



สร้างสรรค์  
ความดี  
สู่สังคมไทย

คุณภาพ คู่คุณธรรม



SAHAPAT

รายงานประจำปี 2557 • ANNUAL REPORT 2014

งบการเงินรวม	2557 . 2014	2556 . 2013 (ปรับปรุง) (Restated)	Financial Statement
<b>ผลประกอบการ (ล้านบาท)</b>			<b>Performance (Million Baht)</b>
รายได้จากการขาย	26,444.88	26,274.20	Sales
รายได้รวม	27,092.75	26,950.47	Total Revenues
กำไรสุทธิ	1,236.91	1,039.71	Net Profit
สินทรัพย์รวม	18,956.47	16,420.43	Total Assets
หนี้สินรวม	7,454.28	6,721.03	Total Liabilities
ส่วนของผู้ถือหุ้น	11,502.19	9,699.40	Total Shareholders Equity
<b>ข้อมูลต่อหุ้น (บาท)</b>			<b>Per Share Data (Baht)</b>
กำไรสุทธิต่อหุ้น	3.79	3.23	Earning per Share
เงินปันผลต่อหุ้น	1.00	1.00	Dividend per Share
มูลค่าหุ้นตามบัญชี	35.09	30.24	Book Value per Share
มูลค่าหุ้นที่ตราไว้	1.00	1.00	Par Value per Share
ราคาตลาด	43.00	44.00	Market Price
<b>อัตราผลตอบแทน (ร้อยละ)</b>			<b>Rate of Return (%)</b>
อัตรากำไรขั้นต้น	18.25	18.00	Gross Profit Margin
อัตรากำไรสุทธิ	4.57	3.86	Net Profit Margin
อัตราผลตอบแทนผู้ถือหุ้น	11.67	10.92	Return on Equity

## Honors :

### 1. Royal Decorations

<b>Year 1963</b>	Member (Fifth Class) of The Most Noble Order of the Crown of Thailand
<b>Year 1978</b>	Companion (Fourth Class) of The Most Noble Order of the Crown of Thailand
<b>Year 1979</b>	Companion (Fourth Class) of The Most Exalted Order of the White Elephant
<b>Year 1981</b>	Commander (Third Class) of The Most Exalted Order of the White Elephant
<b>Year 1982</b>	Knight Commander (Second Class) of The Most Exalted Order of the White Elephant
<b>Year 1985</b>	A Special Royal Decoration from the Japanese Government

### 2. Other Honors

<b>Year 1985</b>	Honorary Doctorate Degree in Business Management. Srinakarinwirot University. Bangsaen Campus
<b>Year 1988</b>	Thai Marketer of the Year 1988 Award
<b>Year 1989</b>	Thai Industrialist of the Year 1989 Award



**Personal Profile of Dr. Thiam Chokwattana**  
**The Founder of Saha Pathanapibul**  
**Public Company Limited**

Date of Birth : June 14<sup>th</sup>, 1916. in Bangkok  
 Date of Death : June 29<sup>th</sup>, 1991. in Chonburi

## Work and Life Philosophy

### A Great Umbrella Providing Shade and Benefits to All

We are all born as a part of a larger humanity and we care about affecting positive change in our surroundings. Sacrifices we make are done because we care about the future we leave behind for our children. We take to mercy and assist those around us. If a tree bares a fruit that becomes ripe, there is greater joy in allowing those around to smell its ripeness than to eat it on our own.

The charitable actions, the Company engages in acts as a tree in which prosperity grows outward from. It branches wide and far, affecting our children, grandchildren, relatives, and fellow employees. Likewise, as our Company grows, we need to ensure that we support our expansion. The Company needs to identify those who help our branches stay strong and support them. Company executives must have a strong sense of integrity. They must be well capable of supporting future growth to create opportunities for those around them. We must nurture those that have knowledge, intelligence and future potential. By having

strong branches, our tree remains strong and provides us with the sweetest of fruits. Our big tree of prosperity provides growth opportunities for our children and staff members. Yet, on the other hand, it requires a strong society for it to thrive in. As such, society-at-large should be able to reap the benefits of its fruits. Companies, corporate citizens, should give back to society. They should support education, sport, health, emergency relief and other welfare programs. Without a healthy and strong society, no business can prosper no matter how skilled their leadership. Great care must be taken in the preservation and prosperity of society. Acts of charity must performed on a regular, ongoing basis.

## The Board of Directors' Report

Growth in the global economy was slower and weaker than hoped for in 2014. Variable growth rates among the world's major economies created an atmosphere where each country's financial policies were varied, resulting in the volatility of world financial markets. Thailand's economy in 2014 was still reeling from the domestic and international issues it faced in 2013. As such, economic growth was not as strong as originally anticipated. The main factor was political instability, which eventually brought street protests destabilizing the government. Investor and consumer confidence was weakened as a result. Furthermore, household debt increased since 2013. Nearly all of Thailand's export markets experienced slow recovery due to constant instability in world markets.

In 2014, the Company set its mission, goals, strategy, operation plans, and annual financial budget. Revenue was achieved in the amount of 26.445 billion Baht. This represented an increase of 260 million Baht, or 0.99%. Net profit was recorded at 1.218 billion Baht. This represented an increase of 182 million Baht, or 17.63%

The Company remains committed to conducting its business on a foundation of morality and ethics. We engage in the equitable treatment of all our stakeholders, including our customers, partners, shareholders, employees, society, and the nation. We take into account the importance of all aspects of social responsibility. We reflect on our successes and focus on repeating them. These successes are regularly backed by the strong collaboration with production teams, management, and employees. This then results in the ability to quickly adapt to situations on hand, set targets, and reach those goals. Marketing plans are devised to help the Company penetrate into potential new markets while maintaining our current market shares. Customer satisfaction is paramount. Strategic flexibility allows the Company to deal with an ever-changing business environment and evolving social norms and trends.

The growth and success of the Company is dependent on the development and relentless drive of our management and employees. The Board of Directors are tasked with supporting and providing encouragement to staff so that they develop a commitment to performing their work with integrity and endurance. The Company also works to improve standards of education and the quality of life for society as a whole.

The Board of Directors would like to take this opportunity to show its gratitude for the steadfast support and trust of its shareholders, partners, and customers. Without this, we would not be able to achieve the levels of success and progress we have accomplished. Furthermore, we would like to thank our management and each of our employees for overcoming any obstacles in their path, in their constant drive to move the Company forward.

## Audit Committee's Report for the year 2014

The Audit Committee has been appointed in accordance with the resolution of the Board of Directors held on May 12, 2014. The Audit Committee consists of POL.MAJ.GEN Panurat Meepien, Mr.Surindr Vadhanasiriphongs, Mr.Khachornsakdi Vanaratseath and Mr.Wasin Teyateeti appointed POL.MAJ.GEN Panurat Meepien to be the Chairman.

During the previous year, the Audit Committee held 5 meetings, the jointly with the meeting of each Audit Committee is as follow:

	Join in the meeting
POL.MAJ.GEN Panurat Meepien	5 times
Mr. Surindr Vadhanasiriphongs	5 times
Mr. Khachornsakdi Vanaratseath	5 times
Mr. Wasin Teyateeti	4 times

From the financial statements reviewing quarterly, the auditor do not found the causing to believe that the financial statements are not present fairly, in all material respect, in accordance with the generally accepted accounting principles based on the auditor's review. In the meeting of the Audit Committee for considering the reviewed financial statements in each quarter had the related persons and the auditor attended the meeting, however, in the meeting for the reviewed financial statement in 3 quarter non-management to attended the meeting. The Audit Committee has agreed upon the auditor relating to the reviewed financial statements.

The Audit Committee aware the results of internal auditing base on the internal audit planning in the year 2014 of which could be performed as planed by the internal auditing division and also deems that the Company had adequate internal control system and suitable for the business conditions, and gave the approval with the internal audit planning for the year 2015 of internal auditing division.

The Company has complied with all related securities and exchange laws, regulations of the Stock Exchange or related business laws in connection with the Company's operation. In the case of the transactions dealt with the related persons, the Company has fully complied with the criteria of the Stock Exchange.

In the case of the Company had transactions which might affects the interests of related parties that the Audit Committee has joined to let recommendation and opinion on the meeting without the directors who got the advantages and did not vote on that agenda.

The Audit Committee had considered the reviewed financial statements for the year 2014 which were audited by the auditor, that there is attendance with the auditor and the Company's related officers in order to ensure that the financial report have been prepared fairly, the disclosure of information is sufficient in conformity with the Accounting Standards. The auditor's opinion was stated an unqualified on those financial statements.

The Audit Committee has considered and proposed to the Board of Directors that Mrs. Vilairat Rojnuckarin and/or Ms. Somjintana Polhiranrat qualified and/or Mr. Wisut Petpanichkul of the Office of D I A International Audit Co., Ltd. be nominated the Company's auditor for the year 2015 and also considered to determine the remuneration and then eventually proposed the General Meeting of shareholders for approval of the appointment and their remuneration.

Having completed the duties above, the Audit Committee did not find any significant defect with any possible effect on the financial statements of the company. The Board of Directors meeting has been notified of the performance above.

On behalf of the Audit Committee



(POL.MAJ.GEN Panurat Meepien)

Audit Committee Chairman

February 23, 2015

## The Business Operation

The multinational conglomerate that is Saha Pathanapibul Plc. today was founded on the vision and the dedication of the late founder Dr. Thiam Chokwattana. Since its humble beginning, the Company has made constant development and sustained its business growth by adhering to good moral values and ethics. Fully aware of its role as a good corporate citizen to contribute to social responsibility, the Company has in place a corporate vision, Good Corporate Governance framework, a quality policy and corporate values that reflect the Company's genuine commitment to creating good things for the society and communities to which it belongs.

### Vision :

- We are and shall remain the leading distributor of fast moving consumer goods (FMCGs) in Thailand
- We are committed to matching the high quality of our clients' products with sound marketing and sales professionalism and strong business ethics.
- We are dedicated to contributing to the happiness and well-being of Thais
- We shall uphold these principles in our pursuit of growing globally in size and in reputation.

### Quality Policies :

- Everyone at SAHAPAT works hand-in-hand to achieve the Company's objective and constantly
- We strive to develop innovative products that satisfy the needs of our valued customers.
- We are ever committed to creating business opportunities through expanding our distribution channels worldwide.
- Operating our business with ethics, good governance and corporate social responsibility.

### Core Value :

- Social Responsibility
- Advancement
- Harmony
- Passion for Excellence
- Truthfulness

### Milestone :

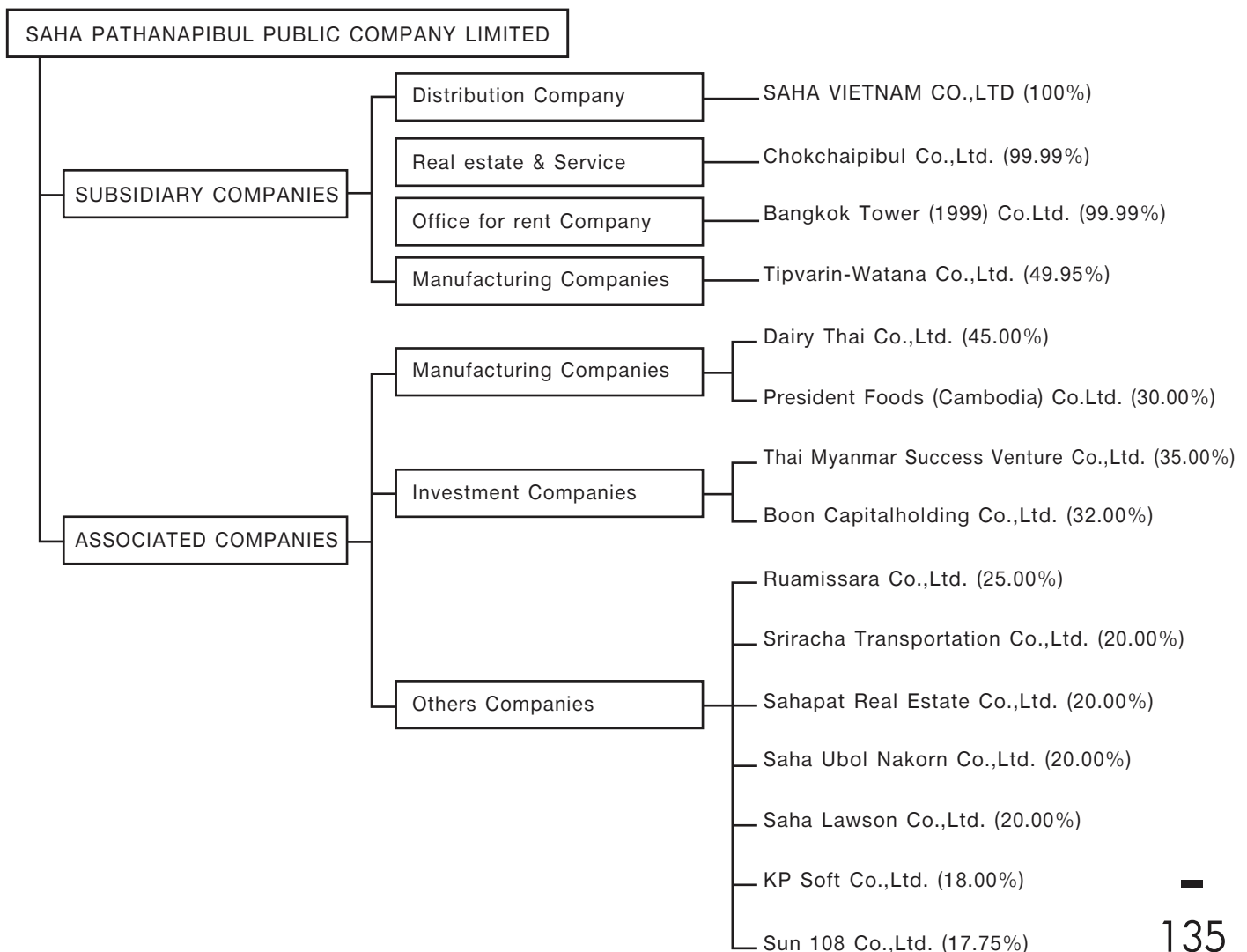
Saha Pathanapibul Public Company Limited started business back in 1942, as a grocery store called "Hiab Seng Chiang." Later, the business expanded is the distributor of imported goods from abroad and adopted the name Saha Pathanapibul Co.,Ltd. in 1952 with registered capital of 1 million baht.

In 1978	Listed on the Stock Exchange of Thailand, with a registered capital of 30 million baht
In 1982-1984	Registered capital is increase to baht 48 million
In 1985	Registered capital is increase to baht 60 million
In 1987-1988	Registered capital is increase to baht 200 million
In 1988	Changed in the value of the shares at par 100 Baht to 10 Baht per share
In 1989	Registered capital is increase to baht 600 million with a paid-up capital of baht 200 million Convertible debentures are issued at the amount of baht 250 million
In 1990-1994	Additional capital 75.87 million baht, paid-up capital is 275.87 million baht
In 1994	January 20, 1994, 6,896,883 shares at 10 baht per share were brought to sell to the holders at the ratio of 3:1 at 55 baht per share
In 1994	May 9, 1994 has been registered to convert into a Public Company Limited
In 1999	Debentures is issued at the amount of baht 500 million
In 2003	Change the value of share par at 10 baht to 1 baht per share
In 2008	July 9-15, 2008 has called up share capital 45,979,220 share. The allocation to existing shareholders at the ratio of 6:1 at 15 baht per share, paid-up capital is increase to baht 318.42 million

- In 2013** To decrease of registered capital from baht 600 million to baht 318.42 million and Increase of the company's registered capital baht 330 million by issuing new shares baht 11.58 million offer for sales to Executive officers and employees of the Employee stock option program (ESOP).  
In September 11-13, 2013 Executive officers and employees subscribe for ordinary shares of the Employee stock option program (ESOP) 4,957,900 shares.  
In September 19, 2013 paid-up capital of baht 323.37 million.
- In 2014** June 9 -11, 2014 Executive officers and employees subscribe for ordinary shares of the Employee stock option program (ESOP) 1,221,500 shares.  
June 20, 2014 paid-up capital of baht 324.60 million.  
October 13 -15, 2014 Executive officers and employees subscribe for ordinary shares of the Employee stock option program (ESOP) 3,163,900 shares.  
October 20, 2014 paid-up capital of baht 327.76 million.  
October 20, 2014 The Company received the "Red Garuda" Royal Seal graciously bestowed upon by His Majesty the King as a recognition of the key values of honesty, integrity and morality upheld by Saha Pathanapibul Public Company Limited.

## Shareholding Structure

As at December 31, 2014 The company invest in 4 subsidiaries companies and invest in 11 associated companies which type of business are as follow



## Cross Shareholding Structure

The Company has the cross shareholding structure; however the cross shareholding not conflict with the principles as prescribed in the Notification of the Capital Market Supervisory Board Tor Jor. 28/2551 Re : The Request for Approval and the Approval of Initial Public Offering Article 14.

The Cross Shareholding on December 31, 2014.

Name of Company	Proportion of Shareholding	
	The Company holds Share in other Firms	Other Firms holds Share in the Company
<b>1. Holding of shares exceeding 50%</b> <ul style="list-style-type: none"> <li>The Company holds shares in other firm exceeding 50%, the other firms must not cross shareholding in the Company.</li> </ul>		
1. Chokchaipibul Co.,Ltd.	99.99	-
2. Bangkok Tower (1999) Co.,Ltd.	99.99	-
<b>2. Holding of shares exceeding 25% not exceeding 50%</b> <ul style="list-style-type: none"> <li>The Company holds shares in other firms exceeding 25% but not exceeding 50%, the other firms must not cross shareholding in the Company exceeding 10%.</li> </ul>		
1. Dairy Thai Co.,Ltd.	45.00	-
2. Tipvarinwattana Co.,Ltd.	49.95	-
3. Thai-Myanmar Success Venture Co.,Ltd.	35.00	-
4. President Foods (Cambodia) Co.,Ltd.	30.00	-
<b>3. Holding of shares not exceeding 25% **</b> <ul style="list-style-type: none"> <li>The Company holds shares in other firms not exceeding 25%, the other firms must not cross shareholding in the Company exceeding 25%.</li> </ul>		
1. Saha Pathana Interholding Plc.	6.72	20.04
2. I.C.C. International Plc.	8.51	10.26
3. I.D.F. Co.,Ltd.	19.60	4.01
4. International Laboratories Corporation Ltd.	9.83	1.22
5. New City (Bangkok) Plc.	0.45	0.55
6. Far East DDB Plc.	12.30	0.33
7. Sahapat Real Estate Co.,Ltd.	20.00	0.18
8. People's Garment Plc.	8.80	0.07
9. Sahapat Properties Co.,Ltd.	6.25	0.0001

Remark : \*\* Show the particularly transaction with the cross shareholding

## Income Structure

The Company engaged in consumer products distribution and property development business. A subsidiary engaged in business of investment in real estate and services and another subsidiary engaged in business of office building for rent. The segment of the Company and subsidiaries in the consolidated financial statements are detailed following

	(unit : million baht)	
<u>Revenue</u>	<b>2014</b>	<b>2013</b>
Consumer products	26,428.3	26,223.9
Office building for rent	46.2	38.0
Other	<u>326.0</u>	<u>356.1</u>
Total	<u>26,800.5</u>	<u>26,618.0</u>

## Types of Products and Services

The diversified range of products and services offered by the Company can be divided into four major categories – Household Products, Food Products, Personal Care Products and Products for Children.

## Marketing and Distribution Policy

“Good quality products at fair and reasonable prices” has been the underlying policy for marketing and distribution activities of the Company. Marketing strategies are created based on the market positioning and market share of each product or service. Emphasis is also placed on improving the quality of existing products as well as developing and introducing new ones to the market, to cater to the ever-changing demand of customers. Additionally, an integrated product distribution system has been developed to ensure customer convenience in making purchase orders, efficiency in inventory management, and, punctuality and reliability in delivery.

Moreover, the Company’s logistics and information technology systems have been upgraded to ensure the following.

- Optimum customer satisfaction
- Minimum loss in sales opportunities due to products being out-of-stock
- Efficiency in creating a synergy network of customer service that makes it easier for sales representatives to share helpful information with each other.

The Company receives payments by either cash or credit, and its sales proportion is 40% Bangkok and 60% upcountry.

## Competition

The competition in the consumer products industry is expected to be even fiercer because the market itself is not anticipated to grow so strongly. In 2014, economic growth was slower than predicted due to a weakened export market and a lethargic tourism industry. Furthermore, economic retractions in partner countries located in the Euro Zone also weakened export forecasts. Increases in free trade agreements as well as in the numbers of producers relocating their production bases to Thailand have also contributing to heightening competition as more choices become available to our traditional customers.

To maintain competitiveness, the Company will place even greater importance on innovation and the ability to create groundbreaking products that respond better to consumer needs. Marketing activities will also be more aggressive with an aim to create top-of-mind perception for products or services in the minds of consumers. Additionally, relationships with retailers and consumers will be maintained and nurtured through a range of mutually rewarding marketing activities.

## Management

### Securities and Shareholder Information

The amount of capital and paid-up capital on December 31, 2014

- The Company has a registered capital Baht 330,000,000 paid-up capital is Baht 327,765,203
- Common shares 327,765,203 shares, Par value of Baht 1

### Shareholder

List of Shareholders as at the book-closing date on December 30, 2014

Top ten Major Shareholders of Company

Name	No. of Shares	%
1. Saha Pathana Inter-Holding Public Company Limited	65,696,365	20.04
2. I.C.C. International Public Company Limited	33,630,158	10.26
3. Lion Corporation	32,188,333	9.82
4. Chokwatana Company Limited	23,647,341	7.21
5. Nissin Food Products Co.,Ltd.	16,216,666	4.95
6. Q.P. Corporation	16,072,583	4.90
7. I.D.F. Company Limited	13,154,680	4.01
8. Mr. Weerapat Punsak-Udomsin	12,625,981	3.85
9. Mr. Samreng Manoonpol	12,278,044	3.75
10. Lotte Company Limited	8,200,000	2.50

Distribution of shares by the number of shareholders per range of shares hold :

No. of Shares	No. of Shareowner	%
1 - 50	136	10.38
51 - 100	78	5.83
101 - 500	165	12.32
501 - 1,000	178	13.29
1,001 - 3,000	151	11.28
3,001 - 5,000	94	7.02
5,001 - Upward	534	39.88
<b>Total</b>	<b>1,339</b>	<b>100.00</b>

Distribution of shares by the classification of shareholders per amount of shares hold :

Type	No. of Shareowner	No. of Share	%
Juristic Persons			
Thai Nationality	62	160,696,041	49.03
Foreign Nationality	9	74,541,463	22.74
Natural Persons			
Thai Nationality	1,261	91,985,789	28.06
Foreign Nationality	7	541,910	0.17
<b>Total</b>	<b>1,339</b>	<b>327,765,203</b>	<b>100.00</b>

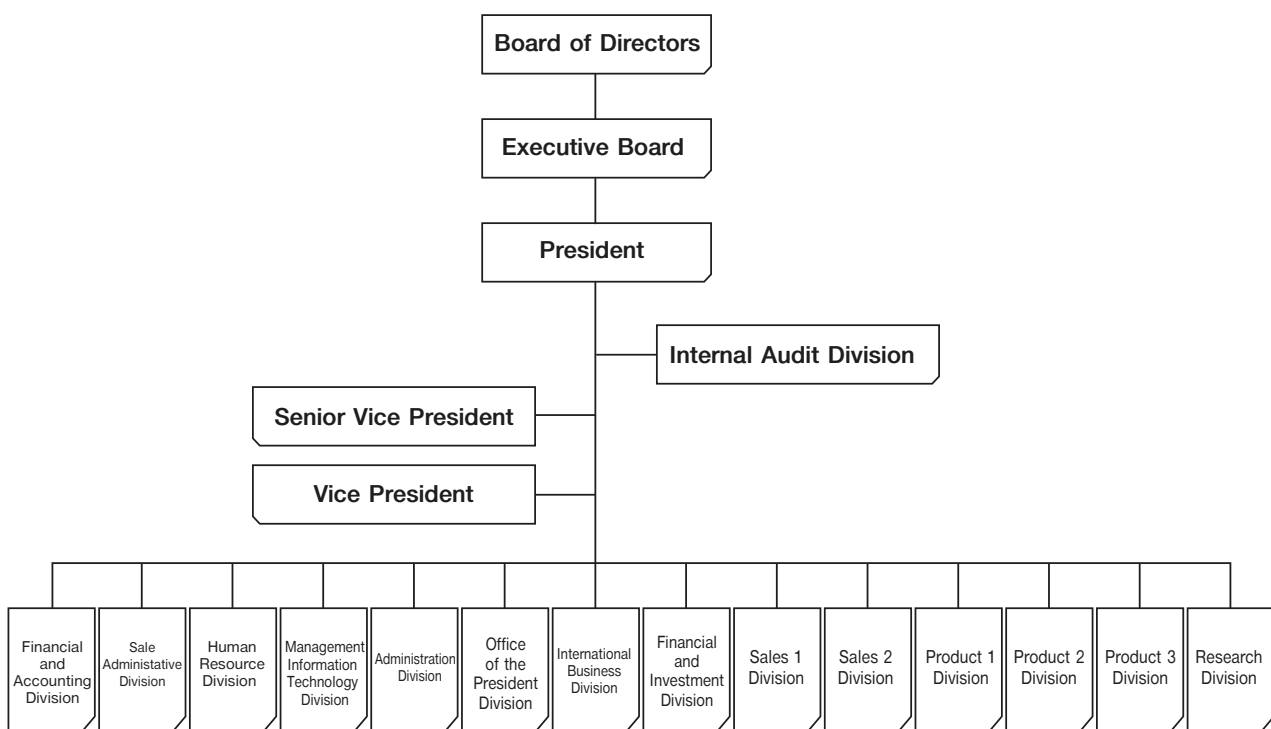
## Dividend Payment Policy

The Company expected to pay dividends to the shareholders at the rate of 0.15 Baht per share per year, subject mainly to the economic situation and the Company's results of operation.

Details of Dividend Payment	** 2014	2013	2012	2011	2010
Earning per Share (Baht)	3.75	3.23	3.00	2.82	2.41
Dividend per Share (Baht)	1.00	1.00	1.00	0.90	0.75
Dividend ratio per net profit	27.08%	31.21%	33.30%	31.92%	31.08%

**\*\*Note :** The Board of Directors Meeting No.12 (Board 21) on March 19, 2015 resolved to propose to the General Meeting of Shareholders which determines to take place on April 27, 2015 to approve the Dividend Payment 1 Baht each

## Organization Chart



## Management Structure

The Company's management structure as of December 31, 2014 consists of 4 groups; Board of Directors, Executive Board, Audit Committee and Risk Management Committee. Authority and duties of each committee and those of the President are prescribed in documentation which was approved by the Board of Directors meeting No.8 (Board 15) on December 18, 2008 with the Company's Secretary performing the duties required by the laws and assigned by the Board of Directors.

### Authority Duties and responsibilities of each committee

#### 1. Board of Directors

##### Authority

1. To appoint, remove and authorize consultants to the Board of Directors, to committees and/or to other individuals.
2. To approve loans of the amount greater than the authority of the Executive Committee, to companies with a business relation with the Company as shareholders, or to companies with a trading relation, or to companies of other nature.
3. To approve guarantee of loans of the amount greater than the authority of the Executive Committee, to companies with a business relation with the Company as shareholders, or to companies with a trading relation, or to companies of other nature.
4. To approve legal engagement in non financial transaction, of which the amount is greater than the authority of the Executive Committee.
5. To approve acceptance or cancellation of loans, of which the amount is greater than the authority of the Executive Committee.
6. To approve investment, sale of investment capital in ordinary shares and/or any other securities, of which the amount is greater than the authority of the Executive Committee.
7. To approve sourcing and investment in fixed assets, of which the amount is greater than the authority of the Executive Committee.
8. To approve modification, destruction and depreciation of fixed assets and intangible assets which are no longer in use, damaged, lost, destroyed, depreciated and outdated, of which the amount in aggregate as per book value is greater than the authority of the Executive Committee.
9. To approve modification, change of price and destruction of raw materials and/or remaining inventory which are depreciated or outdated and causing devalue in the book of accounts, of which the amount is greater than the authority of the Executive Committee.
10. To approve compromise or settlement of dispute by arbitration, complaint, filing of lawsuits and/or any legal proceeding on behalf of the Company on matters whether in normal business or not, of which an amount exceeds the authority of the Executive Committee.
11. To propose to shareholders an increase or a decrease of capital, a change of share value, modification of articles of association, memorandum of association and/or objectives of the Company.
12. To approve incorporation, merger or dissolution of subsidiaries.
13. To authorize the management, managerial employees of the Company, or any other individual to act on their behalf.
14. To invite executives, members of the management, or relevant employees to provide explanations, opinions, attend the meetings or submit documents as necessary.
15. To consult with Company's specialists or consultants (if any), or hire third party as consultants or specialists if necessary at the expense of the Company.
16. To appoint and remove a Company's Secretary.

## Duties and Responsibilities

1. To establish directions, goals and business policies of the Company.
2. To approve plans and annual budgets, to supervise the performance of the management in order to ensure effectiveness and compliance with the laws and desired policies and plans.
3. To encourage the development of business supervision policy and written business code of ethics in order for Company directors, executives and employees to observe as guideline in the conduct of the Company's business.
4. To arrange for a sufficient internal control system in order to ensure that transactions are approved by authorized individuals, reviewed and recorded in accurate books of accounts, and to implement systems preventing inappropriate use of Company's assets.
5. Transactions with possible conflict of interests must be carefully reviewed, with a definite guideline to ensure the interests of the Company and the shareholders. Individuals with interests may not be involved in the decision-making process. They must observe the requirements on the proper procedure and disclosure of transactions with possible conflict of interests.
6. To approve the reviewed and/or audited financial statements by external auditor, which have been approved by the Audit Committee.
7. To be equally responsible to all shareholders, and to correctly and transparently disclose information to shareholders and investors.
8. To acknowledge business management reports from the Executive Committee.
9. To convene shareholders meetings by specified date, time, location and agenda as well as dividends (if any), and to provide shareholders with opinions of the Board of Directors on the matters proposed to the shareholders. During the twenty-one days prior to each shareholder meeting, the Company may refuse share transfer registration by informing the shareholders at the headquarters and the branch offices at least fourteen days prior to the day of share transfer registration suspension. Alternatively, a record date (RD) may be determined no longer than two months prior to the day of any shareholders meeting, and the shareholder's register book at the closing date must be one day after the record date. This is to compile a list of names under Section 225 of the Securities and Exchange Act, in order to determine the right to attend shareholders meeting and to receive dividends.
10. To prepare the report of "Responsibility of the Board of Directors towards Financial Reports" and disclose it in the annual report of the Company (Template 56-2) and the annual disclosure template (Template 56-1).
11. To follow up on documents to be submitted to relevant regulatory agencies, in order to ensure that the statements or the items are correct as per the data appearing in the books of accounts, the registration or other documents of the Company
12. To approve the Board of Directors Charter and/or other committees Charters.
13. To engage in any other action, which is beyond the authority of the Executive Committee, or which the Board of Directors deems appropriate.

## 2. Executive Board

### Authority

1. To appoint, remove, transfer, evaluate and determine remuneration and welfare of employees of different levels.
2. To appoint and remove any other working committee to carry out actions necessary for the management of the Company.
3. To issue regulations and announcements on performance of duties, to assign authority to members of the Executive Committee and/or employees serving managerial posts, in order to execute authorization on Company's assets.
4. To approve loans to companies with a business relation with the Company as shareholders, or to companies with a trading relation, or to companies of other nature, provided that the amount does not exceed the limited amount 20 million.
5. To approve guarantee of loans for companies with a business relation with the Company as shareholders, or to companies with a trading relation or to companies of other nature, provided that the amount does not exceed the limited amount 20 million.
6. To approve legal engagement in non-financial transaction, provided that the amount does not exceed the limited amount 20 million.
7. To approve acceptance or cancellation of loans, provided that the amount does not exceed the limited amount 20 million.
8. To approve investment, sale of investment capital in ordinary shares and/or any other securities, provided that the amount does not exceed the limited amount 20 million.
9. To approve sourcing and investment in fixed assets, provided that the amount does not exceed the limited amount 20 million.
10. To approve modification, destruction and depreciation of fixed assets and intangible assets which are no longer in use, damaged, lost, destroyed, depreciated and outdated, provided that the aggregate amount as per book value does not exceed the limited amount 20 million.
11. To approve modification, change of price and destruction of raw materials and/or remaining inventory which are depreciated or outdated and causing devalue in book of accounts, provided that the amount does not exceed the limited amount 20 million.
12. To approve compromise or settlement of dispute by arbitration, complaint, filing of lawsuits and/or any legal proceeding on behalf of the Company on matters whether in normal business matters does not exceed the limited amount 2 million or not, of which the amount does not exceed the limited amount 20 million.
13. To authorize executives of the Company or other individuals to act on their behalf.
14. To invite members of the management or relevant employees to provide explanations, opinions or documents as necessary.
15. To consult with Company's specialists or consultants (if any), or hire third party as consultants or specialists if necessary, at the expense of the Company.
16. To stipulate any other regulations as deemed appropriate.

## Duties and Responsibilities

1. To propose goals, policies, operational plans and annual budgets to the Board of Directors.
2. To manage the business of the Company in accordance with desired directions, goals and business policies of the Company.
3. To enhance the competitiveness of the Company and encourage continuous innovation.
4. To ensure that the operation of the Company is consistent with the laws, Company's objectives and regulations, shareholders meeting resolutions, Board of Directors resolutions and relevant regulations.
5. Members of the Executive Committee may delegate responsibilities among themselves, provided that the Board of Directors meeting is kept informed of the progress of the matter each member oversees.
6. To arrange for financial statements to be prepared in order to be reviewed and/or audited by external auditor prior to proposing to the Audit Committee and the Board of Directors, respectively.
7. To review matters to be proposed to the Board of Directors for approval.
8. To revise the Executive Committee Charter and propose it to the Board of Directors for approval.
9. To engage in any other action as assigned by the Board of Directors.

## 3. Audit Committee

### Authority

1. To ensure correct understanding among external auditors, company directors and internal audit unit.
2. To invite executives, members of the management, internal audit unit, or relevant employees to provide explanations, opinions or documents as necessary. The Audit Committee also has the authority to access corporate documents of all levels.
3. To inquire relevant individuals and matters within the extent of authority and duties of the Audit Committee.
4. To consult with Company's specialists or consultants (if any), or hire third party as consultants or specialists, if necessary, at the expense of the Company.

## Duties and Responsibilities

1. To review and ensure correct and sufficient financial statements of the Company.
2. To ensure availability of appropriate and effective internal control and internal audit systems, to determine the independence of the internal audit unit, and to opine on appointment, transfer, termination of the head of internal control unit or any other unit responsible for internal audit.
3. To ensure that the Company complies with the laws on securities and exchange, regulations of Stock Exchange of Thailand and other laws applicable to the business of the Company.
4. To consider, select and nominate independent individuals as Company's external auditors and propose the remuneration for such auditor to the Shareholders meeting for approval, and engage in a meeting with external auditors at least once a year without the participation of members of the management.
5. To review related transactions or transactions with possible conflict of interests to ensure that compliance with the laws and regulations of the Stock Exchange of Thailand is fulfilled, in order to ascertain that such transactions are reasonable and in the utmost benefits of the Company.

## Duties and Responsibilities

1. To establish the risk management policy and goals, plan and operate the risk management system of the Company to allow the system continuity and clarity for further managing any significant risks, and report such risks to the Board of Directors, Executive Board, and the Audit Committee.
2. To support and encourage the cooperation for risk management at all levels in the organization.
3. To ensure that the Company's risks are controlled appropriately and efficiently by placing emphasis on the risk warning system and any other abnormal transactions.
4. To develop the risk management system in the organization to ensure that it is efficient and consistent.
5. To improve and amend the Risk Management Committee Charter and propose it to the Board of Directors for approval.
6. To engage in other actions as assigned by the Board of Directors and/or Executive Board.

