,940	-	-
Reclassification to subsidiary (see note 11)	-	(9,743)	-	(10,350)
<b>At 31 December</b>	<b>696,932</b>	<b>700,075</b>	<b>229,500</b>	<b>229,500</b>
<b>Joint venture</b>				
At 1 January	899,406	909,097	284,409	284,409
Share of net profit of investment in joint venture	23,976	22,651	-	-
Share of other comprehensive loss of investment in joint venture	(37,612)	(32,342)	-	-
<b>At 31 December</b>	<b>885,770</b>	<b>899,406</b>	<b>284,409</b>	<b>284,409</b>
<b>Total</b>				
At 1 January	1,599,481	1,562,313	513,909	524,259
Share of net profit of investments in associates and joint venture	42,766	56,313	-	-
Share of other comprehensive income (loss) of investments in associates and joint venture	(59,545)	(9,402)	-	-
Reclassification to subsidiary (see note 11)	-	(9,743)	-	(10,350)
<b>At 31 December</b>	<b>1,582,702</b>	<b>1,599,481</b>	<b>513,909</b>	<b>513,909</b>

The Group has not recognised loss relating to an investment in an indirect associate accounted for using the equity method where its share of loss exceeds the carrying amount of its investment. As at 31 December 2015, the Group's cumulative share of unrecognized loss was Baht 975 million (2014: Baht 933 million), of which the Group's share of loss for the year ended 31 December 2015 was Baht 42 million (2014: Baht 96 million). The Group has no obligation in respect of this loss.

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

	Consolidated financial statements							
	Ownership interest		Paid-up Capital		Cost		Equity method	
	2015	2014	2015	2014	2015	2014	2015	2014
	(%)				(in thousand Baht)			
<b>Associates</b>								
BUI Life Insurance Public Co., Ltd.	25.00	25.00	500,000	500,000	125,000	125,000	134,177	139,270
United Grain Industry Co., Ltd.	19.00	19.00	550,000	550,000	104,500	104,500	562,755	560,805
					229,500	229,500	696,932	700,075
<b>Indirect associate</b>								
Thai Special Steel Industry Public Co., Ltd.	29.53	29.53	4,220,000	4,220,000	1,246,200	1,246,200	-	-
<b>Total - Associates</b>					<b>1,475,700</b>	<b>1,475,700</b>	<b>696,932</b>	<b>700,075</b>
<b>Joint venture</b>								
Thai Nitrate Co., Ltd. (see note 39 (2))	50.00	50.00	468,750	468,750	284,409	284,409	885,770	899,406
<b>Total - Joint venture</b>					<b>284,409</b>	<b>284,409</b>	<b>885,770</b>	<b>899,406</b>
<b>Total</b>					<b>1,760,109</b>	<b>1,760,109</b>	<b>1,582,702</b>	<b>1,599,481</b>
	<b>Separate financial statements</b>							
	Ownership interest		Paid-up Capital		Cost			
	2015	2014	2015	2014	2015	2014		
	(%)				(in thousand Baht)			
<b>Associates</b>								
BUI Life Insurance Public Co., Ltd.	25.00	25.00	500,000	500,000	125,000	125,000		
United Grain Industry Co., Ltd.	19.00	19.00	550,000	550,000	104,500	104,500		
					229,500	229,500		
<b>Joint venture</b>								
Thai Nitrate Co., Ltd. (see note 39 (2))	50.00	50.00	468,750	468,750	284,409	284,409		
					284,409	284,409		
<b>Total</b>					<b>513,909</b>	<b>513,909</b>		

No dividend distribution from investments in associates and joint venture held by the Group and the Company during years ended 31 December 2015 and 2014.

None of the Group's and the Company's associates and joint venture are publicly listed and consequently do not have published price quotations.

The following table summarises the financial information of the joint venture as included in their own financial statements. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in this company.

	(in thousand Baht)	
	<b>Thai Nitrate Co., Ltd.</b>	
	2015	2014
Revenue	918,208	883,027
Profit from continuing operations	48,102	45,366
Other comprehensive loss	(75,224)	(64,684)
<b>Total comprehensive loss</b>	<b>(27,122)</b>	<b>(19,318)</b>
Attributable to investee's shareholders	(27,122)	(19,318)
Current assets	949,043	836,114
Non-current assets	1,014,331	1,165,850
Current liabilities	(65,949)	(47,919)
Non-current liabilities	(125,733)	(155,233)
<b>Net assets</b>	<b>1,771,692</b>	<b>1,798,812</b>
Attributable to investee's shareholders	1,771,692	1,798,812
Group's interest in net assets of investee at 1 January	899,406	909,097
Total comprehensive loss attributable to the Group	(13,561)	(9,659)
Group's interest in net assets of investee at end of year	885,845	899,438
Elimination of unrealised profit on upstream sales (purchases of goods from joint venture)	(75)	(32)
<b>Carrying amount of interest in investee at 31 December</b>	<b>885,770</b>	<b>899,406</b>

#### *Immaterial associates*

The following is summarized financial information for the Group's interest in immaterial associates based on the amounts reported in the Group's consolidated financial statements:

	(in thousand Baht)	
	<b>Immaterial Associates</b>	
	2015	2014
Carrying amount of interests in immaterial associates	<b>696,932</b>	<b>700,075</b>
Group's share of:		
- Profit from continuing operations	18,790	33,662
- Other comprehensive income (loss)	(21,933)	22,940
<b>- Total comprehensive income (loss)</b>	<b>(3,143)</b>	<b>56,602</b>

## **11 Investments in subsidiaries**

	(in thousand Baht)	
	<b>Separate financial statements</b>	
	2015	2014
At 1 January	5,147,761	5,046,498
Increase	3,527,628	90,913
Gain control of associate company	-	10,350
<b>At 31 December</b>	<b>8,675,389</b>	<b>5,147,761</b>

#### *TPI Polene Power Company Limited*

On 29 May 2015, the Company's Board of Directors' meeting passed the resolution to approve payment for assessable capital stock of TPI Polene Power Company Limited of 31.53 million ordinary shares at Baht 23.75 each, in the amount of Baht 748.84 million and approved payment for increasing of share capital with fully paid up of the subsidiary company of 10 million ordinary shares at par value of Baht 100 each, in the amount of Baht 1,000 million which was paid to the subsidiary company in June 2015.

#### *TPI All Seasons Company Limited*

On 29 May 2015, the Company's Board of Directors' meeting passed the resolution to approve payment for assessable capital stock of TPI All Seasons Company Limited of 20 million ordinary shares at Baht 4.50 each, in the amount of Baht 90 million and approved payment for increasing of share capital with fully paid up of the subsidiary company of 21.38 million ordinary shares at par value of Baht 10 each, in the amount of Baht 213.75 million which was paid to the subsidiary company in June 2015.

#### *TPI Refinery (1997) Company Limited*

On 26 June 2015, the Company's Board of the Directors' meeting passed the resolution to approve the acquisition of shares in TPI Refinery (1997) Company Limited, the main objective is to restructure the shareholding of the Group to support business expansion. Thereafter, on 16 July 2015, the Company obtained control of that company by acquiring 99,995 shares or equivalent to 99.99% of the paid-up share capital at the price of Baht 6.20 per share, in the amount of Baht 0.62 million from a related company, thereby become a subsidiary of the Company.

#### *TPI Intertrade Company Limited and TPI Power Company Limited*

On 24 July 2015, the Company's Board of the Directors' meeting passed the resolution to approve the acquisition of shares in TPI Intertrade Company Limited and TPI Power Company Limited, the main objective is to restructure the shareholding of the Group to support business expansion. Thereafter, on 27 July 2015, the Company obtained control in the following companies as follows:

- Invested in TPI Intertrade Company Limited by acquiring 9,997 shares or equivalent to 99.97% of the paid-up share capital at the price of Baht 0.01 per share, in the amount of Baht 99.97 from related personnels, thereby become a subsidiary of the Company.
- Invested in TPI Power Company Limited by acquiring 9,980 shares or equivalent to 99.80% of the paid-up share capital at the price of Baht 71.32 per share, in the amount of Baht 0.71 million from a subsidiary, thereby become a subsidiary of the Company.

#### *TPI Polene Bio Organics Company Limited, Polene Plastic Company Limited and TPI Service Company Limited*

On 28 August 2015, the Company's Board of the Directors' meeting passed the resolution to approve the acquisition of shares in TPI Polene Bio Organics Company Limited, Polene Plastic Company Limited and TPI Service Company Limited, the main objective is to restructure the shareholding of the Group to support business expansion. Thereafter, on 1 September 2015, the Company obtained control in the following companies as follows:

- Invested in TPI Polene Bio Organics Company Limited by acquiring 19,999,996 shares or equivalent to 99.99% of the paid-up share capital at the price of Baht 67.72 per share, in the amount of Baht 1,354.40 million from a subsidiary, thereby become a subsidiary of the Company.
- Invested in Polene Plastic Company Limited by acquiring 99,993 shares or equivalent to 99.99% of the paid-up share capital at the price of Baht 1,184.60 per share, in the amount of Baht 118.45 million from a subsidiary, thereby become a subsidiary of the Company.
- Invested in TPI Service Company Limited by acquiring 5,100 shares or equivalent to 51.00% of the paid-up share capital at the price of Baht 168.12 per share, in the amount of Baht 0.86 million from a subsidiary, thereby become a subsidiary of the Company.

#### *Mondo Thai Company Limited*

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

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

During 2015, the Group made an additional investment by acquiring 8,520 shares or equivalent to 23.67% of the paid-up share capital at the price of Baht 2,000 per share, in the amount of Baht 17.04 million from other parties via a direct subsidiary. As a result, the Group's equity interest in that company increased from 54.05% to 77.72% of the paid-up share capital.



Investments in subsidiaries as at 31 December were as follows:

	Separate financial Statements							
	Ownership interest		Paid-up capital		Cost		Impairment	
	2015 (%)	2014	2015	2014	2015 (in thousand Baht)	2014	2015	2014
<b>At cost-net</b>								
							2015	2014
<b>Subsidiaries</b>								
Prosper Delta Limited	-	100.00	-	-	-	-	-	-
TPI Concrete Co., Ltd.	99.99	99.99	840,000	840,000	839,999	839,999	839,999	839,999
TPI Polene Power Co., Ltd.	99.99	99.99	5,900,000	4,151,163	5,899,999	4,151,162	5,899,999	4,151,162
TPI All Seasons Co., Ltd.	99.99	99.99	450,000	146,250	450,000	146,250	450,000	146,250
Thai Propoxide Co., Ltd.	99.99	99.99	250	250	250	250	(250)	(250)
Polene Plastic Co., Ltd.	99.99	-	10,000	-	118,452	-	118,452	-
TPI Polene Bio Organics Co., Ltd.	99.99	-	2,000,000	-	1,354,400	-	1,354,400	-
TPI Refinery (1997) Co., Ltd.	99.99	-	1,000	-	620	-	620	-
TPI Intertrade Co., Ltd.	99.97	-	100	-	-	-	-	-
TPI Commercial Co., Ltd.	99.94	99.94	100	100	-	-	-	-
TPI Power Co., Ltd.	99.80	-	1,000	-	712	-	712	-
TPI Service Co., Ltd.	51.00	-	1,000	-	857	-	857	-
Mondo Thai Co., Ltd.	28.75	28.75	36,000	36,000	10,350	10,350	10,350	10,350
<b>Total</b>					<b>8,675,639</b>	<b>5,148,011</b>	<b>(250)</b>	<b>(250)</b>
							<b>8,675,389</b>	<b>5,147,761</b>

None of the Company's subsidiaries are publicly listed and consequently do not have published price quotations.