## President

### Authority and Responsibilities

1. To manage the business of the Company in accordance with the laws, policies, objectives and Articles of Association of the Company, as well as resolutions of the shareholders meeting, the Board of Directors meeting, and the Executive Board meeting and relevant regulations.
2. To authorize any necessary and appropriate action to accomplish the deeds under Item 1, and in the case of any significant matter, the President needs to report to and/or notify the Board of Directors and/or the Executive Board of such the matter.
3. To manage, hire, appoint, remove, transfer, evaluate, issue disciplinary measures against, or determine remuneration and welfare for employees, provided that such actions do not interfere with the authority of the Executive Board.
4. To prescribe regulations on the operation of the Company, which are not contradictory with any policy, regulation, requirement, order or resolution of the Board of Directors and/or the Executive Board.
5. To be authorized to approve, source and invest in fixed assets with the amount not exceeding the limited amount 10 million.
6. To be authorized to approve the Company's investment and to sell investment in ordinary shares and/or securities issued by other companies, provided that the amount is not exceeding the limited amount 10 million.
7. To be authorized to enter into engagement, agreement, or transaction on binding the Company whether in normal business matters or not, of which the amount is not exceeding the limited amount 10 million.
8. To report any proceeding under Items 5, 6 and 7 to the Board of Directors and the Executive Board as appropriate at the next meeting.
9. To authorize and/or assign any individuals to perform certain or specific tasks on behalf of the President.
10. The above authority of the President cannot be exercised in the case where the President may have interest or has a conflict of interests in any manner with the Company.
11. In case that there is a doubt or an uncertainty regarding the exercise of any of the above authority, the matter is to be presented to the Board of Directors for consideration.
12. To perform any other action as assigned by the Board of Directors and/or the Executive Board.

Board of Directors, Executive Board, Audit Committee and Risk Management Committee as follows:

Name		Board of Directors	Executive Board	Audit Committee	Risk Management Committee
1. Mr.Boonsithi	Chokwatana	✠	✠		
2. Mr.Boonchai	Chokwatana	★	★		
3. Mr.Boonpakorn	Chokvathana	✧			
4. Mr.Somsakdi	Dhanasarnsilp	✧			
5. Mr.Boonyarith	Mahamontri	✧			
6. Mr.Wasin	Teyateeti ★	✧		✧	
7. Mr.Khachornsakdi	Vanaratseath ★	✧		✧	
8. Mr.Surindr	Vadhanasiriphongs	✧		✧	
9. Mr.Sujarit	Patchimnun	✧			
10. Mr.Vathit	Chokwatana	✧	✧		
11. Mrs.Pasook	Raksawonkse	✧	✧		★
12. POL.MAJ.GEN.Panurat	Meepien	✧		★	
13. Mr.Kenjiro	Kobayachi	✧			
14. Mr.Petch	Paniangvait	✧			
15. Mr.Wanchai	Umpungtart	✧			
16. Mrs.Siriporn	Lekayavijitr	♥	✧	♥	✧
17. Mr.Pipat	Kowsuparmongkol		✧		✧
18. Mr.Chalernpol	Kumnerdsirikul		✧		✧
19. Mrs.Chailada	Tantivejakul		✧		✧
20. Mr.Sompon	Sivaprinayavong		✧		✧
21. Mr.Vora	Punkamol		✧		✧
22. Mr.Udomsak	Sopanakij		✧		✧
(Pass away on December 7, 2014)					
23. Mr.Punnavee	Sookyen		✧		✧
24. Mr.Parinya	Sithidumrong				✧
25. Mr.Thatri	Pornpaisalsakul				✧
26. Mr.Peerapol	Chanwichit				✧

Note ✠ Honorary Chairman ★ Chairman ✧ Vice Chairman ✧ Director ♥ Secretary  
 ★ Audit Committee who has sufficient knowledge and experience to verify financial statements

## The Authority of Board of Directors

Any two of eight following directors shall jointly affix their signatures together with the seal of the Company in order to be binding on the Company

- |                  |             |                 |              |
|------------------|-------------|-----------------|--------------|
| 1. Mr.Boonpakorn | Chokvathana | 2. Mr.Boonsithi | Chokwatana   |
| 3. Mr.Boonchai   | Chokwatana  | 4. Mr.Somsakdi  | Dhanasamsilp |
| 5. Mr.Boonyarith | Mahamontri  | 6. Mr.Vathit    | Chokwatana   |
| 7. Mrs.Pasook    | Raksawonkse | 8. Mr.Petch     | Paniangvait  |

The Board of Directors may designate the names of the directors who have the power to affix their signatures together with the seal of the Company to be binding on the Company.

## Definitions of Independent Director

The company has given the following definitions of an “independent director” based on the announcement of the Capital Market Supervisory Board.

(1) The person must hold no more than 1% of shares with voting rights of the company, the parent company, the associates, the affiliates, the major shareholders or the entities with the authority to control the company; inclusive of shareholding by individuals related to such independent directors.

(2) The person must not be serving, or have served, as a director who is involved with the management, or a staff member, an employee or a consultant with a monthly wage. The person also must not be or be an individual with the authority to control the company, the parent company, the associates, the affiliates, the associates of the same level, the major shareholders or of the entities with the authority to control the company, with the exception of the case where he or she has retired from such a position for at least two years prior to the day on which he or she is appointed as an independent director. The ineligibility however does not include the case where an independent director has previously served as a public servant or a consultant of a government agency which is a major shareholder of, or an entity with the authority to control the company.

(3) The person must not be related by blood or law as father, mother, spouse, sibling or child, spouse of son or daughter of executives, major shareholders, individuals with the authority to control the company or candidates for the position of an executive or an individual with the authority to control the company or an associate.

(4) The person must not have, or have had, a business relationship with the company, the parent company, the associates, the affiliates, the major shareholders or the entities with the authority to control the company, in such a manner that may interfere with one's independent discretion. The person also must have not been or has been a shareholder, individuals with the authority to control the company, of the person who has business relationship with the company, the parent company, the associates, the affiliates, the major shareholder or the entities with the authority to control the company. There is an exception in the case where he or she has retired from such a position for at least two years prior to the day on which he or she is appointed as an independent director.

The business relationship as described in the above paragraph is inclusive of normal trading transactions for the conduct of business; lease or letting of immovable; transactions relating to assets or service; provision or acceptance of financial assistance through acceptance or provision of loans and guarantees, the use of assets as collateral and other such practices which result in the company or the party to the agreement being under the obligation to repay the other party for an amount from 3% of net tangible assets of the company or from Twenty Million Baht whichever is lower. The calculation of such obligation to debt is to be in accordance with the related transaction value calculation method as per the Announcement of the Capital Market Supervisory Board on the Related Transaction Criteria with exceptions. The said obligation to debt includes that which has materialized during the period of one year prior to the day of business relationship with the same individual.

(5) The person must not be, or has been, an auditor of the company, the parent company, the associates, the affiliates, the major shareholders or the entities with the authority to control the company. The person also must not be a significant shareholder, an individual with the authority to control or a partner of the audit office with which the auditor the company, the parent company, the associates, the affiliates, the major shareholders or the entities with the authority to control the company is associated. There is an exception in such case where he or she has retired from such a position for at least two years prior to the day on which he or she is appointed as an independent director.

(6) The person must not be, or has been, a provider of a professional service including the service as a legal consultant or a financial consultant for which greater than Two Million Baht of fee is paid per year by the company, the parent company, the associates, the affiliates, the major shareholders or the entities with the authority to control the company. The person also must not be a significant shareholder or an individual with the authority to control or a partner of such provider of professional service. There is an exception in such case where he or she has retired from such a position for at least two years prior to the day on which he or she is appointed as an independent director.

(7) The person must not be a director appointed to represent a director of the company, a major shareholder or a shareholder who is related to a major shareholder.

(8) The person must not be in a business of the same nature as, and of significant competition to, that of the company or an associate. The person also must not be a significant partner in a partnership; a director who is involved with the management; a staff member; an employee; a consultant with a monthly wage; as well as, a shareholder who holds more than 1% of shares with voting rights of another company which is engaged in a business of the same nature as and of significant competition to that of the company or an associate.

(9) The person must not have any other characteristic which is an obstacle to the giving of free opinion on the operation of the company.

After having been appointed as an independent director following the qualifications specified under items (1) through (9) above, the independent director may be assigned by the Board of Directors to make decisions on the operation of the company, the parent company, the associates, the affiliates, the associates of the same level, the major shareholders or the entities with the authority to control the company in the manner of a collective decision.

## **Selection criteria and procedure for Independent Directors**

The Board of Directors selects independent directors in accordance with the criteria specified by the Stock Exchange of Thailand and Securities and Exchange Commission

## Number of times of the Board of Directors' Meetings

In the year 2014, the Board of Directors held thirteen meetings, the Board of Audit Committee held five meetings. Attendance of each director is summarized in the table below.

Director		Position	Attendance		
			Board of Directors meeting	Audit Committee meeting	Annual shareholders meeting
1. Mr.Boonsithi	Chokwatana	Honorary Chairman	12/13		1/1
2. Mr.Boonchai	Chokwatana	Chairman	13/13		1/1
3. Mr.Boonpakorn	Chokvathana	Vice Chairman	13/13		1/1
4. Mrs.Pasook	Raksawonkse	Senior Vice President	13/13		1/1
5. Mr.Vathit	Chokwatana	Vice President	13/13		1/1
6. Mr.Somsakdi	Dhanasarnsilp	Director	7/13		0/1
7. Mr.Boonyarith	Mahamontri	Director	13/13		1/1
8. Mr.Sujarit	Patchimnun	Director	12/13		1/1
9. Mr.Kenjiro	Kobayachi *	Director	1/13		0/1 (Not in Thailand)
10. Mr.Petch	Paniangvait	Director	3/13		1/1
11. Mr.Khachornsakdi	Vanaratseath	Independent Director and Audit Committee	11/13	5/5	1/1
12. Mr.Wasin	Teyateeti	Independent Director and Audit Committee	12/13	4/5	1/1
13. Mr.Surindr	Vadhanasiriphongs	Independent Director and Audit Committee	13/13	5/5	1/1
14. POL.MAJ.GEN.Panurat	Meepien	Independent Director and Chairman of Audit Committee	13/13	5/5	1/1
15. Mr.Wanchai	Umpungtart	Director	13/13		1/1
16. Mrs.Siriporn	Lekayavijitr	Company's Secretary	13/13	5/5	1/1

Remark \* A proxy attended the meeting as an observer.

## Name and Positions of Director, Executive Board and the Company's Secretary as defined by the Securities and Exchange Commission.

Name		Position
1. Mr.Boonsithi	Chokwatana	Honorary Chairman
2. Mr.Boonchai	Chokwatana	Chairman President and CEO
3. Mrs.Pasook	Raksawonkse	Senior vice president and Chairman of Risk Management Committee
4. Mr.Vathit	Chokwatana	Vice president and Executive Director
5. Mrs.Siriporn	Lekayavijitr	Company's Secretary and Executive Director
6. Mr.Pipat	Kowsuparmongkol	Executive Director
7. Mr.Chalermopol	Kumnerdsirikul	Executive Director and Finance and Accounting Division Manager
8. Mrs.Chailada	Tantivejakul	Executive Director
9. Mr.Sompon	Sivaprinayavong	Executive Director and Human Resource Division Manager
10. Mr.Udomsak	Sopanakij (Pass away on December 7, 2014)	Executive Director and International Business Division Manager
11. Mr.Vora	Punkamol	Executive Director and Manager of Sales Division 1
12. Mr.Punnavee	Sookyen	Executive Director and Manager of Sales Division 2
13. Mr.Parinya	Sithidumrong	Manager of Product 1 Division

Securities Data Company of Directors and Executives on December 30, 2014

Director		own / spouse / Underage children	changes between 2557	Total shares	%
1.	Mr.Boonsithi Chokwatana	2,775,585	-	2,775,585	0.85
2.	Mr.Boonchai Chokwatana	1,553,342	-	1,553,342	0.47
3.	Mr.Boonpakorn Chokvathana	2,683,318	(500,000)	2,183,318	0.67
4.	Mr.Somsakdi Dhanasarnsilp	977,993	-	977,993	0.30
5.	Mr.Boonyarith Mahamontri	62,218	-	62,218	0.02
6.	Mr.Khachornsakdi Vanaratseath	-	-	-	-
7.	Mr.Wasin Teyateeti	15,333	-	15,333	0.005
8.	Mr.Surindr Vadhanasiriphongs	14,711	-	14,711	0.004
9.	Mr.Sujarit Patchimnun	-	-	-	-
10.	Mr.Vathit Chokwatana	178,333	180,000	358,333	0.11
11.	Mrs.Pasook Raksawonkse	55,000	-	55,000	0.02
12.	POL.MAJ.GEN.Panurat Meepien	-	-	-	-
13.	Mr.Kenjiro Kobayachi	-	-	-	-
14.	Mr.Petch Paniangvait	300,000	-	300,000	0.09
15.	Mr.Wanchai Umpungtart	-	-	-	-
16.	Mrs.Siriporn Lekayavijitr	109,636	60,000	169,636	0.05
17.	Mr.Pipat Kowsuparmongkol	60,000	50,000	110,000	0.03
18.	Mr.Chalernpol Kumnerdsirikul	172,205	150,000	322,205	0.10
19.	Mrs.Chailada Tantivejakul	893,739	273,000	1,166,739	0.36
20.	Mr.Sompon Sivaprinayavong	68,000	-	68,000	0.02
21.	Mr.Vora Punkamol	30,000	10,000	40,000	0.01
22.	Mr.Udomsak Sopanakij	150,000	150,000	300,000	0.09
(Pass away on December 7, 2014)					
23.	Mr.Punnavee Sookyen	-	12,000	12,000	0.004
24.	Mr.Parinya Sithidumrong	-	-	-	-

## Consultant of the Board of Directors

Name / Position / Assumed Position	Age	Education	Past 5 years experiences		
			Period	Position	Company Name
1. Mr. Boon-Ek Chokwatana Consultant of the Board of Directors May 14, 2009	81	Melbourne Technical College Australia Thai Institute of Directors Association - Director Accreditation Program (DAP) 3/2003	2010 -Present	<b>Listed Company</b> Consultant of the Board of Directors <b>None-listed Company</b>	Saha Pathanapibul Public Company Limited 2 Companies
2. Mr. Samrerng Manoonpol Consultant of the Board of Directors May 10, 2007	78	High School Wat Rajabopit School Thai Institute of Directors Association - Director Accreditation Program (DAP)3/2003	2009 –Present 2010- Present 2010- Present	<b>Listed Company</b> Director Consultant Consultant of the Board of Directors <b>None-listed Company</b>	Saha Pathana Inter-Holding PLC. I.C.C. International Public Company Limited Saha Pathanapibul Public Company Limited 5 Companies
3. Miss Sirilak Dhanasarnsilp Consultant of the Board of Directors May 14, 2009	65	Bachelor of laws Thammasat University Thai Institute of Directors Association - Director Accreditation Program (DAP) 22/2004	2010 - Present	<b>Listed Company</b> Consultant of the Board of Directors <b>None-listed Company</b>	Saha Pathanapibul Public Company Limited 2 Companies

## Information on the Board of Director and the Executives

Name / Position Assumed Position	Age	Education	Shares hold (%)	Family Relationship between directors	Past 5 years experiences		
					Period	Position	Company Name
1. Mr. Boonsithi Chokwatana Honorary Chairman In 1961	77	Doctor of Business Administration - Honorary D.B.A., Burapha University - Honorary Causa ,Thammasat University - Honorary, NIDA - Honorary, University of The Thai Chamber of Commerce Doctor of Engineering (Honorary), Khon Kaen University The Doctor of Laws degree, Honoris Causa, Waseda University, Japan The doctor of science (Textiles and clothing) Rajamangala University of Technology, BKK Thai Institute of Directors Association - Director Accreditation Program (DAP) 3/2003 - Director Certification Program (DCP) 68/2005	0.85	2 and 3	May 2010- Present 2010- Present 2010- Present 2010-Present  2010-Present  2009-April 2010 2009-April 2010	<b>Listed Company</b> Advising Director Chairman Director Director and Chairman Vice Chairman  Advising Director Advising Director <b>None-listed Company</b>	Thanulux Public Company Limited Thai President Foods Public Company Limited Saha Cogen (Chonburi) Public Company limited Saha Pathana Inter-Holding Public Company Limited I.C.C International Public Company Limited  Textile Prestige Public Company Limited Thai Wacoal Public Company Limited 34 Companies
2. Mr. Boonchai Chokwatana Chairman and Chairman of the Executive Board In 1972	67	The Doctor Honorary degree in - Communication, Naresuan University - Business Administration, Mahasarakham University  Bachelor of Arts in Political Science Ramkhamhaeng University Bachelor of Business Administration Wisconsin State University At Superior, U.S.A Thai Institute of Directors Association - Director Accreditation Program (DAP) 3/2003 - Director Certification Program (DCP) 68/2005	0.47	1,3 and 19	2010 - Present 2009 - Dec 1,2014  2011 – Dec 11,2012 Dec 2012-April 2014 2011- Present 23 April12-Present	<b>Listed Company</b> Chairman Independent Director and Audit Committee Chairman Director Director Director  <b>None-listed Company</b>	Far East DDB Public Company Limited MFC Asset Management Public Company Limited Pan Asia Footwear Public Company Limited Pan Asia Footwear Public Company Limited Thai President Foods Public Company Limited Saha Pathana Inter-Holding Public Company Limited 22 Companies

Name / Position Assumed Position	Age	Education	Shares hold (%)	Family Relationship between directors	Past 5 years experiences		
					Period	Position	Company Name
3. Mr. Boonpakorn Chokvathana Vice Chairman In 1962	79	B.A. Economics, University of Nottingham Thai Institute of Directors Association - Director Accreditation Program (DAP) 3/2003 - Director Certification Program (DCP) 68/2005 - Role of Compensation Committee (RCC) 7/2008	0.67	1 and 2	2010-Present	<b>Listed Company</b> Chairman Vice Chairman	New City (Bangkok) Public Company Limited Saha Pathana Inter-Holding Public Company Limited
					2010-2011	Director Chairman of Nomination Independent Director and Audit Committee <b>None-listed Company</b>	IT CITY Public Company Limited Bumrungrad Hospital Public Company Limited Bumrungrad Hospital Public Company Limited 6 Companies
4. Mr. Somsakdi Dhanasarnsilp Director In 1972	71	Bachelor Degree in Business Administration Sukhothai Thammatirat University Bachelor Degree of Arts (Political Science) Ramkhamhaeng University Thai Institute of Directors Association - Director Certification Program (DCP)5/2001	0.30	-	2009-April 2010	<b>Listed Company</b> Director	Textile Prestige Public Company Limited
					2010-April 2011 2010-Present  2004 - May 2010 May 2010-July 2012	Director Director and Executive Director Vice Chairman Vice Chairman Vice Chairman and Independent Director <b>None-listed Company</b>	Thai President Foods Public Company Limited Saha Pathana Inter-Holding Public Company Limited Limited O.C.C. Public Company Limited Boutique Newcity Public Company Limited Boutique Newcity Public Company Limited 22 Companies

Name / Position Assumed Position	Age	Education	Shares hold (%)	Family Relationship between directors	Past 5 years experiences		
					Period	Position	Company Name
5. Mr. Boonyarith Mahamontri Director In 1988	69	Bachelor of Science, Chulalongkorn University Thai Institute of Directors Association - Director Accreditation Program (DAP) 3/2003 - Director Certification Program (DCP) 68/2005	0.02	-	2010 - Present	<b>Listed Company</b> Director  <b>None-listed Company</b>	Saha Cogen (Chonburi) Public Company Limited 2 Companies
6. Mr. Wasin Teyateeti Independent Director and Audit Committee April 28, 1997	66	Bachelor of Accountancy Chulalongkorn University Thai Institute of Directors Association - Director Accreditation Program (DAP) 3/2003	0.005	-	2010 - Present	<b>Listed Company</b> Vice Chairman  <b>None-listed Company</b>	Far East DDB Public Company Limited. 7 Companies
7. Mr.Khachornsakdi Vanaratseath Independent Director and Audit Committee April 22, 1996	67	Master Degree of Accountancy , Western Illinois University, U.S.A. Granduate Diploma in Auditing, Chulalongkorn University B.Sc. Accountancy, Chulalongkorn University Thai Institute of Directors Association - Director Accreditation Program (DAP) 3/2003	-	-	2010 - Present	<b>Listed Company</b> Independent Director and Chairman of Audit Committee  <b>None-listed Company</b>	S & J International Enterprises Public Company Limited Far East DDB Public Company Limited 4 Companies
8. Mr. Surindr Vadhanasiripong Independent Director and Audit Committee April 26, 1999	69	Bachelor of Laws Thammasat University Thai Institute of Directors Association - Director Accreditation Program (DAP) 3/2003 - Director Certification Program (DCP) 68/2005	0.004	-	2010 -Present	<b>Listed Company</b> Independent Director and Audit Committee  <b>None-listed Company</b>	Saha Pathanapibul Public Company Limited -None-

Name / Position Assumed Position	Age	Education	Shares hold (%)	Family Relationship between directors	Past 5 years experiences		
					Period	Position	Company Name
9. Mr. Sujarit Patchimnun Director April 23, 2007	69	Master of Arts in Political Science, Thammasat University Bachelor of Arts in Political Science, Thammasat University Thai Institute of Directors Association - Director Accreditation Program (DAP) 41/2005	-	-	2010 - Present  2011 - Present	<b>Listed Company</b> Director / Executive Director  Independent Director and Chairman of Audit Committee <b>None-listed Company</b>	Saha Cogen (Chonburi) Public Company Limited Pan Asia Footwear Public Company Limited 3 Companies
10. Mr.Vathit Chokwatana Vice President and Executive Director June 19, 2008	50	Master of Business Administration, Assumption University, Bangkok, Thailand Bachelor of Electronic Engineer, San Francisco State University, California, U.S.A. Thai Institute of Directors Association - Director Accreditation Program (DAP) 75/2008	0.11	-	2011 - Present  2012 - Present	<b>Listed Company</b> Manager of Marketing Division 2 Director <b>None-listed Company</b>	Saha Pathanapibul Public Company Limited Thai President Foods Public Company Limited 14 Companies
11. Mrs. Pasook Raksawonkse Senior Vice President and Chairman of Risk Management Committee May 19, 2005	60	Master of Business Administration, Nida Thai Institute of Directors Association - Director Accreditation Program (DAP) 75/2008	0.02	-	2010 - Present	<b>Listed Company</b> Manager of Marketing Research Division and Product Division 3 <b>None-listed Company</b>	Saha Pathanapibul Public Company Limited 5 Companies

Name / Position Assumed Position	Age	Education	Shares hold (%)	Family Relationship between directors	Past 5 years experiences		
					Period	Position	Company Name
12. POL.MAJ.GEN Panurat Meepien Independent Director and Chairman of Audit Committee April 27, 2009	67	Master of Public Affairs, U.S.A. Bachelor of Political Science, Chiang Mai University Thai Institute of Directors Association - Director Accreditation Program (DAP) 77/2009	-	-	2011 - present	<b>Listed Company</b> Independent Director and Audit Committee <b>None-listed Company</b>	Pan Asia Footwear Public Company Limited - Company
13. Mr.Kenjiro Kobayashi Director February 18, 2010	52	Bachelor of Law , Keio University, Japan	-	-	2010 - Present	<b>Listed Company</b> Director <b>None-listed Company</b>	Saha Pathanapibul Public Company Limited 1 Company
14. Mr.Petch Paniangvait Director April 26, 2012	40	MBA International Business, University of Sydney, Australia Thai Institute of Directors Association - Director Accreditation Program (DAP) 99/2012	0.09	-	2012 – May 9, 2014  2013 - Present	<b>Listed Company</b> Executive Director  Business Development Manager <b>None-listed Company</b>	Saha Pathanapibul Public Company Limited Thai President Foods Public Company Limited 2 Company

Name / Position Assumed Position	Age	Education	Shares hold (%)	Family Relationship between directors	Past 5 years experiences		
					Period	Position	Company Name
15. Mr. Wanchai Umpungart Independent Director April 22, 2013	67	Master of Management Sasin Graduate Institute of Business Administration of Chulalongkorn University Faculty of Commerce and Accountancy, Chulalongkorn University Mini MBA Thammasart University (No.4) and Business Relations, The Government Public Relations Department Thai Institute of Directors Association - Director Accreditation Program (DAP) 35/2005 - Director Certification Program (DCP)102/2008	-	-	2010 - Present	<b>Listed Company</b> Independent Director	Muramoto Electron (Thailand)
					2010 - Present	and Audit Committee/ Chairman, Independent Director and Chairman of Audit Committee	Public Company Limited Lohakit Metal Public Company Limited
					2010-April 22,2013	Independent Director and Chairman of Audit Committee	Saha Pathana Inter-Holding Public Company Limited
					2010 – 23 April 2013	Independent Director and Audit Committee	Thanulux Public Company Limited
					April 23, 2013-Present	Audit Committee <b>None-listed Company</b>	O.C.C. Public Company Limited 1 Companies
16. Mrs. Siriporn Lekayavijitr Executive Director and The Company Secretary May 10, 2005	65	Bachelor of Accountancy,Thammasat University Seminar Corporate Secretary Development Program Faculty of Accountancy Chulalongkorn University Seminar Board Reporting Thai Institute of Directors Association (IOD) Seminar Internal Audit Thailand Management Association	0.05	-	2010-Present	<b>Listed Company</b> Secretary of The Board of Director Secretary of The Audit Committee <b>None-listed Company</b>	Saha Pathanapibul Public Company Limited 4 Companies

Name / Position Assumed Position	Age	Education	Shares hold (%)	Family Relationship between directors	Past 5 years experiences		
					Period	Position	Company Name
17. Mr. Pipat Kowsupamongkol Executive Director May 10, 2005	61	Bachelor of Science, Kasetsart University	0.03	-	2009 – June 2013 July 2013 - Present	<b>Listed Company</b> Development Division Manager Consultant  <b>None-listed Company</b>	Saha Pathanapibul Public Company Limited Saha Pathanapibul Public Company Limited - Company
18. Mr. Chalernpol Kumnerdsirikul Executive Director and Manager of Accounting and Finance May 14, 2010	57	Bachelor of Accountancy, Krirk University	0.09	-	2010 -August 2011 Sep 2011- Present	<b>Listed Company</b> Assistant Manager of Accounting and Finance Manager of Accounting and Finance <b>None-listed Company</b>	Saha Pathanapibul Public Company Limited Saha Pathanapibul Public Company Limited 6 Companies
19. Mrs. Chailada Tantivejakul Executive Director and Assistant Manager of Product Division 2 May 13, 2011	38	Master's Degree in International Commerce and Policy, George Mason University, U.S.A. - Director Accreditation Program (DAP) 55/2006	0.36	2	2010 - 2013 Sep 2013 - Present	<b>Listed Company</b> Director Managing Director <b>None-listed Company</b>	Far East DDB Public Company Limited. Far East DDB Public Company Limited. 7 Companies

Name / Position Assumed Position	Age	Education	Shares hold (%)	Family Relationship between directors	Past 5 years experiences		
					Period	Position	Company Name
20. Mr. Sompon Sivaprinayavong Executive Director and Human Resource Division Manager May 11, 2011	58	Master of Public Administration, NIDA	0.02	-	2010 – August 2011	<b>Listed Company</b> Assistant Manager of Human Resource Division Manager	Saha Pathanapibul Public Company Limited
					Sep 2011- Present	Human Resource Division Manager <b>None-listed Company</b>	Saha Pathanapibul Public Company Limited 1 Company
21. Mr. Udomsak Sopanakij Executive Director , Vice President Finance and Investment Manager and International Business Manager June 1, 2013 (Pass away on December 7. 2014)	44	Doctorate in Organizational development Assumption University Master of Business Administration in Finance University of Texas, U.S.A. Bachelor of Business Administration in Marketing , University of Mary Hart Edinburgh Dealer , U.S.A. Thai Institute of Directors Association - Director Certification Program (DCP)110/2008	0.09	-	2011 – May 2013	<b>Listed Company</b> Consultant	Saha Pathanapibul Public Company Limited
					June 2013 – Dec 2014	Finance and Investment Manager and International Business Manager <b>None-listed Company</b>	Saha Pathanapibul Public Company Limited 3 Company

Name / Position Assumed Position	Age	Education	Shares hold (%)	Family Relationship between directors	Past 5 years experiences		
					Period	Position	Company Name
22. Mr.Vora Punkamol Executive Director , Manager of Sales Division 1 May 9, 2013	56	Mini MBA. Economics and Management Chulalongkorn University	0.01	-	2011 - Present	<b>Listed Company</b> Manager of Sale Division 1 <b>None-listed Company</b>	Saha Pathanapibul Public Company Limited - Company
23. Mr.Punnavee Sookyen Executive Director , Assistant Manager of Sales Division 2 May 12, 2014	47	Master of Business Administration in Marketing Thames Valley University	0.004	-	2011 – May 2014 May 2014-Present	<b>Listed Company</b> Assistant Manager of Sales Division 2 Manager of Sales Division 2 <b>None-listed Company</b>	Saha Pathanapibul Public Company Limited Saha Pathanapibul Public Company Limited - Company
24. Mr.Parinya Sithidumrong Manager of Product Division 1 May 1, 2008	53	Bachelor Degree in Business Administration Srinakharinwirot University	-	-	2010 - Present	<b>Listed Company</b> Manager of Product Division 1 <b>None-listed Company</b>	Saha Pathanapibul Public Company Limited - Company

## Selection of the Company's Directors

The Board of Directors screens qualified individuals for nomination to fill vacant posts for subsequent proposal to the shareholders meeting, with the exception of the case where the post became regulations. In the case where the post is that of an independent director, the nominated individual must possess all qualifications required by the Equity Market Committee.

It is also important to note that minor shareholders also have the right to nominate individuals to be elected as directors. At the shareholders annual general meeting in accordance with the prescribed criteria which can be viewed on the company web site at [www.sahapat.co.th](http://www.sahapat.co.th)

**Composition and Election:** according to the Articles of Association, Chapter 3 'The Board of Directors', No.18 and Charter, the shareholders meeting determine the number of desired director but not fewer than five. The individuals to be appointed as directors must not have prohibited characteristics as specified by the law or company regulations, or must not be described as inappropriate or untrustworthy to manage a business the shares of which are held by the public, as per regulations specified by the Securities and Exchange Committee. At least half of all directors must reside in the Kingdom of Thailand. The number of independent directors and Audit Committee must be in accordance with the announcement of the Capital Market Supervisory Board.

### Directorial Election Procedure

According to the Article of Association Chapter 3, 'The Board of Directors' No.20, the shareholders meeting is to elect directors in accordance with the following criteria and procedure :

- (1) A shareholder shall have one vote for one share.
- (2) Each shareholder must exercise all of the votes he or she has under 1, to elect one or several persons to be a director or directors and must not allot his or her votes to any person in any number.
- (3) The persons having the highest number of votes to the lower number of votes in order shall be elected as the directors equal to the number of directors to be elected by the Shareholders' Meeting in such election. In case where the number of votes for the candidate in descending order are equal which would otherwise cause the number of directors to be elected by the Shareholders' Meeting to be exceeded in such election, the Chairman shall have a casting vote.

### Directorial Term of Service

#### (A) Term Completion Retirement

In accordance with Articles of Association Chapter 3 'The Board of Directors' No. 21 and the Company Charter, one-third of the directors have to retire from the post at each annual general meeting. In the case where the number of directors cannot be divided by three, the number of directors to retire is to be closest to one-third. During the first two years after the company's registration, a lottery draw needs to be cast among company directors to identify the one-third directors who have to retire at each annual general meeting. After the first two years, the lottery draw is no longer needed as the longest-serving directors are asked to retire. Directors who retire from the post may be re-elected.

#### (B) Non-Term Completion Retirement

1. In accordance with Articles of Association Chapter 3 'The Board of Directors' No. 22 and Charter, directors are to be retired from the post (in a case other than completion of term) under the following circumstances :

- 1.1 Death
- 1.2 Resignation
- 1.3 Lack of required qualifications or having a prohibited character as specified by the law or company regulations
- 1.4 Being described as inappropriate or untrustworthy to manage a business the shares of which are held by the public, as per regulations specified by the Securities and Exchange Commission
- 1.5 Removal from office at the resolution of the shareholders meeting
- 1.6 Removal by court order

Once a post of director becomes vacant due to a reason other than completion of term, and that the remaining term is longer than two months, the Board of Directors is to select a qualified individual who is free of any prohibited characteristics as a replacement at the next Board of Directors meeting. The replacement member is to serve for only the remaining term of the director whom he/she replaces.

2. According to Articles of Association Chapter 3 'The Board of Directors' No. 25 the shareholders meeting may pass a resolution removing any director prematurely with at least three-fourths of the votes of present and eligible shareholders who have in total the number of shares of at least half of the shares held by present and eligible shareholders.

The Company has not fixed the maximum amount of director term as we believe that the ability to manage business and the expertise of each director are not dependent upon their age. Directors can remain in office for as long as they are committed to their duties as company directors and trusted by the Board of Directors and the shareholders. Ultimately, it is the authority of shareholders to elect individuals as directors to establish policies and act on their behalf.

## Remuneration for the Board of Directors

The remuneration of Directors consideration on evaluation of Board of Directors operation, Company's operation result, the amount approved by the General Meeting of Shareholders, the amount paid for past year and comparison with the level in same business group including power, duties and responsibilities. To the Board of directors meeting for consideration and to the shareholders meeting for approval.

### • Monetary Remuneration in the year 2014

The 63<sup>rd</sup> annual general meeting of shareholders on April 21, 2014 has determined that the total remuneration amount for directors will remain to be not exceeding 12 million baht per year as before, until further changes. This is not inclusive of remuneration or welfare to which the directors are entitled to in the capacity as a staff member or an employee of the company.

#### 1. For Acting As Directors

- Meeting attendance fee (paid to attending directors only)

Chairman	12,000 Baht/ meeting
Director	10,000 Baht/ meeting

- Annual Remuneration is paid to all directors and allocate by the Board of Directors.

#### 2. For Acting As Audit Committee,

- Meeting attendance fee is paid by quarter.

Chairman of the Audit Committee	60,000 Baht/ meeting
Audit Committee	30,000 Baht/ meeting

#### 3. For Acting As Risk Management Committee

- Meeting attendance fee (paid to attending directors only)

Chairman	4,000 Baht/ meeting
Committee	3,000 Baht/ meeting

The rates are to be used from the General Meeting of Shareholders approval until further changes, the remuneration payment will not exceed the amount which approved by the General Meeting of Shareholders.

Grand total of 9,518,000 Baht was paid in 2014.