All subsidiaries were incorporated in Thailand, except for Prosper Delta Limited which was dormant in Hong Kong and in dissolution.

No dividend distribution from investments in subsidiaries held by the Company during years ended 31 December 2015 and 2014.

## 12 Long-term investments in related parties

	Type of business	Relationship	Ownership interest		Paid-up Capital		Consolidated and Separate financial statements	
			2015	2014	2015	2014	2015	2014
			(%)		(in thousand Baht)			
<b>Related parties</b>								
Pornchai Enterprise Co., Ltd.	Real estate and service rental	Shareholder	0.65	0.65	4,599,920	4,599,920	45,653	45,653
TPI Holding Co., Ltd.	Holding company	Shareholder	0.001	0.001	4,044,573	4,044,573	217	217
<b>Total</b>							<b>45,870</b>	<b>45,870</b>

## 13 Investment properties

	(in thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Cost</b>				
At 1 January	633,631	610,294	447,528	447,528
Additions	2,923	32,772	-	-
Reclassification to property plant and equipments	(2,035)	(9,435)	-	-
<b>At 31 December</b>	<b>634,519</b>	<b>633,631</b>	<b>447,528</b>	<b>447,528</b>
<b>Depreciation and impairment losses</b>				
At 1 January	13,863	13,163	-	-
Depreciation charge for the year	1,000	1,000	-	-
(Reversal of) impairment losses	3,274	(300)	-	-
<b>At 31 December</b>	<b>18,137</b>	<b>13,863</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>				
<b>At 1 January</b>	<b>619,768</b>	<b>597,131</b>	<b>447,528</b>	<b>447,528</b>
<b>At 31 December</b>	<b>616,382</b>	<b>619,768</b>	<b>447,528</b>	<b>447,528</b>

Investment properties were revalued as at 31 December 2015 and 2014 by a firm of professional valuers, at open market values on an existing use basis. The appraised value of the Group and the Company were Baht 892 million and Baht 472 million, respectively (2014: Baht 1,270 million and Baht 562 million, respectively).

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

#### **Measurement of fair value**

##### *Fair value hierarchy*

The fair value of investment property was determined by property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The valuers provide the fair value of the Group's investment property portfolio on a regular basis.

The fair value measurement of all investment property has been categorised as level 3 fair value based on the inputs to the valuation technique used.

##### *Valuation technique and significant unobservable inputs*

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

<b>Valuation technique</b>	<b>Significant Unobservable inputs</b>	<b>Inter-relationship between key unobservable inputs and fair value measurement</b>
Market approach	The adjusted quoted price and the actual selling price of comparable investment properties.	The estimated fair value increase (decrease) if land price were higher (lower).

## 14 Property, plant and equipment

(in thousand Bahr)

### Consolidated financial statements

#### Cost/revaluation

At 1 January 2014

restated	2,787,127	8,934,085	6,808,329	35,207,532	22,704,075	5,340,090	637,419	431,108	1,595,823	241,584	136,756	11,278,414	96,102,342
Additions	67,781	27,874	-	15,676	-	547,882	-	30,222	33,130	-	777,061	18,499,957	19,999,583
Transfers - net	-	107,624	-	1,097,628	-	137,904	-	3,766	(124,299)	(18,973)	-	(1,203,650)	-
Disposals	-	(9,587)	-	(143,926)	-	(22,250)	-	(10,234)	(420)	-	-	-	(186,417)
Reclassification from investment properties	9,435	-	-	-	-	-	-	-	-	-	-	-	9,435

At 31 December 2014 and 1 January 2015

#### restated

Additions	2,864,343	9,059,996	6,808,329	36,176,910	22,704,075	6,003,626	637,419	454,862	1,504,234	222,611	913,817	28,574,721	115,924,943
Transfers - net	72,461	14,309	-	17,573	-	339,909	-	20,557	969	-	294,991	6,796,725	7,557,494
Disposals	-	1,475,887	-	8,242,504	-	93,763	-	21,220	-	28,845	-	(9,862,219)	-
Reclassification from investment properties	-	(13,251)	-	(93,367)	-	(64,827)	-	(15,670)	(2,292)	-	-	-	(189,207)
At 31 December 2015	2,035	-	-	-	-	-	-	-	-	-	-	-	2,035
	2,938,839	10,536,941	6,808,329	44,343,620	22,704,075	6,372,671	637,419	480,969	1,502,911	251,456	1,208,808	25,509,227	123,295,265

#### Depreciation and impairment losses

At 1 January 2014

restated	-	4,226,334	311,433	18,122,966	1,545,222	4,182,307	62,682	325,964	954,293	-	-	6,686	29,737,887
Depreciation charge for the year	-	254,773	323,186	1,361,258	1,651,096	226,221	81,973	35,778	38,872	-	-	-	3,973,157
Transfers - net	-	-	-	-	-	18,070	-	531	(18,601)	-	-	-	-
Disposals	-	(5,859)	-	(116,745)	-	(21,771)	-	(9,441)	(420)	-	-	-	(154,236)

At 31 December 2014 and 1 January 2015

#### restated

Depreciation charge for the year	-	4,475,248	634,619	19,367,479	3,196,318	4,404,827	144,655	352,832	974,144	-	-	6,686	33,556,808
Disposals	-	291,559	317,310	1,442,714	1,599,363	280,670	62,293	38,768	38,069	-	-	-	4,070,746
At 31 December 2015	-	(12,820)	-	(88,918)	-	(60,376)	-	(15,505)	(2,281)	-	-	-	(179,900)
	-	4,753,987	951,929	20,721,275	4,795,681	4,625,121	206,948	376,095	1,009,932	-	-	6,686	37,447,654

#### Net book value

At 1 January 2014 restated

Owned assets	2,787,127	4,707,751	6,496,896	16,575,391	21,158,853	1,157,783	574,737	91,201	45,742	241,584	136,756	11,271,728	66,245,549
Assets under finance lease	-	-	-	509,175	-	-	-	13,943	595,788	-	-	-	1,118,906
	2,787,127	4,707,751	6,496,896	17,084,566	21,158,853	1,157,783	574,737	105,144	641,530	241,584	136,756	11,271,728	66,364,455

At 31 December 2014 and

1 January 2015 restated

Owned assets	2,864,343	4,584,748	6,173,710	16,338,528	19,507,757	1,598,799	492,764	87,349	93,462	222,611	913,817	28,568,035	81,445,923
Assets under finance lease	-	-	-	470,903	-	-	-	14,681	438,628	-	-	-	922,212
	2,864,343	4,584,748	6,173,710	16,809,431	19,507,757	1,598,799	492,764	102,030	530,090	222,611	913,817	28,568,035	82,368,135

At 31 December 2015

Owned assets	2,938,839	5,782,954	5,856,400	23,310,128	17,908,394	1,747,550	430,471	96,748	83,353	251,456	1,208,808	25,502,541	85,117,642
Assets under finance lease	-	-	-	312,217	-	-	-	8,126	409,626	-	-	-	729,969
	2,938,839	5,782,954	5,856,400	23,622,345	17,908,394	1,747,550	430,471	104,874	492,979	251,456	1,208,808	25,502,541	85,847,611

(in thousand Baht)

## Separate financial statements

Cost/revaluation														
At 1 January 2014														
Additions	2,437,896	8,424,161	6,808,329	27,348,989	22,704,075	5,153,816	637,419	346,699	1,533,503	209,208	10,352,142	85,956,237		
Transfers-net	67,781	-	-	48,000	-	541,282	-	25,118	33,130	-	14,336,534	15,051,845		
Disposals	-	28,799	-	844,006	-	137,904	-	3,766	(124,299)	(71,200)	(818,976)	-		
	-	-	-	(143,551)	-	(22,202)	-	(7,711)	(420)	-	-	(173,884)		
At 31 December 2014 and 1 January 2015														
Additions	2,505,677	8,452,960	6,808,329	28,097,444	22,704,075	5,810,800	637,419	367,872	1,441,914	138,008	23,869,700	100,834,198		
Transfers-net	56,258	-	-	2,662	-	343,347	-	16,559	6,956	-	4,288,543	4,714,325		
Disposals	-	1,399,808	-	4,470,078	-	79,710	-	20,317	-	57,403	(6,027,316)	-		
	-	-	-	(92,012)	-	(64,261)	-	(11,587)	(2,292)	-	-	(170,152)		
At 31 December 2015														
	2,561,935	9,852,768	6,808,329	32,478,172	22,704,075	6,169,596	637,419	393,161	1,446,578	195,411	22,130,927	105,378,371		
Depreciation and impairment losses														
At 1 January 2014														
Depreciation charge for the year	-	3,901,423	311,433	15,186,651	1,545,222	4,086,577	62,682	257,255	937,917	-	-	26,289,160		
Transfers-net	-	208,906	323,186	902,844	1,651,096	214,436	81,973	30,191	34,180	-	-	3,446,812		
Disposals	-	-	-	-	-	18,070	-	531	(18,601)	-	-	-		
	-	-	-	(116,370)	-	(21,722)	-	(7,085)	(420)	-	-	(145,597)		
At 31 December 2014 and 1 January 2015														
Depreciation charge for the year	-	4,110,329	634,619	15,973,125	3,196,318	4,297,361	144,655	280,892	953,076	-	-	29,590,375		
Disposals	-	234,508	317,310	933,509	1,599,363	269,737	62,293	33,043	31,574	-	-	3,481,337		
	-	-	-	(87,563)	-	(60,010)	-	(11,472)	(2,281)	-	-	(161,326)		
At 31 December 2015														
	-	4,344,837	951,929	16,819,071	4,795,681	4,507,088	206,948	302,463	982,369	-	-	32,910,386		
Net book value														
At 1 January 2014														
Owned assets	2,437,896	4,522,738	6,496,896	12,162,338	21,158,853	1,067,239	574,737	5,501	27,720	209,208	10,352,142	59,085,268		
Assets under finance lease	-	-	-	-	-	-	-	13,943	567,866	-	-	581,809		
At 31 December 2014 and 1 January 2015														
Owned assets	2,505,677	4,342,631	6,173,710	12,124,319	19,507,757	1,513,439	492,764	72,299	52,209	138,008	23,869,700	70,792,513		
Assets under finance lease	-	-	-	-	-	-	-	14,681	436,629	-	-	451,310		
At 31 December 2015														
Owned assets	2,561,935	5,507,931	5,856,400	15,659,101	17,908,394	1,662,508	430,471	82,572	54,583	195,411	22,130,927	72,050,233		
Assets under finance lease	-	-	-	-	-	-	-	8,126	409,626	-	-	417,752		
	2,561,935	5,507,931	5,856,400	15,659,101	17,908,394	1,662,508	430,471	90,698	464,209	195,411	22,130,927	72,467,985		

The gross amount of the Group and the Company's fully depreciated plant and equipment that was still in use as at 31 December 2015 amounted to Baht 6,835 million and Baht 4,338 million, respectively (2014: Baht 5,775 million and Baht 3,611 million, respectively).