- The Remuneration for The Board of Directors in the year 2014  
(Director Allowance and Director Compensation) are as follow :

Name		Remuneration (Baht)			
		Board Of Directors	Audit Committee	Risk Management Committee	Total
1. Mr. Boonsithi	Chokwatana	844,000			844,000
2. Mr. Boonchai	Chokwatana	1,056,000			1,056,000
3. Mr. Boonpakorn	Chokvathana	530,000			530,000
4. Mr. Somsakdi	Dhanasarnsilp	470,000			470,000
5. Mr. Boonyarith	Mahamontri	530,000			530,000
6. Mr. Khachornsakdi	Vanaratseath	510,000	120,000		630,000
7. Mr. Wasin	Teyateeti	520,000	180,000		700,000
8. Mr. Surindr	Vadhanasiriphongs	530,000	120,000		650,000
9. Mr. Sujarit	Patchimnun	520,000			520,000
10. Mr. Vathit	Chokwatana	730,000			730,000
11. Mrs.Pasook	Raksawonkse	730,000		48,000	778,000
12.POL.MAJ.GEN.Panurat	Meepian	530,000	180,000		710,000
13. Mr. Kenjiro	Kobayachi	410,000			410,000
14. Mr. Petch	Paniangvait	430,000			430,000
15. Mr. Wanchai	Umpungtart	530,000			530,000
<b>Total</b>		<b>8,870,000</b>	<b>600,000</b>	<b>48,000</b>	<b>9,518,000</b>

- Remuneration for Executive Board and Executives total 14 persons 64,580,040 Baht
- Provident Funds for the Executive Board and Executives total 2,400,960 Baht

## Other remuneration of executive

The company has arranged the sale of capital increase common stock to executive officers and employees according to ESOP, which is the resolution of the General Meeting of Shareholders No. 62<sup>nd</sup> on April 22, 2013. For purposed as a moral reward for high-performing executive officers and employees. The duration of the project since June 1, 2013 - May 31, 2015, to allot new 11,578,097 common stocks with a par value of Baht 1 each, at the price of Baht 15 each. None of the management and staff had been allocated any shares  $\geq 5\%$  amount number of shares offered for sale. The agreement between the company and employees to subscribe for ordinary shares and have been allotment of shares under the ESOP will be prohibited from selling shares to be allotted in each tranche into 2 year (Lock-up Period) from the date of the acquisition of shares.

In 2013, the executive officers and employees are eligible for a total of 208 persons, number of shares 4,957,900 shares ,remain common stock 6,620,197 shares.

In 2014, Company offered for sales of capital increase common stock of the Company to executive officers and employees of the company (ESOP). The number of shares outstanding by the stock offering 6,620,197 shares, sale 2 times during June 9-11, 2014 and October 13-15, 2014 the executive officers and employees used the right to purchase common stock 173 persons, number of shares 4,385,400 shares. And the Stock Exchange of Thailand approved shares to be traded successfully on June 25, 2014 and October 27, 2014 respectively.

## Corporate Governance

The Board of Directors is confident that a proper, transparent and accountable governance system is in place along with checks and balances and an internal control system that is sufficient and appropriate. At the same time strengthen the management and all employees have a moral, having integrity, intelligence sharing and operational. And support the economic, political, cultural and social changes. Alongside these mechanisms are due respect for the rights and equality of shareholders and accountability to all stakeholders. These key factors contribute to the enhancement of the organization's immunity and promotion of a balanced and sustainable growth.

In order to adhere to the principles of good corporate governance for listed companies in 2012, and in accordance with the guidelines of the ASEAN corporate governance scorecard Company's Principles of Corporate Governance (First edition). The principle was approved by the Board of Directors No.9 (Board 20) on January 16, 2014 which came into force as of 15 January 2014 to replace the previous edition approved by Board of Directors Meeting No.7 (Board 9) on November 21, 2002. It is also made available on website at [www.sahapat.co.th](http://www.sahapat.co.th). Good Corporate Governance is as follows.

1. Corporate Governance Policies
2. Corporate Governance Principles are divided into 5 chapters
3. Business Ethics
4. Code of Conduct for Company Directors, Executive Officers and Employees

### Corporate Governance Policies

The Board of Directors thereby prescribed the following corporate governance policies as a practice guideline for the Company directors, Executive Officers and all employees.

1. Company Directors, Executive Officers and all employees are fully committed to the application of corporate governance principles, business ethics and Codes of Conduct for Company Directors, Executive Officers and employees to Company operations.
2. Company Directors, Executive Officers and all employees must perform their duties responsibly, prudently, earnestly and honestly in accordance with the relevant laws, Company Articles and Notifications.
3. Actions shall be taken to ensure that the Company management structure contains clear prescriptions of powers, duties and responsibilities of each Company Committee and Executive Officer.
4. An internal control system shall be installed and risks management shall be managed at suitable levels, including an accounting system and financial statement which are accurate and reliable.
5. Information shall be disclosed in a sufficient, reliable and timely matter to the extent that the legitimate interests of the Company are not prejudiced.
6. The ownership rights of shareholders shall be appreciated and respected. Shareholders shall be treated equitably.
7. Undertakings shall have regard to the responsibilities of shareholders, stakeholders, communities, society and the environment.
8. There shall be a determination to strive towards business excellence with commitment to the creation of customer satisfaction by receiving comments and self-assessments in order to enhance management capabilities and continually promote productive creativity.
9. Virtue, ethics and good values shall be instilled. Employees shall be treated fairly with a commitment to develop and enhance the capabilities of personnel.
10. Dishonest conduct, corruption and intellectual property violations shall be suppressed. Laws and human rights shall be respected.
11. Conflict of interests shall be dealt with prudently and reasonably with due regard for the Company's interests.

## Corporate Governance principles are comprises 5 chapters

### 1. Rights of Shareholders

1.1 The Company appreciates and respects the ownership rights of shareholders. Do not take any other action to violate or infringe the rights of shareholders. The interests of shareholders are fairly safeguarded and the exercise of rights by all shareholder groups are supported and promoted, whether domestic or foreign, major shareholders, minority shareholders or institutional shareholders, incorporating both the fundamental rights of shareholders, access rights to information in a sufficient and timely manner, and the right to attend shareholders' meetings to determine directions for operations and decisions on matters having a significant impact on the Company.

1.2 The Board of Directors provides opportunities for shareholders to propose items to be included in the meeting agenda and submit questions prior to the shareholders' meeting day. Rules for the proposal of agenda item and advance submission of questions have been published in the Company website.

1.3 The Board of Directors ensures that information pertaining to the date, time, venue and agenda of the meeting are provided together with explanations and reasons supporting each agenda in the notice of the general meeting of shareholders. The shareholders' meeting venue shall be conveniently accessible

1.4 The Board of Directors has granted shareholders with the authority to approve the remunerations of Company Directors on a yearly basis.

1.5 The Board of Directors promotes the use of technology in shareholders' meetings in order to promote accuracy and speed. Votes are taken for each item on the agenda. Shareholders are given the right to elect Company Directors individually and ballot papers are used and independent overseers of the vote count are engaged.

1.6 The Board of Directors publishes shareholders' meeting resolutions along with the voting results for each agenda on the Company website on the next business day.

1.7 The Board of Directors prepares minutes of the shareholders' meeting. The minutes provide an explanation of voting procedures, list of Company Directors, members of Company Committees, and Executive Officers present and absent from the meeting, the voting results in each agenda together with questions and answers. Items which have not been specified in the meeting notice are not added to the agenda. The minutes are published on the Company website.

In addition to the basic rights, the Board of Directors takes into account the statutory rights of shareholders and engages; ensures that their rights are not violated or subjugated; and, facilitates the exercise of their rights as follows

- **The Right to be informed:** All shareholders have an equal right to be informed Therefore, information is made available to shareholders in English and in Thai via the Stock Exchange of Thailand and our website at [www.sahapat.co.th](http://www.sahapat.co.th) This is to ensure that the shareholders are well informed of matters such as operational results, related transactions, significant sales and purchases of assets, names of ten major shareholders as of registration book closing date for the purpose of an annual general meeting, shareholder meeting minutes within 14 days after the meeting, and other information necessary for their decision making.

- **The Right to attend the shareholder meeting:** The Company make arrangements for the shareholders general meeting annually within four months from the last day of an accounting year. The date, time, venue and format chosen must not be an obstacle for the participation by the shareholders. This is so in order to ensure that the shareholders are able to monitor the performance of the Company. To avoid confusion, the venue for this meeting is permanently set for Montien Riverside Hotel at 372 Rama III Road, Bangkloe, Bangkoleaem, Bangkok In the year 2014, the 63<sup>rd</sup> shareholder general meeting was held on Monday April 21, 2014.

### Before the Shareholders' meeting day

- Minority shareholders were given the opportunity to suggest agendas and/or nominate candidates for the directorial election at the 2014 Annual General Meeting of Shareholders' from December 1 to 30, 2013. The result was that there were no suggested agendas and/or nominated candidates, propose by shareholders.

- The Company have publicized the resolution of the Board of Directors Meeting No.11 (Board 20) on March 13, 2014 convening the 63<sup>rd</sup> General Meeting of Shareholders on April 21, 2014. Meeting agendas in both Thai and English, were made available via the information system of the Stock Exchange of Thailand and via the Company's website at [www.sahapat.co.th](http://www.sahapat.co.th) for the information of the shareholders five weeks prior to the meeting date.

- The Company provides information, date, time, venue and agenda in the notice of meeting, the facts and reasons including the Board of Directors in every rotation. The Company has provided notice of the meeting on March 20, 2014 along with all relevant documents containing the same information as that on the Company's website, in both Thai and English, 30 days before the meeting for the shareholders' perusal.

- The Company has delivered a notice of meeting, along with other relevant documents, such as the annual report, the proxy form B, profiles of director candidates, profiles of audit committee that the company nominated the name as the designed persons for the shareholders' appointing as their proxies, the meeting venue map, the explanation of documents, the list of evidence which the shareholders need to present for an attendance, the company regulations on shareholder meetings, and the meeting attendance procedure, by assigned the Thailand Securities Depository Center Co., Ltd., the share registrar of the company to deliver the documents to the shareholders 14 days before the meeting. As well, an announcement was published in a newspaper 3 days before the meeting, for 12 consecutive days from April 9 to 11, 2014.

Additionally, the shareholders could download the proxy form conforming to the Ministry of Commerce from our website at [www.sahapat.co.th](http://www.sahapat.co.th) where Type A, Type B and Type C proxy forms are available.

- In the case of foreign or institutional shareholders, English translation is provided with the Thai original of meeting notice and supporting documents in order to encourage all shareholders and institutional shareholders to take part.

In 2014, Two foreign shareholders have assigned a person to attend the meeting on their behalf while one institutional investor have assigned the Chairman of the Audit Committee to attend the meeting.

### On the meeting day

- The Company has adopted the technology used in the Annual General Meeting to achieve accuracy. We have made attendance and voting as convenient as possible for the shareholders. The date, time and venue were carefully chosen.

- shareholders can register their attendance in advance in as short a time as 2 hours before the meeting. Those arriving after the commencement of the meeting could still cast their vote on remaining agendas and were accounted for as part of the quorum from the agenda on which they first voted.

- An adequate number of staff was on hand to render assistance and a barcode system was employed to facilitate quick registration and to ensure validity of voting, including an independent person to monitor the vote count.

- Shareholders who were unable to attend the meeting could assign an individual or a member of the audit committee, who is an independent director, to attend the meeting on their behalf and to protect their rights.

Realizing the significance of shareholder meetings, the Board of Directors has made it a duty of all directors to attend the meeting, with the exception of the case where they are ill or pre-occupied by other important matter. A total of fourteen directors attended the 63<sup>rd</sup> annual general meeting of shareholders on April 21, 2014. Two directors was absent. Additionally, The Executives Director, Finance and Accounting Division Manager and the company auditor served as witnesses for the voting and attended the meeting to answer relevant questions of the shareholders. The names of the Board of Directors and executives attend to the shareholders meeting have shown in the Minutes of the shareholders on website at [www.sahapat.co.th](http://www.sahapat.co.th)

Shareholder meetings allow shareholders to exercise their rights, to be informed of operational results and dividends, the shareholders approve the remuneration and the annual election of directors, including individually, as well as, to review and vote on matters as specified by the laws and the company's regulation.

At the time of the meeting, the Company's Secretary would report the number of attending shareholders and their collective shareholding ratio. The Chairman of the Board of Directors, serving as the chairman of the meeting, would then declare the meeting open and explain the rules used at the meeting, as well as, the voting procedure, and lead the meeting to cover all specified agendas in an appropriate sequence. There would be no addition of new agendas or change of key information without prior notice to the shareholders. Adequate time would be allocated for the presentation of issues concerning each agenda. Shareholders are welcome to ask questions and give opinions freely on all agenda, the Board of Directors would provide a clear and concise response to the issue raised. Votes for each agenda are cast using the barcode system and the auditor would serve as the witness to the tally.

### Usual format of important agendas at shareholder meetings

**1. Appointment of director :** The Company have provided shareholders the opportunity to nominate for the directorial election at the 2014 Annual General Meeting of Shareholder, there was not any proposal. Shareholders can exercise their right to elect individual directors. Candidate profiles are provided to inform shareholders of the candidates' preliminary information, name, education, positions in other corporations and whether or not such corporations' businesses are of the same nature, or competitive to the company's business, the category of directors being nominated, In the case where the candidate is a serving director, information will be provided on his/her meeting attendance in the previous year, the number of year(s) he/she has served in a directorial capacity. The candidates are screened by the Board of Directors.

**2. Directors' remuneration :** Remuneration is proposed to the shareholder meeting for their approval on an annual basis. The amount is determined by the Board of Directors, as no remuneration committee has been appointed. The amount of remuneration paid in actual amount paid, method of payment and summary of amount paid to each individual on the Board of Directors, the Audit Committee are indicated in the 56-1 Form and in the annual report (56-2 Form).

**3. Appointment of auditors and determination of auditor's fees :** Information made available of the auditors are their name, the name of their audit company, their autonomy, the number of years they have served the company, the reason for auditors change, the comparison of auditor's fees in the present year and in the earlier year, and, other service charges imposed by the audit company where the auditor is employed. The audit committee reviews the appointment of auditors and the determination of auditor's fee before proposing the matter to the shareholders assembly for their approval.

**4. Dividend payment :** Information made available on this matter are dividend payment policy, the actual amount paid compared to that suggested by the policy, and, the comparison of dividends paid in the present year and previous year.

### After the meeting day

- Upon completion of the Annual General Meeting, The Company discloses to the public to shareholders and approved the results of the vote on each agenda. Through the website of the Stock Exchange of Thailand [www.set.or.th](http://www.set.or.th) and distributed through the company website [www.sahapat.co.th](http://www.sahapat.co.th) on the next business day.
- Detailed of Annual general meeting of shareholder minutes would be prepared, indicating the names of present and absent directors, the reason for their absence, sub-committee, top executive of accounting and finance, auditor and representative of the auditor office, important explanations and summary of questions and responses or opinions. The particulars of each agenda are noted as they were stated at the meeting. The numbers of 'for', 'against' and 'null' votes on each agenda are also summarized. The minutes are reviewed by the Legal Department and the Chairman of the Board of Director before the latter endorses it in the capacity as the chairman of the assembly, and, subsequently submitted to the Stock Exchange of Thailand and the Securities and Exchange Commission. The minutes are also made available on our website [www.sahapat.co.th](http://www.sahapat.co.th) in both Thai and English, within 14 days in order that shareholders may not have to wait until the next meeting to obtain the information. A copy of the minutes is submitted to the Ministry of Commerce within the timeframe specified by law.

## 2. Treating shareholders with equality and fairness

The company places great importance on treating shareholders with equality and fairness, and this fairly treatment can be detailed as follows.

**2.1 Every shareholder has the right and equality** The same type of share has equal voting rights. Per one share, one vote and there is only being type of share which is ordinary share.

### 2.2 Shareholders meetings

(1) Shareholders of foreign nationalities are sent an English version of the meeting notice, supporting documents and meeting minutes, along with the Thai version. These are also available on our website in both languages 30 days before the meeting date.

(2) We help shareholders who are unavailable attend in person for the meetings to exercise their voting rights by allowing them to assign an individual or an independent member of the audit committee as their proxy. In such case when a shareholder wishes to assign a member of the audit committee as their proxy, he or she may review the names, addresses and financial interests of each of the four members of the audit committee in the meeting notice. More information regarding the four members of the audit committee is available in the annual report enclosed with the meeting notice.

(3) Shareholders who are not able to participate in the meeting on their own may use the "B" proxy form, enclosed with the meeting notice. Documents and identification evidence required for the proxy process are described. Alternatively, shareholders can download the proxy forms A, B or C, which comply with the announcement of the Ministry of Commerce, from our website. (Proxy form C is used by foreign shareholders having appointed a custodian in Thailand as a depository of shares.) Postage stamps are provided at no cost for the convenience of shareholders who wish to assign a proxy. In the year 2014, we arranged for the 63<sup>rd</sup> annual shareholder general meeting to take place on Monday, April 21, 2014.

(4) We conduct the meetings in such a manner that the agendas are reviewed in the exact order as appearing in the notice. There is no inclusion of additional agendas or change of significant information without prior notice to the shareholders.

(5) Votes are cast openly. Ballots are handed out to the shareholders for each agenda. Only votes that are against and/or null are counted and then subtracted from the total number of votes present at the meeting. The remainder is considered favorable votes. As such, for each agenda, shareholders who wish to cast a vote against the motion or a null vote must raise their ballot. Given at the time of registration, the ballot bears the name of the person attending the meeting, the number of shares held or assigned, and, a barcode. Staff will ask the voters in question to sign it as evidence for later review.

(6) The barcode system used makes it possible to tally the votes and display the results on the screen instantly. Apart from the auditor who serves as the witness for the tally, all shareholders will be informed of the number of favorable, against and null votes.

**2.3 Proposal of agendas by minor shareholders** We have yet to establish procedures for minor shareholders to propose agendas, and/or to nominate candidates to be elected as directors at the General Meeting of Shareholder 2014 in advance, to propose the meeting agenda according to the principle of the company. Shareholders can send signed documents and various evidenced as supporting documents for the Board of Directors' consideration by registered mail to the Company's Secretary from December 1 - 30, 2013.

**2.4 Insider information usage control** Company policy to prevent the use of inside information, and measures to prevent inside information to the availability for yourself and others wrong fully. Insider information usage control is a responsibility directors, executives and staff have towards the company and shareholders. They must be individuals of integrity, accountability and moral consciousness. Under no circumstance should they exploit their authority for the benefit of themselves and/or others. All relevant employees must protect the interests and the assets of the company. They must not use information or assets of the company for the benefit of themselves and/or others nor should they engage in any action which assists any individual in business that competes with the company. Copies of these measures have been distributed to all directors, executives and staff for their observance. They are also available on the company website [www.sahapat.co.th](http://www.sahapat.co.th) under corporate governance, to guide the conduct of the business. And essentially take on the work.

The most serious disciplinary punishment established in the company regulation is the termination of employment. All directors, executives and staff are aware of this and act accordingly.

**2.5 Supervision of the company's security trading transaction and report of stockholding**

(1) A measure is in place to monitor how our shares are traded. Directors, executives and staff in possession of insider information are prohibited from selling or purchasing company stock within one month before disclosing the financial statements to the public. Additionally, directors and executives, as well as, their spouses and children who are not yet of juristic age are required to report their shareholding. Any transaction must be reported to the Securities and Exchange Commission, with a copy sent to the Company's Secretary for subsequent notification of the Board of Directors at the next meeting. Directors and executives are well aware that it is their duty to comply. The Company's Secretary will circulate a letter to all directors and executives of any change in this area, with relevant announcement of the Securities and Exchange Commission enclosed.

In 2014, all directors and executives have complied well with this policy. There was no transaction during the prohibited period.

(2) Measures are in place to required directors and executives to report the interests they have in the management of our businesses on the following occasions

(A) Upon first appointment to the directorial or executive position, Directors and Executives to report the interest they have in the interests report of Directors and executives.

(B) Upon the instance of change in interests, Directors and executives are required to submit their interests report to the Company's secretary.

(C) Company secretary who would in turn deliver a copy of interests report under Section 89/14 to the chairman of the Board of Directors and the chairman of the Audit committee within seven days from the day on which the report is received.

In 2014, all directors and executives have complied with the established criteria.

**2.6 Conflicts of interests handling** Conflicts of interests are handled cautiously and rationally with the greatest benefit to the company as the key concern. Determination of prices is in compliance with normal fair trade conditions, just like doing business with an outsider. Measures have been implemented to ensure transparency and compliance with the criteria of the Stock Exchange of Thailand. This is a part of good corporate governance and also made available on website [www.sahapat.co.th](http://www.sahapat.co.th) in the topic of conflict of interests under business ethics.

To ensure that all parties are equally well informed, disclosures are made of connected transactions in accordance with the Stock Exchange of Thailand Commission announcement on disclosure of information and action of listed companies pertaining to related transactions. Directors with potential interests in the matter being reviewed are required to leave the room and refrain from voting. This is to allow directors without interests to freely voice their opinions and cast their vote. The Company's Secretary would announce the name of directors who are required to leave the room for the agenda at hand. The names and relationship with connected person, the determination of prices under the transaction and the directors with differing opinion from that of the Board of Directors (if any) are reported to the Stock Exchange of Thailand within the specified timeframe. The information is posted on our website as well for the purpose of transparency and also recorded in the minutes for subsequent reviews.

Additionally, we have established general trading conditions with transactions between the company and directors, executives and relevant individuals. This is done annually at the first Board of Directors meeting after the Annual General Meeting of Shareholders so that new directors are informed of the matter. Such transactions are summarized on a quarterly basis and reported to the Board of Directors for their acknowledgement.

### 3. Rights of stakeholders

The Company recognizes and respects the rights of stakeholders groups, taking into account the rights under the law or agreements with the Company. To ensure that such rights are protected and treated fairly and equally. The policy is to guide the treatment of each group of stakeholders, commitment to social and environmental as well as public sector anti-corruption, the corrupt non-infringement of intellectual property including respect for human rights. We have prepared a written manual of business ethics and employee code of conduct. Copies of this annual have been distributed to all directors, executives and employees. It is also disclosed on our website at [www.sahapat.co.th](http://www.sahapat.co.th) in Good Corporate Governance.

#### Responsibilities to stakeholders

##### Shareholder

The company conducts with responsibility, honesty, careful to generate good returns to its shareholders continuously and sustainably. It's business honestly and transparently within the boundary of relevant laws and regulations. The company protects its interests and assets as a sensible person would do to his own assets. Operational results are regularly, truthfully and comprehensively reported. Insider information, confidential information or employee information is never to be used for any person own interest or any third party's interest in a fraudulent manner. Conflicts of interests are cautiously and rationally handled. Information is sufficiently disclosed. We are dedicated to grow and solidify our business while generating optimal returns for the shareholders and conduct to each of shareholders equally. To this end, a dividend payment policy was established.

In the year 2014, we have paid dividends from the operation in 2013 at the rate of 1.00 Baht per share on May 20, 2014. Total dividends paid account for 31.21% of net profit. This is greater than the specified minimum dividend of 0.15 Baht per share and contributes to the long-term financial wellbeing of our shareholders.

## Customers

Companies realize satisfied and confidence of our customers is the key which is leading to the achievement of sustainable companies. The following policies and guidelines have been prescribed in this regard

- Selection of quality products, safe for life and health of consumers with reasonable prices.
- No monopoly price moreover without the advertisements to be true.
- Operated in earnest, honest and fair values and no action is taken that would violate the rights of customers.

The confidentiality of customer trade secrets are maintained and not exploited for wrongful personal gains or for the gains of others.

- The Company does not demand, receive or consent to the direct or indirect receipt of properties or other dishonest benefits from customers.
- The Company quickly act upon any complaints from customers and treat everyone in an unbiased manner.
- Develop products and services to satisfy the requirements of our clients, and, consistently add value to our products and services.

## Trading partners

The Company treats its partners with regard to equality and mutual benefits. With practice partners on the basis of race, fair equality and mutual respect, relationships and a better understanding of each other, understanding relationships with them, payments or goods deliveries are made on time and without any selective treatment. We exchange knowledge with them which contributes to the creation of added values for the products and the services. Under no circumstance do we demand or accept other assets or benefits beyond those specified in the trading agreements.

## Trading competitors

The company operates under the provisions of law. By following the rules of competition, fair trade with regard to ethical business practices and competition law. Competitors and considered as part of the capacity building of the organization. The stability and strength does not damage the reputation of competitors.

## Creditors

The Company is committed to undertaking business operations in a principled and disciplined manner in order to build the trust of creditors by prescribing the following policies and guidelines.

1. All creditor groups shall be treated equitably and fairly.
2. Contracts and terms will be strictly adhered to.
3. Operations will be administered to ensure the confidence of creditors in the Company's financial standing and credit rating.
4. Financial standings shall be accurately and timely disclosed.
5. In the event of an inability to comply with a particular term, the creditor will be forthwith notified in advance in order to enable a joint solution for remedy and loss prevention.

In 2014, we have made payments to our creditors in accordance with the agreed credit term without any default.

### Employees

Employees are our most valuable assets and the force behind our success. As such, we treat them in accordance with the good corporate governance principle, with respect to their human and ethical rights, Employees are given the opportunity to exercise their potentials towards career advancement and security. Training is provided on a continuing basis to help them develop their professional skills knowledge and competency. The Company encourages employees to participate in the Company's business direction and development. All employees are entitled to equal professional achievement opportunities based on their potential, as well as, to appropriate compensation for their education, skills, responsibilities and performance. With regard to employees' safety towards life, health, and their properties, we have established a number of policies relating to working environment.

For the year 2014, number of employees are 1,475 persons, employees' can be divided as follow :

Line Function	Number of employees
Sales Department	768
Back-Office	707

We have paid a total compensation of Baht 507,994,785.41 in the forms of salary, subsidy and provident fund to our employees in 2014.

Employees are additional offered numerous welfare advantages as follows :

**Infirmary** : An infirmity facility is available to provide employees with preliminary medical treatment and healthcare by certified physicians and nurses and annual health check-up for the purpose of good health of the employees.

**Provident Fund** : We have established a provident fund program to help employees' saving for their future needs. Each employee is entitled to membership of the provident fund since the date such the employee passes the probationary period, of which the membership will start from the employee's enrollment date. The member has to contribute to the fund and receive contribution money payable by the Company, on monthly basis through the period of membership as follows:

Period of membership	Percentage of money saving/contribution
From starting date – up to 4 years	3
More than 4 years – up to 8 years	4
More than 8 years – up to 12 years	5
More than 12 years – up to 16 years	6
More than 16 years – up to 20 years	7
More than 20 years	8

**Retirement Annuity** : Upon retirement, employees will be paid a retirement annuity to be used in their post-retirement life.

**Saha Group Employee' s Saving and Credit Cooperative Limited ( SGS )** : for the promotion of savings, self reliance and mutual assistance as per the principle of co-operatives.

**Uniforms** : Company uniforms are provided to all employees for ordinariness.

## **Employee development policy**

A Performance Improvement Plan is one of the Company key policies, focusing on enhancing knowledge and skills, as well as developing the positive attitudes of employees, in order to attain the desired level of performance. The Company regards employees as a key development resource and strongly believes that the enhancement of employees' skills can help the Company achieve tangible results which will lead to the success of the Company.

The Company has implemented employee training programs which cover employees at all levels, helping them to improve their skills and professional qualifications for their future careers. Employees are also encouraged to become involved in the overall direction and operations of the Company by sharing their ideas. The developmental programs concentrate on improving and broadening skills, which employees can apply to practical situations and which can be assessed.

The Company places importance on continuously developing human resources through effective training programs. A MOP (Mission Objective Policy) seminar is organized yearly in October, to give the Company's executives, employees, and factory representatives an opportunity to share ideas and suggest better ways of operating the businesses. The outcome of this systematic brainstorming and creative thinking process is used in developing strategies and establishing means for assessment based on the results. Provides resource for employees at all levels to participate in training sessions both In-house training and Public training. For details on the training and development of personnel view of social responsibility how to treat workers fairly.

The Company takes ethics into account and strives to instill ethical behavior in employees' practice, work environment and social circles.

## **Community and Society**

The Company try to instill social awareness and responsibility towards society among our employees. This is done consistently through various activities and campaigns that benefit the communities. Impact of our operation on natural resources and the environment is also regarded as our primary concern. Company has policy and practices in ethical business practices to treat social community. Our social contribution activities in the year 2014 which can be viewed from Social Responsibility.

## **Environment**

The company operates in accordance with legal, regulatory and policy environment. With regard to the impact on natural resources, environment and corporate culture and create awareness for employees to use resources efficiently efficient and sustainable.

## **Government**

The company operates in accordance with government regulations. Educated understanding of the law relating to the operation and did not take any action, act contrary to law.

## **Non-infringement of Intellectual Property**

The Company pursues a policy of non-infringement of intellectual property by prescribing the following guidelines.

1. Business undertakings shall be consistent with laws, regulations and contractual obligations governing intellectual property rights.
2. Intellectual property works of the Company shall be maintained. Such intellectual properties shall not be used or allowed to be used by others without authorization.
3. The intellectual property rights of others shall be respected. The works of others shall not be infringed or applied to personal use except where a license has been obtained or a fee paid to the owner of the work.
4. Intellectual property of creative works produced by employees shall vest in the Company. Upon termination of employment, such intellectual property works must be returned to the Company regardless of the form which it is stored.

#### **Non-violation of Human Rights**

The Company respects human rights. In this regard, the following policies and guidelines have been prescribed.

1. There shall be no activities or support of activities which violate human rights.
2. Employees are provided with knowledge and understanding of human rights which are applied to work operations.
3. There are no limitations to independence or differences in ideology, gender, race, religion, politics or other matters. The expression of opinions which could cause conflicts or divisions should be avoided.
4. Channels shall be provided for employees or persons who believe that their personal rights have been violated or that they have been treated unfairly to file a complaint with the Company. Such complaints shall be given attention and processed fairly.

#### **Channels of Involvement for stakeholders**

Shareholders and stakeholders with concerns regarding any financial report, internal control system, possible violation of the laws or the code of ethics, are advised to contact the Company's Secretary at 0-2318-0062 Ext. 1200, or by facsimile at 0-2318-1152 or by e-mail at [invest@sahapat.co.th](mailto:invest@sahapat.co.th). The office of internal audit reports directly to the audit committee and can be reached at 0-2318-0062 Ext. 1440. Findings of the investigation will be reported to the Board of Directors while the identity of the informant will remain confidential. There was no complaint regarding this matter from shareholders and stakeholders in the year 2014.

#### **4. Disclosure of information and transparency**

The Company is dedicated to uncovering important information accurately, timely, transparent laws and regulations. The information reported in accordance with accounting periods, and information reported by in which affect the interests of the shareholders. Including disclosures made in accordance with the principles of good corporate governance. SET as long as it does not affect the legitimate interests of the company [www.sahapat.co.th](http://www.sahapat.co.th), the website of the Stock Exchange of Thailand [www.set.or.th](http://www.set.or.th) both in Thai and English and other channels, access to information equally thoroughly.

Inquiries from shareholders and investors are welcome. Please direct all inquiries to our contact person, Khun Siriporn Lekayavijitr, at 0-2318-0062 Ext. 1200, or by facsimile at 0-2318-1152 or by e-mail at [invest@sahapat.co.th](mailto:invest@sahapat.co.th).

All transactions with possible conflict of interests are reviewed by the audit committee. Directors with interests in such transactions are not allowed to attend the meeting or cast their vote in order to allow the Board of Directors and the executives to make just decisions for the benefit of the shareholders. Once a conclusion has been reached, it will be disclosed along with the value of transaction, the party to the transaction, and reasons and other details in accordance with the criteria of the Stock Exchange of Thailand. Summaries will be published in the annual report and the 56-1 Form.

With regard to monitoring, audit and balance mechanism, we have implemented a comprehensive internal control system covering the management, the operation and the finance of the company. An internal audit division evaluates the efficiency of internal control in accordance with the guideline established by the Board of Directors. This is a preventive measure to address problems at their root. Recommendations for improvement are given to ensure good corporate governance. Findings of the audit are reported directly to the audit committee.

## The Board of Directors' report

The Board of Directors is responsible for the reliability and the correctness of financial information upon which the shareholders and the investors base their decisions. The Board of Director's report covers the responsibilities of the Board of Directors over the company's financial reports, and is usually presented together with the auditors' report in the annual report and the 56-1 Form. The report is signed by the Chairman of the Board of Directors.

## Remuneration for company directors and executives

The remuneration for company directors and executives is detailed in terms of both form and amount. The amount paid to each director for their role as company director is disclosed in the annual report and the 56-1 Form.

## Report on Conflict of Interest of Company Directors and Executives

The Company has set a number of criteria governing how Company Directors and Executives must report on any interests they have upon initially becoming the Company Directors or Executives. Furthermore, any changes of interest must be sent to the Company's Secretary, who will submit a copy of this report to the Chairman of the Board of Directors as well as the Chairman of the Audit Committee. This must be done within 7 days of initially receiving such a report.

## Investor relations

The Board of Directors believe that it is important to keep all investors well informed of our operation. This involves constant update of financial information and information affecting the price of company stock, required by the investors for their timely decision. All investors and relevant parties are updated at the same time via the channels of the Stock Exchange of Thailand, and our website at [www.sahapat.co.th](http://www.sahapat.co.th).

In the year 2014, the Company and Listed Companies of Saha Group total 14 companies and the Stock Exchange of Thailand have jointly organized an event titled "Analysts and Investors Meet Saha Group" at the Queen Sirikit National Convention Center on Friday June 27, 2014. The event gave investors and members of the press to meet with Company Directors and Executives. The Company Director was present to deliver an overview of businesses, operation, the economic and industrial outlook and company operation, as well as other important updates. Investors and members of the press with a most complete update on the Company and Listed Companies of Saha Group.

Although there is presently no dedicated investor relations unit, the company have appointed professional personnel to assist shareholders and investors in this matter. The contact details are as follows:

Khun Siriporn Lekayavijitr  
Tel : 0-2318-0062 Ext. 1200  
Fax : 0-2318-1152  
E-mail: [invest@sahapat.co.th](mailto:invest@sahapat.co.th)

## Auditor Fees

### (1) Audit Fee

The Audit fee of the Company and subsidiaries paid audit fee to the office of the auditor for the fiscal year ended December 31, 2014 as follows

1. Saha Pathanapibul Plc.	1,235,000	Baht
2. Bangkok Tower (1999) Co., Ltd.	180,000	Baht
3. Chokchaipibul Co., Ltd.	210,000	Baht
4. Tipvarin-Watana Co., Ltd.	99,000	Baht
Total	<u>1,724,000</u>	Baht

### (2) Non-audit fee

Stock counting fee in the year 2014 paid was	13,723.56	Baht
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## 5. Responsibilities of the Board of Directors

### 5.1 The structure of the Board of Directors

The Board of Directors consists of individuals who have the knowledge and capability proven expertise from various fields and qualified according to law. At least one director is non-executive director who has experience in the Company's business undertaking and independent directors as announced by the Securities and Exchange Commission. All directors are committed to the duties entrusted by the Board of Directors and shareholders. They are free to voice opinions and approve matters for the best interest of the company.

#### Balance of authority

Presently, the Board of Directors comprises of 15 directors:

- 7 non-executive directors
- 4 Audit Committee/ independent directors
- 1 Independent director
- 3 Executive Directors

The Company has five independent directors which are complied with the criteria of the Securities and Exchange Commission that determine independent director must be a minimum one-third of the Board of Directors.

#### Roles, duties and responsibilities of the Board of Directors

Leadership and vision

The Board of Directors must be comprised does not exceed the number of five individuals. The required qualifications for each director are as follows:

- (1) An individual of juristic age
- (2) Must not be bankrupt, incompetent or quasi-incompetent
- (3) Must never be imprisoned by a final verdict in connection with a fraudulent act
- (4) Must never be handed punishment or removed from an organization or a government office, in connection with a fraudulent act

**5.2** The Board of Directors has prescribed a vision, quality policies and core value so that the executives officer and employees would strive towards the same goal, operated by the mission, goal, strategies, operational plans and the annual budget as necessary, taking into account the good corporate governance principles, in order to add value to the business and the shareholders.

The Board of Directors has required to report progress and the performance of the Management on a monthly basis at the Board of Directors meeting. In the case where any director has a transaction involving the company stock, a copy of the shareholding report filed to the Office of Securities and Exchange Commission must be submitted to the Company's Secretary for subsequent notification of the Board of Directors at the following meeting.

**5.3** The Board of Directors thereby prescribed corporate governance policy, business ethics and codes of conduct for Company Directors, Executive Officers and employees to ensure a harmonized approach, and as a practice guideline for the Company Directors, Executive Officers and all employees, and disclose in Company's website [www.sahapat.co.th](http://www.sahapat.co.th)

### 5.4 Combination or separation of positions

The Chairman of the Board of Directors and Chairman of the Executive Board be the same person. However, charter of all committees have been assigned authority and responsibility of the directors are clearly. As well as, the company's independent directors as of one-third of the Board of Directors, are qualified member, they are free to verify the balance of authority. The meeting of the Board of Director, directors can act freely in the meeting. Such as, in the case of matters that the Chairman has an interest in the president as CEO should not attend the meeting on such matter and the director who has no interest in acting the chairman of the meeting interim.

## 5.5 Directorial term

Directors serve the term specified under the company regulation. They may be re-elected upon the completion of a term.

The Company have not established requirements relating to the maximum age, the maximum number of companies for which the directors serve and has not fixed the maximum amount of director term. This is because we believe that the ability to manage business and the expertise of each director are not dependent upon their age or the number of companies for which they serve.

## 5.6 Number of companies for which the directors serve

Names of directors, their background, experience, shareholding and service as directorial position for other companies of each director are reported in the annual report and Appendix 1 of the 56-1 Form. One present directors are serving as directors for more than five other listed companies. However, we have reasons to believe that it does not affect their service to us. They have consistently dedicated their time achieving results for the company.

## 5.7 Sub-committee

The Board of Directors has appointed sub-committee to help assure shareholders of transparency and good corporate governance. Sub-committee reports directly to the Board of Directors, Sub-committee of the company include the executive committee, the audit committee and the risk management committee. Their authority and responsibilities are independent of each other, for the purpose of corporate governance.

Given the lack of a selection committee, the Board of Directors selects directors from qualified, visionary and ethical individuals of different professions. Duties and responsibilities of all committees are clearly defined by the Board of Directors. The Chairman of the Executive Board in the capacity of the head of the management, is appointed by the Board of Directors to oversee the conduct of business and the operation of the company in order to achieve the goals set and in accordance with the policies established by the Board of Directors.

### Company's Secretary

As a qualified and experienced individual, Khun Siriporn Lekayavijitr, an Executive Director is entrusted with the duty of the Company's Secretary to ensure efficient compliance with the good corporate governance principle.

The duties of this position are as follows:

1. To arrange and collecting document are as follows:

(A) Directors Register

(B) Notice of the Meeting of Directors, Resolution of the Board of Directors' Meeting and Annual Report

(C) Notice of the General Meeting of Shareholder and Minutes of the General Meeting Shareholders

2. To keep the report of conflict of interest

3. Perform other duties as required by the Capital Market Supervisory Board

4. Perform other duties as assigned by the Board of Director

5. Encourage the adherence to standards of good corporate governance, providing advice in this respect to the Board of Directors and Management the is relevant to the Company's related laws, rules, and regulations. Furthermore, this includes making note of any significant changes in the Board of Directors.

6. Take care of the activities of the Board of Directors. Act as a liaison between the Board of Directors and its Management. Coordinate to ensure the adherence to relevant laws or regulations, and perform any actions necessary to ensure proper compliance, Furthermore, the Company's Secretary shall monitor the Board of Directors' compliance with relevant resolutions.

7. Organize meetings for the Board of Directors as well as the Shareholders.

8. Ensure that disclosures of all necessary information are made as per relevant rules and regulations set forth by the Securities and Exchange Commission and the Stock Exchange of Thailand.

## 5.8 The Board of Directors' Meetings

The Board of Directors places great significance on its meetings, and meeting attendance is regarded as a principal duty for each director, so that the company's important matters can be decided upon. The Company usually pre-determines the dates and times of its monthly meetings throughout the year. The Company's Secretary sends out invitations to the meeting along with the agendas, the minutes of the previous meeting and relevant documents to the directors for their review ahead of the meeting, not less than five days prior to the meeting date. Directors are welcomed to propose additional agendas and give their opinions openly. Meeting minutes are prepared by the Company's Secretary, certified by the Board of Directors and kept for later review by the Board of Directors and relevant parties.

The Chairman of the Board of Directors acts as the chairman of the meeting. Directors and executives are allowed to give their opinions freely.

At the end of each meeting, the Company's Secretary is responsible for preparing the meeting minutes in writing, and having them endorsed by the Chairman of Board of Directors. The minutes are presented to the assembly for certification as the first agenda of the following meeting. Directors can give opinions and request amendments as necessary.

Certified meeting minutes are systematically kept at the office of the company in electronic form, together with documents supporting each agenda for ease of reference.

## 5.9 The performance self-assessment of the Board of Directors

The Board of Directors has assigned each company director to self-assess his or her own performance, as well as, the performance of the Board of Directors as a whole. Their valued opinions will be used to improve the performance of the Board of Directors. In 2014, the average score from the assessment is in the positive range.

## 5.10 Remuneration of company directors and executives

### • Remuneration of company directors

We do not presently have in place a remuneration sub-committee. The amount of remuneration is determined by the Board of Directors in accordance with the procedure established and proposed to shareholder meetings for their approval. This is based upon the performance of the company, the amount approved and the actual amount paid in the previous year. Remuneration is paid in the form of meeting allowance per attendance of each director and annual remuneration to all directors. Directors who are members of a sub-committee are also compensated for their duty as a member of subcommittee in the form of meeting allowance per attendance. The 63<sup>rd</sup> annual shareholders general meeting on April 21, 2014 has approved a total amount of 12 Million Baht in remuneration for directors per year. The actual amount paid was 9,518,000 Baht. Remuneration for each director is detailed in the annual report and the 56-1 Form.

### • Remuneration of company executives

Company executives are remunerated according to company policy and based on the company performance and their individual performance.

### • Development programs for company directors and executives

The company places great importance on helpful seminars and training programs that will help directors and executives to perform better in their positions. Selected company personnel attended the Director Accreditation Program (DAP) and the Director Certification Program (DCP) by the Thai Institute of Directors (IOD), as well as other mini courses which contribute to their performance of directorial duties. We will continue to enroll our directors in future IOD courses.

A director's handbook is prepared to help newly installed directors understand key information of the company, corporate governance policies, business ethics, code of ethics and regulations stipulated by the Securities and Exchange Commission. Our directors meet and exchange business views with high-level executives of leading Thai and overseas organizations on a regular basis.

#### 5.11 Control system and risk management system

The Board of Directors appreciates the importance of the control system in the operation, the finance and the governance. The authority to give approvals is assigned to staff of different levels, with an internal audit division in place to monitor the functioning of this system. This internal audit division is independent and with absolute check and balance capability. They can ensure compliance with the guideline established.

The internal audit division is required by the Board of Directors to report directly to the Audit Committee and the Chairman of the Executive Board. The Audit Committee is in charge of ensuring the suitability and the efficiency of the internal control system. Measures are in place to mitigate risks and these are reviewed regularly, based on warning signs and significant anomalies.

At the meeting of the Board of Directors No.11 (Board 21) held on February 26, 2014. Four of the Audit Committee attended. The Committee has made an assessment of the internal control by inquiring information from the management and the internal audit division and concluded that assessment on 5 areas of procedures have been ensured, i.e. Organizational Control and Environment, Risk Assessment, Control of the Management's Performance, Information and Communication System, Tracking System and Evaluation. The Committee opined that the Company has suitable internal control systems.

The Company's auditor, D I A International Audit Co.,Ltd who has examined the Company's financial statements in 2014, commented on the report of accounting and internal control systems that the examination of the Company's financial statements for the year ended 31 December 2014, in conformity with the generally accepted auditing standards, to opine that the financial statements present fairly the financial positions and results of operations in accordance with the generally certified accounting principles. The auditor has examined and evaluated the effectiveness of the Company's internal control in accounting for the outline of evaluation methods and timing of examination. The examination has led to opinion of financial statements, stating that there was no problem of the Company's internal control in accounting which will affect the financial statements as of December 31, 2014.

In summary, the Audit Committee and the Board of Directors agreed that the internal control system of the company is suitable and sufficient. The report of the Audit Committee and the report of accounting control system from the auditor can be found in the annual report and the 56-1 form.

## Social Responsibility

### Overall Policy

Our founder, Dr. Thiam Chokwatana, inspired the Sahapat Group of Companies to conduct its businesses in a fair and ethical manner in all of its dealings with partners, customers, employees, shareholders, and the Thai nation. Saha Pathanapibul Public Company Limited has made this vision our policy that we try to uphold every single day.

Throughout our history, the Company has always taken the responsibility to provide the utmost benefit to society and the Thai nation as a whole. Operations have been conducted with due regard to all of its duties and responsibilities, in an effort to improve society, as well as promote the rights and values that reflect social responsibility. They are detailed below:

### Vision

- We are and shall remain the leading distributor of fast moving consumer goods (FMCGs) in Thailand
- We are committed to matching the high quality of our clients' products with sound marketing and sales professionalism and strong business ethics.
- We are dedicated to contributing to the happiness and well-being of Thais
- We shall uphold these principles in our pursuit of growing globally in size and in reputation.

### Quality Policies

- Everyone at SAHAPAT works hand-in-hand to achieve the Company's objective and constantly
- We strive to develop innovative products that satisfy the needs of our valued customers.
- We are ever committed to creating business opportunities through expanding our distribution channels worldwide.
- Operating our business with ethics, good governance and corporate social responsibility.

### Core Values

- Social Responsibility
- Advancement
- Harmony
- Passion for Excellence
- Truthfulness

The Company's management and employees make socially responsible efforts at each level of the Company's operations, to promote sustainable development. The Company's activities are conducted to be beneficial to all stakeholders in our society, as well as for the environment.

### Execution and Reporting

The company has prepared a disclosure report. According to the social responsibility of business as the Stock Exchange of Thailand. Details of this disclosure are described in the following eight principles:

## 1 Fairness

The Company highly regards the importance of conducting its business operations according to the principles of Fair Competition, upholding ethical values to ensure equal and beneficial treatment of the Company's partners.

- Members of the Company's Supply Chain are screened to make sure they adhere to laws and regulations related to safety, occupational health and environmental standards. All business dealings are carried out in a way to uphold the principles of fairness, equality and mutual respect.
- Improving relationships and understanding of each other, knowledge sharing, development and add value to products and services to grow together.
- The acceptance or offering of bribes is expressly forbidden whether it is in the form of gifts or in other benefits.
- Not discredit in the Trading competitors
- All intellectual property rights of trade partners will be respected. The use of intellectual property rights of others for one's benefit can only be permitted after receiving expressed permission or if compensation for use is made.

## 2 Anti-Corruption Efforts

The Board of Directors of Saha Pathanapibul Public company Limited has approved the resolution to sign a Declaration of Intent of Collective Action Coalition Against Corruption enacted by Thai Private Sector on January 16, 2014. In order to be in compliance with the company's Corporate Governance as well as corroborate its aims and Corporate Social Responsibility as a whole. This Anti- corruption Policy is approved by the Board of Directors' Meeting No.11 (Board 21) on February 26, 2015 and effective of March 1, 2015. The company follows the policy relevant to laws countering corruption by prohibiting the company directors, executives and employees from accepting or supporting every type of corruption both in direct and indirect manner, which is written for exercising it as follows.

1. The company will not be a party to pay bribes. In case of charitable contributions, political contributions as well as offering gifts in a business manner, this must be transparent, explainable and audited.
2. Supporting enhancement of awareness and value for anti-corruption among the company directors, executives and employees to perform duties in accordance with relevant laws, notifications and regulations by preparing such manual for guidelines.
3. The company directors, executives and employees must not act as an intermediary in demanding and accepting gifts or benefits from government sectors or private sector, Which induces to Violate the laws. Moreover, it is illegal to use positions and/or duties to use the company's data to seek benefits for oneself or others.
4. Setting the system to report financial status transparently and accurately, providing an efficient and effective internal control system, and controlling check-and-balance system to be appropriate in order to prevent conducting any fraud or taking part in any fraud and corruption.
5. Monitoring and reviewing the anti-corruption policy, guidelines and regulations consistently for operation in order to adjust with business changes, laws and regulations.
6. Opening channel for reporting any suspected activity and ensuring that such reporters receive protection.

The Chairman of the Board of Directors has announced that all management and staff members will take notice of the organization's anti-corruption practices and policies, helping to support the culture of operating in an honest and upright manner.

### 3 Respecting Human Rights

The Company respects the rights and life of each individual. No infringements of any person's basic rights are violated, nor is any action conducted that would limit individual freedoms or penalize a person for different opinions, gender, nationality, religion, political ideology, etc. The concept and importance of respecting an individual's human rights is instilled in each of the organization's staff members, and they are expected to help assist in respecting human rights, making sure not to engage in activities that would result in the violation of individual human rights. A channel has been opened for reports to be made about any infringement of human rights. All such reports are handled in a responsible and fair manner.

In 2014, The Company received no reports of the infringements of human rights.

### 4 Fair Labor Practices

The Company views each of its staff members as a valuable asset and as an important contributor to the overall success of the Company. As such, staff members are treated in a way that respects their individual rights and basic working rights, with an emphasis on uniform treatment. Favor is not given nor withheld to individuals based on their sex, skin color, nationality, age, religion, disabilities, nor any other individual aspect that is not directly related to their ability to perform their work duties. All fair labor practices are respected and upheld, and fair and appropriate compensation is made based upon an individual's knowledge, skill-set, and the results of their work performance. Furthermore, various benefits are given to staff members.

The Company places importance on a variety of aspects related to occupational health and safety. They have been detailed below.

- Business operations are conducted in accordance with all laws, regulations, and policies related to health, safety, and the environment. Special emphasis is placed on the safety of life and assets, as well as effects on the health of our staff members, trade partners, and other stakeholders. Monitoring and assessment of safety conditions are performed constantly and efficiently.

- Safety conditions are promoted at work through the setting of various systems, working practices, and standards related to safety and any hazards or risks present. Adjustments are made to environmental conditions at work, as well as safe working procedures being practiced. Additionally, various tools have been provided to assist in maintaining staff member safety and security.

- Preparation is maintained to be able to deal with any emergency situations. Various drills and adjustments to emergency plans are continually conducted in an effort to protect against and reduce fatal injuries and loss of assets among Company staff members, trade partners, and other stakeholders in the company.

- Innovative, safe operation across the organization. This will help ensure the safe operation and sustainability.

The Company places employee development at the heart of its business. Employee development is key to achieving our strategic objectives. Skills, knowledge, and abilities need to be taught and fostered. Both internal and external training is provided for all employees. The following is a breakdown of average training hours undertaken by those at different levels within the organization in 2014:

Senior Level Management	Average Training of 38.23 Hours
Middle Level Management	Average Training of 34.27 Hours
Lower Level Management	Average Training of 31.28 Hours
Employees	Average Training of 18.46 Hours

The following is a list of courses taught during personnel development training:

- Adding Value to the Organization through HROD Strategy
- The Art of New Leadership
- Formulating Development Plans
- Positive Thinking & EQ @ WORK
- Being Service Minded
- Effective Communication
- Team Learning
- Basic Skills Training for Sales Staff
- Product Knowledge for VAN Sales
- Sales Skills for PC
- Family Business Management
- Problems Faced in General Financial Reporting
- Establishing Accounting Systems for Production Units
- Calculating Export Prices
- Standards in Financial Reporting
- Zimbra Mail & Collaboration Server
- ASP.NET Web Application
- AEC for Marketers
- Negotiating Tactics and Customer Accounting Management
- Warehouse Management

## Internal Corporate Social Responsibility

### Education

#### Scholarships for Children of Staff Members

The Company has a policy to provide educational opportunities to the children of its staff members. This serves to lighten burdens on its employees. A total of 185 scholarships were awarded in 2014, across three different levels.

1. Preschool – Primary School	135 Scholarships (5,000 Baht / Scholarship)
2. Secondary School	46 Scholarships (8,000 Baht / Scholarship)
3. Higher Education	4 Scholarships (10,000 Baht / Scholarship)



## Promoting Morality and Ethics among Employees



- In 2014, representatives of the Company's executives and staff members presented bouquets of flowers to His Majesty the King, wishing him good health, at the "100 Years Pavilion" of Siriraj Hospital.
- Throughout 2014, morality and ethics were instilled in the minds of employees and members of the management through merit-making ceremonies held on Fridays. Processions of monks would visit the Company's offices to collect donations for temples in nearby areas, which also helped forge ties to local communities.
- Furthermore, staff members were taught the importance of "giving" to others. Blood donation drives were hosted 4 times every year. In 2014, over 300 staff members participated in these drives.

## Recreational Activities

### Annual Company Party

Each employee plays a key role in driving the organization's success. In order to reward employees who work hard throughout the year, the annual company party was held on January 27, 2015. There was also a lucky draw activity for participants to win fantastic prizes. The fun atmosphere provided smiles and laughter all around.



## 5 Responsibility to Consumers

The Company manufactures a wide variety of consumer goods. They are produced with a focus on quality and safety, and are available at affordable prices. No monopoly price Moreover, the advertisements to be true, the consumer information accurately and appropriately.

Consumers are able to access the Company's products and services through a wide variety of different distribution options. Different packaging options are designed to be appropriate for various distribution channels. Some products are specially developed to be more appropriate for their intended consumer group and distribution channel, in an effort to more directly address the needs of our consumers.

The Company has also instituted a Consumer Relations Center that serves as a channel for customers and consumers to contact and offer their suggestions, criticisms, and complaints. The Company places importance on each of the complaints it receives and ensures that each of them receives expedient response. Collaboration takes place between our various different departments as well as our manufacturing centers in this regard. In the event the complaint concerns product quality, a product replacement will be made available to the consumer. The original product will be collected and sent to the manufacturing center for an inspection to determine the cause of the defect. The results of this investigation will be sent to the Company along with an action plan for preventing similar defects from occurring in the future. In the event that the consumer was using the product incorrectly, an instruction guide is to be sent to the consumer regarding the correct method of use, the correct storage method, along with the appropriate amount to use. Our aim is to improve consumer satisfaction in the product.

In the event any complaint is made regarding service quality, it will be forwarded to the corresponding department. Adjustments will be made, and training will be provided to ensure that future service is conducted in a friendly and accurate manner.

The Company employs a system to retain the information on consumer complaints in an effort to protect their privacy. Information is collected about the nature of the complaint, the results of the following investigation, and the monitoring of the results of the investigation. Each complaint is handled this way to make sure that corrective action is in place to increase product quality and consumer satisfaction.

## 6 Environmental Preservation and Responsibility

The Company ensures that all of its business operations are performed in an environmentally responsible way. Policies and working practices regarding this have been detailed below:

- Operations are to be conducted according to all environmental laws, regulations, and policies. In particular, this is in regards to effects on natural resources and the environment. Reviews and assessments of these operations will be performed regularly.
- An eco-friendly corporate culture is to be instilled in staff members at all levels to increase cooperation and responsibility in terms of environmental responsibility, with a focus on using resources in an efficient and sustainable way.
- Knowledge sharing and training programs regarding the environment will be provided to each staff member.
- Systematic environmental management is used to comprehensively cover a wide variety of different aspects. This includes efficient use of resources, as well as the use of environmental restoration processes, including environmental monitoring, and environmental protection methods to reduce effects on both natural resources and the environment in a sustainable manner.
- Selection methods for members of the Company's Value Chain include environmental friendliness as a criterion.
- Support is given to the development and release of technologies that are environmentally friendly.

## 7 Community and Social Development

The Company places importance on its roles and responsibilities in regard to Thailand and its local communities as well as society. Local customs and traditions are respected, helping to maintain the society and ensure good cooperation. Our various policies and working practices are detailed below.

- Working practices must not adversely affect society nor infringe upon individuals and the community as a whole.
- A sense of social responsibility is to be instilled in the minds of staff members at all levels.
- Standards have been created which help guide the protection of both the community and society and reduce any negative effects.
- Local cultures and traditions are to be promoted and maintained.
- Cooperation is to be fostered with various agencies to assist each other in community development.
- Support is to be provided for activities that create benefit for the good of the public.
- Revenue-generating opportunities are to be created for members of local communities by creating jobs and promoting the purchase of locally made products.
- Positive relationships between the Company and local communities are to be built and maintained through honesty, transparency and fairness.

## 8 Innovation and Sharing

The Company constantly monitors the changing environment and the effects this may have on the organization and our stakeholder. In 2014, the Company set up a "New Thinking Group" to coordinate brainstorming efforts. Innovations were discussed to improve development processes in each aspect. The Company must respond to all changes in the environment, as well as take into account the effects they have on all stakeholders, both internal and external. A "New Thinking Group" proposal is made to the Board of Directors for each project, including the rationale and objectives of the project, as well as procedures and expected results.

In 2014, a total of 26 projects were proposed from 18 different thinking groups. All projects proposed must report on any progress, so that it can be ensured they are all being carried out in an effective and efficient manner.

## Business Operations and Social Responsibility.

In 2014, The Company conducted its business operations without making any infringements upon any related laws. Furthermore, operations were not seen to have any adverse effects on the environment or violate any of the eight principles as set forth by the Company.

## Activities for Society and the Environment

The Company understands the importance of its responsibility to society and the environment. To promote sustainable development, the following social and environmental projects and activities were held in 2014.

## Promotion of Ethics

### Sponsoring 2014 Annual "Mother's Day"

The Company supported the Mother's Day celebration in collaboration with the National Council of Social Welfare. The celebration congratulated outstanding mothers and children across the country. In 2014, the Company's Chairman, Mr. Boonchai Chokwathana, was awarded with the "Mahidol Waranusorn" Seal to honor the benefits he has brought to society and the nation.

## Education

Education is at the heart of the development and competitive advantage of each country. This is especially true in the modern era. Each country's ability to compete depends on the collective knowledge of its citizenry. The Company understands the importance of education, and is committed to encouraging youth to seek an excellent education. The following activities have therefore been organized to help provide good educational opportunities for young Thais.

### 17<sup>th</sup> "Knowledge Review for University Entrance Examination" Project

Over the past 16 years, The Company has been very cognizant of the value of education and how it can increase the quality of life for young people. As such, continuous knowledge reviews have been organized to ensure that educational opportunities are equal across all regions of Thailand, especially for students who are preparing to take their university entrance exams. Up to 40 different professors were invited to help share their knowledge, as well as increase expertise in English language skills to help prepare for the opening of the AEC. In 2014, these sessions were held from October 6 to 13 in Thailand's four regions at The University of the Thai Chamber of Commerce, Chiang Mai University, Khon Kaen University, and The Prince of Songkla University. These sessions were also broadcasted via the Internet to over 700 different schools and universities in all 77 provinces. This allowed students in remote areas, as well as those who missed the exam application deadlines, to benefit from the review.



### Scholarship Support for the Chitralada Technology College

Through the Dr. Thiam Chokwattana Foundation, the Company provided support to the Chitralada Technology College, a school established according to the guidance of HRH Princess Maha Chakri Sirindhorn. This support was provided in the form of 4-year scholarships. Up to 1 computer and 4 marketing scholarships were provided, with an estimated value of 1,232,000 Baht in total.

## Public Health

Changes in society, the economy and politics occur at a rapid pace. To survive, we need to adapt. One of the negative aspects of quick adaption is that it might result in illness or the degradation of health. As such, the Company has embarked on a project to help society improve its public health.

## The “Sahapat for Children” Project

Under this project, instant noodles and canned tuna under the brand “Suesat” joined hands with the popular TV program “Glom Gig” to provide delicious and nutritious lunch program support, as well as donations of sports equipment, for a total of 26 schools in Bangkok and upcountry. This project aims to help children to fully develop both physically and mentally through a healthy lunch program, and to encourage them to exercise and play sports to keep fit and healthy.

## Face Mask Donation to Schools

Donations were made in partnership with the Bureau of Dental Health. This campaign was conducted to promote cleanliness among parents and students. It also raised awareness on how to use face masks to prevent the spread of disease onto others. About 54,000 St. Andrew face masks were given to students in the Bangkok area.

## Reducing Effects of Cold Weather in Nan City

In 2014, the Company joined with the Nation Broadcasting Corporation PCL to co-sponsor a project providing supplies to around 500 people fighting cold, harsh weather in Nan Province, located in the far north of Thailand.

## Other Efforts to Assist in Public Health

In 2014, the Company supported the following efforts:

- Provided sports equipment to schools in Petchburi Province.
- Sponsored a charity bowling event for the Thai Soap Institute.
- Provided support for scholarship activities in cooperation with the King Prajadhipok Institute.
- Made donations to celebrate the 28th anniversary of the Thiam Chokwattana Foundation.
- Supported the 12th Course for Public Sector and Legal Management, hosted by the King Prajadhipok Institute.
- Supported a golf charity event for senior level trade and commerce executives; the event was held by the Commerce Academy of the University of the Thai Chamber of Commerce.
- Provided support for the seminar titled “World Economic Influence on the Economy and Capital Markets of Thailand 2015” hosted by the King Prajadhipok Institute.
- Supported the 36th World Amateur Go Championship, hosted by the Go Association of Thailand.

## Environment

The Company operates in accordance with all laws and regulations regarding environmental policy. We take into account our impact on natural resources and the environment. Our focus remains on energy conservation, and increasing awareness among employees and surrounding communities regarding the effective use of resources. The Company also promotes the development and dissemination of environmentally friendly technologies.

## Risk Factors

Saha Pathanapibul PLC. has established a Risk Management Committee to provide systematic and efficient management of risk factors. The duties of this Committee are determined by the Company's Board of Directors in accordance with the Charter of the Risk Management Committee. A total of 12 meetings were held in 2014 to discuss various risk factors. These included both internal and external factors that could have an adverse effect upon Company operations. Furthermore, management and employees at all levels have been trained to increase their awareness of the importance of risk management. Appropriate risk management processes are as well provided to be consistent with the policies and mission of the Company.

### 1) Risks from Investment

We have invested in companies in a diverse range of industries, with shareholding limitation not exceeding 50% of the registered capital of such companies, in order to diversify the risks. There are however a number of companies with reciprocal shareholding at a very low ratio, and we do not have controlling authority in the companies in which we have invested. All affiliates operate freely under the authority of their respective Board of Directors.

Earnings on the investment are received in the form of dividends. Nevertheless, in the case where any company experiences a loss, the company will have to record the depreciation of investment in the income statement of the company.

### 2) The risk depends on only a few large-size suppliers.

Because the Company maintains only 1-2 large suppliers in each of their production categories, risk factors that may affect the amount or timeliness of the product supply will have consequences on the Company's sales and marketing opportunities.

#### Mitigation Measures

1. Company suppliers mentioned above are members of the Saha Group, and have been set up to be mutually supportive of each other so that they may strengthen the organization's competitiveness. Collaboration can be achieved through regular coordination in planning, helping to identify any possible risks to the Company's production or planning in a timely manner.

2. Manufacturers, production units, and sales units work as one team according to the One Body model. This model encompasses meetings related to risk factors, the preparation of product supply, planning, and the setting of goals related to product orders. This ensures a greater level of precision in product orders and timelines. Additionally, it encompasses methods of coping with outside factors that are not within our control.

### 3) Risks Related to In-Store Inventory Management

Presently, stores distributing products of the Company are experiencing issues in regards to maintaining proper inventory to meet customer needs. This could mean both the undersupply and the oversupply of products in relation to customer demands. Such incidents could have an adverse on sales as well as marketing opportunities.

#### Mitigation Measures

1. The Company has determined that store shortages can be attributed to two main issues:
  1. Shortages due to production
  2. Shortages due to vendor stocking issues

In an effort to protect against these issues, the Company has taken steps to hedge against risks related to factory shortages by performing demand forecasting at least 2 months ahead of time. This allows factories time to procure the appropriate amount of raw materials. In regards to shortages due to vendor stocking issues, the Company has implemented a computerized system that can help complete stock inventory audits. This system can be accessed on-line. Store staff members can make daily inventory updates, allowing marketing and sales personnel to monitor stock shortages so that they may be able to help correct them and reduce losses that may lead to missed sales opportunities.

2. Appropriate warehousing space is maintained. Additionally, a shipping system exists to ensure timely deliveries of products to meet customer demand.

3. The Company has reviewed the delivery process with the logistics company on a monthly basis, in order to manage the delivery to stores as quickly and effective.

### 4) Risks related the distribution channels

The Company operates through a variety of different sales channels. Each of these channels experiences a high amount of competition, and has its own specialized set of requirements that need addressing.

#### Mitigation Measures

1. The Company's policy is to expand into each type of distribution channel, in an effort to expand our customer base as well as to offer our products in all different environments. Consideration is given as to which products will be distributed through which channels according to the needs and purchasing power of target groups in their areas. This includes the launch of new products that meet the needs of their target customers in terms of both product quality and prices.

2. The Company's home delivery system that can deliver the products to consumers in Bangkok, Metropolitan and Chonburi province. Consumers can view product details and list of product promotions each month at [www.sahapatdelivery.com](http://www.sahapatdelivery.com) and order the product at 02-2949898. Products will be delivered directly to the consumer within 24 hours.

### 5) Credit Risks

The Company maintains a policy of being careful in its extension of credit. In the majority of cases, credit is only extended to customers with a long history with the Company. As such, it is expected that losses due to the monitoring and collection of credit accounts will be minimal.

## Intercompany Transaction

The approval of connected transaction, The Company proposed the connected transaction to the Board of Directors for their consideration. Any director with vested interest left the meeting room and abstained from voting on such matter. After the meeting, the company stated its resolution and proceeded according to the announcement of the Capital Market Regulatory Board and the Stock Exchange of Thailand.

In addition, the Board of Directors approved principles that allowed the management to engage in normal business transaction or support normal businesses that have general trade agreements in the same manner that persons of ordinary prudence would treat any of his partners of contract in the same situation. Such manner must be performed without the influence of the status as directors of the Company, one of the management, or involved individuals. The principles must be approved on an annual basis while any connected transaction must be summarized quarterly to report to the Board of Directors.

In 2014, the company performed connected transaction with the connected parties and the notification of the resolutions of the Stock Exchange of Thailand as follow :

### 1. Investment

1.1 The Board of Directors meeting No.10 (Board 20) held on February 20, 2014 resolved to investment in Thai One Mall Co.,Ltd. by getting the rights to buy increasing capital shares, 950 shares from Sinparadorn Co.,Ltd. at Baht 1,000 per share, amounting to Baht 950,000. Investment ratio is 19% of the registered capital.

Connected person are Mr.Boonsithi Chokwatana and Mr.Somsakdi Dhanasarnsilp, Company's Directors are Major Shareholders of Sinparadorn Co.,Ltd.

1.2 The Board of Directors meeting No.11 (Board 20) held on March 13, 2014 resolved to purchase capital shares of BNC Real Estate Company Limited from I.D.F. Company Limited 100,000 shares at Baht 100 per share, amounting to Baht 10,000,000. Investment ratio is 16.67% of the registered capital.

Connected person is Mr.Boonsithi Chokwatana Director, a Major Shareholder of the I.D.F. Company Limited, which is a Major Shareholder of the BNC Real Estate Company Limited.

1.3 The Board of Directors meeting No.9 (Board 21) held on December 18, 2014 resolved to purchase ordinary shares of Sahacogen (Chonburi) Public Company Limited from Erawan Textile Company Limited through the Stock Exchange of Thailand 1,000,000 shares at Baht 6.50 per share, amounting to Baht 6,500,000.

Connected person are Saha Pathana Inter-holding Public Company Limited and I.C.C. Public Company Limited as a co-major shareholders.

### 2. Financial assistance provision based on its investment

2.1 The Board of Directors meeting No.11 (Board 20) held on March 13, 2014 resolved to approve the loan for BNC Real Estate Company Limited amounting not exceeding Baht 30 million, interest rate MLR of Siam Commercial Bank Public Company Limited based on Shareholding proportion.

Connected person are Saha Pathana Inter-holding Public Company Limited and I.C.C. Public Company Limited as a co-major shareholders and Interested Director who cast no vote, Mr.Boonsithi Chokwatana Director, a Major Shareholder of the I.D.F. Company Limited, which is a Major Shareholder of the BNC Real Estate Company Limited.

2.2 The Board of Directors meeting No.11 (Board 20) held on March 13, 2014 resolved to provide guarantee facilities based on its investment ratio to Tsuruha (Thailand) Co.,Ltd with Sumitomo Mitsui Banking Corporation value of guarantee facility Baht 17,750,000 based on Shareholding proportion.

Connected person are Saha Pathana Inter-holding Public Company Limited and I.C.C. Public Company Limited as a co-major shareholders.

### 3. Connected transactions for the normal business transaction

The company has a Connected transactions for the normal business transaction or supporting normal business with related parties as detailed on notes to the financial statements No.33

### Connected Transactions Trends

Most of the company's business operations such transactions is normal commercial business undertakings under general trade agreements. In the case of transactions is the connected transactions the company proceeded accordance with the rules and regulation of the Capital Market Regulatory Board and the Stock Exchange of Thailand.



# Financial Statements

The Board of Directors understands the importance of the obligations and responsibilities that are held by directors of publicly listed companies. This includes maintaining responsibility for the financial reporting of Saha Pathanapibul Public Company Limited and its subsidiaries. Financial statements must conform to Thai Financial Reporting Standards (TFRS). Discretion must be appropriately applied during disclosure. All reported estimates must be reasonable. Furthermore, explanations must be given to clarify any aspects of financial disclosures that might be construed as unclear. It is important to accurately communicate the Company's financial status to shareholders and investors. All financial statements must be reviewed by independent auditors, who will include their qualified and independent opinions.

Additionally, the Board of Directors plays a key role in supporting the Company's adherence to principles of Good Corporate Governance. This includes providing systematic risk management and internal control processes that are effective and efficient. These efforts increase confidence in the veracity and accuracy of the Company and its subsidiaries' financial information. Furthermore, it extends to the prevention of corruption or improper business practices.

To this extent, the Company's Audit Committee is comprised of Independent Directors tasked with the responsibility of reviewing the quality of reviews performed against the Company's financial information and internal control systems. The Audit Committee will present its findings and approval in the Report of the Audit Committee released each year (Form 56-1).

The Board of Directors is of the opinion that the Company's Good Corporate Governance is in good standing, including the Company's risk management and internal control systems. The Company is confident that its financial statements as well as those of its subsidiaries, released on December 31, 2014, have been accurately disclosed and meet relevant accounting standards.



Mr. Boonchai Chokwatana  
Chairman

February 26, 2015.

**To The Board of Directors and Shareholders of  
SAHA PATHANAPIBUL PUBLIC COMPANY LIMITED**

I have audited the accompanying consolidated and separate financial statements of SAHA PATHANAPIBUL PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of SAHA PATHANAPIBUL PUBLIC COMPANY LIMITED, which comprise consolidated and separate statements of financial position as at December 31, 2014, consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity, and consolidated and separate statements of cash flows for the year then ended, including notes of summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

**Opinion**

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of SAHA PATHANAPIBUL PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of SAHA PATHANAPIBUL PUBLIC COMPANY LIMITED as at December 31, 2014, and their financial performance and cash flows for the year then ended in accordance with the financial reporting standards.

D I A International Audit Co., Ltd.



(Miss Somjintana Pholhirunrat)  
C.P.A. (Thailand)  
Registration No. 5599

February 26, 2014.