### *Security*

At 31 December 2015 the Group and Company's land, buildings, machinery and equipment with a net book value of Baht 15,332 million and Baht 15,332 million, respectively (2014: Baht 14,398 million and Baht 11,547 million, respectively) are mortgaged or pledged as collateral for the long-terms loan.

Capitalised borrowing costs relating to the acquisition of the construction of new factory of the Group and the Company as at 31 December 2015 are Baht 640 million and Baht 531 million, respectively (2014: Baht 560 million and Baht 460 million, respectively), with capitalization in the consolidated financial statements and the separate financial statements of MLR-1.5% to MLR-0.75%, 3M EURIBOR+1.65%, 6M EURIBOR+1.1% and 6M USD LIBOR+2.2% (2014: MLR-1.5% to MLR-0.75%, 3M EURIBOR+1.65%, 6M EURIBOR+1.1% and 6M USD LIBOR+2.2%).

### *Surplus on fixed assets revaluation*

In December 2012, the Company hired a foreign independent appraiser, to appraise the value of certain items of its manufacturing plant, machinery and factory equipment of cement and dry mortar including distribution terminals. The value of these assets, the original cost of which was Baht 30,365 million (book value of Baht 13,973 million), was appraised at USD 1,280 million, equivalent to reappraisal book value of Baht 39,402 million, calculated using the rate of Baht 30.7775 to USD 1 at the appraisal date. The appraised value is based on the Replacement Time Value, taking into consideration the replacement value and the remaining life of an asset which is the current acquisition cost of assets with the same layout, capacity and technological standard as the assets valued, including capitalised interest costs. As a result of this reappraisal, the carrying amounts of total assets and equity of the Group and the Company at that date increased by Baht 25,429 million (compared with the original cost). As at 31 December 2015, the remaining portion of surplus on assets revaluation of the Group and the Company amounted to Baht 20,278 million (2014: Baht 21,963 million).

However, buildings, machinery and equipment as of appraisal date with book value of Baht 2,145 million have not been revalued by independent appraisers as the nature and use in the Company's operations is different from the revalued assets.

In addition, in December 2012, the Company hired a foreign independent appraiser, to appraise the value of its LDPE and EVA plastic manufacturing plant and machinery. The value of these assets, the original cost of which was Baht 3,897 million (book value of Baht 1,258 million), was appraised at USD 195 million, equivalent to reappraisal book value of Baht 6,001 million, calculated using the rate of Baht 30.7775 to USD 1 at the appraisal date. The appraised value is based on the Fair Market Value which is the current acquisition cost of assets with the same layout, capacity and technological standard as the assets valued, including capitalized interest costs. As a result of this reappraisal, the carrying amounts of total assets and equity at that date increased by Baht 4,743 million in the consolidated and the separate financial statements (compared with the original cost). As at 31 December 2015, the remaining portion of surplus on assets revaluation of the Group and the Company amounted to Baht 3,917 million (2014: Baht 4,211 million).

### **Measurement of fair value**

#### *Fair value hierarchy*

The fair value of manufacturing plant, machinery and factory equipment was determined by property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The valuers provide the fair value of the Group's manufacturing plant, machinery and factory equipment portfolio on a regular basis.

The fair value measurement for manufacturing plant, machinery and factory equipment has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

## 15 Intangible assets

(in thousand Baht)

	Consolidated and Separate financial statements		
	Cost of raw material resources and cost of concessions	Software licenses	Total
<b>Cost</b>			
At 1 January 2014	700,353	40,957	741,310
Additions	-	200	200
<b>At 31 December 2014 and 1 January 2015</b>	<b>700,353</b>	<b>41,157</b>	<b>741,510</b>
Additions	34,211	2,713	36,924
<b>At 31 December 2015</b>	<b>734,564</b>	<b>43,870</b>	<b>778,434</b>
<b>Amortisation</b>			
At 1 January 2014	448,499	36,823	485,322
Amortisation for the year	26,317	4,334	30,651
<b>At 31 December 2014 and 1 January 2015</b>	<b>474,816</b>	<b>41,157</b>	<b>515,973</b>
Amortisation for the year	28,249	191	28,440
<b>At 31 December 2015</b>	<b>503,065</b>	<b>41,348</b>	<b>544,413</b>
<b>Net book value</b>			
At 1 January 2014	251,854	4,134	255,988
At 31 December 2014 and 1 January 2015	225,537	-	225,537
At 31 December 2015	231,499	2,522	234,021

## 16 Deferred tax

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

(in thousand Baht)

	Consolidated financial statements			
	Assets		Liabilities	
	2015	2014 (Restated)	2015	2014
Total	448,247	331,682	(5,431,820)	(5,829,937)
Set off of tax	(264,675)	(215,118)	264,675	215,118
<b>Net deferred tax assets (liabilities)</b>	<b>183,572</b>	<b>116,564</b>	<b>(5,167,145)</b>	<b>(5,614,819)</b>

(in thousand Baht)

	Separate financial statements			
	Assets		Liabilities	
	2015	2014 (Restated)	2015	2014
Total	314,180	287,186	(5,476,535)	(5,885,321)
Set off of tax	(314,180)	(287,186)	314,180	287,186
<b>Net deferred tax liabilities</b>	<b>-</b>	<b>-</b>	<b>(5,162,355)</b>	<b>(5,598,135)</b>



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

(in thousand Baht)

	<b>Consolidated financial statements</b>		
	(Charged) / credited to:		
	At 1 January 2015 (Restated)	Profit or loss (Note 33)	Other comprehensive income
			At 31 December 2015
<b>Deferred tax assets</b>			
Allowance for doubtful account receivables	49,486	(23,415)	-
Allowance for decline in value of inventories	41,053	(35,894)	-
Allowance for impairment of assets	2,589	654	(15)
Provision for sales discount and sales promotional	7,687	1,660	-
Employee benefit obligations	217,524	9,566	33,673
Loss carry forward	14,126	129,553	-
Others	(783)	783	-
<b>Total</b>	<b>331,682</b>	<b>82,907</b>	<b>33,658</b>
<b>Deferred tax liabilities</b>			
Amortisation gap of concessions	(7,068)	513	-
Financial lease	(79,625)	(30,619)	-
Depreciation gap of assets	(508,398)	32,430	-
Revaluation on assets	(5,234,846)	-	395,793
<b>Total</b>	<b>(5,829,937)</b>	<b>2,324</b>	<b>395,793</b>
<b>Net</b>	<b>(5,498,255)</b>	<b>85,231</b>	<b>429,451</b>

(in thousand Baht)

	<b>Consolidated financial statements</b>		
	(Charged) / credited to:		
	At 1 January 2014 (Restated)	Profit or loss (Note 33)	Other comprehensive income
			At 31 December 2014 (Restated)
<b>Deferred tax assets</b>			
Allowance for doubtful account receivables	33,598	15,888	-
Allowance for decline in value of inventories	-	41,053	-
Allowance for impairment of assets	2,647	(60)	2
Provision for sales discount and sales promotional	69,660	(61,973)	-
Employee benefit obligations	266,460	10,319	(59,255)
Loss carry forward	12,995	1,131	-
Others	431	(1,214)	-
<b>Total</b>	<b>385,791</b>	<b>5,144</b>	<b>(59,253)</b>
<b>Deferred tax liabilities</b>			
Amortisation gap of concessions	(7,492)	424	-
Financial lease	(48,934)	(30,691)	-
Depreciation gap of assets	(484,830)	(23,568)	-
Revaluation on assets	(5,646,097)	-	411,251
<b>Total</b>	<b>(6,187,353)</b>	<b>(53,835)</b>	<b>411,251</b>
<b>Net</b>	<b>(5,801,562)</b>	<b>(48,691)</b>	<b>351,998</b>

(in thousand Baht)

	Separate financial statements			
	(Charged) / credited to:			
	At 1 January 2015	Profit or loss	Other comprehensive income	At 31 December 2015
		(Note 33)		
<b>Deferred tax assets</b>				
Allowance for doubtful account receivables	46,468	(22,939)	-	23,529
Allowance for decline in value of inventories	41,053	(35,894)	-	5,159
Allowance for impairment of assets	1,020	-	(15)	1,005
Provision for sales discount and sales promotional	6,834	1,845	-	8,679
Employee benefit obligations	192,189	10,027	29,719	231,935
Loss carry forward	-	43,873	-	43,873
Others	(378)	378	-	-
<b>Total</b>	<b>287,186</b>	<b>(2,710)</b>	<b>29,704</b>	<b>314,180</b>
<b>Deferred tax liabilities</b>				
Amortisation gap of concessions	(7,068)	513	-	(6,555)
Financial lease	(45,850)	(14,367)	-	(60,217)
Depreciation gap of assets	(597,558)	26,847	-	(570,711)
Revaluation on assets	(5,234,845)	-	395,793	(4,839,052)
<b>Total</b>	<b>(5,885,321)</b>	<b>12,993</b>	<b>395,793</b>	<b>(5,476,535)</b>
<b>Net</b>	<b>(5,598,135)</b>	<b>10,283</b>	<b>425,497</b>	<b>(5,162,355)</b>

(in thousand Baht)

		Separate financial statements		
		(Charged) / credited to:		
	At 1 January 2014	Profit or loss	Other comprehensive income	At 31 December 2014
		(Note 33)		
<b>Deferred tax assets</b>				
Allowance for doubtful account receivables	23,282	23,186	-	46,468
Allowance for decline in value of inventories	-	41,053	-	41,053
Allowance for impairment of assets	1,018	-	2	1,020
Provision for sales discount and sales promotional	69,180	(62,346)	-	6,834
Employee benefit obligations	216,551	7,866	(32,228)	192,189
Others	(141)	(237)	-	(378)
<b>Total</b>	<b>309,890</b>	<b>9,522</b>	<b>(32,226)</b>	<b>287,186</b>
<b>Deferred tax liabilities</b>				
Amortisation gap of concessions	(7,492)	424	-	(7,068)
Financial lease	(31,460)	(14,390)	-	(45,850)
Depreciation gap of assets	(544,125)	(53,433)	-	(597,558)
Revaluation on assets	(5,646,096)	-	411,251	(5,234,845)
<b>Total</b>	<b>(6,229,173)</b>	<b>(67,399)</b>	<b>411,251</b>	<b>(5,885,321)</b>
<b>Net</b>	<b>(5,919,283)</b>	<b>(57,877)</b>	<b>379,025</b>	<b>(5,598,135)</b>

Deferred tax assets arising from unused tax losses that has not been recognised in the consolidated financial statements as at 31 December 2015 amounted to Baht 128.1 million (2014: Baht 67.5 million).

The tax losses expire in 2016 to 2020. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

## 17 Interest-bearing liabilities

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Current</b>				
Short-term loans from financial institutions				
secured	-	828,783	-	285,721
unsecured	923,136	1,914,705	923,136	1,914,705
<b>Short-term loans from financial institutions</b>	<b>923,136</b>	<b>2,743,488</b>	<b>923,136</b>	<b>2,200,426</b>
Current portion of long-term loans from financial institutions				
secured	404,436	669,610	404,436	363,919
<b>Current portion of long-term loans</b>	<b>404,436</b>	<b>669,610</b>	<b>404,436</b>	<b>363,919</b>
<b>Current portion of debentures</b>	<b>3,000,000</b>	<b>-</b>	<b>3,000,000</b>	<b>-</b>
<b>Current portion of finance lease liabilities</b>	<b>203,797</b>	<b>227,093</b>	<b>110,152</b>	<b>102,424</b>
<b>Total current interest-bearing liabilities</b>	<b>4,531,369</b>	<b>3,640,191</b>	<b>4,437,724</b>	<b>2,666,769</b>
<b>Non-current</b>				
Long-term loans from financial institutions				
secured	6,504,022	15,662,957	6,504,022	12,911,745
<b>Long-term loans</b>	<b>6,504,022</b>	<b>15,662,957</b>	<b>6,504,022</b>	<b>12,911,745</b>
<b>Debentures</b>	<b>26,555,000</b>	<b>8,000,000</b>	<b>26,555,000</b>	<b>8,000,000</b>
<b>Finance lease liabilities</b>	<b>90,921</b>	<b>297,151</b>	<b>43,597</b>	<b>156,182</b>
<b>Total non-current interest-bearing liabilities</b>	<b>33,149,943</b>	<b>23,960,108</b>	<b>33,102,619</b>	<b>21,067,927</b>
<b>Total</b>	<b>37,681,312</b>	<b>27,600,299</b>	<b>37,540,343</b>	<b>23,734,696</b>

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Within one year	4,327,572	3,413,098	4,327,572	2,564,345
After one year but within five years	21,939,713	16,600,470	21,939,713	14,154,948
After five years	11,119,310	7,062,487	11,119,310	6,756,797
<b>Total</b>	<b>37,386,595</b>	<b>27,076,055</b>	<b>37,386,595</b>	<b>23,476,090</b>

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Land and buildings	7,901,193	6,163,169	7,901,193	3,312,330
Investment properties	-	117,492	-	117,492
Machinery and equipment	7,430,782	8,117,273	7,430,782	8,117,273
<b>Total</b>	<b>15,331,975</b>	<b>14,397,934</b>	<b>15,331,975</b>	<b>11,547,095</b>

As at 31 December 2015 the Group and the Company had unutilised credit facilities totalling Baht 382 million and Baht 326 million, respectively (2014: Baht 4,299 million and Baht 2,599 million, respectively).

### Finance lease liabilities

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

(in thousand Baht)

	Consolidated financial statements					
	2015			2014		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	216,846	13,049	203,797	255,143	28,050	227,093
After one year but within five years	94,046	3,125	90,921	310,352	13,201	297,151
<b>Total</b>	<b>310,892</b>	<b>16,174</b>	<b>294,718</b>	<b>565,495</b>	<b>41,251</b>	<b>524,244</b>

(in thousand Baht)

	Saparate financial statements					
	2015			2014		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	116,950	6,798	110,152	117,484	15,060	102,424
After one year but within five years	45,533	1,936	43,597	161,944	5,762	156,182
<b>Total</b>	<b>162,483</b>	<b>8,734</b>	<b>153,749</b>	<b>279,428</b>	<b>20,822</b>	<b>258,606</b>

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

(in thousand Baht)

	Consolidated financial statements		Saparate financial statements	
	2015	2014	2015	2014
Thai Baht (THB)	30,772,854	20,576,434	30,631,885	17,253,893
United States Dollars (USD)	658,007	740,548	658,007	251,884
EURO (EUR)	6,250,451	6,268,957	6,250,451	6,214,559
Swiss Franc (CHF)	-	14,360	-	14,360
<b>Total</b>	<b>37,681,312</b>	<b>27,600,299</b>	<b>37,540,343</b>	<b>23,734,696</b>

### Loan from financial institutions

On 25 January 2013 and 26 March 2013, the Company had signed 4 facility agreements for investment in the Fourth Cement Plant Project. As at 31 December 2015, 3 facility agreements remained and total amount was equivalent to Baht 6,123 million (2014: 4 facility agreements totaling Baht 11,709 million). The Company fulfilled the condition precedent of the Facility Agreements which enable the Company to disburse the loan from such Facility Agreements since 27 March 2013, as following financial institutions:

1. Foreign financial institutions in the total amount of Euro 114.5 million covered by Euler Hermes Deutschland AG (German Export Credit Agency of the German Ministry of Finance);
2. Foreign financial institution in the total amount of Euro 26.4 million covered by the Office of National Du Ducreire or ONDD (Belgian Export Credit Agency);
3. Foreign financial institution in the total amount of Euro 13.0 million covered by the Office of National Du Ducreire or ONDD (Belgian Export Credit Agency); and
4. Domestic financial institutions in the total amount of Baht 5,500 million. (Fully paid in 2015)

The Company had signed the addition loans agreements from domestic and foreign financial institutions to increase investment for the project in the amount of Baht 600 million (Fully paid in 2015), Euro 8 million and USD 20.6 million

As at 31 December 2015, the Company had long-term loans from financial institutions of Baht 6,908 million (2014: Baht 10,940 million) for the project. Principal repayment shall be made in 6 - 12 years by half year repayment commencing the earlier of; 6 month from receiving of plant acceptance certificates or 3.5 years from the effective date of facility agreement. Interest rates for project is according to agreement rate (See note 37).

In addition, the Company had signed loans agreements from domestic financial institutions for Fibre Cement Board Project of Baht 2,520 million. As at 31 December 2015, the balance of loan under this facility was nil as it was fully paid in 2015. (2014: Baht 2,336 million)

On 22 August 2013, a subsidiary has signed facility agreement in the amount of Baht 4,700 million with local financial institutions, with the term of 7 years. Principle repayment shall be made in after 2 years. Interest rate is according to agreement rate for investment (See note 37) in Alternative Fuel Power Plant and Waste Heat Recovery Power Plant with total capacity of 90 megawatt. As at 31 December 2015, the balance of loan under this facility was nil as it was fully paid in 2015 (2014: Baht 3,057 million).

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

#### **Debentures**

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

On 17 January 2014, the Company issued the unsecured, unsubordinated debentures in registered form with debentures holders' representatives in the total amount of Baht 5,000 million, which was comprised of Tranche 1, with the maturity term of 3.5 years together with a fixed interest rate at 5.00% per annum, payable quarterly, in the amount of Baht 3,000 million and Tranche 2, with the maturity term of 4.5 years together with a fixed interest rate at 5.30% per annum, payable quarterly, in the amount of Baht 2,000 million.

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

On 5 August 2015, the Company issued the unsecured, unsubordinated debentures in registered form with debenture holders' representatives in the total amount of Baht 15,555 million, which was comprised of the following:

- Tranche 1, with the maturity term of 3 years together with a fixed interest rate at 4.10% per annum, payable quarterly in the amount of Baht 3,000 million.
- Tranche 2, with the maturity term of 4 years together with a fixed interest rate at 4.40% per annum, payable quarterly in the amount of Baht 2,750 million.
- Tranche 3, with the maturity term of 5 years together with a fixed interest rate at 4.65% per annum, payable quarterly in the amount of Baht 2,205 million.
- Tranche 4, with the maturity term of 6 years together with a fixed interest rate at 4.90% per annum, payable quarterly in the amount of Baht 3,600 million.
- Tranche 5, with the maturity term of 7 years together with a fixed interest rate at 5.20% per annum, payable quarterly in the amount of Baht 4,000 million.

## 18 Trade accounts payable

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014 (Restated)	2015	2014
Related parties	5	113,048	249,848	774,405	763,613
Other parties		2,410,890	2,527,047	1,854,761	2,016,717
<b>Total</b>		<b>2,523,938</b>	<b>2,776,895</b>	<b>2,629,166</b>	<b>2,780,330</b>

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014
Thai Baht (THB)	2,308,261	2,608,294	2,628,498	2,779,342
United States Dollars (USD)	208,621	146,812	668	988
EURO (EUR)	7,056	14,085	-	-
Others	-	7,704	-	-
<b>Total</b>	<b>2,523,938</b>	<b>2,776,895</b>	<b>2,629,166</b>	<b>2,780,330</b>

## 19 Other payables

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014
Accrued expenses	1,014,311	863,236	866,549	718,642
Deposit from sales	309,401	263,860	182,564	229,736
Guarantee and deposits	281,024	271,354	254,016	246,069
Retention payable	376,341	403,553	348,321	379,161
Machine Payable	1,680,240	1,754,925	435,244	892,098
Others	562,243	798,751	401,213	625,994
<b>Total</b>	<b>4,223,560</b>	<b>4,355,679</b>	<b>2,487,907</b>	<b>3,091,700</b>

## 20 Employee benefit obligations

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014
<b>Statement of financial position Obligations for:</b>				
Post-employment benefits	1,317,394	1,087,648	1,159,678	960,946
<b>Total</b>	<b>1,317,394</b>	<b>1,087,648</b>	<b>1,159,678</b>	<b>960,946</b>
<b>Year ended 31 December</b>				
<b>Statement of comprehensive income:</b>				
<b>Recognised in profit or loss:</b>				
Post-employment benefits	75,931	67,542	59,687	53,991
<b>Total</b>	<b>75,931</b>	<b>67,542</b>	<b>59,687</b>	<b>53,991</b>
Recognised in other comprehensive income:				
<b>Actuarial (gains) losses recognised in the year</b>	<b>166,457</b>	<b>(296,273)</b>	<b>148,597</b>	<b>(161,138)</b>

### Legal severance pay plan

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

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.



Movement in the present value of the defined benefit obligations.

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014
Defined benefit obligations at 1 January	1,087,648	1,332,320	960,946	1,082,755
<b>Include in profit or loss:</b>				
Current service cost and interest on obligation	75,931	67,542	59,687	53,991
<b>Included in other comprehensive income</b>				
Actuarial gain (loss)	166,457	(296,273)	148,597	(161,138)
<b>Other</b>				
Benefit paid by the plan	(12,642)	(15,941)	(9,552)	(14,662)
<b>Defined benefit obligations at 31 December</b>	<b>1,317,394</b>	<b>1,087,648</b>	<b>1,159,678</b>	<b>960,946</b>

Actuarial gains and losses recognised in other comprehensive income were mainly arose from the change of discount rate and future salary growth.

### Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

(%)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014
Discount rate	3.55 - 4.64	4.35 - 4.64	3.55 - 3.74	4.35 - 4.50
Future salary growth	2.55 - 7.43	2.55 - 7.55	5.21 - 7.43	5.19 - 7.55

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2015, the weighted-average duration of the defined benefit obligation was 23 years (2014: 23 years).

### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
<b>Defined benefit obligation 31 December 2015</b>				
Discount rate (1% movement)	(142,527)	170,847	(123,364)	147,587
Future salary growth (1% movement)	150,923	(129,895)	130,491	(112,094)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

## 21 Provision for fine

On 2 April 2010, pursuant to the arbitral award with respect to the sale of goods to the third party, Court ordered the Company to pay to the third party the amount of USD 2.96 million together with interest at the annual rate of 5% until the payment has been fully made and a related arbitration, legal and interest expenses of USD 0.93 million with default interest.