# STATEMENTS OF FINANCIAL POSITION

SAHA PATHANAPIBUL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31, 2014

(Unit : Baht)

Assets	Note	Consolidated financial statements			Separate financial statements	
		December 31, 2014	December 31, 2013 (Restated)	January 1, 2013 (Restated)	December 31, 2014	December 31, 2013
<b>Current assets</b>						
Cash and cash equivalents	4.2, 5	1,296,766,404.56	1,589,084,867.60	1,194,644,370.86	1,252,186,534.94	1,561,070,749.82
Current Investments	6	923,674,023.11	174,571,155.53	263,875,405.69	894,203,340.32	156,466,001.37
Trade and other receivables	4.3, 7	3,980,056,753.67	3,705,825,046.82	3,798,031,806.65	3,982,976,174.48	3,689,608,942.71
Trade notes receivable	8	608,567,857.37	653,213,457.03	638,868,038.78	608,567,857.37	653,213,457.03
Accrued sales promotion income		1,959,659,591.31	1,446,583,791.36	1,354,293,911.96	1,959,659,591.31	1,446,583,791.36
Short-term loans to related party	33	85,000,000.00	10,000,000.00	12,000,000.00	125,000,000.00	50,000,000.00
Inventories	4.4, 9	903,119,370.60	671,243,714.48	879,622,923.38	872,871,203.87	646,851,956.32
Other current assets		2,707,930.24	4,480,661.43	6,594,871.17	2,707,930.24	4,480,661.43
Non-current assets classified as held for sale		0.00	0.00	94,428,749.90	0.00	0.00
<b>Total current assets</b>		<b>9,759,551,930.86</b>	<b>8,255,002,694.25</b>	<b>8,242,360,078.39</b>	<b>9,698,172,632.53</b>	<b>8,208,275,560.04</b>
<b>Non-current assets</b>						
Investments available for sale	10	4,875,981,877.56	4,015,687,656.33	4,448,499,701.00	4,875,981,877.56	4,015,687,656.33
Investments in associates	4.7, 11	379,113,999.92	311,597,049.83	214,450,678.50	420,829,942.72	314,534,982.72
Investments in subsidiaries	4.7, 12	0.00	0.00	0.00	1,144,993,041.61	1,140,089,719.94
Other long-term investments	4.8, 13	781,017,054.71	736,711,454.71	632,143,587.20	780,958,354.71	736,652,754.71
Long-term loans to related party		0.00	4,000,000.00	4,000,000.00	0.00	0.00
Investment properties	4.9, 4.11, 14	2,192,714,795.31	1,958,278,632.83	1,780,267,233.68	1,077,457,422.41	850,855,548.41
Property, plant and equipment	4.10, 15	831,970,488.61	985,611,251.63	909,173,593.80	683,116,868.89	884,267,224.82
Goodwill	4.12	21,672,937.96	19,223,353.94	19,223,353.94	0.00	0.00
Intangible assets	4.5, 16	27,005,124.52	23,808,038.78	24,046,073.47	26,407,624.28	23,172,131.14
Deferred tax assets	4.19, 18	11,185,457.40	21,617,726.03	24,263,780.76	0.00	0.00
Other non-current assets	17	76,259,878.72	88,898,803.78	91,521,359.42	58,072,580.07	75,004,173.51
<b>Total non-current assets</b>		<b>9,196,921,614.71</b>	<b>8,165,433,967.86</b>	<b>8,147,589,361.77</b>	<b>9,067,817,712.25</b>	<b>8,040,264,191.58</b>
<b>Total assets</b>		<b>18,956,473,545.57</b>	<b>16,420,436,662.11</b>	<b>16,389,949,440.16</b>	<b>18,765,990,344.78</b>	<b>16,248,539,751.62</b>

Notes to financial statements are parts of these financial statements

# STATEMENTS OF FINANCIAL POSITION (Continued)

SAHA PATHANAPIBUL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31, 2014

(Unit : Baht)

Liabilities and shareholders' equity	Note	Consolidated financial statements			Separate financial statements	
		December 31, 2014	December 31, 2013 (Restated)	January 1, 2013 (Restated)	December 31, 2014	December 31, 2013
<b>Current liabilities</b>						
Bank overdrafts and short-term loans						
from financial institution	19	0.00	3,681,339.97	0.00	0.00	3,681,339.97
Trade and other payables	20	4,459,955,115.14	4,116,726,417.33	4,441,112,407.98	4,432,652,032.16	4,090,318,910.86
Accrued sales promotion expenses		1,988,520,292.22	1,767,087,969.26	1,735,333,869.90	1,988,520,292.22	1,767,087,969.26
Current portion of long-term debt	22, 23	0.00	5,889,105.51	968,307.88	4,593,554.05	3,328,748.38
Short-term loans from related parties						
and persons	33	24,000,000.00	24,000,000.00	22,000,000.00	0.00	0.00
Other short-term loans	21	8,100,000.00	7,950,000.00	7,350,000.00	8,100,000.00	7,950,000.00
Corporate income tax payable		101,981,896.78	71,473,424.20	92,171,459.97	98,578,318.72	69,271,577.29
<b>Total current liabilities</b>		<b>6,582,557,304.14</b>	<b>5,996,808,256.27</b>	<b>6,298,936,045.73</b>	<b>6,532,444,197.15</b>	<b>5,941,638,545.76</b>
<b>Non-current liabilities</b>						
Employees' savings account		7,858,494.48	28,243,171.32	40,952,207.19	7,858,494.48	28,243,171.32
Liabilities under rehabilitation plan		0.00	0.00	5,889,105.51	0.00	0.00
Financial lease liabilities	4.15, 23	0.00	0.00	0.00	23,109,453.60	27,760,310.03
Deferred tax liabilities	4.19, 18	612,859,252.22	445,848,501.47	582,623,630.29	532,859,252.22	365,848,501.47
Employee benefit obligation	4.18, 24	212,680,865.26	215,323,120.38	254,240,171.38	205,125,571.00	209,547,310.00
Other non-current liabilities		38,322,658.88	34,809,862.48	25,170,384.12	27,153,450.82	23,734,993.59
<b>Total non-current liabilities</b>		<b>871,721,270.84</b>	<b>724,224,655.65</b>	<b>908,875,498.49</b>	<b>796,106,222.12</b>	<b>655,134,286.41</b>
<b>Total liabilities</b>		<b>7,454,278,574.98</b>	<b>6,721,032,911.92</b>	<b>7,207,811,544.22</b>	<b>7,328,550,419.27</b>	<b>6,596,772,832.17</b>

Notes to financial statements are parts of these financial statements

# STATEMENTS OF FINANCIAL POSITION (Continued)

SAHA PATHANAPIBUL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

AS AT DECEMBER 31, 2014

(Unit : Baht)

Liabilities and shareholders' equity (Continued)	Note	Consolidated financial statements			Separate financial statements	
		December 31, 2014	December 31, 2013 (Restated)	January 1, 2013 (Restated)	December 31, 2014	December 31, 2013
<b>Shareholders' equity</b>						
Share capital						
330,000,000 common shares						
of Baht 1 each		<u>330,000,000.00</u>	<u>330,000,000.00</u>		<u>330,000,000.00</u>	<u>330,000,000.00</u>
600,000,000 common shares						
of Baht 1 each				<u>600,000,000.00</u>		
327,765,203 common shares						
of Baht 1 each	26	327,765,203.00			327,765,203.00	
Issued and paid - up of share capital						
323,379,803 common shares						
of Baht 1 each			323,379,803.00			323,379,803.00
318,421,903 common shares						
of Baht 1 each				318,421,903.00		
Premium on share capital		1,638,332,271.57	1,432,074,191.91	1,198,889,777.00	1,638,332,271.57	1,432,074,191.91
Retained earnings						
Surplus reserve Share-based Payment		67,670,007.00	57,851,938.99	0.00	67,670,007.00	57,851,938.99
Appropriated						
Legal reserve	27	60,000,000.00	60,000,000.00	60,000,000.00	60,000,000.00	60,000,000.00
Unappropriated		6,372,903,118.36	5,464,527,658.31	4,687,736,971.31	6,353,076,281.04	5,457,662,592.93
Other component of equity		2,990,454,606.90	2,320,831,088.29	2,879,384,938.36	2,990,596,162.90	2,320,798,392.62
Total owners of the Company		11,457,125,206.83	9,658,664,680.50	9,144,433,589.67	11,437,439,925.51	9,651,766,919.45
Non-controlling interests		45,069,763.76	40,739,069.69	37,704,306.27	0.00	0.00
<b>Total shareholders' equity</b>		<b>11,502,194,970.59</b>	<b>9,699,403,750.19</b>	<b>9,182,137,895.94</b>	<b>11,437,439,925.51</b>	<b>9,651,766,919.45</b>
<b>Total liabilities and shareholders' equity</b>		<b>18,956,473,545.57</b>	<b>16,420,436,662.11</b>	<b>16,389,949,440.16</b>	<b>18,765,990,344.78</b>	<b>16,248,539,751.62</b>

Notes to financial statements are parts of these financial statements

# STATEMENTS OF COMPREHENSIVE INCOME

SAHA PATHANAPIBUL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2014

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013 (Restated)	2014	2013 (Restated)
<b>Continuing operations</b>				
<b>Revenues</b>				
Sales	26,444,879,771.80	26,274,199,516.11	26,445,409,955.81	26,185,192,158.38
Sale of real estate	12,993,910.00	10,190,000.00	12,993,910.00	10,190,000.00
Rental and service income	160,023,922.39	149,678,084.13	0.00	0.00
Dividend income	193,205,017.10	191,453,249.67	199,796,737.10	196,939,439.67
Other income	167,809,599.20	278,677,901.27	179,219,107.66	280,333,514.18
Gain on sales of assets	12,000,142.62	13,870,092.53	12,186,103.84	14,095,721.42
Gain (Loss) on sale investments	5,602,862.16	12,959,226.18	5,602,862.16	12,959,226.18
Reversed loss on impairment of investments	19,914,600.00	2,080,000.00	19,914,600.00	2,080,000.00
Reversed loss on impairment of assets	76,319,671.73	17,365,114.68	20,895,905.00	17,365,114.68
<b>Total revenues</b>	<b>27,092,749,497.00</b>	<b>26,950,473,184.57</b>	<b>26,896,019,181.57</b>	<b>26,719,155,174.51</b>
<b>Expenses</b>				
Cost of sales	21,617,449,813.09	21,544,228,875.40	21,643,932,925.71	21,468,382,960.42
Cost of sales real estate	10,834,165.21	8,012,344.34	10,834,165.21	8,012,344.34
Cost of rental and service	138,770,719.34	125,391,540.85	0.00	0.00
Selling expenses	2,964,968,104.23	3,028,627,228.12	2,943,446,471.08	3,007,577,069.21
Administrative expenses	660,147,076.30	830,349,119.58	662,916,786.91	837,292,131.01
Management benefit expenses	64,820,000.00	58,115,850.00	64,580,000.00	57,995,850.00
Directors' remuneration	10,033,000.00	9,875,000.00	9,518,000.00	9,336,000.00
Loss on impairment of investments	59,422,000.00	6,450,000.00	59,422,000.00	26,450,000.00
Finance costs	4,181,886.98	3,036,808.23	9,667,682.85	2,882,748.40
<b>Total expenses</b>	<b>25,530,626,765.15</b>	<b>25,614,086,766.52</b>	<b>25,404,318,031.76</b>	<b>25,417,929,103.38</b>

Notes to financial statements are parts of these financial statements

# STATEMENTS OF COMPREHENSIVE INCOME

SAHA PATHANAPIBUL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2014

(Unit : Baht)

		Consolidated financial statements		Separate financial statements	
Note		2014	2013 (Restated)	2014	2013 (Restated)
	Share of profit (Loss) from investments in associated companies	(33,007,439.91)	(21,151,088.67)	0.00	0.00
	Profit before income tax expenses	1,529,115,291.94	1,315,235,329.38	1,491,701,149.81	1,301,226,071.13
18	Income tax expenses	292,206,484.81	275,530,210.98	272,907,658.70	265,121,959.48
	<b>Profit for the year</b>	<b>1,236,908,807.13</b>	<b>1,039,705,118.40</b>	<b>1,218,793,491.11</b>	<b>1,036,104,111.65</b>
	Other comprehensive income:-				
	Exchange difference on translating financial statements	(187,899.91)	0.00	0.00	0.00
	Gain (Loss) on re-measuring of investments available for sale	837,264,273.13	(698,190,307.33)	837,247,212.83	(698,212,330.43)
	(Expenses)Revenue income tax related on re-measuring of investments available for sale	(167,452,854.61)	139,636,457.26	(167,449,442.55)	139,642,466.08
	Gain (Loss) on actuarial on defined post-employment benefit plans	0.00	59,365,085.02	0.00	60,987,882.02
	Other comprehensive income (expense) for the year	669,623,518.61	(499,188,765.05)	669,797,770.28	(497,581,982.33)
	<b>Total comprehensive income for the year</b>	<b>1,906,532,325.74</b>	<b>540,516,353.35</b>	<b>1,888,591,261.39</b>	<b>538,522,129.32</b>
	Profit attributable to :				
	Owners of the Company	1,231,755,263.06	1,035,847,504.98	1,218,793,491.11	1,036,104,111.65
	Non-controlling interests	5,153,544.07	3,857,613.42	0.00	0.00
	Total comprehensive income attributable to:				
	Owners of the Company	1,901,378,781.67	536,658,739.93	1,888,591,261.39	538,522,129.32
	Non-controlling interests	5,153,544.07	3,857,613.42	0.00	0.00
	Earnings per share				
	Basic earnings per share 4.14, 32	3.79	3.23	3.75	3.23
	Diluted earning per share 4.14, 32	3.78	3.23	3.74	3.23
Notes to financial statements are parts of these financial statements					

# STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

AS AT DECEMBER 31, 2014

(Unit : Baht)

Note	Consolidated financial statements							Non-controlling interests	Total shareholders' equity
	Issued and paid - up share capital	Premium on share capital	Share-based payment	Retained earnings		Other component of equity			
				Appropriated legal reserve	Unappropriated	Available-for-sale investment	Exchange differences on translating financial statements		
Balance as at January 1, 2013 (as previously reported)	318,421,903.00	1,198,889,777.00	0.00	60,000,000.00	4,767,736,971.31	2,879,384,938.36	0.00	37,704,306.27	9,262,137,895.94
Cumulative effect of changes in accounting policy for deferred tax	370.00	0.00	0.00	0.00	(80,000,000.00)	0.00	0.00	0.00	(80,000,000.00)
Balance as at January 1, 2013 (after restatement)	318,421,903.00	1,198,889,777.00	0.00	60,000,000.00	4,687,736,971.31	2,879,384,938.36	0.00	37,704,306.27	9,182,137,895.94
Costs divided by the share-based payment	0.00	0.00	221,625,753.90	0.00	0.00	0.00	0.00	0.00	221,625,753.90
Common stock from the exercise of share purchase warrants	4,957,900.00	233,184,414.91	(163,773,814.91)	0.00	0.00	0.00	0.00	0.00	74,368,500.00
Dividend paid	280.00	0.00	0.00	0.00	(318,421,903.00)	0.00	0.00	(822,850.00)	(319,244,753.00)
Total comprehensive income for the year	0.00	0.00	0.00	0.00	1,035,847,504.98	(558,553,850.07)	0.00	3,857,613.42	481,151,268.33
Actuarial gain or loss on defined post-employment benefit plans	0.00	0.00	0.00	0.00	59,365,085.02	0.00	0.00	0.00	59,365,085.02
Balance as at December 31, 2013	323,379,803.00	1,432,074,191.91	57,851,938.99	60,000,000.00	5,464,527,658.31	2,320,831,088.29	0.00	40,739,069.69	9,699,403,750.19
Balance as at January 1, 2014 (as previously reported)	323,379,803.00	1,432,074,191.91	57,851,938.99	60,000,000.00	5,544,527,658.31	2,320,831,088.29	0.00	40,739,069.69	9,779,403,750.19
Cumulative effect & errors correction for deferred tax	370.00	0.00	0.00	0.00	(80,000,000.00)	0.00	0.00	0.00	(80,000,000.00)
Balance as at January 1, 2014 (after restatement)	323,379,803.00	1,432,074,191.91	57,851,938.99	60,000,000.00	5,464,527,658.31	2,320,831,088.29	0.00	40,739,069.69	9,699,403,750.19
Costs divided by the share-based payment	0.00	0.00	154,680,547.67	0.00	0.00	0.00	0.00	0.00	154,680,547.67
Common stock from the exercise of share purchase warrants	4,385,400.00	206,258,079.66	(144,862,479.66)	0.00	0.00	0.00	0.00	0.00	65,781,000.00
Dividend paid	280.00	0.00	0.00	0.00	(323,379,803.00)	0.00	0.00	(822,850.00)	(324,202,653.00)
Total comprehensive income for the year	0.00	0.00	0.00	0.00	1,231,755,263.05	669,811,418.52	(187,899.91)	5,153,544.07	1,906,532,325.73
Balance as at December 31, 2014	327,765,203.00	1,638,332,271.57	67,670,007.00	60,000,000.00	6,372,903,118.36	2,990,642,506.81	(187,899.91)	45,069,763.76	11,502,194,970.59

Notes to financial statements are parts of these financial statements

## STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

AS AT DECEMBER 31, 2014

(Unit : Baht)

Note	Separate financial statements					Other components of equity Available-for-sale investment	Total shareholders' equity
	Share-based payment	Premium on share capital	The capital reserve of the share-based payment.	Retained earnings			
				Appropriated legal reserve	Unappropriated		
Beginning balance as at January 1, 2013	318,421,903.00	1,198,889,777.00	0.00	60,000,000.00	4,678,992,502.26	2,879,368,256.97	9,135,672,439.23
Expenses Share-based Payment	0.00	0.00	221,625,753.90	0.00	0.00	0.00	221,625,753.90
Common stock from the exercise of warrants to purchase common stock	4,957,900.00	233,184,414.91	(163,773,814.91)	0.00	0.00	0.00	74,368,500.00
Dividend paid	0.00	0.00	0.00	0.00	(318,421,903.00)	0.00	(318,421,903.00)
Total comprehensive income for the year	0.00	0.00	0.00	0.00	1,036,104,111.65	(558,569,864.35)	477,534,247.30
Actuarial gain or loss on defined post-employment benefit plans	0.00	0.00	0.00	0.00	60,987,882.02	0.00	60,987,882.02
Balance as at December 31, 2013	323,379,803.00	1,432,074,191.91	57,851,938.99	60,000,000.00	5,457,662,592.93	2,320,798,392.62	9,651,766,919.45
Beginning balance as at January 1, 2014	323,379,803.00	1,432,074,191.91	57,851,938.99	60,000,000.00	5,457,662,592.93	2,320,798,392.62	9,651,766,919.45
Costs divided by the share-based payment	0.00	0.00	154,680,547.67	0.00	0.00	0.00	154,680,547.67
Common stock from the exercise of share purchase warrants	4,385,400.00	206,258,079.66	(144,862,479.66)	0.00	0.00	0.00	65,781,000.00
Dividend paid	0.00	0.00	0.00	0.00	(323,379,803.00)	0.00	(323,379,803.00)
Total comprehensive income for the year	0.00	0.00	0.00	0.00	1,218,793,491.11	669,797,770.28	1,888,591,261.39
Balance as at December 31, 2014	327,765,203.00	1,638,332,271.57	67,670,007.00	60,000,000.00	6,353,076,281.04	2,990,596,162.90	11,437,439,925.51

Notes to financial statements are parts of these financial statements

# STATEMENTS OF CASH FLOWS

SAHA PATHANAPIBUL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2014

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Cash flows from operating activities</b>				
Profit before income tax	1,529,115,291.94	1,315,235,329.38	1,491,701,149.81	1,301,226,071.13
Adjustments to reconcile net profit (loss) to cash receipt (disbursement) from operation :				
Depreciation and amortization	124,140,017.21	129,708,186.16	97,015,286.56	103,750,771.84
Employee benefits from exercise right to purchase ordinary shares to the executive directors and employees	154,680,547.67	221,625,753.90	154,680,547.67	221,625,753.90
Doubtful accounts	(8,091,463.61)	18,792,000.00	(8,091,463.61)	18,792,000.00
Interest expenses	4,181,886.98	3,036,808.23	9,667,682.85	2,882,748.40
Share of profit (loss) on investments in associates	33,007,439.91	21,151,088.67	0.00	0.00
(Gain) Loss on sale investment	(5,602,862.16)	(12,959,226.18)	(5,602,862.16)	(12,959,226.18)
Reversed loss on impairments of investments	(19,914,600.00)	(2,080,000.00)	(19,914,600.00)	(2,080,000.00)
Reversed loss on impairment of asset	(76,319,671.73)	(17,365,114.68)	(20,895,905.00)	(17,365,114.68)
(Gain) Loss on sales of assets	(12,000,142.62)	(13,870,092.53)	(12,186,103.84)	(14,095,721.42)
(Gain) on translating financial statements	187,899.91	0.00	0.00	0.00
Loss on impairment of investments	59,422,000.00	6,450,000.00	59,422,000.00	26,450,000.00
Gain (Loss) on Actuarial on defined post-employment benefit plans	0.00	(59,365,085.02)	0.00	(60,987,882.02)
Dividend received	(193,205,017.10)	(191,453,249.67)	(199,796,737.10)	(196,939,439.67)
<b>Profit from operation before changes in parts of operating assets and liabilities</b>	<b>1,589,601,326.40</b>	<b>1,418,906,398.26</b>	<b>1,545,998,995.18</b>	<b>1,370,299,961.30</b>
(Increase) Decrease in trade and other receivables	(253,798,114.65)	92,206,759.83	(274,887,768.16)	94,897,183.36
(Increase) Decrease in trade notes receivable	35,558,599.66	(27,345,418.25)	35,558,599.66	(27,345,418.25)
(Increase) Decrease in accrued sales promotion income	(513,075,799.95)	(92,289,879.40)	(513,075,799.95)	(92,289,879.40)
Notes to financial statements are parts of these financial statements				

# STATEMENTS OF CASH FLOWS (Continued)

SAHA PATHANAPIBUL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2014

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
(Increase) Decrease in inventories	(230,862,751.77)	218,668,546.49	(226,019,247.55)	211,010,010.46
(Increase) Decrease in other current assets	1,995,235.27	2,114,209.74	1,772,731.19	2,114,209.74
(Increase) Decrease in other non-current assets	11,337,925.06	(3,169,444.36)	15,630,593.44	224,641.59
Increase (Decrease) in trade and other payables	340,372,737.98	(324,394,367.73)	342,330,635.29	(328,543,880.50)
Increase (Decrease) in accrued sales promotion expenses provisions	221,432,322.96	31,754,099.36	221,432,322.96	31,754,099.36
(Increase) Decrease In Employees of obligation	(2,642,255.12)	79,813,119.04	(4,421,739.00)	80,442,759.05
Increase (Decrease) in other non-current liabilities	3,512,796.40	9,639,478.36	3,418,457.23	7,852,969.68
Cash generated (paid) from operation	1,203,432,022.24	1,405,903,501.34	1,147,737,780.29	1,350,416,656.39
Interest paid	(4,179,400.97)	(3,028,431.15)	(9,665,196.84)	(2,874,371.32)
Income tax paid	(251,707,847.46)	(290,720,863.51)	(244,039,609.07)	(281,465,270.68)
<b>Net cash provided by (used in) operating activities</b>	<b>947,544,773.81</b>	<b>1,112,154,206.68</b>	<b>894,032,974.38</b>	<b>1,066,077,014.39</b>
<b>Cash flows from investing activities</b>				
(Increase) Decrease in current investment	(752,247,254.33)	89,304,250.16	(737,737,338.95)	86,048,645.37
(Increase) Decrease in loans from related persons and parties	(71,000,000.00)	2,000,000.00	(75,000,000.00)	(4,500,000.00)
(Increase) Decrease in investments available for sale	(44,635,761.24)	(266,582,876.97)	(44,635,761.24)	(266,604,900.00)
(Increase) Decrease in investments in subsidiary companies	0.00	0.00	(4,903,321.67)	0.00
(Increase) Decrease in investments in associate	(106,294,960.00)	(122,962,500.00)	(106,294,960.00)	(122,962,500.00)
(Increase) Decrease other long-term investments	(84,763,000.00)	(149,359,867.51)	(84,763,000.00)	(149,359,867.51)
Sales of investments available for sale	27,191,615.00	14,585,840.42	27,191,615.00	14,585,840.42
Sales of other long-term investment	950,000.00	40,000,000.00	950,000.00	40,000,000.00
Purchase of investments properties	(26,950,099.31)	(203,848,787.19)	(2,943,631.15)	(194,618,415.00)
Sales of investments properties	7,063.48	4,193,987.19	0.00	4,000,000.00
Purchase of assets	(114,656,110.17)	(201,852,180.97)	(111,131,267.26)	(154,718,821.93)
Notes to financial statements are parts of these financial statements				

# STATEMENTS OF CASH FLOWS (Continued)

SAHA PATHANAPIBUL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2014

(Unit : Baht)

## Consolidated financial statements

## Separate financial statements

	2014	2013	2014	2013
Purchase of intangible assets	(3,883,124.22)	(415,990.65)	(3,868,204.39)	(410,090.65)
Sales of assets	25,669,582.16	133,378,382.69	25,322,813.87	131,255,914.77
Dividend received from equity method	5,770,570.00	4,665,040.00	0.00	0.00
Dividend received	193,205,017.10	191,453,249.67	199,796,737.10	196,939,439.67
<b>Net cash provided by (used in) investing activities</b>	<b>(951,636,461.53)</b>	<b>(465,441,453.16)</b>	<b>(918,016,318.69)</b>	<b>(420,344,754.86)</b>
<b>Cash flows from financing activities</b>				
Increase (Decrease) in bank overdrafts and short-term loans from financial institutions	(3,681,339.97)	3,681,339.97	(3,681,339.97)	3,681,339.97
Increase (Decrease) in employees' savings accounts	(20,384,676.84)	(12,709,035.87)	(20,384,676.84)	(12,709,035.87)
Payment to liabilities under rehabilitation plan	(5,889,105.51)	(968,307.88)	0.00	0.00
Financial lease payable	0.00	0.00	(3,386,050.76)	0.00
Increase (Decrease) in other short-term loans	150,000.00	2,600,000.00	150,000.00	600,000.00
Dividend paid	(324,202,653.00)	(319,244,753.00)	(323,379,803.00)	(318,421,903.00)
Proceeds from exercised of warrants to purchase ordinary shares	65,781,000.00	74,368,500.00	65,781,000.00	74,368,500.00
<b>Net cash provided (used in) by financing activities</b>	<b>(288,226,775.32)</b>	<b>(252,272,256.78)</b>	<b>(284,900,870.57)</b>	<b>(252,481,098.90)</b>
<b>Increase in cash and cash equivalents</b>	<b>(292,318,463.04)</b>	<b>394,440,496.74</b>	<b>(308,884,214.88)</b>	<b>393,251,160.63</b>
<b>Cash and cash equivalents, beginning of the year</b>	<b>1,589,084,867.60</b>	<b>1,194,644,370.86</b>	<b>1,561,070,749.82</b>	<b>1,167,819,589.19</b>
<b>Cash and cash equivalents, end of the year</b>	<b>1,296,766,404.56</b>	<b>1,589,084,867.60</b>	<b>1,252,186,534.94</b>	<b>1,561,070,749.82</b>

Notes to financial statements are parts of these financial statements

## **1. GENERAL INFORMATION**

Saha Pathanapiul Public Company Limited (the Company) was incorporated as a company limited under the Civil and Commercial Code of Thailand on January 15, 1952, which is located at 2156 New Petchburi Road, Bangkok, Huaykwang, Bangkok. The Company's share capital have been listed in the Stock Exchange of Thailand on June 30, 1978.

The Company engaged in business of consumer goods distribution, any subsidiary companies engaged in other business as stated in notes 3 to financial statements.

## **2. PREPARATION OF FINANCIAL STATEMENTS BASIS**

### **2.1 Financial statements preparation**

The financial statements have been prepared in conformity with Thai Financial Reporting Standards, enunciated under the Accounting Professions Act B.E. 2547 and presented in accordance with the notification of Department of Business Development by Ministry of Commerce dated September 28, 2011 regarding the condensed form should be included in the financial statements B.E. 2554 and the regulations of the Securities and Exchange Commission regarding the preparation and presentation of financial reporting under the Securities and Exchange Act B.E. 2535.

The financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

### **2.2 Financial reporting standards became effective in the current accounting year**

The Federation of Accounting Professions issued accounting standards, financial reporting standards and standing interpretations which are expected to be effective for the financial statements beginning on or after January 1, 2014 as detailed below:

## Accounting standards

TAS 1 (Revised 2012)  
TAS 7 (Revised 2012)  
TAS 12 (Revised 2012)  
TAS 17 (Revised 2012)  
TAS 18 (Revised 2012)  
TAS 19 (Revised 2012)  
TAS 21 (Revised 2012)  
TAS 24 (Revised 2012)  
TAS 28 (Revised 2012)  
TAS 31 (Revised 2012)  
TAS 34 (Revised 2012)  
TAS 36 (Revised 2012)  
TAS 38 (Revised 2012)

## Financial Reporting Standards

TFRS 2 (Revised 2012)  
TFRS 3 (Revised 2012)  
TFRS 5 (Revised 2012)  
  
TFRS 8 (Revised 2012)

## Standing Interpretations

TSIC 15  
TSIC 27  
  
TSIC 29  
TSIC 32

## Financial Reporting Interpretations

TFRIC 1  
  
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Applying the Restatement Approach under TAS 29  
Financial Reporting in Hyperinflationary Economies  
Interim Financial Reporting and Impairment  
Service Concession Arrangements  
Customer Loyalty Programmes  
Distributions of Non-Cash Assets to Owners  
Transfers of Assets from Customers

These accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations will have no significantly impact on the financial statements.

## 2.3 Accounting standards adoption during the year

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

Financial Reporting Standards	Contents	Effective year
	Conceptual Framework for Financial Reporting (Revised 2014)	2015
<b>Accounting standards</b>		
TAS 1 (Revised 2014)	Presentation of Financial Statements	2015
TAS 2 (Revised 2014)	Inventories	2015
TAS 7 (Revised 2014)	Statement of Cash Flows	2015
TAS 8 (Revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors	2015
TAS 10 (Revised 2014)	Events After the Reporting Period	2015
TAS 11 (Revised 2014)	Construction Contracts	2015
TAS 12 (Revised 2014)	Income Taxes	2015
TAS 16 (Revised 2014)	Property, Plant and Equipment	2015
TAS 17 (Revised 2014)	Leases	2015
TAS 18 (Revised 2014)	Revenue	2015
TAS 19 (Revised 2014)	Employee Benefits	2015
TAS 20 (Revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance	2015
TAS 21 (Revised 2014)	The Effects of Changes in Foreign Exchange Rates	2015
TAS 23 (Revised 2014)	Borrowing Costs	2015
TAS 24 (Revised 2014)	Related Party Disclosures	2015
TAS 26 (Revised 2014)	Accounting and Reporting by Retirement Benefit Plans	2015
TAS 27 (Revised 2014)	Separate Financial Statements	2015
TAS 28 (Revised 2014)	Investments in Associates and Joint Venture	2015
TAS 29 (Revised 2014)	Financial Reporting in Hyperinflationary Economics	2015
TAS 33 (Revised 2014)	Earnings per Share	2015
TAS 34 (Revised 2014)	Interim Financial Reporting	2015
TAS 36 (Revised 2014)	Impairment of Assets	2015
TAS 37 (Revised 2014)	Provisions, Contingent Liabilities and Contingent Assets	2015
TAS 38 (Revised 2014)	Intangible Assets	2015
TAS 40 (Revised 2014)	Investment Property	2015

Financial Reporting Standards	Contents	Effective year
TFRS 2 (Revised 2014)	Share-Based Payments	2015
TFRS 3 (Revised 2014)	Business Combinations	2015
TFRS 4 (Revised 2014)	Insurance Contracts	2016
TFRS 5 (Revised 2014)	Non-current Assets Held for Sale and Discontinued Operations	2015
TFRS 6 (Revised 2014)	Exploration for and Evaluation of Mineral Resources	2015
TFRS 8 (Revised 2014)	Operating Segments	2015
TFRS 10	Consolidated Financial Statements	2015
TFRS 11	Joint Arrangements	2015
TFRS 12	Disclosure of Interests in Other Entities	2015
TFRS 13	Fair Value Measurement	2015
<b>Standing Interpretations Committee</b>		
TSIC 10 (Revised 2014)	Government Assistance - No Specific Relation to Operating Activities	2015
TSIC 15 (Revised 2014)	Operating Leases - Incentives	2015
TSIC 25 (Revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	2015
TSIC 27 (Revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2015
TSIC 29 (Revised 2014)	Service Concession Arrangements: Disclosures	2015
TSIC 31 (Revised 2014)	Revenue - Barter Transactions Involving Advertising Services	2015
TSIC 32 (Revised 2014)	Intangible Assets - Web Site Costs	2015
<b>Financial Reporting Standards</b>		
TFRIC 1 (Revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2015
TFRIC 4 (Revised 2014)	Determining Whether an Arrangement Contains a Lease	2015
TFRIC 5 (Revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2015
TFRIC 7 (Revised 2014)	Applying the Restatement Approach under TAS 29 (revised 2014) Financial Reporting in Hyperinflationary Economies	2015
TFRIC 10 (Revised 2014)	Interim Financial Reporting and Impairment	2015
TFRIC 12 (Revised 2014)	Service Concession Arrangements	2015
TFRIC 13 (Revised 2014)	Customer Loyalty Programmers	2015
TFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction for TAS 19 Employee Benefits	2015
TFRIC 15 (Revised 2014)	Agreements for the Construction of Real Estate	2015
TFRIC 17 (Revised 2014)	Distributions of Non - cash Assets to Owners	2015

Financial Reporting Interpretations Committee	Contents	Effective year
TFRIC 18 (Revised 2014)	Transfers of Assets from Customers	2015
TFRIC 20	Stripping Costs in the Production Phase of Surface Mine	2015

The management expects that the Company will apply and adopt the issued and revised financial reporting standards in accordance with the notification of the Federation of Accounting Professions and is being evaluated the effect of those issued and revised financial reporting standards on the Company's financial statements, which will have no significantly impact on these Financial Statements.

### 3. Preparation of Consolidated Financial Statements basis

3.1 These financial statements are consolidated by including the financial statements of Saha Pathanapibul Public Company Limited and subsidiaries of which was controlled by Saha Pathanapibul Public Company Limited as follows :

Company's name	Type of Business	Establishment in	Percentage of shareholding or equity	
			2014	2013
Chokchaipibul Co., Ltd.	Investment in real estate, instant noodle	Thailand	99.99	99.99
Bangkok Tower (1999) Co., Ltd.	Office building for rent	Thailand	99.99	99.99
Tipvarin -Watana Co., Ltd.	Mineral water	Thailand	49.95	49.95
Saha Vietnam Co.,Ltd	Retail Distributor	Vietnam	100.00	0.00

3.2 Transaction between the Company and subsidiaries have been eliminated under the equity method. And investments in subsidiaries was eliminated with the subsidiaries shareholders' equity in preparing consolidated financial statements.

3.3 The results of operations of subsidiaries are included in the consolidated financial statements from the control date to the selling date.

3.4 The consolidated financial statements have been prepared in conformity with the same accounting policy for the accounts and accounting events of the Company and subsidiaries.

3.5 On January 15, 2014, the Company has acquired share capital of SAHA VIETNAM Co., Ltd. (formerly named "VEIT THAI PHAT IMPORT EXPORT TRADING COMPANY LIMITED) amount of Dong 300,000,000 or equal to Baht 450,000 and has the proportion of shareholding at 100% and to prepare consolidation since January 15, 2014. The Company recognized assets and liabilities of SAHA VIETNAM at carrying value which closed to fair value. Difference between cost of combination and realized assets and liabilities value are presented as goodwill by the amount of Baht 2,449,584.02.

## 4. SIGNIFICANT ACCOUNTING POLICIES

### 4.1 Revenues and Expenses Recognition

Revenue from sales is recognized when goods is delivered after deduction with goods return and sales discount.

Revenue from development project of real estate foreclosed are recognized when the construction work are completed and ownership have been transferred to the buyer.