The Company filed the appeal with the Supreme Court on 1 June 2010 and the third party filed an answer to the appeal with the Supreme Court on 17 August 2010. The Company recorded a provision for fine of Baht 200 million in the financial statements in 2011.

On 24 February 2012, the Company made the payment in accordance with the Court of the First Instance's order by way of depositing cashier cheques to be payable under the name of Finance Section, Legal Execution Department with the official receiver, totaling Baht 180.3 million, which is recognised as deposit for such payment under other non-current assets in the consolidated and the separate financial statements in 2012.

On 31 July 2012, the Court issued its order for the stay of execution of the judgment by suspension of the payment of the money placed by the Company with an executing officer until the Court will have an otherwise order.

The foreign company filed an appeal against the order of the Court of the First Instant. The Company submitted an answer to the Appeal on 10 October 2012.

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

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

## 22 Share capital

Share capital		(thousand shares / thousand Baht)			
	Par value per share (in Baht)	2015		2014	
		Number	Amount	Number	Amount
<i>Authorised</i>					
At 31 December					
- ordinary shares	1	24,815,000	24,815,000	24,815,000	24,815,000
<i>Issued and paid-up</i>					
At 31 December					
- ordinary shares	1	20,190,000	20,190,000	20,190,000	20,190,000

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

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

## 23 Treasury shares held by a subsidiary

The meeting of the Plan Administrator held on 3 March 2003 approved the donation of 20 million ordinary shares at Baht 10 per share of the Company by assigning a subsidiary company to purchase shares of the Company on the Stock Exchange of Thailand at a price per share not exceeding Baht 17 and paid advances to the subsidiary company of Baht 393 million. In the first quarter of 2003, the subsidiary made purchases of the Company's shares on the Stock Exchange of Thailand 20 million shares totaling Baht 333.25 million. These shares are intended to be donated.

As at 31 December 2015 and 2014, the remaining balance of the treasury shares held by subsidiaries of 222.16 million shares at Baht 1 per share at cost of Baht 359.24 million is presented as a separate category within equity and recognised as a deduction from equity in the consolidated financial statements.

## 24 Reserves

Reserves comprise:

### *Appropriations of profit*

#### **Legal reserve**

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

### *Other components of equity*

#### **Fair value changes in available-for-sale investments**

The fair value changes in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

#### **Valuation surplus**

The valuation surplus account within equity comprises the cumulative net change in the valuation of property, plant and equipment included in the financial statements at valuation until such property, plant and equipment is sold or otherwise disposed of.

#### **Movements in reserves**

Movements in reserves are shown in the statement of changes in equity.

## **25 Segment information**

The Group has four reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- Construction Materials
- Petrochemical & Chemicals
- Energy & Utilities
- Agriculture

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

### **(a) Reportable segment results**

	Revenue from external customers		Inter-segment revenue		Total segment revenue		Reportable segment profit (loss) before income tax	
	2015	2014 (Restated)	2015	2014 (Restated)	2015	2014 (Restated)	2015	2014 (Restated)
<i>(in thousand Baht)</i>								
Construction Materials	18,237,937	20,087,333	6,408,871	5,124,245	24,646,808	25,211,578	(616,760)	1,439,855
Petrochemical & Chemicals	6,803,148	7,451,721	5,793,109	6,704,778	12,596,257	14,156,499	262,038	114,995
Energy & Utilities	1,989,637	838,314	560,789	1,003,789	2,550,426	1,842,103	378,822	386,903
Agriculture	104,441	127,581	118,111	178,607	222,552	306,188	(118,711)	(150,353)
<b>Total</b>	<b>27,135,163</b>	<b>28,504,949</b>	<b>12,880,880</b>	<b>13,011,419</b>	<b>40,016,043</b>	<b>41,516,368</b>	<b>(94,611)</b>	<b>1,791,400</b>
Other gains (losses)							(2,188)	102
							(96,799)	1,791,502
Elimination of inter-segment (profit) loss							393,034	(55,002)
<b>Profit before income tax expense for the year</b>							<b>296,235</b>	<b>1,736,500</b>

**(b) Reportable segment financial position**

(in thousand Baht)

	<b>Segment assets</b>	
	2015	2014
Construction Materials	97,097,622	86,091,845
Petrochemical & Chemicals	10,279,961	10,903,961
Energy & Utilities	11,406,046	8,456,955
Agriculture	4,122,817	4,224,510
Others	423,520	423,722
	<b>123,329,966</b>	<b>110,100,993</b>
Unallocated assets	2,117,396	3,879,417
<b>Total</b>	<b>125,447,362</b>	<b>113,980,410</b>
Elimination of inter-segment assets	(17,802,320)	(14,049,402)
<b>Total assets</b>	<b>107,645,042</b>	<b>99,931,008</b>

**Geographical segments**

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

**Geographical information**

(in thousand Baht)

	<b>Revenues</b>	
	2015	2014 (Restated)
Thailand	19,119,267	20,685,985
China	3,333,538	3,969,722
Others	4,682,358	3,849,242
<b>Total</b>	<b>27,135,163</b>	<b>28,504,949</b>

The Group generates revenue from current assets located principally in Thailand.

**26 Investment income**

(in thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014 (Restated)	2015	2014
<b>Dividend income</b>					
Other parties		5	6	5	6
		<b>5</b>	<b>6</b>	<b>5</b>	<b>6</b>
<b>Interest income</b>					
Subsidiaries	5	-	-	67,251	10,340
Other parties		42,480	18,798	40,069	14,222
Private fund		17,664	-	17,664	-
		<b>60,144</b>	<b>18,798</b>	<b>124,984</b>	<b>24,562</b>
<b>Others</b>					
Other investment income		16,144	5,085	24,613	13,536
		<b>16,144</b>	<b>5,085</b>	<b>24,613</b>	<b>13,536</b>
<b>Total</b>		<b>76,293</b>	<b>23,889</b>	<b>149,602</b>	<b>38,104</b>

## 27 Other income

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014
Rental trucks income	148,440	174,612	155,640	184,627
Income from sale of spare parts	39,076	19,466	39,076	19,466
Sale steam	11,002	10,024	11,002	10,024
Services income	-	-	55,740	77,080
Others	485,344	282,450	409,325	201,332
<b>Total</b>	<b>683,862</b>	<b>486,552</b>	<b>670,783</b>	<b>492,529</b>

## 28 Selling expenses

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014
Delivery expenses	2,313,814	2,073,984	2,220,474	2,004,695
Personnel expenses	641,090	576,888	533,005	495,694
Depreciation and amortization	100,240	96,218	91,162	82,951
Maintenance expenses	21,902	42,092	20,469	41,162
Others	602,979	666,882	467,021	499,176
<b>Total</b>	<b>3,680,025</b>	<b>3,456,064</b>	<b>3,332,131</b>	<b>3,123,678</b>

## 29 Administrative expenses

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014
Personnel expenses	903,987	841,502	784,501	728,823
Depreciation and amortization	23,038	30,854	20,909	28,820
Maintenance expenses	52,918	7,076	52,421	6,371
Others	420,780	719,177	321,548	627,792
<b>Total</b>	<b>1,400,723</b>	<b>1,598,609</b>	<b>1,179,379</b>	<b>1,391,806</b>

## 30 Employee benefit expenses

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014
<b>Management</b>				
Wages and salaries	308,688	299,009	308,688	299,009
Pension costs - defined benefit plans	14,100	12,703	14,100	12,703
Others	24,452	22,974	24,452	22,974
	<b>347,240</b>	<b>334,686</b>	<b>347,240</b>	<b>334,686</b>
<b>Other employees</b>				
Wages and salaries	4,562,782	4,180,467	3,629,683	3,293,254
Pension costs - defined benefit plans	61,831	54,839	45,587	41,288
Others	179,489	178,466	103,982	102,367
	<b>4,804,102</b>	<b>4,413,772</b>	<b>3,779,252</b>	<b>3,436,909</b>
<b>Total</b>	<b>5,151,342</b>	<b>4,748,458</b>	<b>4,126,492</b>	<b>3,771,595</b>

The defined contribution plans comprise provident funds established by some companies of the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 10% of their basic salaries and by the company at from 3% to 10% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

### 31 Expenses by nature

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014
<b>Included in cost of sales of goods:</b>				
Changes in inventories of finished goods and work in progress	(620,222)	(764,531)	(492,381)	(636,134)
Raw materials and consumables used	14,122,358	14,148,425	8,306,279	9,081,813
(Reversal of) loss on decline in value of inventories	(104,938)	205,265	(179,472)	205,265
Depreciation of property, plant and equipment	1,973,917	1,800,353	1,394,715	1,287,119
Amortisation of intangible assets	24,025	22,318	24,025	22,318
<b>Included in selling expenses:</b>				
Depreciation of property, plant and equipment	100,240	95,028	91,162	82,951
Amortisation of land leasehold rights	1,190	1,190	-	-
<b>Included in administrative expenses:</b>				
Depreciation of property, plant and equipment	18,623	22,521	16,494	20,487
Amortisation of intangible assets	4,415	8,333	4,415	8,333

### 32 Finance costs

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Interest expense :</b>					
Related party		-	9,292	-	15,269
Bank loan and overdrafts		663,146	610,562	492,304	476,937
Debentures		994,534	400,778	994,534	400,778
<b>Total interest expense</b>		<b>1,657,680</b>	<b>1,020,632</b>	<b>1,486,838</b>	<b>892,984</b>
Less: amounts included in the cost of qualifying assets:					
- Construction contracts work in progress	14	(639,535)	(559,753)	(531,161)	(460,394)
<b>Net</b>		<b>1,018,145</b>	<b>460,879</b>	<b>955,677</b>	<b>432,590</b>

### 33 Income tax expense

**Income tax recognised in profit or loss**

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Current tax expense</b>					
Current year		1,344	319,261	-	287,677
Adjustment of under (over) provided in prior years		16,279	4,939	17,553	(23)
		<b>17,623</b>	<b>324,200</b>	<b>17,553</b>	<b>287,654</b>
<b>Deferred tax expense</b>					
Movements in temporary differences	16	(85,231)	48,691	(10,283)	57,877
		<b>(85,231)</b>	<b>48,691</b>	<b>(10,283)</b>	<b>57,877</b>
<b>Total income tax expense (income)</b>		<b>(67,608)</b>	<b>372,891</b>	<b>7,270</b>	<b>345,531</b>



### Income tax recognised in other comprehensive income

(in thousand Baht)

	Consolidated financial statements					
	2015			2014 (Restated)		
	Before business	Tax (expense) benefit	Net of tax	Before business	Tax (expense) benefit	Net of tax
Net change in fair value of available-for-sale investment	98	(15)	83	(12)	2	(10)
Revaluation of property, plant and equipment	(1,978,966)	395,793	(1,583,173)	(2,056,255)	411,251	(1,645,004)
Share of other comprehensive loss of investments in associates and joint venture	(59,545)	-	(59,545)	(9,402)	-	(9,402)
Defined benefit plan actuarial gains (losses)	(166,457)	33,673	(132,784)	296,273	(59,255)	237,018
<b>Total</b>	<b>(2,204,870)</b>	<b>429,451</b>	<b>(1,775,419)</b>	<b>(1,769,396)</b>	<b>351,998</b>	<b>(1,417,398)</b>

(in thousand Baht)

(in thousands of dollars)

	Separate financial statements					
	2015			2014		
	Before business	Tax (expense) benefit	Net of tax	Before business	Tax (expense) benefit	Net of tax
Net change in fair value of available-for-sale investment	76	(15)	61	(12)	2	(10)
Revaluation of property, plant and equipment	(1,978,966)	395,793	(1,583,173)	(2,056,255)	411,251	(1,645,004)
Defined benefit plan actuarial gains (losses)	(148,597)	29,719	(118,878)	161,138	(32,228)	128,910
<b>Total</b>	<b>(2,127,487)</b>	<b>425,497</b>	<b>(1,701,990)</b>	<b>(1,895,129)</b>	<b>379,025</b>	<b>(1,516,104)</b>

### Reconciliation of effective tax rate

Consolidated financial statements			
	2015	2014	
	Rate (%)	(in thousand Baht)	Rate (%) (in thousand Baht)
Profit before income tax expense		296,235	1,736,500
Income tax using the Thai corporation tax rate	20	59,247	347,300
Income not subject to tax		(5,779)	(8,494)
Profit was derived from promoted activities		(173,724)	(66,818)
Expenses not deductible for tax purposes		64,453	93,022
Current year losses for which no deferred tax asset was recognised		62,780	2,942
Loss on disposal of investments under common control		(90,864)	-
Under provided in prior years		16,279	4,939
<b>Total</b>	<b>(19)</b>	<b>(67,608)</b>	<b>21 372,891</b>

Separate financial statements			
	2015	2014	
	Rate (%)	(in thousand Baht)	Rate (%) (in thousand Baht)
Profit (loss) before income tax expense		(371,383)	1,331,764
Income tax using the Thai corporation tax rate	20	(74,277)	266,353
Income not subject to tax		(4,620)	(7,220)
Profit was derived from promoted activities		9,661	(1,528)
Expenses not deductible for tax purposes		58,953	87,949
Over provided in prior years		17,553	(23)
<b>Total</b>	<b>(2)</b>	<b>7,270</b>	<b>26 345,531</b>

### Income tax reduction

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

On 22 January 2016, The National Legislative Assembly has approved a reduction of the corporate income tax rate from 30% to 20% of net taxable profit for the accounting period begins on or after 1 January 2016.

The Group has applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2015 and 2014 in accordance with the clarification issued by the FAP in 2012.

### 34 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Group has been granted privileges by the Board of Investment relating to chemical products, natural gas stations, power plants, plastic film products, organic fertilizer, concrete roof tile, masterbatch, compound plastic and compound rubber. The privileges granted include:

- (a) exemption from payment of import duty on machinery and equipment approved by the Board;
- (b) exemption from payment of corporate income tax for certain operations for a period of 3 - 8 years from the dates on which the income is first derived from such operations;
- (c) a 50% reduction in the normal income tax rate on the net profit derived from certain operations for a period of 5 years, commencing from the expiry date in (b) above; and
- (d) a deduction of twice the actual transportation, electrical and water supply expenses for a period of 10 years from the respective revenues and a 25% reduction of the capital expenditure for the installation or the construction of the facilities in addition to the normal depreciation.

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

Summary of revenue from promoted and non-promoted businesses:

(in thousand Baht)

	<b>Consolidated financial statements</b>					
	2015			2014 (Restated)		
	Promoted business	Non-promote business	Total	Promoted business	Non-promote business	Total
Export sales	46,423	7,893,427	7,939,850	19,435	7,806,358	7,825,793
Local sales	2,393,776	29,682,417	32,076,193	1,484,181	32,187,914	33,672,095
Eliminations	(707,484)	(12,173,396)	(12,880,880)	(1,215,723)	(11,777,216)	(12,992,939)
<b>Total</b>	<b>1,732,715</b>	<b>25,402,448</b>	<b>27,135,163</b>	<b>287,893</b>	<b>28,217,056</b>	<b>28,504,949</b>

(in thousand Baht)

	<b>Separate financial statements</b>					
	2015			2014		
	Promoted business	Non-promote business	Total	Promoted business	Non-promote business	Total
Export sales	-	1,053,034	1,053,034	-	833,970	833,970
Local sales	366,749	19,799,412	20,166,161	130,218	22,329,775	22,459,993
<b>Total</b>	<b>366,749</b>	<b>20,852,446</b>	<b>21,219,195</b>	<b>130,218</b>	<b>23,163,745</b>	<b>23,293,963</b>

### 35 Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the years ended 31 December 2015 and 2014 were based on the profit (loss) for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years, after adjusting the own shares held by subsidiaries and the number of the ordinary shares to reflect the impact of the split of par value of shares from Baht 10 per share to Baht 1 per share from the registered with the Ministry of Commerce on 14 October 2014. The prior year's basis earning per share has been recalculated as if the split of par value of shares had been distributed at the beginning of earliest year. The calculations are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014 (Restated)	2015	2014
<b>Profit (loss) attributable to ordinary shareholders of the Company (Basic)</b>	<b>363,673</b>	<b>1,363,609</b>	<b>(378,653)</b>	<b>986,233</b>
Number of ordinary shares outstanding at 1 January	20,190,000	2,019,000	20,190,000	2,019,000
Effect from split of par value of shares	-	18,171,000	-	18,171,000
Effect of own shares held by subsidiaries	(222,164)	(222,164)	-	-
<b>Weighted average number of ordinary shares outstanding (basic)</b>	<b>19,967,836</b>	<b>19,967,836</b>	<b>20,190,000</b>	<b>20,190,000</b>
<b>Earnings (loss) per share (basic)</b> <i>(in Baht)</i>	<b>0.018</b>	<b>0.068</b>	<b>(0.019)</b>	<b>0.049</b>

### 36 Dividends

At the annual general meeting of the shareholders of the Company held on 21 April 2015, the shareholders approved the appropriation of dividend of Baht 0.02 per share (at par value of Baht 1 per share), amounting to Baht 403.80 million. The dividend was paid to the shareholders in May 2015.

At the annual general meeting of the shareholders of the Company held on 24 April 2014, the shareholders approved the appropriation of dividend of Baht 0.15 per share (at par value of Baht 10 per share), amounting to Baht 302.85 million. The dividend was paid to the shareholders in May 2014.

### 37 Financial instruments

#### *Financial risk management policies*

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

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

#### *Capital management*

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

#### *Interest rate risk*

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

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

<b>Consolidated financial statements</b>					
	Effective Interest rate	Within 1 year	After 1 year but within 5 years	After 5 years	Total
<b>2015</b>	(% per annum)	(in thousand Baht)			
<b>Current</b>					
Short-term loans from financial institutions	2.20 to 2.60	923,136	-	-	923,136
Current portion of long-term loans from financial institutions	3M EURIBOR+1.65, 6M EURIBOR+1.1, 6M USD LIBOR+2.2	404,436	-	-	404,436
Current portion of debentures	5.20	3,000,000	-	-	3,000,000
<b>Non-current</b>					
Long-term loans from financial institutions	3M EURIBOR+1.65, 6M EURIBOR+1.1, 6M USD LIBOR+2.2	-	2,984,712	3,519,310	6,504,022
Debentures	4.10 to 5.30	-	18,955,000	7,600,000	26,555,000
<b>Total</b>		<b>4,327,572</b>	<b>21,939,712</b>	<b>11,119,310</b>	<b>37,386,594</b>
<b>2014</b>					
<b>Current</b>					
Short-term loans from financial institutions	MOR-2.25 to MOR+2, LIBOR-3 to LIBOR-2	2,743,488	-	-	2,743,488
Current portion of long-term loans from financial institutions	MLR-1.5 to MLR-0.75, 3M EURIBOR+1.65	669,610	-	-	669,610
<b>Non-current</b>					
Long-term loans from financial institutions	MLR-1.5 to MLR-0.75, 3M EURIBOR+1.65, 6M EURIBOR+1.1, 6M USD LIBOR+2.2	-	8,600,470	7,062,487	15,662,957
Debentures	5.00 to 5.30	-	8,000,000	-	8,000,000
<b>Total</b>		<b>3,413,098</b>	<b>16,600,470</b>	<b>7,062,487</b>	<b>27,076,055</b>
<b>Separate financial statements</b>					
	Effective Interest rate	Within 1 year	After 1 year but within 5 years	After 5 years	Total
<b>2015</b>	(% per annum)	(in thousand Baht)			
<b>Current</b>					
Short-term loans from financial institutions	2.20 to 2.60	923,136	-	-	923,136
Current portion of long-term loans from financial institutions	3M EURIBOR+1.65, 6M EURIBOR+1.1, 6M USD LIBOR+2.2	404,436	-	-	404,436
Current portion of debentures	5.20	3,000,000	-	-	3,000,000
<b>Non-current</b>					
Long-term loans from financial institutions	3M EURIBOR+1.65, 6M EURIBOR+1.1, 6M USD LIBOR+2.2	-	2,984,712	3,519,310	6,504,022
Debentures	4.10 to 5.30	-	18,955,000	7,600,000	26,555,000
<b>Total</b>		<b>4,327,572</b>	<b>21,939,712</b>	<b>11,119,310</b>	<b>37,386,594</b>
<b>2014</b>					
<b>Current</b>					
Short-term loans from financial institutions	MOR-2.25 to MOR+2, LIBOR-3 to LIBOR-2	2,200,426	-	-	2,200,426
Current portion of long-term loans from financial institutions	MLR-1.25 to MLR-0.75, 3M EURIBOR+1.65	363,919	-	-	363,919
<b>Non-current</b>					
Long-term loans from financial institutions	MLR-1.25 to MLR-0.75, 3M EURIBOR+1.65, 6M EURIBOR+1.1, 6M USD LIBOR+2.2	-	6,154,948	6,756,797	12,911,745
Debentures	5.00 to 5.30	-	8,000,000	-	8,000,000
<b>Total</b>		<b>2,564,345</b>	<b>14,154,948</b>	<b>6,756,797</b>	<b>23,476,090</b>

### Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales of goods, purchases of machine and equipment and loans which are denominated in foreign currencies.