Rental income is recognized on over the term of the relevant lease.

Revenue from service is recognized when the service is rendered.

Dividend is recognized when the right to receive payment has been established.

Other revenue and expenditures are recognized on an accrual basis.

### 4.2 Cash and cash equivalents

Cash and cash equivalents included cash on hand and at banks not over three months maturity.

### 4.3 Allowance for doubtful accounts

The Company provides an allowance for doubtful accounts equal to the estimated uncollectible amount by an analytical review of aging and historical collection experiences.

The Company provides an allowance for doubtful accounts for overdue 1 year of notes receivable in whole amount.

### 4.4 Inventories

Inventories in the form of consumer goods are valued at the lower of cost or net realizable value. Cost is determined on weighted average basis.

Inventories of real estate development project consist of land and work in progress, are stated at cost less provision for loss on declining of project value (if any).

### 4.5 Intangible assets

The company records its computer software as intangible which are stated at net of accumulated amortization on a straight-line method of useful lives of computer for 10 years.

### 4.6 Non-current assets held for sale and discontinued operations

Non-current assets held for sales are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

No depreciation has been provided on plant and equipment once classified as held for sale.

## 4.7 Investments in subsidiaries and affiliates

Investments in subsidiaries and associated companies in the separate financial statements are recorded at cost net of provision for impairment of investment. Investments in associated companies in the consolidated financial statements are recorded under the equity method.

## 4.8 Other long term investments

4.8.1 Long - term investments in marketable equity securities available for sales are stated at fair value. Changes in fair value are stated as unrealized gain or loss in statements of comprehensive income and will record when such investments are sold.

4.8.2 Long - term investments in non-marketable securities represents as general investments are stated at cost less provision for impairment of investment.

4.8.3 Cost of long - term investments sold during the year are calculated on a weighted average method.

## 4.9 Investment Properties

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

Investment properties are stated at cost less accumulated depreciation and provision for loss on impairment of assets (if any).

Depreciation for investment properties is calculated on a straight-line basis for 20 - 40 years.

## 4.10 Property, plant and equipment

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation. Depreciation is calculated by using the declining balance method which do not exceed the rate prescribed by the Revenue Code for assets purchased before 1988. Assets purchased after 1988 is depreciated on a straight - line basis over the estimated useful lives of the assets as follows:

	Number of years
Building and construction	20 - 40
Infrastructure system	5 - 20
Cost of land development	20
Other fixed assets	5
Machinery	5
Office equipment	5

## 4.11 Impairment of assets

The Company has assessed the impairment of assets for investment, property, plant and equipment whenever events or changes indicate that the carrying amount of an asset exceeds its recoverable value. The Company will consider the impairment for each asset item or each asset unit generating cash flows, whichever is practical.

In case the carry amount of an asset exceeds its recoverable value, the Company will recognize an impairment loss in the statements of income. The Company will reverse the impairment loss whenever there is an indication that there is no longer impairment or reduction in impairment as recorded in statements of comprehensive income.

## 4.12 Goodwill

Goodwill in the consolidated financial statements derived from business combination is parts of cost of business combination which over than the fair value of assets, liabilities and contingent liabilities of subsidiaries. Goodwill will not be amortized but will present as deducting with provision for impairment (if any).

## 4.13 Transactions in foreign currencies

The Company records its transactions in foreign currencies converting into Thai Baht by using the exchange rates ruling on the transactions date. The outstanding balance of accounts in foreign currencies as at the statements of financial position date are converted into Thai Baht by using the exchange rates prescribed by the Bank of Thailand ruling on the same date.

Gain and loss on changes on exchange rate is included in statements of comprehensive income.

## 4.14 Earnings per Share

Basic earnings per share is determined by dividing the net profit for the year by the weighted average number of common shares issued and paid-up during the year.

Diluted earnings per share is calculated by dividing net profit for the year by the weighted average of common share issued during the year added by the number of common shares issued for offering to warrant holders of the Company.

## 4.15 Financial lease

Leases which transferring a significant portion of the risks and rewards of ownership to the lessee are classified as financial leases. The group of Company records financial leases as assets and liabilities at the lower of the fair value of the leased assets as at the inception of the lease or the present value of the minimum lease payments less accumulated depreciation and impairment loss. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period and is recorded directly to statements of comprehensive income.

Interest which is part of installment under financial lease, are recorded in statements of comprehensive income by using the effective rate.

## 4.16 Accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles required the management to make several estimation and assumption which affected the amounts in the financial statements and notes related thereto. Consequent actual results may differ from these estimates and may be required an adjustment within the next financial period. The significant accounting estimates consist of allowance for doubtful accounts and provision for impairment of assets.

## 4.17 Provisions

The Company recognizes a provision when an entity has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits resources will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. If some or all the expenditure is required to settle a provision, is expected to be reimbursed when it is virtually certain that reimbursement will be received if the Company settles the obligation. The amount recognized should not exceed the amount of the provision.

## 4.18 Employee benefits

### 4.18.1 Provident fund

The Company has established provident fund under the defined contribution plan. The fund's assets are separated entities which are administered by the outsider fund manager. The Company and employees made contribution into such provident fund. The Company's contribution payment to the provident fund were recorded as expenses in statements of comprehensive income in the period in which they are incurred.

### 4.18.2 Employee Benefits

The Company provides for post-employment benefits, payable to employees under the Thai Labour Law. The present value of employee benefit liabilities recognized in the financial statements is estimated on an actuarial basis using Projected Unit Credit Method, calculated by the actuary. The calculation was made by utilizing various assumptions about future events. The Company is responsible for the selection of appropriate assumptions.

Actuarial gain or loss on defined post-employment benefit plans will be recognized in other comprehensive income immediately.

## 4.19 Income Tax

Income tax comprise current income tax and deferred tax.

### Current tax

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

### Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and carry forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax is recognized directly to shareholders' equity, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

## 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2014 and 2013 are as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash on hand	1,623,517.54	8,823,000.97	710,613.30	8,658,173.99
Cash at bank - current accounts	175,089,870.12	144,801,168.12	172,346,145.46	143,127,918.53
Cash at bank - savings deposit	1,120,053,016.90	1,435,460,698.51	1,079,129,776.18	1,409,284,657.30
<b>Total</b>	<b>1,296,766,404.56</b>	<b>1,589,084,867.60</b>	<b>1,252,186,534.94</b>	<b>1,561,070,749.82</b>

## 6. CURRENT INVESTMENT

As at December 31, 2014 and 2013, the company has investment in fixed deposits for the period of 4 to 10 months at the interest rate of 3.00 - 3.05 %.

## 7. TRADE AND OTHER RECEIVABLES

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

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade accounts receivables	3,766,286,835.17	3,553,059,916.06	3,769,641,559.91	3,539,895,149.76
Less Allowance for doubtful accounts - trade accounts receivable	(55,037,341.81)	(80,537,341.81)	(52,600,000.00)	(79,600,000.00)
	3,711,249,493.36	3,472,522,574.25	3,717,041,559.91	3,460,295,149.76
Other receivables	96,790,551.62	88,240,980.03	95,696,448.57	88,100,656.11
Prepaid expenses	13,254,938.40	14,179,533.94	12,054,321.04	11,589,453.17
Accrued income	158,761,770.29	130,881,958.60	158,183,844.96	129,623,683.67
<b>Total</b>	<b>3,980,056,753.67</b>	<b>3,705,825,046.82</b>	<b>3,982,976,174.48</b>	<b>3,689,608,942.71</b>

The outstanding trade accounts receivable as at December 31, 2014 and 2013 classified by aging as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Undue trade accounts receivable	3,153,216,267.23	2,908,679,764.37	3,157,508,333.78	2,900,493,324.74
Overdue trade accounts receivable				
Due not over 3 months	546,065,985.69	538,401,742.75	546,065,985.69	534,360,757.89
Over 3 months to 6 months	25,181,592.60	57,694,814.30	25,181,592.60	57,694,814.30
Over 6 months to 12 months	21,426,898.48	27,244,061.93	21,426,898.48	27,244,061.93
Over 12 months	20,396,091.17	21,039,532.71	19,458,749.36	20,102,190.90
<b>Total</b>	<b>3,766,286,835.17</b>	<b>3,553,059,916.06</b>	<b>3,769,641,559.91</b>	<b>3,539,895,149.76</b>

## 8. TRADE NOTES RECEIVABLE

The outstanding trade notes receivable as at December 31, 2014 and 2013 are separated on aging as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade notes accounts receivable				
Undue up to 3 months	609,110,250.27	644,331,468.84	609,110,250.27	644,331,468.84
Over 3 months to 6 months	3,326,895.75	843,108.91	3,326,895.75	843,108.91
Over 6 months to 12 months	23,217,711.35	26,038,879.28	23,217,711.35	26,038,879.28
Total	635,654,857.37	671,213,457.03	635,654,857.37	671,213,457.03
Less Allowance for doubtful accounts	(27,087,000.00)	(18,000,000.00)	(27,087,000.00)	(18,000,000.00)
<b>Trade notes receivable - net</b>	<b>608,567,857.37</b>	<b>653,213,457.03</b>	<b>608,567,857.37</b>	<b>653,213,457.03</b>

## 9. INVENTORIES

Inventories as at December 31, 2014 and 2013 are as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Raw materials	26,957,275.79	20,896,483.81	0.00	0.00
Finished goods	828,637,138.02	594,262,349.44	826,193,886.03	590,947,868.69
Work in process	706,729.95	49,413.00	0.00	0.00
Supply	140,909.00	131,380.60	0.00	0.00
Cost of real estate development project				
Land	25,658,783.66	27,737,059.06	25,658,783.66	27,737,059.06
Work under construction	21,018,534.18	28,167,028.57	21,018,534.18	28,167,028.57
Sub total	46,677,317.84	55,904,087.63	46,677,317.84	55,904,087.63
<b>Inventories - net</b>	<b>903,119,370.60</b>	<b>671,243,714.48</b>	<b>872,871,203.87</b>	<b>646,851,956.32</b>

# 10. INVESTMENTS AVAILABLE FOR SALE - CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Names	Type of business	Relationship	Paid - up share capital (Thousand Baht)		Percentage of investment		Cost method (Baht)		Dividend (Baht)	
			2014	2013	2014	2013	2014	2013	2014	2013
Securities available for sale - related parties : -										
Saha Pathana Interholding Plc.	Operator of Investment	Co-shareholders and administrator	494,034	494,034	6.72	6.52	121,808,904.60	103,689,450.36	7,640,491.90	7,410,491.90
I.C.C. International Plc.	Consumer	"	290,634	290,634	8.51	8.51	222,573,877.43	222,573,877.43	29,672,520.00	30,908,875.00
Far East DDB Plc.	Advertising	"	75,000	75,000	12.30	12.30	27,203,311.86	27,203,311.86	6,458,550.00	7,381,200.00
Boutique Newcity Plc.	Garment	"	120,000	120,000	0.72	0.72	2,178,695.75	2,178,695.75	0.00	43,000.00
Pan Asia Footwear Plc.	Shoes	"	2,700,000	2,700,000	18.12	18.12	129,297,404.24	129,297,404.24	0.00	0.00
People's Garment Plc.	Garment	"	96,000	96,000	8.80	8.80	34,002,208.59	34,002,208.59	3,802,500.00	5,070,000.00
New City (Bangkok) Plc.	Garment	"	149,510	149,510	0.45	0.45	2,995,668.04	2,995,668.04	30,384.00	50,640.00
Thai President Foods Plc.	Food	"	180,000	180,000	2.29	2.29	75,271,253.52	75,271,253.52	15,824,640.00	14,258,660.00
Inter Far East Engineering Plc.	Photocopier	"	-	407,793	-	-	0.00	0.00	0.00	214,837.00
Textile Prestige Plc.	Textile	"	108,000	108,000	8.69	8.69	20,255,078.29	20,255,078.29	4,695,185.00	5,164,703.50
Thai Wacoal Plc.	Textile	"	120,000	120,000	7.57	7.57	65,121,788.73	65,121,788.73	20,440,687.50	21,803,400.00
O.C.C International Plc.	Cosmetic	"	60,000	60,000	0.10	0.10	198,297.00	198,297.00	48,000.00	48,000.00
S&J International Enterprise Plc.	Cosmetic	"	149,931	150,000	0.16	0.16	1,861,287.69	1,861,287.69	194,241.60	194,241.60
Total securities available for sale - related parties							702,767,775.74	684,648,321.50	88,807,200.00	92,548,049.00
Add Unrealized gain from adjustment on securities							3,196,969,954.96	2,514,323,579.90	0.00	0.00
Total securities available for sale - related parties net							3,899,737,730.70	3,198,971,901.40	88,807,200.00	92,548,049.00

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## 11. INVESTMENTS IN ASSOCIATES

Names	Type of business	Relationship	Paid - up share capital (Thousand Baht)		Percentage of investment		Consolidated financial statements Equity method (Baht)		Separate financial statements Cost method (Baht)		Dividend (Baht)	
			2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Sun 108 Co., Ltd.	Retail Distributor	Co-shareholders and administrator	100,000	100,000	17.75	17.75	0.00	0.00	40,001,014.00	40,001,014.00	0.00	0.00
Saha Ubol Nakorn Co., Ltd.	Property Development	"	7,813	250,000	20.00	20.00	1,582,432.70	1,579,051.84	5,087,500.00	5,087,500.00	0.00	0.00
Sahapat Real Estate Co., Ltd.	Property Development	"	250,000	250,000	20.00	20.00	51,180,608.56	52,171,138.47	50,000,000.00	50,000,000.00	1,500,000.00	1,500,000.00
Sriracha Transportation Co., Ltd.	Transport	"	10,000	10,000	20.00	20.00	2,330,114.04	2,365,812.56	2,036,000.00	2,036,000.00	100,000.00	100,000.00
Dairy Thai Co., Ltd.	Dairy	"	18,125	18,125	45.00	45.00	9,532,628.68	11,306,393.82	30,324,600.00	30,324,600.00	0.00	0.00
Thai - Myanmar Success Venture Co., Ltd.	Investment	"	100,000	100,000	35.00	35.00	38,219,162.76	37,601,242.62	35,039,403.72	35,039,403.72	0.00	0.00
President Foods (Cambodia) Co., Ltd.	Food	"	66,375	66,375	30.00	30.00	40,702,434.93	36,515,123.28	19,646,775.00	19,646,775.00	4,170,570.00	3,065,040.00
Ruamissara Co., Ltd.	Real estate	"	80,000	80,000	25.00	25.00	0.00	0.00	20,000,000.00	20,000,000.00	0.00	0.00
Saha Lawson Co., Ltd.	Convenience store	"	837,000	697,000	20.00	20.00	101,661,775.39	114,150,810.88	167,400,000.00	139,399,700.00	0.00	0.00
Boon Capital Holding Co., Ltd.	Investment	"	270,000	175,000	32.00	32.00	86,226,046.92	55,907,476.36	86,399,990.00	55,999,990.00	0.00	0.00
CANCHANA INTERNATIONAL Co., Ltd.	Retail Distributor	"	KHR 2,000,000	-	40.00	-	7,736,358.22	0.00	6,494,660.00	0.00	0.00	0.00
KP Soft Co.,Ltd	Computer Service	"	160,000	-	18.00	-	39,942,437.72	0.00	41,400,000.00	0.00	0.00	0.00
Total							379,113,999.92	311,597,049.83	503,829,942.72	397,534,982.72	5,770,570.00	4,665,040.00
Less Provisions for impairment loss							0.00	0.00	(83,000,000.00)	(83,000,000.00)	0.00	0.00
<b>Total investments in associates - net</b>							<b>379,113,999.92</b>	<b>311,597,049.83</b>	<b>420,829,942.72</b>	<b>314,534,982.72</b>	<b>5,770,570.00</b>	<b>4,665,040.00</b>

As at December 31, 2014 and 2013, the Company recorded investments in 12 and 10 associates under equity method from their unaudited financial statements, due to the Company has no authority in commanding those associates to have the financial statements annually auditing which had unaudited net investments amount of 404.51 Baht million and Baht 311.60 million equal to 2.00% and 1.90% of total assets as at December 31, 2014 and 2013 had equity gain from investments in 12 and 10 associates amount of Baht 10.81 million and Baht 9.58 million equal to 87.00% and 0.92 % of net profit and equity loss of Baht 43.81million and Baht 30.73 million equal to 3.47% and 2.96 % of net profit.

## 12. INVESTMENTS IN SUBSIDIARIES

Names	Type of business	Relationship	Paid - up share capital (Thousand Baht)		Percentage of investment		Consolidated financial statements Equity method (Baht)		Separate financial statements Cost method (Baht)		Dividend (Baht)	
			2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Chokchaipibul Co., Ltd.	Investment	Co-shareholders and administrator	1,020,000	1,020,000	99.99	99.99	0.00	0.00	1,003,801,619.94	1,003,801,619.94	0.00	0.00
Bangkok Tower (1999) Co., Ltd.	Office for rent	"	519,000	519,000	99.99	99.99	0.00	0.00	518,994,000.00	518,994,000.00	0.00	0.00
Tipvarin - Watana Co., Ltd.	Mineral water	"	16,440	16,440	49.95	49.95	0.00	0.00	17,294,100.00	17,294,100.00	821,150.00	821,150.00
SAHA VIETNAM Co., Ltd.	Retail Distributor	"	4,807	-	100.00	-	0.00	0.00	4,903,321.67	0.00	0.00	0.00
Total							0.00	0.00	1,544,993,041.61	1,540,089,719.94	821,150.00	821,150.00
Less Provision for impairment loss							0.00	0.00	(400,000,000.00)	(400,000,000.00)	0.00	0.00
<b>Total investments in subsidiaries - net</b>							<b>0.00</b>	<b>0.00</b>	<b>1,144,993,041.61</b>	<b>1,140,089,719.94</b>	<b>821,150.00</b>	<b>821,150.00</b>

### 13. OTHER LONG - TERM INVESTMENTS - CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Names	Paid - up share capital (Thousand Baht)		Percentage of investment		Cost method (Baht)		Dividend (Baht)	
	2014	2013	2014	2013	2014	2013	2014	2013
<b>Long-term investments in related parties :-</b>								
Raja Uchino Co., Ltd.	121,500	121,500	9.91	9.91	10,353,887.00	10,353,887.00	802,500.00	1,203,750.00
Thai Hoover Industry Co., Ltd.	60,000	60,000	2.57	2.57	1,540,000.00	1,540,000.00	1,155,000.00	1,232,000.00
Sahachol Food Supplies Co., Ltd.	200,000	200,000	10.40	10.40	26,240,000.00	21,040,000.00	0.00	0.00
Thai Takeda Co., Ltd.	127,000	127,000	3.46	3.46	4,400,000.00	4,400,000.00	660,000.00	660,000.00
Lion Corporation (Thailand) Ltd.	300,000	300,000	12.13	12.13	36,646,569.00	36,646,569.00	32,317,959.00	31,288,122.00
Thai Lotte Co., Ltd.	3,013,000	3,013,000	0.58	0.58	17,600,000.00	17,600,000.00	0.00	0.00
Pan Land Co., Ltd.	300,000	300,000	10.00	10.00	30,000,000.00	30,000,000.00	0.00	0.00
Choksamakee Co., Ltd.	116,000	116,000	13.79	13.79	16,000,000.00	16,000,000.00	0.00	0.00
Sahapat Properties Co., Ltd.	20,000	20,000	6.25	6.25	1,250,000.00	1,250,000.00	500,000.00	0.00
Thai Cubic Technology Co., Ltd.	40,000	40,000	5.00	5.00	2,000,000.00	2,000,000.00	1,000,000.00	1,000,000.00
Kewpie (Thailand) Co., Ltd.	260,000	260,000	10.00	10.00	26,000,000.00	26,000,000.00	3,900,000.00	2,834,000.00
K.R.S. Logistics Co., Ltd.	10,000	10,000	15.50	15.50	1,550,000.00	1,550,000.00	310,000.00	387,500.00
I.D.F. Co., Ltd.	90,000	90,000	19.60	19.60	27,719,897.00	27,719,897.00	5,293,200.00	5,293,200.00
Huathor (Thailand) Co., Ltd.	12,000	12,000	2.50	2.50	300,000.00	300,000.00	0.00	0.00
Four People Foods Co., Ltd.	200,000	200,000	13.00	13.00	16,945,500.00	16,945,500.00	0.00	0.00
Sriracha Aviation Co., Ltd.	55,000	33,000	3.64	6.06	2,000,000.00	2,000,000.00	100,000.00	0.00
Thai Sun Foods Co., Ltd.	50,000	50,000	16.88	16.88	8,437,500.00	8,437,500.00	168,750.00	168,750.00
Otsuka Saha Asia Research Co., Ltd.	80,000	80,000	16.33	16.33	13,066,800.00	13,066,800.00	0.00	0.00
BNC Real estate Co.,Ltd	60,000	-	16.67	-	10,000,000.00	0.00	0.00	0.00
Total other long-term investments in related parties					252,050,153.00	236,850,153.00	46,207,409.00	44,067,322.00
Less Provision for impairment loss					(58,300,000.00)	(48,550,000.00)	0.00	0.00
<b>Net other long-term investments in related parties</b>					<b>193,750,153.00</b>	<b>188,300,153.00</b>	<b>46,207,409.00</b>	<b>44,067,322.00</b>

Names	Paid - up share capital (Thousand Baht)		Percentage of investment		Cost method (Baht)		Dividend (Baht)	
	2014	2013	2014	2013	2014	2013	2014	2013
<b>Other long-term investments : -</b>								
Bangkok Rubber Plc.	1,392,667	1,392,667	0.62	0.62	27,099,692.58	27,099,692.58	0.00	0.00
First United Industry Co., Ltd.	40,000	40,000	14.37	14.37	5,746,600.00	5,746,600.00	1,436,650.00	1,149,320.00
Champ Ace Co., Ltd.	40,000	40,000	4.17	4.17	1,666,600.00	1,666,600.00	0.00	416,650.00
Janome (Thailand) Co., Ltd.	97,400	97,400	2.00	2.00	2,759,220.00	2,759,220.00	487,000.00	440,000.00
Thanara Co., Ltd.	90,000	90,000	3.33	3.33	3,000,000.00	3,000,000.00	0.00	0.00
Molten (Thailand) Co., Ltd.	100,000	100,000	6.00	6.00	6,000,000.00	6,000,000.00	1,200,000.00	2,400,000.00
International Laboratories Corporation Ltd.	120,000	120,000	9.83	9.83	145,418,000.00	145,418,000.00	14,160,000.00	18,880,000.00
Thai Gunze Dyeing Co., Ltd.	180,000	180,000	4.00	4.00	7,200,000.00	7,200,000.00	0.00	0.00
Advance Agrotech Co., Ltd.	16,410	16,410	7.62	7.62	1,250,000.00	1,250,000.00	0.00	0.00
S.S.D.C. Tigertext Co., Ltd.	324,000	324,000	4.62	4.62	14,969,306.25	14,969,306.25	672,880.50	598,116.00
Thai Arai Co., Ltd.	126,000	126,000	4.00	4.00	5,040,000.00	5,040,000.00	0.00	0.00
Treasure Hill Co., Ltd.	200,000	200,000	4.00	4.00	5,423,600.00	5,423,600.00	0.00	0.00
Thai Samsung Electronic Co., Ltd.	1,200,000	1,200,000	0.83	0.83	10,000,000.00	10,000,000.00	2,500,000.00	0.00
Noble Place Co., Ltd.	296,250	296,250	0.08	0.08	1,500,000.00	1,500,000.00	0.00	0.00
Nuboon Co., Ltd.	35,000	35,000	5.74	5.74	2,010,000.00	2,010,000.00	804,000.00	1,005,000.00
Chanthaburi Country Club Co., Ltd.	300,000	300,000	0.17	0.17	2,000,000.00	2,000,000.00	0.00	0.00
Molten Asia Polimer Product Co.,Ltd.	120,000	120,000	7.80	7.80	9,360,000.00	9,360,000.00	936,000.00	1,872,000.00
Saha Seiren Co., Ltd.	680,000	680,000	0.22	0.22	1,500,000.00	1,500,000.00	675,000.00	225,000.00
Amata VN Plc.	384,315	384,315	1.00	1.00	2,999,135.00	2,999,135.00	307,440.00	307,440.00
Thai Herbal Products Co., Ltd.	80,000	80,000	2.25	2.25	1,800,000.00	1,800,000.00	540,000.00	212,400.00
Imperial Technology Management Plc.	887,350	887,350	0.70	0.70	6,250,000.00	6,250,000.00	0.00	0.00
Rajsrima Shopping Complex Co., Ltd.	350,000	350,000	2.00	2.00	7,000,000.00	7,000,000.00	0.00	1,001,000.00
Fairy Land Department Store Co., Ltd.	100,000	100,000	5.00	5.00	7,500,000.00	7,500,000.00	0.00	0.00
U.C.C Ueshima Coffee (Thailand) Co., Ltd.	15,000	15,000	10.00	10.00	1,366,156.20	1,366,156.20	0.00	0.00
Kenmin Foods (Thailand) Co., Ltd.	30,000	30,000	5.00	5.00	1,500,000.00	1,500,000.00	280,056.00	300,000.00
The Mall Ratchasrima Co., Ltd.	50,000	50,000	2.00	2.00	1,000,000.00	1,000,000.00	0.00	3,000,000.00

Names	Paid - up share capital (Thousand Baht)		Percentage of investment		Cost method (Baht)		Dividend (Baht)	
	2014	2013	2014	2013	2014	2013	2014	2013
Winstore Co., Ltd.	142,000	142,000	-	1.76	0.00	2,500,000.00	0.00	0.00
Thai Samsung Life Insurance Co., Ltd.	1,300,000	760,000	3.50	5.99	44,198,000.79	44,198,000.79	0.00	0.00
Thai Osuka Pharmaceutical Co., Ltd.	35,000	35,000	3.00	3.00	6,300,000.00	6,300,000.00	2,163,000.00	2,415,000.00
Swan Co., Ltd.	6,000	6,000	0.35	0.35	58,349.97	58,349.97	1,050.00	1,050.00
Kiat Thai Knitting Factory Co., Ltd.	3,000	3,000	3.33	3.33	358,980.00	358,980.00	5,000.00	5,000.00
President Commercial Co., Ltd.	5,000	5,000	13.00	13.00	43,836.00	43,836.00	0.00	0.00
Thai Itokin Co., Ltd.	100,000	100,000	1.00	1.00	1,362,900.00	1,362,900.00	0.00	0.00
Waseda Education (Thailand) Co., Ltd.	56,000	56,000	7.14	7.14	4,000,000.00	4,000,000.00	0.00	0.00
Daiso Sangyo (Thailand) Co., Ltd.	280,000	280,000	6.45	6.45	18,052,630.00	18,052,630.00	902,631.50	523,526.27
Siam D C M Co., Ltd.	82,500	82,500	1.97	1.97	6,500,000.00	6,500,000.00	0.00	0.00
Thai Bunka Fashions Co., Ltd.	25,000	25,000	8.00	8.00	2,000,000.00	2,000,000.00	0.00	0.00
Carbon Magic (Thailand) Co., Ltd.	590,000	90,000	4.17	4.17	24,583,000.00	3,750,000.00	0.00	0.00
United Utility Co., Ltd.	350,000	350,000	3.93	3.93	22,381,700.00	22,381,700.00	687,425.00	687,425.00
Erawan Textile Co., Ltd.	621,463	500,000	10.15	12.61	93,728,406.99	93,728,406.99	0.00	0.00
Bangkok Tokyo Sock Co., Ltd.	143,220	143,220	4.89	4.89	5,755,837.50	5,755,837.50	420,000.00	420,000.00
Elleair International (Thailand) Co., Ltd.	945,000	845,000	10.00	10.00	94,500,000.00	84,500,000.00	0.00	0.00
Asahi Cathays Spunbong Co., Ltd.	1,600,000	900,000	2.88	2.00	46,000,000.00	18,005,400.00	0.00	0.00
Tsuruha Holding INC.	200,000	200,000	15.00	15.00	30,000,000.00	30,000,000.00	0.00	0.00
Kallol Thai President Foods (BD) Ltd.	530,000	530,000	3.75	3.75	7,655,579.46	7,655,579.46	0.00	0.00
J&P(Thailand) Co., Ltd.	100,000	54,000	7.00	7.00	7,000,000.00	3,780,000.00	0.00	0.00
BNC Maesot Co., Ltd.	50,000	50,000	9.00	9.00	4,500,000.00	4,500,000.00	0.00	0.00
President Food (Hungary) Kft.	305,500	305,500	10.00	10.00	32,182,363.55	32,182,363.55	0.00	0.00
Nippon Tei Sato Co.,Ltd.	60,000	-	6.00	-	1,800,000.00	0.00	0.00	0.00
Saha Tokyu Corporation Co.,Ltd.	332,000	-	12.00	-	9,960,000.00	0.00	0.00	0.00
Total other long-term investments					744,279,894.29	672,972,294.29	28,178,133.00	35,858,927.27
Less Provision for impairment loss					(157,071,692.58)	(124,619,692.58)	0.00	0.00
Total other long-term investments - net					587,208,201.71	548,352,601.71	28,178,133.00	35,858,927.27
<b>Total other long-term investments - separate financial statements</b>					<b>780,958,354.71</b>	<b>736,652,754.71</b>	<b>74,385,542.00</b>	<b>79,926,249.27</b>
Belle Maison (Thailand) Co., Ltd.	80,000	80,000	7.00	7.00	56,000.00	56,000.00	0.00	0.00
Saha Rattanakorn Co., Ltd.	180,000	180,000	15.00	15.00	2,700.00	2,700.00	0.00	0.00
<b>Total other long-term investments - consolidated financial statements</b>					<b>781,017,054.71</b>	<b>736,711,454.71</b>	<b>74,385,542.00</b>	<b>79,926,249.27</b>

# NOTES TO FINANCIAL STATEMENTS

## 14. INVESTMENT PROPERTIES

Investment properties as at December 31, 2014 and 2013 are as following:

### Consolidated financial statements

(Unit : Baht)

	Land	Building	Public utilities	Building improvement	Assets under construction	Total
<b>Cost</b>						
Balance as at December 31, 2012	1,605,327,627.66	642,326,636.04	170,574,773.19	0.00	0.00	2,418,229,036.89
Acquisition	78,584,773.00	125,256,514.19	7,500.00	0.00	0.00	203,848,787.19
Disposal	(1,280,000.00)	(2,200,049.00)	(435,644.27)	0.00	0.00	(3,915,693.27)
Balance as at December 31, 2013	1,682,632,400.66	765,383,101.23	170,146,628.92	0.00	0.00	2,618,162,130.81
Acquisition	1,161,274.00	386,884.36	51,360.00	23,699,438.80	2,812,416.15	28,111,373.31
Disposal	0.00	(722,619.00)	(8,650.00)	0.00	0.00	(731,269.00)
Transfer	126,719,407.19	130,432,423.57	0.00	0.00	(1,995,216.15)	255,156,614.61
Balance as at December 31, 2014	1,810,513,081.85	895,479,790.16	170,189,338.92	23,699,438.80	817,200.00	2,900,698,849.73
<b>Accumulated depreciation</b>						
Balance as at December 31, 2012	0.00	334,834,851.85	166,698,562.27	0.00	0.00	501,533,414.12
Depreciation	0.00	20,270,258.40	2,776,325.50	0.00	0.00	23,046,583.90
Decrease	0.00	(689,247.86)	(435,641.27)	0.00	0.00	(1,124,889.13)
Balance as at December 31, 2013	0.00	354,415,862.39	169,039,246.50	0.00	0.00	523,455,108.89
Depreciation	0.00	22,632,258.48	71,891.82	0.00	0.00	22,704,150.30
Decrease	0.00	(45,336.83)	(1,586.52)	0.00	0.00	(46,923.35)
Transfer	0.00	101,763,001.22	0.00	0.00	0.00	101,763,001.22
Balance as at December 31, 2014	0.00	478,765,785.26	169,109,551.80	0.00	0.00	647,875,337.06
<b>Provision for impairment loss</b>						
Balance as at December 31, 2012	(136,428,389.09)	0.00	0.00	0.00	0.00	(136,428,389.09)
Balance as at December 31, 2013	(136,428,389.09)	0.00	0.00	0.00	0.00	(136,428,389.09)
Decrease	76,319,671.73	0.00	0.00	0.00	0.00	76,319,671.73
Balance as at December 31, 2014	(60,108,717.36)	0.00	0.00	0.00	0.00	(60,108,717.36)
<b>Net book value</b>						
Balance as at December 31, 2013	1,546,204,011.57	410,967,238.84	1,107,382.42	0.00	0.00	1,958,278,632.83
Balance as at December 31, 2014	1,750,404,364.49	416,714,004.90	1,079,787.12	23,699,438.80	817,200.00	2,192,714,795.31

Investment in land of subsidiaries is included loan interest amount of Baht 443,939,141.28 and subsidiaries has appraised fair value of land which had appraisal value exceeding net book value. Subsidiaries then reversed provision for impairment loss amount of Baht 55,423,766.73.

# NOTES TO FINANCIAL STATEMENTS

Fair value of investment property as at December 31, 2014, had the amount of Baht 6,375,897,396.40 which appraised by the independent appraiser.

Separate financial statements				(Unit : Baht)
	Land	Buildings	Assets under construction	Total
<b>Cost</b>				
Balance as at December 31, 2012	642,274,177.10	103,280,794.79	0.00	745,554,971.89
Acquisition	78,584,773.00	116,033,642.00	0.00	194,618,415.00
Disposal	(1,280,000.00)	(2,200,049.00)	0.00	(3,480,049.00)
Balance as at December 31, 2013	719,578,950.10	217,114,387.79	0.00	936,693,337.89
Acquisition	1,161,274.00	131,215.00	2,812,416.15	4,104,905.15
Disposal	0.00	(722,619.00)	0.00	(722,619.00)
Transfer	156,771,339.19	173,148,118.57	(1,995,216.15)	327,924,241.61
Balance as at December 31, 2014	877,511,563.29	389,671,102.36	817,200.00	1,267,999,865.65
<b>Accumulated depreciation</b>				
Balance as at December 31, 2012	0.00	43,514,856.87	0.00	43,514,856.87
Depreciation	0.00	8,000,138.97	0.00	8,000,138.97
Decrease	0.00	(689,247.86)	0.00	(689,247.86)
Balance as at December 31, 2013	0.00	50,825,747.98	0.00	50,825,747.98
Depreciation	0.00	9,988,622.90	0.00	9,988,622.90
Decrease	0.00	(45,336.83)	0.00	(45,336.83)
Transfer	0.00	115,657,272.69	0.00	115,657,272.69
Balance as at December 31, 2014	0.00	176,426,306.74	0.00	176,426,306.74
<b>Provision for impairment loss</b>				
Balance as at December 31, 2012	(35,012,041.50)	0.00	0.00	(35,012,041.50)
Balance as at December 31, 2013	(35,012,041.50)	0.00	0.00	(35,012,041.50)
Decrease	20,895,905.00	0.00	0.00	20,895,905.00
Balance as at December 31, 2014	(14,116,136.50)	0.00	0.00	(14,116,136.50)
<b>Net book value</b>				
Balance as at December 31, 2013	<b>684,566,908.60</b>	<b>166,288,639.81</b>	<b>0.00</b>	<b>850,855,548.41</b>
Balance as at December 31, 2014	<b>863,395,426.79</b>	<b>213,244,795.62</b>	<b>817,200.00</b>	<b>1,077,457,422.41</b>

As at December 31, 2014, fair value of investment properties appraised by independent appraiser had appraisal value amount of Baht 4,492,817,396.40.

The significant amount of investment properties shown in statements of comprehensive income for the year ended December 31, 2014 and 2013 are as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
<b>Revenues</b>				
Rental income	91,615,854.79	86,000,847.74	76,967,333.80	72,240,383.45
Services income	32,909,715.31	31,874,155.65	0.00	0.00
<b>Total revenues</b>	<b>124,525,570.10</b>	<b>117,875,003.39</b>	<b>76,967,333.80</b>	<b>72,240,383.45</b>
<b>Direct operating expenses</b>				
Related to rental, and service income	36,857,454.39	39,209,053.18	2,905,657.65	5,790,045.45
<b>Total direct operating expenses</b>	<b>36,857,454.39</b>	<b>39,209,053.18</b>	<b>2,905,657.65</b>	<b>5,790,045.45</b>

## 15. PROPERTY, PLANT AND EQUIPMENT

(Unit : Baht)

	Consolidated financial statements									
	Land	Buildings	Buildings improvement	Office equipment	Machineries	Cost of land development	Furniture and fixtures	Vehicles	Assets under construction	Total
Cost										
Balance as at December 31, 2012	444,124,667.78	338,738,850.60	82,309,962.96	318,103,034.48	57,999,592.02	73,965,318.09	157,098,302.60	667,335,089.29	102,883,786.35	2,242,558,604.17
Acquisition	0.00	0.00	0.00	13,740,714.24	9,258,408.49	0.00	2,226,803.21	82,505,201.41	95,021,685.33	202,752,812.68
Disposal	0.00	(779,351.71)	0.00	(54,447,215.17)	(3,765,834.90)	(272,061.72)	(22,419,253.44)	(24,849,436.95)	0.00	(106,533,153.89)
Transfer	0.00	284,158.36	(2,416,820.14)	58,224,343.30	54,340,368.15	2,264,143.55	(70,041,024.40)	0.00	(57,477,583.22)	(14,822,414.40)
Balance as at December 31, 2013	444,124,667.78	338,243,657.25	79,893,142.82	335,620,876.85	117,832,533.76	75,957,399.92	66,864,827.97	724,990,853.75	140,427,888.46	2,323,955,848.56
Increase for investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	495,510.72	0.00	495,510.72
Acquisition	0.00	0.00	0.00	20,380,199.01	444,600.00	0.00	0.00	512,640.19	92,000,054.15	113,337,493.35
Disposal	(2,861,999.00)	(2,808,646.00)	0.00	(20,290,545.27)	(1,008,200.87)	(159,625.00)	(3,133,437.81)	(16,011,904.60)	(1,941,500.00)	(48,215,858.55)
Transfer	(126,719,407.19)	44,851,786.81	0.00	16,750,766.33	999,172.93	20,383,615.04	2,007,275.00	0.00	(213,429,823.53)	(255,156,614.61)
Balance as at December 31, 2014	314,543,261.59	380,286,798.06	79,893,142.82	352,461,296.92	118,268,105.82	96,181,389.96	65,738,665.16	709,987,100.06	17,056,619.08	2,134,416,379.47
Accumulated depreciation										
Balance as at December 31, 2012	0.00	224,306,706.09	72,521,726.27	282,637,335.23	29,597,366.37	50,688,364.28	100,475,808.43	573,157,703.70	0.00	1,333,385,010.37
Depreciation	0.00	15,277,862.50	4,389,614.13	28,819,653.05	13,853,369.55	343,560.97	10,215,924.20	35,112,884.31	0.00	108,012,868.71
Decrease	0.00	(484,521.57)	0.00	(45,492,013.29)	(3,763,671.29)	(46,623.15)	(14,715,178.31)	(23,728,860.14)	0.00	(88,230,867.75)
Transfer	0.00	(45,169.56)	(2,416,820.14)	18,304,111.26	0.00	0.00	(30,664,535.96)	0.00	0.00	(14,822,414.40)
Balance as at December 31, 2013	0.00	239,054,877.46	74,494,520.26	284,269,086.25	39,687,064.63	50,985,302.10	65,312,018.36	584,541,727.87	0.00	1,338,344,596.93
Increase for investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	338,167.90	0.00	338,167.90
Depreciation	0.00	18,152,894.08	580,794.83	26,556,176.44	13,336,470.92	306,598.98	482,418.84	41,934,315.55	0.00	101,349,669.64
Decrease	0.00	(2,545,860.44)	0.00	(13,206,460.15)	(615,312.80)	(159,624.00)	(2,896,653.72)	(16,399,631.28)	0.00	(35,823,542.39)
Transfer	0.00	(101,763,001.22)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(101,763,001.22)
Balance as at December 31, 2014	0.00	152,898,909.88	75,075,315.09	297,618,802.54	52,408,222.75	51,132,277.08	62,897,783.48	610,414,580.04	0.00	1,302,445,890.86
Net book value										
Balance as at December 31, 2013	444,124,667.78	99,188,779.79	5,398,622.56	51,351,790.60	78,145,469.13	24,972,097.82	1,552,809.61	140,449,125.88	140,427,888.46	985,611,251.63
Balance as at December 31, 2014	314,543,261.59	227,387,888.18	4,817,827.73	54,842,494.38	65,859,883.07	45,049,112.88	2,840,881.68	99,572,520.02	17,056,619.08	831,970,488.61

**15. PROPERTY, PLANT AND EQUIPMENT (Continued)**

(Unit : Baht)

	Separate financial statements									
	Land	Buildings	Buildings improvement	Office equipment	Machineries	Cost of land development	Furniture and fixtures	Vehicles	Assets under construction	Total
Cost										
Balance as at December 31, 2012	438,104,969.78	322,502,560.81	79,893,142.82	300,344,823.80	27,342,171.85	69,299,800.07	152,452,384.11	664,156,101.62	49,035,844.64	2,103,131,799.50
Acquisition	0.00	0.00	0.00	13,059,323.19	114,300.00	0.00	1,433,553.21	80,709,291.83	91,392,043.82	186,708,512.05
Disposal	0.00	0.00	0.00	(53,714,740.46)	(2,581,131.00)	0.00	(22,382,244.29)	(24,849,436.95)	0.00	(103,527,552.70)
Transfer	0.00	0.00	0.00	65,550,855.48	0.00	0.00	(65,550,855.48)	0.00	0.00	0.00
Balance as at December 31, 2013	438,104,969.78	322,502,560.81	79,893,142.82	325,240,262.01	24,875,340.85	69,299,800.07	65,952,837.55	720,015,956.50	140,427,888.46	2,186,312,758.85
Acquisition	0.00	0.00	0.00	19,564,018.91	0.00	0.00	0.00	512,640.19	89,893,334.16	109,969,993.26
Disposal	(2,861,999.00)	(2,808,646.00)	0.00	(20,196,546.39)	(254,350.00)	0.00	(3,133,437.81)	(15,871,717.69)	(1,941,500.00)	(47,068,196.89)
Transfer	(156,771,339.19)	1,854,682.91	0.00	16,509,648.61	0.00	19,798,594.60	2,007,275.00	0.00	(211,323,103.54)	(327,924,241.61)
Balance as at December 31, 2014	278,471,631.59	321,548,597.72	79,893,142.82	341,117,383.14	24,620,990.85	89,098,394.67	64,826,674.74	704,656,879.00	17,056,619.08	1,921,290,313.61
Accumulated depreciation										
Balance as at December 31, 2012	0.00	220,708,866.45	70,104,906.13	268,470,548.96	16,680,528.60	49,193,349.90	95,859,275.94	571,640,809.46	0.00	1,292,658,285.44
Depreciation	0.00	14,476,463.66	4,389,614.13	27,526,897.96	4,244,435.68	0.00	10,053,699.06	34,458,193.87	0.00	95,149,304.36
Decrease	0.00	0.00	0.00	(44,773,881.47)	(2,581,129.00)	0.00	(14,678,185.16)	(23,728,860.14)	0.00	(85,762,055.77)
Transfer	0.00	0.00	0.00	26,174,367.04	0.00	0.00	(26,174,367.04)	0.00	0.00	0.00
Balance as at December 31, 2013	0.00	235,185,330.11	74,494,520.26	277,397,932.49	18,343,835.28	49,193,349.90	65,060,422.80	582,370,143.19	0.00	1,302,045,534.03
Depreciation	0.00	17,360,039.59	580,794.83	25,168,450.59	2,982,833.94	0.00	320,441.76	40,577,269.65	0.00	86,989,830.36
Decrease	0.00	(2,545,860.44)	0.00	(13,136,114.48)	(254,347.00)	0.00	(2,896,653.72)	(16,371,671.34)	0.00	(35,204,646.98)
Transfer	0.00	(115,657,272.69)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(115,657,272.69)
Balance as at December 31, 2014	0.00	134,342,236.57	75,075,315.09	289,430,268.60	21,072,322.22	49,193,349.90	62,484,210.84	606,575,741.50	0.00	1,238,173,444.72
Net book value										
Balance as at December 31, 2013	438,104,969.78	87,317,230.70	5,398,622.56	47,842,329.52	6,531,505.57	20,106,450.17	892,414.75	137,645,813.31	140,427,888.46	884,267,224.82
Balance as at December 31, 2014	278,471,631.59	187,206,361.15	4,817,827.73	51,687,114.54	3,548,668.63	39,905,044.77	2,342,463.90	98,081,137.50	17,056,619.08	683,116,868.89

## 16. INTANGIBLE ASSETS

(Unit : Baht)

	Consolidated financial statements			
	2013	Increase	Disposal	2014
Cost				
Factory electricity system	773,104.00	0.00	0.00	773,104.00
Trademark	20,831,775.36	105,584.21	0.00	20,937,359.57
Golf membership	899,065.42	0.00	0.00	899,065.42
Software	20,573,125.23	3,777,540.01	0.00	24,350,665.24
Total cost	43,077,070.01	3,883,124.22	0.00	46,960,194.23
Accumulated amortization				
Factory electricity system	233,712.84	24,146.42	0.00	257,859.26
Trademark	12,415.29	0.00	0.00	12,415.29
Golf membership	899,062.42	0.00	0.00	899,062.42
Software	18,123,840.68	661,892.06	0.00	18,785,732.74
Total accumulated amortization	19,269,031.23	686,038.48	0.00	19,955,069.71
<b>Intangible assets</b>	<b>23,808,038.78</b>	<b>3,197,085.74</b>	<b>0.00</b>	<b>27,005,124.52</b>

(Unit : Baht)

	Separate financial statements			
	2013	Increase	Disposal	2014
Cost				
Trademark	20,831,775.36	105,584.21	0.00	20,937,359.57
Golf membership	899,065.42	0.00	0.00	899,065.42
Software	20,388,912.87	3,762,620.18	0.00	24,151,533.05
Total cost	42,119,753.65	3,868,204.39	0.00	45,987,958.04
Accumulated amortization				
Trademark	12,415.29	0.00	0.00	12,415.29
Golf membership	899,062.42	0.00	0.00	899,062.42
Software	18,036,144.80	632,711.25	0.00	18,668,856.05
Total accumulated amortization	18,947,622.51	632,711.25	0.00	19,580,333.76
<b>Intangible assets</b>	<b>23,172,131.14</b>	<b>3,235,493.14</b>	<b>0.00</b>	<b>26,407,624.28</b>

## 17. OTHER NON-CURRENT ASSETS

Other non-current assets as at December 31, 2014 and 2013 consist of

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Deposits and retention	73,923,355.77	79,430,592.17	72,149,123.06	77,688,626.40
Unbilled cheque return over 1 year	17,386,559.89	16,085,376.25	17,386,559.89	16,085,376.25
Loans to employees	27,856,118.57	39,685,497.37	27,856,118.57	39,685,497.37
Others	17,705,744.49	13,008,237.99	1,292,678.55	855,573.49
<b>Total</b>	<b>136,871,778.72</b>	<b>148,209,703.78</b>	<b>118,684,480.07</b>	<b>134,315,073.51</b>
Less Provision for impairment of deposit and retention	(18,225,900.00)	(18,225,900.00)	(18,225,900.00)	(18,225,900.00)
Allowance for doubtful of unbilled cheque return over 1 year	(17,386,000.00)	(16,085,000.00)	(17,386,000.00)	(16,085,000.00)
Allowance for doubtful of other receivables	(25,000,000.00)	(25,000,000.00)	(25,000,000.00)	(25,000,000.00)
<b>Total</b>	<b>(60,611,900.00)</b>	<b>(59,310,900.00)</b>	<b>(60,611,900.00)</b>	<b>(59,310,900.00)</b>
<b>Other non-current assets - net</b>	<b>76,259,878.72</b>	<b>88,898,803.78</b>	<b>58,072,580.07</b>	<b>75,004,173.51</b>

The Company made agreement to buy and to sell of land in North - Park project and fully made payment, which was recorded as land deposits of Baht 60,753,000.00 but the ownership has not been transferred to the Company caused by the Company still not proceed the building construction to be indicated in agreement which may incur a loss amount of Baht 18,225,900.00 and the Company, then, recorded provision for impairment by such amount.

## 18. INCOME TAX

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Deferred tax assets	11,185,457.40	21,617,726.03	0.00	0.00
Deferred tax (liabilities)	(612,859,252.22)	(445,848,501.47)	(532,859,252.22)	(365,848,501.47)
<b>Net</b>	<b>(601,673,794.82)</b>	<b>(424,230,775.44)</b>	<b>(532,859,252.22)</b>	<b>(365,848,501.47)</b>

# NOTES TO FINANCIAL STATEMENTS

Movement of deferred tax assets and liabilities during the period are as follows:

			(Unit : Baht)	
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Deferred tax assets (liabilities)				
Allowance for doubtful accounts	19,632,196.84	21,210,689.57	19,144,728.48	21,023,221.21
Current investments	(11,585.98)	(8,173.92)	0.00	0.00
Provisions for impairment loss -				
Associated companies	16,600,000.00	16,600,000.00	16,600,000.00	16,600,000.00
Provisions for impairment loss -				
Subsidiary companies	0.00	0.00	80,000,000.00	80,000,000.00
Provisions for impairment loss -				
Other long - term investments	43,074,338.52	35,673,938.51	43,074,338.52	35,673,938.51
Provisions for impairment loss on land	9,198,516.17	20,283,269.52	0.00	0.00
Provisions for impairment loss				
available for sale investment	(747,649,040.72)	(580,199,598.16)	(747,649,040.72)	(580,199,598.16)
Provisions for impairment loss -				
Investment properties	2,823,227.30	7,002,408.30	2,823,227.30	7,002,408.30
Provisions for impairment loss -				
Property ,Plant and Equipment	0.00	(5,937,925.02)	0.00	(5,937,925.02)
Employee's saving accounts	0.00	6,217,811.69	0.00	6,217,811.69
Allowance for doubtful accounts				
Other assets	12,122,380.00	11,862,180.00	12,122,380.00	11,862,180.00
Employee benefits obligation	42,536,173.05	43,064,624.07	41,025,114.20	41,909,462.00
<b>Deferred tax assets (liabilities)</b>	<b>(601,673,794.82)</b>	<b>(424,230,775.44)</b>	<b>(532,859,252.22)</b>	<b>(365,848,501.47)</b>

Income tax expense for the year ended December 31, 2014 and 2013 are summarized as follows:

			(Unit : Baht)	
	For the year ended December 31, 2014 and 2013			
	2014	2013	2014	2013
<b>Current tax :</b>				
Income tax for the year	282,216,320.04	270,022,827.74	273,346,350.50	262,254,622.22
<b>Deferred tax :</b>				
Deferred tax resulted from temporary				
difference and reversal of				
temporary difference	9,990,164.77	5,507,383.24	(438,691.80)	2,867,337.26
<b>Income tax expenses presented</b>				
<b>    in statements of comprehensive</b>				
<b>    income</b>	<b>292,206,484.81</b>	<b>275,530,210.98</b>	<b>272,907,658.70</b>	<b>265,121,959.48</b>

# NOTES TO FINANCIAL STATEMENTS

Amounts of income tax related to each parts of other comprehensive income (expense) for the year ended December 31, 2014 and 2013 are summarized as follows:

		(Unit : Baht)	
	Consolidated financial statements		Separate financial statements
	2014	2013	2014 2013
(Expenses) Revenue related to gain (loss)			
on re-measuring of securities	(167,452,854.61)	139,636,457.26	(167,449,442.55) 139,642,466.08
<b>Total</b>	<b>(167,452,854.61)</b>	<b>139,636,457.26</b>	<b>(167,449,442.55) 139,642,466.08</b>

		(Unit : Baht)	
	Consolidated financial statements		Separate financial statements
	2014	2013	2014 2013
Profit before income tax expenses	1,529,115,291.94	1,315,235,329.38	1,491,701,149.81 1,301,226,071.13
Amount of tax base on tax rate	20%	20%	20% 20%
Income tax expenses	305,823,058.39	263,047,065.88	298,340,229.96 260,245,214.23
Decrease in income tax			
Allowance for doubtful accounts	1,578,492.73	(2,571,880.00)	1,878,492.73 (2,600,000.00)
Allowance for damaged goods	0.00	2,057,867.52	0.00 2,057,867.52
Provisions for impairment loss -			
Associated companies	0.00	(4,000,000.00)	0.00 (4,000,000.00)
Provisions for impairment loss -			
Other long - term investments	(7,400,400.00)	(874,000.00)	(7,400,400.00) (874,000.00)
Provisions for impairment loss -			
Property ,Plant and Equipment	0.00	1,415,155.42	0.00 1,415,155.42
Provisions for impairment loss -			
Investment properties	15,263,934.35	3,042,490.43	4,179,181.00 0.00
Assets of financial lease	(5,937,925.02)	5,937,925.02	(5,937,925.02) 5,937,925.02
Allowance for doubtful accounts	(260,200.00)	(1,158,400.00)	(260,200.00) (1,158,400.00)
Employee benefits obligation	528,451.03	7,878,205.89	884,347.80 8,306,601.00
Reversal of temporary differences	(17,388,926.67)	755,780.82	(18,776,067.77) (4,208,403.71)
<b>Total</b>	<b>292,206,484.81</b>	<b>275,530,210.98</b>	<b>272,907,658.70 265,121,959.48</b>
Effective tax rates	19%	21%	18% 20%

## 19. OVERDRAFTS AND SHORT TERM LOANS FROM FINANCIAL INSTITUTION

As at December 31, 2014 and 2013, the Company and subsidiary (Tipvarin - Watana Co., Ltd.) obtained overdraft facilities from 12 commercial banks of total credits line of Baht 210 million and Baht 180 million respectively without collaterals and obtained short-term loans from 10 commercial banks of total credit lines of Baht 2,220 million.

## 20. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, 2014 and 2013 consist of

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade accounts payable	4,043,733,999.67	3,723,416,187.36	4,035,939,740.69	3,714,486,010.66
Post-date cheque	2,001,446.00	28,284,016.98	2,001,446.00	28,284,016.98
Accrued expenses and other payables	413,499,988.74	364,063,638.74	394,710,845.47	347,548,883.22
Unearned revenue	719,680.73	962,574.25	0.00	0.00
<b>Total trade and other payables</b>	<b>4,459,955,115.14</b>	<b>4,116,726,417.33</b>	<b>4,432,652,032.16</b>	<b>4,090,318,910.86</b>

## 21. SHORT-TERM LOANS

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

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Other short-term loans	8,100,000.00	7,950,000.00	8,100,000.00	7,950,000.00
<b>Total</b>	<b>8,100,000.00</b>	<b>7,950,000.00</b>	<b>8,100,000.00</b>	<b>7,950,000.00</b>

Short-term loans by issuing promissory notes at the interest rates of 1.75-3.75% per annum without collaterals respectively.

## 22. LIABILITIES UNDER REHABILITATION PLAN

Liabilities under rehabilitation plan as at December 31, 2014 and 2013 are as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Liabilities under rehabilitation plan	0.00	5,889,105.51	0.00	0.00
(Less) Current portion of long - term liabilities	0.00	(5,889,105.51)	0.00	0.00
<b>Liabilities under rehabilitation plan - net</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Liabilities under rehabilitation plan belong to the subsidiary (Bangkok Tower (1999) Co., Ltd.) will be finished in 2014.

## 23. FINANCIAL LEASE LIABILITIES

Details of financial lease Liabilities as at December 31, 2014 and 2013 are as follows :

		(Unit : Baht)	
		Separate financial statements	
		2014	2013
Financial lease liabilities		27,703,007.65	31,089,058.41
Less Current portion of liabilities		(4,593,554.05)	(3,328,748.38)
<b>Net</b>		<b>23,109,453.60</b>	<b>27,760,310.03</b>

	The minimum amount to be paid		Present value of minimum amount to be paid	
	2014	2013	2014	2013
Less than 1 year	12,648,000.00	12,648,000.00	4,593,554.05	3,328,748.38
Over 1 year not over 5 years	34,782,000.00	47,778,000.00	23,109,453.60	27,760,310.03
	47,430,000.00	60,426,000.00	27,703,007.65	31,089,058.41
Less Deferred financial lease interest	(19,726,992.35)	(29,336,941.59)	0.00	0.00
<b>Financial lease liabilities net</b>	<b>27,703,007.65</b>	<b>31,089,058.41</b>	<b>27,703,007.65</b>	<b>31,089,058.41</b>

Detail of financial lease assets as at December 31, 2014 and 2013 are as follows :

		(Unit : Baht)	
		2014	2013
Vehicles		31,683,060.51	31,683,060.51
Less Accumulated depreciation		(7,773,452.86)	(1,993,435.43)
<b>Net book value</b>		<b>23,909,607.65</b>	<b>29,689,625.08</b>

## 24. EMPLOYEE BENEFITS OBLIGATION

The Company and subsidiaries paid post-employment benefits, retirement benefits and pensions in accordance with Labor Protection Act B.E. 2541. Employee is entitled the retirement benefits and other long-term benefits based on right and length of service.

Changes in value of employee benefit obligations

Employee benefit obligations as at December 31, 2014 and 2013 consist of

		(Unit : Baht)	
		Consolidated financial statements	
		2014	2013
Employee benefit obligations		215,323,120.38	254,240,171.38
Employee benefits paid		(19,244,089.55)	(11,734,090.71)
Current cost of service and interests		16,601,834.43	32,182,124.73
Actuarial gain		0.00	(59,365,085.02)
<b>Total Employee benefit obligations</b>		<b>212,680,865.26</b>	<b>215,323,120.38</b>

		Separate financial statements	
		2014	2013
Employee benefit obligations		209,547,310.00	251,080,314.99
Employee benefits paid		(18,955,789.55)	(11,734,090.71)
Current cost of service and interests		14,534,050.55	31,188,967.74
Actuarial gain		0.00	(60,987,882.02)
<b>Total Employee benefit obligations</b>		<b>205,125,571.00</b>	<b>209,547,310.00</b>

The principal actuarial basis assumptions as at reporting date

	Consolidated financial statements	Separate financial statements
	%	%
Discount rate	3.50 - 4.62	4.00 - 4.52
Salary increase rate - employee and daily staff	3.00 - 6.00	6.00
Employee turnover - employee and daily staff (aging)	0 - 39	0 - 39

## 25. PROVIDENT FUND

The Company and its employees have jointly established a provident fund in accordance with the provident Fund Act B.E. 2530 on June 27, 1990 with registration No. 309/2533 and assigned the authorized manager to manage this fund by deducting the employee's salaries and the Company's contribution to the fund. The employees will be benefit on their resignation in accordance with the fund regulation.

## 26. SHARE CAPITAL

The increase and decrease of issued and paid-up share capital as at December 31, 2014 and 2013 are as follow :

	2014		2013	
	Number of shares	Baht	Number of shares	Baht
Common shares as at the beginning of the period	323,379,803	323,379,803.00	318,421,903	318,421,903.00
Common shares issued from exercise of warrants	4,385,400	4,385,400.00	4,957,900	4,957,900.00
<b>Common shares as at the end of the period</b>	<b>327,765,203</b>	<b>327,765,203.00</b>	<b>323,379,803</b>	<b>323,379,803.00</b>

### Warrants

On August 15, 2013, the Company issued 11,578,097 units of warrants to the Company's management and/or employees without offering price at the exercised ratio of 1 unit of warrant per 1 ordinary share at the price of Baht 15 each. The exercise right will be made within 2015, commenced on September 11-13, 2013, in the second time in June 9 - 11, 2014 and in the third time in October 13-15, 2014. The Board of executive directors have the power to allocate the remaining shares to the other employees whose the exercise regulated. Thus, the allocation shall be made within the project period which ended May 31, 2015.

Estimated fair value of exercised right of warrants equal to Baht 33.03 by using Black-Scholes Model such as stock price equal to Baht 48.75, exercise price is Baht 15.00, index volatility at 8.33%, dividend yield at the rate 1.92%, time to maturity 503 days and interest rate at 2.74%.

For the years ended December 31, 2014, the Company recorded expenses for the issuance of warrants to purchase common shares to the Company's management and employees amount of Baht 154,680,547.67 which included in employee benefit expenses and recorded "Equity-settled share-based payment reserve" in shareholders' equity.

The increase and decrease of warrants for the year ended December 31, 2014 are as follows:

	Number of units
Warrants as at the beginning of the period	6,620,197
Warrants issuance	(4,385,400)
Warrants as at the end of the period	2,234,797

## 27. LEGAL RESERVE

According to the Public Company Limited Act B.E. 2535, the Company has appropriated its reserve as a legal reserve not less than 5% of the annual net profit after deduction with deficit brought forward (if any) as legal reserve until the reserve not less than 10% of the authorized share capital. Such legal reserve is not available for dividend distribution.

## 28. DIVIDEND

According to the general meeting of shareholders No. 63 for the year 2014 held on April 21, 2014 passed the resolution to pay dividend from the 2013 result of operation at Baht 1.00 per share for 323,379,803 shares, totally Baht 323,379,803.00 which was paid to the shareholders on May 20, 2014.

According to the general meeting of shareholders No. 62 for the year 2013 held on April 22, 2013 passed the resolution to pay dividend from the 2012 result of operation at Baht 1.00 per share for 318,421,903 shares, totally Baht 318,421,903.00 which was paid to the shareholders on May 21, 2013.

## 29. EXPENSES ANALYZED BY NATURE

The significant expenses analyzed by nature are as follows

(Unit : Baht)

	For the year ended December 31, 2014 and 2013			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Changes in inventories of finished goods and work in process	(234,374,788.58)	202,916,903.08	(235,246,017.34)	200,720,672.87
Purchases goods	21,881,706,240.12	21,266,730,764.07	21,881,706,240.12	21,266,730,764.07
Raw materials and consumables used	213,231,370.98	132,146,890.58	0.00	0.00
Employee benefit expenses	1,020,313,307.42	935,450,114.07	857,527,338.87	861,750,479.62
Management benefit expenses	64,820,040.00	58,115,850.00	64,580,040.00	57,995,850.00
Directors' remuneration	10,033,000.00	9,875,000.00	9,518,000.00	9,336,000.00
Depreciation and amortization	115,227,029.94	117,803,449.84	97,015,286.56	104,701,820.19
Sale promotion and transportation expenses	1,643,346,266.71	1,634,781,313.05	1,633,932,484.35	1,634,781,313.05

## 30. CAPITAL MANAGEMENT

The objective of financial management of the Company and subsidiaries is to preserve the ability to continue their operation and capital structure to be properly appropriated.

## 31. MANAGEMENT BENEFIT EXPENSES

Management benefit expenses represents the benefit paid to the directors of the Company and subsidiaries in accordance with Section 90 of the Public Company Limited Act exclusive of salaries and related benefits payable to executive.

## 32. Earnings per shares consist of :

### 32.1 Basic earnings per share

(Unit : Baht)

	For the year ended December 31, 2014 and 2013			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Net profit of ordinary shareholders	1,231,755,263.06	1,035,847,504.98	1,218,793,491.11	1,036,104,111.65
Averaged number of ordinary shares	324,808,903	320,309,980	324,808,903	320,309,980
Basic earnings per share (Baht)	3.79	3.23	3.75	3.23

## 32.2 Diluted earnings per share

(Unit : Baht)

### For the year ended December 31, 2014 and 2013 Consolidated financial statements

	Net Profit		Number of shares		Earnings per share	
	2014	2013	2014	2013	2014	2013
Basic earnings per share						
Net profit (loss) of common shareholders	1,231,755,263.06	1,035,847,504.98	324,808,903	320,309,980	3.79	3.23
Effects of potential common share (exercise rights)	-	-	1,418,780	617,138		
Diluted earnings per share						
Profit (Loss) of common shareholders assumed as conversion to common share	1,231,755,263.06	1,035,847,504.98	326,227,683	320,927,118	3.78	3.23

(Unit : Baht)

### Separate financial statements

	Net Profit		Number of shares		Earnings per share	
	2014	2013	2014	2013	2014	2013
Basic earnings per share						
Net profit (loss) of common shareholders	1,218,793,491.11	1,036,104,111.65	324,808,903	320,309,980	3.75	3.23
Effects of potential common share (exercise rights)	-	-	1,418,780	617,138		
Diluted earnings per share						
Profit (Loss) of common shareholders assumed as conversion to common share	1,218,793,491.11	1,036,104,111.65	326,227,683	320,927,118	3.74	3.23

## 33. TRANSACTION WITH RELATED COMPANIES

The Company has significant transactions with the related companies. Those company are related through common shareholders and/or directorship. Therefore, these financial statements are reflected the transactions on the basis determined by the group of companies concerned and in normal course of business of the Company and related companies.

The Company has transaction with related parties as follows:

For the year ended December 31, 2014 and 2013				
(Unit : Million Baht)				
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Revenues				
Sales - subsidiary company				
SAHA VIETNAM Co., Ltd.	0.00	0.00	6.91	0.00
Sales - associated company				
Sun 108 Co., Ltd.	152.16	148.05	152.16	148.05
Sales - related party				
I.C.C. International Plc.	2.78	2.97	2.78	2.97
Other income - subsidiary companies				
Chokchai Pibul Co., Ltd.	0.00	0.00	1.32	1.20
Tipvarin - Watana Co., Ltd.	0.00	0.00	16.78	14.80
Other income - associated companies				
Sun 108 Co., Ltd.	12.55	12.57	12.55	12.57
Saha lawson Co., Ltd.	1.69	1.02	1.69	1.02
Other income - related parties				
I.C.C. International Plc.	0.16	0.16	0.16	0.16
New City (Bangkok) Plc.	1.68	1.57	1.68	1.57
Lion Corporation (Thailand) Co., Ltd.	9.72	9.60	9.72	9.60
Expenses				
Purchase of goods - Subsidiary Companies				
Chokchai Pibul Co., Ltd.	0.00	0.00	140.57	120.27
Tipvarin - Watana Co., Ltd.	0.00	0.00	167.56	165.83
Purchase of goods - associated companies				
Dairy Thai Co., Ltd.	197.28	202.55	197.28	202.55
Sun 108 Co., Ltd.	0.00	559.81	0.00	559.81
Purchase of goods - related parties				
Thai President Foods Plc.	7,300.60	7,412.95	7,300.60	7,412.95
Lion Corporation (Thailand) Co., Ltd.	11,544.19	10,829.58	11,544.19	10,829.58
S&J International Enterprise Plc.	8.17	9.82	8.17	9.82
Cocksec Chemical Industries Co.,Ltd	55.25	59.04	55.25	59.04
Sahachol Food Supplies Co., Ltd.	48.24	33.80	48.24	33.80
Kewpie (Thailand) Co., Ltd.	170.74	154.44	170.74	154.44

# NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2014 and 2013

(Unit : Million Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Expenses				
Expenses - subsidiary companies				
Chokchai Pibul Co., Ltd.	0.00	0.00	16.66	53.17
Bangkok Tower 1999 Co., Ltd.	0.00	0.00	17.21	15.24
Tipvarin - Watana Co., Ltd.	0.00	0.00	0.02	0.16
Expenses - associated company				
Sun 108 Co., Ltd.	6.86	12.77	6.86	12.77
Expenses - related parties				
Saha Pathana - Interholding Plc.	2.03	2.21	2.03	2.21
I.C.C. International Plc.	0.17	0.44	0.17	0.44
Far East DDB Plc.	142.13	180.88	142.13	180.88
K.R.S. Logistics Co., Ltd.	95.63	88.70	95.63	88.70
Sahachol Food Supplies Co., Ltd.	0.67	0.00	0.67	0.00

The significant related assets and liabilities transaction as at December 31, 2014 and 2013 are as follows:

(Unit : Million Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Assets and liabilities				
Purchase of trademark				
Mr. Boon-Ek Chokwatana	20.00	20.00	20.00	20.00
Trade accounts receivable - subsidiary company				
Saha Vietnam Co., Ltd.	0.00	0.00	9.24	0.00
Trade accounts receivable - associated company				
Sun 108 Co., Ltd.	22.52	25.22	22.52	25.22
Trade accounts receivable - related company				
I.C.C. International Plc.	4.94	11.95	4.94	11.95
Other receivables - associated company				
Sun 108 Co., Ltd.	0.00	1.29	0.00	1.29
Other receivables - related companies				
Lion (Thailand) Co., Ltd.	2.31	0.00	2.31	0.00
Otsuka Saha Asia Research Co., Ltd.	0.41	0.33	0.41	0.33
Sahachol Food Supplies Co., Ltd.	0.87	0.18	0.87	0.18
Kewpie (Thailand) Co., Ltd.	7.42	3.32	7.42	3.32
Other short term loans to-subsidiary company				
Chokchai Pibul Co., Ltd.	0.00	0.00	40.00	40.00
Other short term loans to-related companies				
Ruamissara Co., Ltd.	25.00	10.00	25.00	10.00
BNC Co., Ltd.	30.00	0.00	30.00	0.00
KP Soft Co., Ltd.	30.00	0.00	30.00	0.00
Accrued - received sales promotion related companies				
Lion (Thailand) Co., Ltd.	1,470.69	1,247.12	1,470.69	1,247.12
Kewpie (Thailand) Co., Ltd.	13.34	10.07	13.34	10.07
Cocksec Chemical Industries Co.,Ltd	0.61	0.64	0.61	0.64
Sahachol Food Supplies Co., Ltd.	6.36	4.08	6.36	4.08

# NOTES TO FINANCIAL STATEMENTS

(Unit : Million Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade accounts payable - subsidiary companies				
Chokchai Pibul Co., Ltd.	0.00	0.00	11.66	7.14
Tipvarin - Watana Co., Ltd.	0.00	0.00	18.27	19.97
Trade accounts payable - associated companies				
Dairy Thai Co., Ltd.	24.85	25.24	24.85	25.24
Sun 108 Co., Ltd.	0.00	0.14	0.00	0.14
Trade accounts payable - related companies				
Thai President Foods Plc.	1,219.69	1,204.39	1,219.69	1,204.39
S & J International Enterprise Plc.	0.80	1.87	0.80	1.87
Lion Corporation (Thailand) Co., Ltd.	1,829.29	1,630.70	1,829.29	1,630.70
Cocksec Chemical Industries Co.,Ltd	8.90	12.04	8.90	12.04
Kewpie (Thailand) Co., Ltd.	36.07	34.77	36.07	34.77
Sahachol Food Supplies Co., Ltd.	4.38	2.94	4.38	2.94
Other payables				
K.R.S. Logistics Co., Ltd.	8.31	7.49	8.31	7.49
Other short term loans -related person and party				
Director of Chokchai Pibul Co.,Ltd.	19.00	19.00	0.00	0.00
Otsuka Saha Asia Research Co., Ltd.	5.00	5.00	0.00	0.00

## 34. SEGMENT INFORMATION

The Company engaged in consumer products distribution and property development business. A subsidiary engaged in business of investment in real estate and services and another subsidiary engaged in business of office building for rent. The Company and subsidiaries' operation involve virtually a geographical segment in Thailand. The segment of the Company and subsidiaries in the consolidated financial statements are detailed following :

(Unit : Million Baht)

### Consolidated financial statements for the year ended December 31, 2014 and 2013

	Sales of consumer products		Office building for rent		Others		Elimination		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenues										
External income	26,428.3	26,223.9	46.2	38.0	326.0	356.1	-	-	26,800.5	26,618.0
Inter-segment income	333.3	253.4	18.5	22.7	2.0	0.0	(353.8)	(276.1)	-	-
Total revenues	26,761.6	26,477.3	64.7	60.7	328.0	356.1	(353.8)	(276.1)	26,800.5	26,618.0
Share of profit (loss)										
Cost of segment	21,933.0	21,746.4	18.2	28.3	114.7	145.4	(323.7)	(282.8)	21,742.2	21,637.3
Selling and administrative expenses	3,651.6	3,796.3	24.9	11.7	0.0	6.8	(30.1)	6.7	3,646.4	3,821.5
Profit on operation	1,177.0	934.6	21.6	20.7	213.3	203.9	-	-	1,411.9	1,159.2
Other income									256.9	287.7
Unallocated expenses									(134.3)	(128.7)
Interest expenses									(5.4)	(3.0)
Income tax									(292.2)	(275.5)
Net profit									1,236.9	1,039.7
Other information										
Segment assets	9,446.7	7,470.2	136.5	41.5	903.1	219.4	-	-	10,486.3	7,731.1
Unallocated assets									8,470.2	8,689.3
Consolidated total assets									18,956.5	16,420.4
Segment liabilities	6,566.9	6,564.8	16.3	21.5	168.8	22.8	-	-	6,752.0	6,609.1
Unallocated liabilities									702.3	111.9
Consolidated total liabilities									7,454.3	6,721.0
Depreciation	87.0	95.1	0.5	0.5	13.9	12.4	-	-	101.4	108.0

## 35. COMMITMENT AND CONTINGENT LIABILITIES

### 35.1 Commitment

35.1.1 The Company has commitment and contingent liabilities as a guarantor for related companies based on the proportion of group of major shareholders with banks and financial institutions as at December 31, 2014 and 2013 as follows:

	(Unit : Baht)	
	2014	2013
Subsidiary		
- Tipvarin Watana Co., Ltd.	5,000,000.00	5,000,000.00
Associate		
- Dairy Thai Co., Ltd.	1,492,400.00	1,441,000.00
- Tsuroha (Thailand) Co.,Ltd.	35,500,000.00	0.00
Total	41,992,400.00	6,441,000.00

35.1.2 The Company has jointly guaranteed with Saha Patthana Interholding Public Company Limited based on the proportion of investment for their related company as at December 31, 2014 and 2013 as follows:

	(Unit : Baht)	
	2014	2013
- Raja Uchino Co., Ltd.	6,328,000.00	6,328,000.00
Total	6,328,000.00	6,328,000.00

35.1.3 The Company has commitment of providing the bank guarantee and asking for credit line from local bank as at December 31, 2014 and 2013 as follows:

	(Unit : Baht)	
	2014	2013
Commitment of providing the bank guarantee		
For electricity usage	15,012,100.00	14,885,100.00
For government agencies	1,720,165.00	1,719,905.00
For private company	959,000.00	868,000.00

35.1.4 The Company is liable to pay for trademark copyright and marketing expenses to other companies as indicated in agreement below:

The 1st issue, agreement No. 041240#7 is a copyright in using animal symbol, commencing on January 1, 2014 and ending on December 31, 2014. A single payment was made on agreement acquisition date of Baht 351,287.00.