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:

denominated in the following currencies:

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014 (Restated)	2015	2014
<b>United States Dollars</b>					
Cash and cash equivalents	6	551,968	105,623	86,970	16,239
Trade accounts receivable	8	478,851	616,347	48,396	-
Interest-bearing liabilities	17	(658,007)	(740,548)	(658,007)	(251,884)
Trade accounts payable	18	(208,621)	(146,812)	(668)	(988)
Other payables - machines		(1,406,779)	(1,535,227)	(170,015)	(781,359)
		<b>(1,242,588)</b>	<b>(1,700,617)</b>	<b>(693,324)</b>	<b>(1,017,992)</b>
<b>EURO</b>					
Cash and cash equivalents	6	2,850	343	229	104
Trade accounts receivable	8	3,554	355	-	-
Interest-bearing liabilities	17	(6,250,451)	(6,268,957)	(6,250,451)	(6,214,559)
Trade accounts payable	18	(7,056)	(14,085)	-	-
Other payables - machines		(273,461)	(219,698)	(265,229)	(110,739)
		<b>(6,524,564)</b>	<b>(6,502,042)</b>	<b>(6,515,451)</b>	<b>(6,325,194)</b>
<b>Others</b>					
Cash and cash equivalents	6	679	421	601	397
Interest-bearing liabilities	17	-	(14,360)	-	(14,360)
Trade accounts payable	18	-	(7,704)	-	-
		<b>679</b>	<b>(21,643)</b>	<b>601</b>	<b>(13,963)</b>
<b>Gross financial position exposure</b>		<b>(7,766,473)</b>	<b>(8,224,302)</b>	<b>(7,208,174)</b>	<b>(7,357,149)</b>

(in thousand Baht)

### Credit risk

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

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

### Liquidity risk

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

### Fair values of financial assets and liabilities

The fair value of cash and cash equivalents, trade and other short-term receivables, bank overdrafts, short-term borrowings from financial institutions and trade and other short-term payable are taken to approximate the carrying value due to the relatively short-term maturity of these financial instruments.

The fair value of long-term loans and borrowings carrying a floating rate, which is considered to be market rate, are taken to approximate their fair values.

Other financial assets and liabilities not stated above had the fair and carrying value as following:

		Consolidated / Separate financial statements			
	Carrying value	Level 1	Fair value Level 2 (in thousand Baht)	Level 3	Total
31 December 2015					
Current					
Marketable debt securities (Private fund)	529,958	-	529,958	-	529,958
Equity securities available-for-sale	262	262	-	-	262
Current portion of debentures	3,000,000	-	3,024,529	-	3,024,529
Non-current					
Debentures	26,555,000	-	26,874,854	-	26,874,854

#### Financial instruments carried at fair value

##### Fair value hierarchy

The table above analyses recurring fair value measurements for financial assets. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

The Group determines Level 2 fair values for debt securities using a discounted cash flow technique, which uses contractual cash flows and a market-related discount rate.

Level 2 fair values for simple over-the-counter derivative financial instruments are based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group and counterparty when appropriate.

### 38 Commitments with non-related parties

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014
<b>Capital commitments</b>				
<i>Contracted but not provided for</i>				
Agreements for construction, machine and equipment	<u>9,049,169</u>	<u>4,296,308</u>	<u>836,867</u>	<u>2,938,556</u>
<b>Non-cancellable operating lease commitments</b>				
Within one year	84,950	81,071	40,417	42,904
After one year but within five years	<u>108,368</u>	<u>89,595</u>	<u>58,155</u>	<u>51,913</u>
<b>Total</b>	<u>193,318</u>	<u>170,666</u>	<u>98,572</u>	<u>94,817</u>
<b>Other commitments</b>				
Unused letters of credit	745,333	619,791	265,647	397,957
Purchase agreement for raw material	510,740	84,306	-	-
Bank guarantees	<u>313,849</u>	<u>309,272</u>	<u>243,199</u>	<u>224,879</u>
<b>Total</b>	<u>1,569,922</u>	<u>1,013,369</u>	<u>508,846</u>	<u>622,836</u>



### 39 Contingent liabilities

As at 31 December 2015, the Company had the major lawsuits as follows:

- 1) In 2011, an overseas company as the plaintiff filed its complaint against the Company with the Central Intellectual Property and International Trade for sea freight and interest in the amount of Baht 5.4 million. On 30 December 2011, the Court issued its judgment of dismissal of the complaint of the overseas company. The overseas company, subsequently, appealed to the Supreme Court on 23 April 2012. This case is in the process of consideration by the Supreme Court.
- 2) As of 23 July 2010, there was a case in which a foreign company (Plaintiff) sued a joint venture of the Company (1<sup>st</sup> Defendant) and others (2<sup>nd</sup> to 5<sup>th</sup> Defendants) at the South Bangkok Civil Court ("the Court"). The Court has since ruled that the five Defendants shall record the name and address of the office of the Plaintiff in the shareholders registry, and list the shareholders of the 1<sup>st</sup> Defendant. These five Defendants had testified that the Plaintiff is not a shareholder of the 1<sup>st</sup> Defendant and without authorisation to pursue such matter. It was requested that such claim be dismissed. The Company (co-defendant) is one of the shareholders of the 1<sup>st</sup> Defendant that joined the case to be a co-defendant and to counterclaim, asking the Court to rule that the Plaintiff and/or another foreign company (a shareholder of the 1<sup>st</sup> Defendant) could act jointly or on behalf of the other, in transferring 1.8 million shares, which were held by one of the shareholders of the 1<sup>st</sup> Defendant, at the price of Baht 191.7 million, to the co-defendant or a designated person of the co-defendant. This is because one of the shareholders of the 1<sup>st</sup> Defendant breached the terms and conditions of the joint venture agreement between the 1<sup>st</sup> Defendant and the co-defendant, and a shareholder of a 1<sup>st</sup> Defendant.

On 5 October 2011, such claim was dismissed by the Court, who ruled that the Plaintiff shall transfer 1.8 million shares to the co-defendant or a designated person of the co-defendant at a price not exceeding the net asset value, calculated based on the date of transfer, deducted by the amount of dividend, Baht 887.1 million. If the Plaintiff fails to carry out such transfer, the judgement of the Court shall represent the intention of the Plaintiff. The 1<sup>st</sup> Defendant shall record such shares in the name of the co-defendant, or a designated person of the co-defendant, in the shareholders registry, and list the shareholders of the 1<sup>st</sup> Defendant. The co-defendant shall be responsible for effectuating the payment of the share price to the Plaintiff. Also, the Court has read the judgement to the parties and the Plaintiff shall, within 30 days, comply with the judgement. If the Plaintiff fails to comply, there could be a confiscation, arrest or imprisonment, pursuant to the Civil Procedure Code. The Plaintiff, the five Defendants, and the co-defendant, have been informed of such order since 5 October 2011. All parties shall comply with the judgement and complete their actions by Friday, 4 November 2011.

On 21 October 2011, the Plaintiff filed an appeal, a petition for a stay of execution and a petition for a stay of execution in an emergency case. Subsequently, on 25 October 2011, the judge in charge of the case considered the petition for a stay of execution and the petition for a stay of execution in an emergency case. The Court decided that these petitions were not for an emergency case and therefore dismissed them. On the same day, the Plaintiff filed a petition to the Chief Judge of the South Bangkok Civil Court to return the case file and record. Such petition of the Plaintiff caused the judge in charge of the case to withdraw from such case. In fact, the Chief Judge of the South Bangkok Civil Court subsequently distributed the case to another judge. However, as for the case in which the Plaintiff filed an appeal and a petition for a stay of execution, the five Defendants and the co-defendant filed an appeal and an objection to the petition for a stay of execution. The Court of Appeal is currently considering such case, and the parties have the duty to comply with the judgement and the order of the Court of First Instance, until a contrary order or judgement of the Court of Appeal is granted.

All parties shall comply with the judgement and complete their actions by Friday, 4 November 2011. However, the Plaintiff has thus far failed to receive payment for the outstanding share price that the co-defendant has to pay to the Plaintiff before the Plaintiff can transfer the shares to the Defendant in accordance with the judgement. Therefore, on Monday, 7 November 2011, the Company (co-defendant) brought the share price which was to be paid to the Plaintiff in accordance with the judgement; such share price did not exceed the net asset value calculated on the date of transfer, deducted by the dividend amount of Baht 887.1 million. Therefore, the outstanding share price which the co-defendant has to pay the Plaintiff in accordance with the judgement is Baht 19.6 million. The co-defendant prepared a cashier's cheque to pay the outstanding share price, after deduction of dividends, for collection by the Plaintiff on Friday, 4 November 2011. The Plaintiff defaulted and the co-defendant had to pay the Plaintiff to settle the co-defendant's liability under the law by placing such money at the Office of Property Deposit, Legal Execution Department, on Monday, 7 November 2011. The judgement of the Court shall reflect the intention of the Plaintiff, and once the co-defendant paid the full and complete share price to the Plaintiff according to the judgement of the defendant, the 1<sup>st</sup> Defendant

recorded 1.8 million shares held by one of the 1<sup>st</sup> Defendant's shareholders, in the name of the Company (co-defendant), in the shareholders registry, and the list of shareholders of the 1<sup>st</sup> Defendant; and submitted a copy of the list of shareholders (BOJ. 5) of the 1<sup>st</sup> Defendant to the Registrar of Partnership and Company, Bangkok Department of Business Development, Ministry of Commerce. After the Plaintiff had defaulted and the co-defendant had paid the share price to the Plaintiff according to the judgment and the order of the Court, on the same day, which was on 7 November 2011, resulting in the Company (Co-defendant) increases its shareholding in the 1<sup>st</sup> Defendant from 50% to 89%. The co-defendant had to place its payment of the outstanding share price to the Plaintiff at the Office of Property Deposit. This was as a result of the Plaintiff's default of its obligation to comply with the judgement and order by Friday, 4 November 2011. The Legal Execution Department issued a receipt as evidence to the co-defendant on 10 November 2011.

Later, on 15 November 2011, the Plaintiff filed a petition for temporary protection and asked the Court to prohibit the 1<sup>st</sup> Defendant from making changes to the list of the shareholders of the 1<sup>st</sup> Defendant until the case is finalised. The five Defendants and the co-defendant collectively objected. Afterwards, on 7 February 2012, the Court, under a new judge in charge of the case, ordered the withdrawal of the shares transfer from the 1<sup>st</sup> Defendant to the co-defendant. Also, there was an order to inform the Registrar of Partnership and Company, Bangkok Department of Business Development, Ministry of Commerce, of such order; and the Registrar was thusly informed of such order. The 1<sup>st</sup> Defendant filed an appeal against such Court order on 2 March 2012. The Court's order of 7 February 2012 does not repeal the Court of First Instance's decision of 5 October 2011.

The 1<sup>st</sup> Defendant relies on the shareholders registry of the 1<sup>st</sup> Defendant, with names and addresses as appeared in the shareholders registry and the list of shareholders of the 1<sup>st</sup> Defendant as of 7 November 2011; of which the 1<sup>st</sup> Defendant has submitted such list of shareholders to the Registrar of Partnership and Company, Bangkok Department of Business Development, Ministry of Commerce. Such shareholders registry and the list of shareholders of the 1<sup>st</sup> Defendant are correct.

On 11 July 2013, the Appeal Court rendered the judgment in the lawsuit filed by the foreign company for recordal of its name and address in the joint venture's shareholders registry. The Court found that the foreign company is the existing shareholder of the joint venture and is thus entitled to record the name and address of the foreign company in the shareholders registry of the joint venture and dismissed the counterclaim of the Company. On 13 August 2013, the Company appealed against the Appeal Court's decision to the Supreme Court. The case is now pending in the Supreme Court.

On 27 August 2013, the foreign company submitted the judgment of the Appeal Court to register its name and address in the book record and the list of shareholders of the joint venture. As a result, the Company's share ratio is diluted from 89% to 50%.

As mentioned above, the Company has therefore prepared consolidated financial statement as at 31 December 2014 using the former proportionate shareholding of 50% in accordance with the joint venture's shareholders list.

On 26 December 2012, the foreign company filed a complaint with the South Bangkok Civil Court against the Company and other 13 defendants on the grounds of tort, director's liability, return of properties and request for damages. The Plaintiff claimed inter alia that the extraordinary general meeting no. 1/2555 of the joint venture approving payment of dividends in the amount of approximately Baht 445 million to the Company is illegal and that the Company returns the said dividends together with the interest thereon at the rate of 7.5% per annum to the foreign company. This case is pending in the Court. Thereafter, the Court ordered the temporary protection, but the Company appealed against such order on 26 April 2013. The Appeal Court reversed the order in relation to the temporary protection. As the Plaintiff does not appeal to Supreme Court, the case in relation to the temporary protection is final. As to the main disputed issues of this case, the Court ordered temporary dismissal of the case awaiting the decision in the Black Case No. 1367/2553 of the Bangkok South Civil Court.

On 7 August 2013, the foreign company filed a lawsuit against the joint venture to invalidate the resolution of the extraordinary general meeting no. 1/2556 of the joint venture claiming that the meeting was held by the directors who have been removed and that the meeting was against the temporary protection ordered by the Bangkok South Civil Court.

Thereafter on 2 October 2013, the Company as a major shareholder of the joint venture who has attended and cast the votes in the said meeting interpleaded as a third party in order to protect and enforce the Company's rights. The Company requested the Court to rule that the calling of the meeting, the meeting, and the voting in the said meeting is in accordance with the provisions of the articles of association and the law.

The Court rejected the Company's interpleading. The Company appealed with the Appeal Court on 14 November 2013. On 16 July 2014, the Appeal Court upheld the order of rejection to the Company's interpleading. The Company filed the appeal with the Supreme Court on 30 October 2014. The case in relation to interpleading is under the consideration of the Supreme Court. The Court postpone the date to determine the legal issue of the Supreme Court from 2 February 2016 to 29 March 2016.

On 22 October 2013, the foreign company as a plaintiff filed a lawsuit against the Company, the joint venture and other parties, totally 14 persons for invalidation the resolution of the extraordinary general meeting of the joint venture claiming that the meeting was illegal. The Plaintiff requested temporary protection prohibiting the defendants from registering such resolution or using the resolution for any purposes. The Court rejected such request on 27 January 2014. The Defendant requested the Court to temporarily dismiss this case awaiting the decision in the Black Case No. 1367/2553 Red Case No. 1856/2554 of the Bangkok South Civil Court. The Plaintiff objected to such request. On 26 March 2014, the Court ordered the case to be proceeded and passed a judgment of the case on 24 December 2014 to revoke the resolution of the extraordinary general meeting on 11 October 2013. The Company filed an appeal on 21 January 2015. This case is under the consideration of the Appeal Court.

On 11 December 2013, the Company as a plaintiff filed a lawsuit against the foreign company for invalidation of the invitation letter for the extraordinary general meeting no. 4/2556 of the joint venture which called the meeting on 11 December 2013 in Oslo, Norway. The plaintiff claimed that the invitation letter was illegally issued and the persons issuing such letter are not the directors of the joint venture. The Court ordered temporary dismissal of the case awaiting the decision in the Black Case No. 1367/2533 of the Bangkok South Civil Court.

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

On 28 February 2014, the foreign company as a plaintiff filed a lawsuit against the Company and the joint venture for invalidation of the resolution of the extraordinary general meeting of the joint venture on 20 December 2013. The Court scheduled the presentation of witnesses on 26 June and 7 July 2015 for the Plaintiff's witnesses as well as 8 and 10 July 2015 for the Defendant's witnesses. On 26 June 2015, the Court issued an order to temporarily dismiss the case pending the outcome of the case, black case No. 1367/2553 of the Southern Bangkok Civil Court.

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

After that, on 16 May 2014, the foreign company as a plaintiff filed another lawsuit against the Company and the joint venture for invalidation of the resolution of the extraordinary general meeting of the joint venture company on 23 April 2014. The presentation of the Plaintiff's witnesses was on 21 - 22 April 2015 while the presentation of the Defendant's witnesses was on 9 - 10 June 2015. On the date of presentation of the plaintiff's witness on 21 April 2015, the Court issued an order to temporarily dismiss the case pending the outcome of the case, black case No. 1367/2553 of the Southern Bangkok Civil Court.

Thereafter, on 19 September 2014, the foreign company as a plaintiff filed another lawsuit against the Company and the joint venture for invalidation of the resolution of the extraordinary general meeting of the joint venture company on 27 August 2014. The Court the presentation of witnesses on 21 - 22 July 2015 for the Plaintiff's witnesses as well as 23 - 24 July 2015 for the Defendant's witnesses. On the date of presentation of the plaintiff's witness on 22 July 2015, the Court issued an order to temporarily dismiss the case pending the outcome of the case, black case No. 1367/2553 of the Southern Bangkok Civil Court.

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

On 18 February 2015, the Company filed a lawsuit against the joint venture and its relevant parties for invalidation of the resolution of the extraordinary general meeting of the joint venture on 19 January 2015 in Oslo, Norway. The Court set the date to determine the legal issue on 16 June 2015. On 16 June 2015, the Court issued an order to temporarily dismiss the case pending the outcome of the case, black case No. 1367/2553 of the Southern Bangkok Civil Court.

On 19 March 2015, the Company filed a lawsuit against the joint venture and its foreign affiliates to demand for a transfer of the joint venture's shares unlawfully held by its foreign affiliates to the Company, together with returning the dividend and the interest of the dividend of Baht 98.46 million to the Company. The Court postpone the date to determine the legal issue on 25 January 2016 to 30 May 2016 for service of summons to the parties.

At present, the joint venture and the Company are in the process of negotiation with the foreign company to settle all existing disputes.

- 3) The Company, the government authority and a government officer were sued by the Claimant that the Claimant processed of 8 plots of land under utilization certificates. Issuance of concession by the government authority was not legitimate and overlapped 8 plots of land of the Claimant.

The Central Administrative Court had considered and adjudged on 5 July 2012 that Issuance of concession by the government authority was legitimate and did not overlap 8 plots of land of the Claimant. The Complaint was therefore dismissed.

The Claimant filed an appeal to the Supreme Administrative Court. This case is in the process of consideration for acceptant of the appeal by the Central Administrative Court.

- 4) On 8 July 2015, Department of Primary Industries and Mines, Ministry of Industry, by the public prosecutor from Saraburi province, filed a lawsuit against the Company, under the civil case for violation in relation to its operation of mining outside its concession areas with damage claim in the total amount of Baht 4,067 million. The Company maintains that it has not committed any offence as accused by the public prosecutor. The above problem land, which has access to public way, is owned by other person, not by the Company. On 25 November 2015, the public prosecutor filed a motion to the Court requesting for the transfer of the case to the Civil Court. Later on 30 November 2015, the Court passed an order that the case as well as other related documents be presented to the President of the Court of Appeal to consider whether the case is within the jurisdiction of the Saraburi Provincial Court or the Civil Court. At present, the case is pending the decision of ruling by the President of the Court of Appeal. The outcome of lawsuit is uncertainty.
- 5) In September 2015, the Company and its subsidiary were called by a company to enter into the arbitration process as a joint party, with respect to the damage claim in the total amount Baht 179 million for expenses and fee payment in which the Company and its subsidiary had not committed any wrongdoing. The Company and its subsidiary were not contract parties and did not agree to enter into the arbitration process with the said company. The Company and its subsidiary had sent a written notice to refuse to enter into the arbitration process. Currently, the Company and its subsidiary await for the arbitrator's consideration.

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

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January 2016, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue

<b>TFRS</b>	<b>Topic</b>
TAS 19 (revised 2015)	Employee Benefits
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 33 (revised 2015)	Earnings Per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TFRS 3 (revised 2015)	Business Combinations
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2015)	Service Concession Arrangements
TFRIC 13 (revised 2015)	Customer Loyalty Programmes
TFRIC 14 (revised 2015)	TAS 19 (revised 2015) Employee Benefits - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 21	Levies

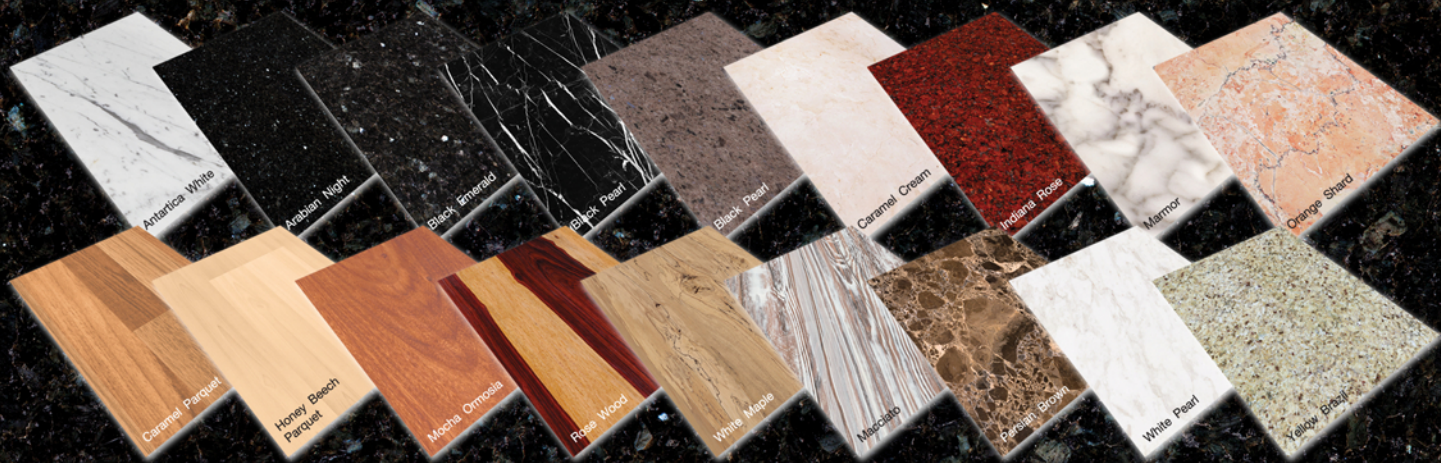
The Group has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of those new and revised TFRS assessed to have the greatest potential impact on the financial statements in the period of initial application.

The Group did not charge the depreciation of the surplus from revaluation to profit or loss in accordance with the Federation of Accounting Professions Announcement No.18/2554, regarding the recognition of revalued assets until the end of periods starting prior to 1 January 2016.

Effective from 1 January 2016, the Group will charge the depreciation of the surplus from revaluation to profit or loss. The effect of change will be recognized retrospectively in the financial statements. Management estimates that the impact on the financial statements will be as follows:

	<b>Consolidated</b>	<b>(in thousand Baht)</b>
<b>Statement of comprehensive income for the year ended 31 December 2015</b>	<b>financial statements</b>	<b>Separate financial statements</b>
Decrease in profit	(1,620,785)	(1,583,173)
Increase in other comprehensive income	1,620,785	1,583,173
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Decrease in basic earnings per share (in Baht)</b>	<b>(0.081)</b>	<b>(0.078)</b>





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ธุรกิจปุ๋ยอินทรีย์  
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