The 2nd issue, agreement No. 7114589 is a copyright in using animal symbol, commencing on August 1, 2014 and ending on July 31, 2015. The payment is made on agreement date in the amount of Baht 700,000.00 and the remaining amount of Baht 700,000.00 will be paid within November 15, 2014, and Baht 600,000.00 will be paid on February 15, 2015.

#### 35.2 Contingent liabilities

As at December 31, 2014 and 2013, the Company has commitment with bank from receiving advance deposit of collection cheques the amount of Baht 126.62 million and Baht 31.51 million respectively. Such commitment will no longer exist, if the bank is able to collect such cheques.

### 36. FINANCIAL INSTRUMENTS DISCLOSURE

#### 36.1 Accounting policies

Significant accounting policies, the method of recognition and measurement of each items of financial assets and liabilities.

#### 36.2 Management Risk

The Company has no policy to hold financial instruments for speculation or trading.

#### 36.3 Credit Risk

The Company has the policy to give credit carefully to many debtors which have a long-term dealing with the Company. So, there is no expectation for damages in materiality from the follow up and call for payment of debts.

#### 36.4 Fair value of financial instruments

Most of the Company's financial assets are short-term, and the rates of loan interest are based on the market value. The book value of financial assets and liabilities shown in statements of financial position are close to their fair value. Besides, the management believes that there is no material risk of financial instruments.

### 37. ERRORS CORRECTION

#### Deferred tax liabilities

From the consolidated financial statements for the year ended December 31, 2013, there is cutting - off provision for impairment of investment in subsidiaries without cutting off deferred tax assets from that transaction (presented net of deferred tax liabilities). The Company then corrected the errors of deferred tax liabilities by making retroactive adjustment.

Resulting to the financial statements had changes as follows:

(Unit : Baht)			
As at January 1, 2013			
	As previously reported	Adjustment	After adjustment
Consolidated statements of financial position			
Deferred tax liabilities	502,623,630.29	80,000,000.00	582,623,630.29
Legal reserve	60,674,000.00	(674,000.00)	60,000,000.00
Retained earnings	4,767,062,971.31	(79,326,000.00)	4,687,736,971.31

(Unit : Baht)			
As at December 31, 2013			
	As previously reported	Adjustment	After adjustment
Consolidated statements of financial position			
Deferred tax liabilities	365,848,501.47	80,000,000.00	445,848,501.47
Legal reserve	60,674,000.00	(674,000.00)	60,000,000.00
Retained earning	5,543,853,658.31	(79,326,000.00)	5,464,527,658.31

### 38. FINANCIAL STATEMENTS APPROVAL

These financial statements were approved and authorized for issue by the Company's Board of directors on February 26, 2015.

## 14. OTHER INVESTMENTS

## LIST OF COMPANIES THAT SPC OWNS MORE THAN 10 PER CENT OF COMMON SHARE

NO.	NAME	LOCATION	TELEPHONE	FAX	TYPE OF BUSINESS	SHARE ISSUED	NO. OF SHARE	PERCENTAGE	VALUE OF INVESTMENT (BAHT)
1	PAN ASIA FOOTWARE PLC.	177/20 MHU 5 THAMBONNHONGKHAM, SRIRACHA, CHONBURI	038-480713-4	038-480187	SHOES	540,000,000	97,843,300	18.12	129,297,404.24
2	FAR EAST DDB PLC.	465/1-467 SRI AYUDHAYA RD., RATCHATHEWI, BKK. 10400	02-2480888	02-2466055-6	ADVERTISING	7,500,000	922,650	12.30	27,203,311.86
3	SAHA VIETNAM CO.,LTD.	NO.2, BINH PHU RESIDENTIAL, STREET 4, WARD 11, DISTRICT 6, HO CHI MINH CITY, VIET NAM	-	-	DISTRIBUTOR	SHARE CAPITAL 3,100,000,000 DONG		100.00	4,903,321.67
4	CHOKCHAIPIBUL CO.,LTD.	2156 NEWPETCHBURI RD., BANGKAPI, HUAYKWANG, BKK. 10310	02-3180062	02-3191676	PROPERTIES	10,200,000	10,199,994	99.99	603,801,619.94
5	BANGKOK TOWER (1999)	2170 NEWPETCHBURI RD., BANGKAPI, HUAYKWANG, BKK. 10310	02-3081000	02-3081008	OFFICE FOR RENT	5,190,000	5,189,940	99.99	518,994,000.00
6	TIPWARIN-WATANA CO.,LTD.	2170 NEWPETCHBURI RD., BANGKAPI, HUAYKWANG, BKK. 10310	02-3181147	02-7167107	MANUFACTURER OF CONSUMER PRODUCT	164,400	82,115	49.95	17,294,100.00
7	DAIRY THAI CO.,LTD.	465/1-467 SRIAYUTHAYA RD., RAJTHEVEE, BKK. 10400	02-2461474-8	02-2460078	MANUFACTURER OF MILK PRODUCTS	145,000	65,250	45.00	10,324,600.00
8	CANCHANA INTERNATIONAL CO.,LTD.	77 A, SOTHEAROS BLVD.,SANGKAT TONLE BASAC, KHAN CHAMKARMON, PHNOM PENH CAPITAL, KINGDOM OF CAMBODIA	-	-	DISTRIBUTOR	1,000	400	40.00	6,494,660.00
9	THAI-MYANMAR SUCCESS VENTURE CO.,LTD.	278 SRINAKARIN RD., HUAMARK, BANGKAPI, BKK. 10240	02-3744730	02-3753185	OPERATOR OF INVESTMENT	1,000,000	349,997	35.00	35,039,403.72
10	BOON CAPITALHOLDING CO.,LTD.	530 SATHUPRADIT 58 BANPONGPANG YANNAWA BKK. 10120	02-2930030	02-2930040	OPERATOR OF INVESTMENT	27,000,000	8,639,999	32.00	86,399,990.00
11	PRESIDENT FOODS (CAMBODIA) CO.,LTD.	PHUM MOR, CHAMKARDOUNG ROAD, PHNOM PENH CAMBODIA	-	-	MANUFACTURER OF FOOD PRODUCTS	1,500,000	450,000	30.00	19,646,775.00
12	ISSRA UNITED CO.,LTD.	2922/196 10TH FL., CHARN ISSARA TOWER 2 NEW PERCHBURI RD., HUAYKWANG BKK.	02-3082888	02-3082577	PROPERTIES	800,000	200,000	25.00	-
13	SRIRACHA TRANSPORT CO.,LTD.	661/11 MHU 11 TAMBONNHONGKHARM, AMPHURSRIACHA, CHONBURI 20280	038-480444	038-480838	TRANSPORT	100,000	20,000	20.00	2,036,000.00

## 14. OTHER INVESTMENTS

### LIST OF COMPANIES THAT SPC OWNS MORE THAN 10 PER CENT OF COMMON SHARE

NO.	NAME	LOCATION	TELEPHONE	FAX	TYPE OF BUSINESS	SHARE ISSUED	NO. OF SHARE	PERCENTAGE	VALUE OF INVESTMENT (BAHT)
14	SAHAPAT REAL ESTATE CO.,LTD.	757/10 SOIPRADU 1 SATHUPRADIT RD. BANGPONGPANG, YANNAWA, BKK.	02-2930030	02-2930040	OPERATOR OF REAL ESTATE DEVELOPER	10,000,000	2,000,000	20.00	50,000,000.00
15	SAHA UBOL NAKORN CO.,LTD.	611/40 SOI WATCHANNAI, BANGKLO, BANGKORLHAM, BKK. 10120	02-2930030	02-2930040	INDUSTRIAL ESTATE	1,250,000	250,000	20.00	2,087,500.00
16	SAHA LAWSON CO.,LTD.	2170 NEWPETCHBURI RD., BANGKAPI, HUAYKWANG, BKK. 10310	02-3080708	02-3080702	CONVENIENCE STORE	8,370,000	1,674,000	20.00	167,400,000.00
17	I.D.F. CO.,LTD.	747/163-164 SOIPRADU 1 SATHUPRADIT RD. BANGPONGPANG, YANNAWA, BKK.	02-2944403-4	02-2944500	OPERATOR OF INVESTMENT	90,000	17,644	19.60	27,719,897.00
18	KP SOFT CO., LTD.	2170 NEWPETCHBURI RD., BANGKAPI, HUAYKWANG, BKK. 10310	02-3080608-9	02-3080607	DESIGN AND DEVELOPMENT OF SOFTWARE	16,000,000	2,880,000	18.00	41,400,000.00
19	SUN 108 CO.,LTD.	729/2-3 WATCHANNAI, BANGPONGPANG, YANNAWA, BKK.	02-2954253-55	02-2954256	DISTRIBUTOR	10,000,000	1,775,350	17.75	1,014.00
20	THAI SUN FOODS CO.,LTD.	278 TF BLDG, SRINAKARIN RD., HUAMARK, BANGKAPI BANGKOK	02-7317250-5	02-7317256	FRUIT JUICE	5,000,000	843,750	16.88	8,437,500.00
21	BNC REAL ESTATE CO.,LTD.	530 SATHUPRADIT 58 BANPONGPANG YANNAWA BKK. 10120	02-2930030	02-2930040	PROPERTIES	600,000	100,000	16.67	10,000,000.00
22	OTSUKA SAHA ASIA RESEARCH CO.,LTD.	2170 NEWPETCHBURI RD., BANGKAPI, HUAYKWANG, BKK. 10310	02-7166931-2	02-7166933	RESEARCH	800,000	130,668	16.33	3,466,800.00
23	K.R.S. LOGISTICS CO.,LTD.	311 MHU 1 TAMBONBUNG, AMPHURSRIRACHA, CHONBURI 20230	038-482033-7	038-482023-4	TRANSPORT	1,000,000	155,000	15.50	1,550,000.00
24	TSURUHA (THAILAND) CO.,LTD.	889 THAI CC TOWER, ROOM 124, 12ND FL., SATHORN RD., SATHORN BKK.	02-6758356	02-6739899	HEALTH PRODUCT	200,000	30,000	15.00	30,000,000.00
25	FIRST UNITED INDUSTRY CO.,LTD.	11 SATHUPRADIT RD., YANNAWA, BKK. 10120	02-2930030	02-2930040	OPERATOR OF INVESTMENT	400,000	57,466	14.37	5,746,600.00
26	CHOKSAMAKEE CO.,LTD.	188 SOI LADPRAO 73, LADPRAO RD., WANGTHONGLANG, BANGKAPI, BKK.10900	02-5303479	02-9331431	OPERATOR OF INVESTMENT	11,600,000	1,600,000	13.79	16,000,000.00
27	PRESIDENT COMMERCIAL CO.,LTD.	90/4 PATTANAKARN RD., SUANLUANG, BKK. 10250	02-3143777 02-3145848	02-7194684	DISTRIBUTOR	5,000	650	13.00	19,836.00

LIST OF COMPANIES THAT SPC OWNS MORE THAN 10 PER CENT OF COMMON SHARE

NO.	NAME	LOCATION	TELEPHONE	FAX	TYPE OF BUSINESS	SHARE ISSUED	NO. OF SHARE	PERCENTAGE	VALUE OF INVESTMENT (BAHT)
28	4 PEOPLE FOODS CO.,LTD.	2156 NEWPETCHBURI RD., BANGKAPI, HUAYKWANG, BKK. 10320	02-3180062	02-3191676	DISTRIBUTOR	2,000,000	260,000	13.00	245,500.00
29	THE LION CORPORATION (THAILAND) LTD.	666 RAMA 3 RD., BANGPONGPANG, YANNAWA, BKK. 10120	02-2940191	02-2944365	MANUFACTURER OF CONSUMER PRODUCT	3,000,000	363,900	12.13	36,646,569.00
30	SAHA TOKYU CORPORATION CO.,LTD.	999 MHU 11 TAMBONNHONGKHARM, AMPHURSRI RACHA, CHONBURI 20280	038-480444	038-480505	PROPERTIES	332,000	39,840	12.00	9,960,000.00
31	SAHACHOL FOOD SUPPLIES CO.,LTD.	600/1 MHU 11 SUKHAPIBAN 8 RD., TAMBONNHONGKHARM, SRIRACHA, CHONBURI 20280	038-480011-4	038-480682	MANUFACTURER OF CANNED FOOD PRODUCT	2,000,000	208,000	10.40	12,240,000.00
32	ERAWAN TEXTILE CO.,LTD.	49 MHU 3 POOCHAOSAMINGPRAI RD., SAMRONGTAI PRAPRADAENG SAMUT PRAKARN 10130	02-7543604-5	02-1833916	TEXTILE	6,214,634	630,493	10.15	50,328,406.99
33	KEWPIE CO.,LTD.	612 RATCHADAPISEK RD., BUKHLO, THONBURI, BKK. 10600	02-4769545-6	02-4769547	MANUFACTURER OF CONSUMER PRODUCT	2,600,000	260,000	10.00	26,000,000.00
34	PANLAND CO.,LTD.	222 MHU 7 TAMBON KLONGKEW, BANBEUNG, CHONBURI 20220	038-480444	038-480505	OPERATOR OF REAL ESTATE DEVELOPER	3,000,000	300,000	10.00	21,000,000.00
35	U.C.C. UESHIMA COFFEE (THAILAND) CO.,LTD.	183 REGENT HOUSE ,9TH FLOOR, RAJDAMRI RD. LUMPINI, PATHUMWAN, BKK.10330	02-6505400-2	02-6505403	DISTRIBUTOR OF CONSUMER PRODUCT	150,000	15,000	10.00	366,156.20
36	ELLEAIR INTERNATIONAL (THAILAND)	388 EXCHANGE TOWER BLDG. 42 FLOOR 4215 SUKHUMWIT RD., BKK.	02-3021447	02-2621400	MANUFACTURER OF SANITARY PRODUCTS	945,000	94,500	10.00	94,500,000.00
37	THAI PRESIDENT FOODS (HUNGARY) KFT.	2500 ESZTERGOM, (IPARI PARK) RUBIK ERNOUTCA 20377/9	-	-	MANUFACTURER OF FOOD PRODUCTS	2,350,000,000	235,000,000	10.00	32,182,363.55
<b>Total</b>									<b>2,108,733,329.17</b>

# Explanation and Analytical

## of Financial Position and the Results of Operations

### 1.) The results of operation of the Company and Subsidiary companies

In 2014 and 2013, the company and subsidiaries generated total revenues of 27,092.75 million Baht and 26,950.47 million Baht, an increase to 142.28 million Baht or 0.53% from the year 2013, total expenses amount of 25,530.63 million Baht, the decrease of 83.46 million Baht or 0.33%, Net profit amount of 1,236.91 million Baht, an increase of 197.20 million Baht or 18.97% over the year 2013.

The conclusion and key factor of the performance is as follows :

#### Revenues

The total revenues of the company and subsidiaries in 2014, had amount of 26,444.88 million Baht, the increase to 170.68 million Baht or 0.65% comparing to 2013.

Growth of selling was decrease from the year 2013, due to in the year 2014, the economic had slow growth and also the people do not confidence in political situation, result in the decreasing of investing of non-government organization and expenditure of people.

However, these situation does not affect on sales, due to the Company had develop and increase in selling channel, and also had a good strategies for business operation.

#### Other Revenues

Other incomes decrease by an amount of 28.40 million Baht from the year 2013. This was due to rental and service income amount of 160.02 million Baht, dividends income amount of 193.20 million Baht, other incomes amount of 167.81 million Baht, the Company had an increasing of reversed loss on impairment of assets amount of 76.32 million Baht from land reappraisal.

#### Cost of Sales and Selling and Administrative Expenses

The cost of sales and total expenses of the company and subsidiaries in 2014, decreased from the year 2013 amount of 83.46 million baht or 0.33%, due to an increasing of cost amount of 73.22 million Baht which is in proportion to the increase in sales.

In regards to selling and administrative expenses, the decrease of 233.86 million baht result from in the year 2013, the Company recorded expenses for the issuance of warrants to purchase common shares to the Company's management and employees amount of 221 million Baht.

#### Net Profit

The Company and subsidiaries had continuous growth of net profit, result from growth in sales. The profit in 2014 had the amount of 4,827.43 million Baht equal to 18.25% of selling, increased by 97.46 million Baht or 2.06%, comparing to 2013, when deducting the cost of sales, selling and administrative expenses, and finance cost, net profit before tax was 1,529.12 million Baht. Net profit after tax was 1,236.91 million Baht, increased by 197.20 million Baht or 18.97% from the year 2013.

When comparing net profit and net cash obtained from business operations, an increase of 947.54 million Baht, this cash flow increase in accordance with the Company's net profit, maintaining the liquidity of the Company in good status.

# Explanation and Analytical

## of Financial Position and the Results of Operations

### 2.) Financial Position

#### Asset

The Company and subsidiaries had total assets in 2014 amount of 18,956.47 million Baht. This represented an increase of 2,536.04 million Baht or 15.44% over the year 2013, current assets increased by 1,504.55 million Baht, and non current assets increased by 1,031.47 million Baht.

Current assets consist of cash and cash equivalents, increase by 456.78 million Baht, which representing of cash at bank deposits saving with financial institutions. Accounts receivable and other accounts receivable increased by 274.23 million Baht. Total amount of accounts receivable in amount of 3,711.25 million baht or equal to 19.58% of total assets. Average collection period to the account receivable was 58 days, an addition the total amount of accounts receivables was the account receivable which not due increased by amount of 213.23 million Baht from the year 2013.

The Company and subsidiaries has addition provided the allowance for doubtful account base on estimated uncollection amount of 55.04 million Baht.

Non current assets increased from a re-valuation of fair value of security available for sale, which representing in marketable securities amount of 669.62 million Baht, and increasing in security available for sale, associate companies and other long term investments amount of 235 million Baht.

#### Liabilities

Total Liabilities of the company and subsidiaries at the end of 2014 totaled 7,454.28 million Baht, an increase of 733.25 million Baht or 10.91% from 2013. The Company is not obtain loans from bank and financial institutions, does not shoulder any regular interest payments, account payable and other account payable increased by 343.22 million Baht, accrued expenses increased by 221.43 million Baht arose from the Company's growth in sales. The key liabilities was account payable equal to 54.25% of total liabilities, which the Company had always payment on time.

#### Shareholders' equity

At the end of 2014, the shareholders' equity of the Company and subsidiaries totaled 11,502.19 million Baht, an increase of 1,802.79 million Baht from the year 2013. The Company and subsidiaries had net profit amount of Baht 1,236.91 million Baht, by increasing of net profit amount of 197.20 million Baht. Gain on re-measuring of investments available for sale amount of 669.81 million Baht, and dividend payment amount of 324.20 million Baht.

### 3.) Liquidity Status

#### Cash Flows

In 2014, the Company and subsidiaries' net cash decrease to 292.32 million Baht derived from net cash flows provided by operating activities amount of 947.55 million Baht, the decrease of 164.61 million Baht from the year 2013, which resulted in an increase of trade account receivable and other account receivable amount of 253.80 million Baht, which result from growth of selling. Trade account payable and other account payable increased from the year 2013 amount of 340.37 million Baht.

Net cash flow used by investing activities amount of 951.64 million Baht by cash deposits with bank representing in fix deposit amount of 752.24 million Baht, by investment in investments available for sale which consist of investment in mutual fund, associate companies, other investment amount of 303.9 million Baht, and assets purchasing amount of 118.54 million Baht. Cash provided by dividend received and other received amount of 224.64 million Baht.

Addition, net cash flows used in financing activities had the amount of 288.23 million Baht, by dividend payment to the shareholders amount of 324.20 million Baht.

#### Appropriateness of Capital Structure

The debt to equity ratio in 2014 equal to 0.65 times which was low level but the interest payment ability was high level at 287.97 times, these reflected the stability of the Company and subsidiaries 's capital structure and ability to make debt settlement.

#### Important Liquidity

The Company and subsidiaries had a good performance results and liquidity all along. This were due to the efficiency of debt collecting system coupled with most of accounts receivable are good and made their payment on time.

The current ratio of the Company and subsidiaries equity to 1.48 times, increase of 0.10 from 2013. The quick liquidity ratio was 1.59 times, the current cash flow ratio was 0.15 times, which was close to last year. Average collection period to the accounts receivable was 58 days, average turnover period was 12 days, these ratio reflected a high of liquidity and the amount of working capital is seen as sufficient.

#### Maturity of short – term debt that may affect liquidity

The Company and subsidiaries had a strong of financial structure, and had the importance ratio that reflected the liquidity, by the current ratio of the Company and subsidiaries was 1.48 times from current assets amount of 9,759.55 million Baht and current liabilities amount of 6,582.56 million Baht. Current assets exceeded current liabilities by 3,176.99 million Baht, thus demonstrating sufficient liquidity, as well as, more than sufficient ability to make debt settlement.

# Summary in Financial Information of The Company and Subsidiaries 2014-2012

TRANSACTIONS	2014		2013		2012	
<b>OPERATING RESULTS</b>						
from sales	26,444,880	(100.00)	26,274,200	(100.00)	25,322,135	(100.00)
from other sources	647,869	(2.45)	676,273	(2.57)	475,023	(1.88)
Revenue	27,092,749	(102.45)	26,950,473	(102.57)	25,797,158	(101.88)
Expenses	25,530,627	(96.54)	25,614,087	(97.49)	24,606,298	(97.17)
Gross profit	4,827,430	(18.25)	4,729,971	(18.00)	4,606,379	(18.19)
Earnings before income tax and interest	1,533,295	(5.80)	1,318,264	(5.02)	1,188,698	(4.69)
Earnings before income tax and Extraordinary item	1,529,115	(5.78)	1,315,235	(5.01)	1,187,200	(4.69)
Net earnings (Loss)	1,236,909	(4.68)	1,039,705	(3.96)	976,643	(3.86)
* Sales per employee (baht / headcount)	18,367,965.76		18,002,988.10		16,805,966.44	
* Net earnings per employee (baht / headcount)	838,582.24		694,525.80		636,249.79	
* Interest coverage (time)	366.90		435.30		793.52	
* Degree of financial leverage (time)	1.00		1.00		1.00	
<b>FINANCIAL POSITION</b>						
Current assets	9,759,552	(51.48)	8,255,003	(50.27)	8,242,360	(50.29)
Investments in other companies	6,036,113	(31.84)	5,063,996	(30.84)	5,295,094	(32.31)
Investment properties	2,192,715	(11.57)	1,958,279	(11.93)	1,780,267	(10.86)
Land, building and equipment	831,970	(4.39)	985,611	(6.00)	909,173	(5.55)
Other assets	136,123	(0.72)	157,548	(0.96)	163,055	(0.99)
Total assets = Total liabilities and Shareholders' equity	18,956,473	(100.00)	16,420,437	(100.00)	16,389,949	(100.00)
Current liabilities	6,582,557	(34.72)	5,996,808	(36.52)	6,298,936	(38.43)
Other liabilities	871,721	(4.60)	724,225	(4.41)	908,875	(5.55)
Total liabilities	7,454,278	(39.32)	6,721,033	(40.93)	7,207,811	(43.98)
Shareholders' equity	11,502,195	(60.68)	9,699,404	(59.07)	9,182,138	(56.02)
* Number of shares	327,765,203		323,379,803		318,421,903	
* Gross Profit Ratio (%)	18.25		18.00		18.19	
* Return on Equity (%)	11.67		10.92		10.84	
* Return on Asset (%)	6.99		6.34		6.39	
* Current ratio (times)	1.48		1.38		1.31	
* Quick ratio (times)	1.59		1.62		1.43	
* Debt - equity ratio (times)	0.65		0.68		0.68	
* Inventory turnover (days)	12		12		13	
* Collection period (days)	58		58		59	
* Net Profit per share (Baht)	3.79		3.23		2.88	
* Dividend per share (Baht)	1.00		1.00		0.90	
* Book Value per share (Baht)	35.09		30.24		30.59	

Unit : thousands of baht except percentages in parentheses and transaction with \*

# ผลิตภัณฑ์



ผลิตภัณฑ์ในครัวเรือน • Household Products

ผลิตภัณฑ์ส่วนบุคคล • Personal Care Products

ผลิตภัณฑ์อาหาร • Food and Beverage Products

ผลิตภัณฑ์เด็ก • Baby Products

ผลิตภัณฑ์ใหม่ • New Products





# ผลิตภัณฑ์ในครัวเรือน Household Products





# ผลิตภัณฑ์อาหาร Food and Beverage Products





## ผลิตภัณฑ์ส่วนบุคคล Personal Care Products





## ผลิตภัณฑ์เด็ก Baby Products





## ผลิตภัณฑ์ใหม่ New Products



ในปี 2557 บริษัทฯ มีการจัดกิจกรรมการตลาดอย่างต่อเนื่อง การเข้าร่วมกิจกรรมกับทางห้างสรรพสินค้า ห้างดีสเค๊าท์สโตร์ ร้านค้าคอนวีเนียนสโตร์ และร้านค้าทั่วไปแล้ว บริษัทฯยังได้พัฒนาผลิตภัณฑ์ใหม่สู่ตลาด รวมถึงการปรับผลิตภัณฑ์ที่มีอยู่เดิมให้ตรงตามความต้องการของผู้บริโภคมากยิ่งขึ้น เช่น เพิ่มรสชาติใหม่กลิ่นใหม่ เป็นต้น เพื่อให้ผู้บริโภคมีทางเลือกได้หลากหลายขึ้น โดยมีกิจกรรมทางการตลาดเด่น ๆ ดังนี้

### เปิดตัว “เปาเอ็มวอชลิควิด” พลังค์จากธรรมชาติ ขจัดคราบและเข้มข้นขึ้นถึง 2 เท่า



ผลิตภัณฑ์เปาเอ็มวอช เปิดตัวผลิตภัณฑ์ซักผ้าชนิดน้ำ สูตรเข้มข้น 2 เท่า ที่มี Hi-etergency และ Natural Enzyme ขจัดคราบด้วยกรีนเทคโนโลยี ที่เป็นมิตรกับสิ่งแวดล้อม ที่เป็นเจ้าแรกและเจ้าเดียว โดยใช้สารทำความสะอาดที่สังเคราะห์จากปาล์มธรรมชาติและมีเอนไซม์ Protease ช่วยให้ซักคราบที่ซักออกยากได้ดีขึ้นถึง 2 เท่า (เปรียบเทียบการซักคราบกับเปาเอ็มวอช สูตรผง) เช่น คราบเลือด คราบเหงื่อไคล เป็นต้น นอกจากนั้น เปาเอ็มวอชลิควิด ยังมีปริมาณฟองที่พอเหมาะ สามารถล้างฟองออกง่าย และช่วยถนอมเครื่องซักผ้า อีกทั้งยังเหมาะกับเครื่องซักผ้าทุกประเภท

ส่วนกิจกรรมการตลาดที่จะสร้างการรับรู้ในตัวสินค้า ทางผลิตภัณฑ์ได้ Launch ภาพยนตร์โฆษณาเพื่อให้ผู้บริโภคได้รู้จักและสร้างความสนใจซื้อ พร้อมทั้งจัดกิจกรรม Pao M.Wash Road Show ที่นำสินค้าตัวอย่างไปแจกให้ทดลองใช้ อาทิ ตามอาคารสำนักงาน ศูนย์การค้า เป็นต้น



**Launch of “Pao M. Wash Liquid” Concentrated Laundry Solution – Twice as Effective!** The launch of Pao M. Wash Liquid introduced a formula twice as effective, utilizing Hi-detergency and Natural Enzymes. These environmentally-friendly components are unique to our product lines. They are sourced from natural palm and protease enzymes, and are twice as effective as the normal powder formula. They are excellent at removing blood and sweat stains. Furthermore, Pao M. Wash Liquid is unique in how it limits foam and makes it easy for foam to be removed, reducing strain on washing machines. Its versatility also allows it to be compatible with all types of machines.

The product launch included a video advertisement to raise awareness among consumers. A Pao M. Wash Road Show introduced samples of the products to office complexes, shopping centers, etc.



### เปิดตัว “ริบโฟมอาบน้ำโซกุบุสชิโมโนกาตารี” สัมผัสฟองโฟมละมุนผิว

ผลิตภัณฑ์โซกุบุสชิ โมโนกาตารี เปิดตัวสินค้าใหม่เอาใจคนรักผิวด้วย“ริบโฟมอาบน้ำโซกุบุสชิ โมโนกาตารี” ที่มีสารทำความสะอาดสกัดจากพืชธรรมชาติ 99% ผสานความชุ่มชื้นมากเป็น 2 เท่า ด้วยดัดเบิ้ลมอยเจอร์ เพื่อผิวชุ่มชื้น เหมือนผิวอัมม้น้ำ ดูสุขภาพดี ด้วยฟองโฟมเนื้อละเอียดเนียนนุ่ม ละมุนผิว ทำความสะอาดอย่างอ่อนโยน ไม่ระคายเคืองผิว กลิ่นหอมติดผิวกาย ทำให้การอาบน้ำมีความรื่นรมย์และสนุกสนาน โดยมี 2 สูตรให้เลือก คือ

1. สูตร Sakura Skin Brightening เพื่อผิวเนียนนุ่มดูกระจ่างใส ด้วยสารสกัดจากดอกซากุระ ช่วยคืนความสดใสเปล่งปลั่งอย่างเป็นธรรมชาติ

2. สูตร Mono Leaf Skin Protection เพื่อผิวเนียนนุ่ม สะอาดมั่นใจด้วยสารสกัดจาก Mono Leaf (ใบพีช) และ IPMP ที่ช่วยดูแลปกป้องผิว ลดการสะสมของแบคทีเรีย ทั้งนี้ได้ Launch ภาพยนตร์โฆษณาแนะนำผลิตภัณฑ์ใหม่ชื่อชุด “Natural” โดยได้ ดาราชื่อดัง “ญาญ่า อุรัสยา” มาเป็นแบรนด์แอมบาสเดอร์

### Launch of “Shokubutsu Monogatari Shower Cream” – Surround Yourself in Foam

Shokubutsu Monogatari introduced its product line, marketing its efforts to those that love taking care of their skin. The formula is 99% derived from natural ingredients. It provides double the ordinary moisturizing effect, creating soft and smoother skin that looks healthier and better hydrated. The foamy formula is full of aroma and cleans with a soft touch. Shower time has never been more fun. There were two different products in this launch:

1 The Sakura Skin Brightening formula, which softens and cleanses the skin, returning the freshness of youth with a formula that uses environmentally-friendly ingredients.

2 The Mono Leaf Skin Protection formula, which softens the skin and makes you feel more confident. Its ingredients come from Mono Leafs and IPMP, and helps protect the skin against harmful bacteria.

A video advertisement was used during the project launch. The “Natural” commercials were presented by “Yaya Arussaya”, who served as the brand ambassador.



### “มาม่า 프리เซ็นต์ เทศกาลดนตรี เมโลดี้ ออฟ โลฟ ครั้งที่ 8”

ผลิตภัณฑ์มาม่าร่วมกับบริษัทสไปรตีดิสก์ สร้างสรรค์ความสนุกครั้งใหญ่กับเทศกาลดนตรีแบบฟรีคอนเสิร์ตกลางเมือง “มาม่า 프리เซ็นต์ เทศกาลดนตรี เมโลดี้ ออฟ โลฟ ครั้งที่ 8” ภายใต้คอนเซ็ปต์ “The Instant Music Festival” ที่รวบรวมความสนุกทุกแนวไว้ในงานเดียว ทั้งการแสดงดนตรีจากศิลปินกว่า 100 คน และการแสดงผลงานศิลปะ แฟชั่น และภาพยนตร์ให้เลือกชมอย่างจุใจตลอด 2 วันเต็ม นอกจากนี้ มาม่ายังจัดกิจกรรมมันส์ๆ มาให้ร่วมสนุกอีกมากมายถึง 3 บูธ คือ

1.บูธ MAMACUP 3D เปิดโอกาสให้ผู้ร่วมงานได้สนุกกับการถ่ายรูป 3 มิติ พร้อมแฮชแท็กคำว่า #MAMACUP3D แล้วรับภาพเป็นของที่ระลึก

2.บูธ MY OWN MAMA CUP ที่พร้อมจุดประกายไอเดียสร้างสรรค์ ชวนมาครีเอตมาม่าคัพในสไตล์ของคุณเอง

3.บูธ MAMA DIY ซึ่งจะมีการแจกขนมมาม่า พร้อมจัดโชว์การปรุงเมนูสุดพิเศษโดยศิลปินรับเชิญและอีกหนึ่งเซอร์ไพรส์กับขบวน MAMA PARADE ที่เดินสายมอบของที่ระลึกให้ผู้ร่วมงานถึงวันละ 4 รอบ โดยจัดงานที่ศูนย์การค้า เซ็นทรัลเวิลด์

### “Mama Presents the 8<sup>th</sup> Music Festival Melody of Life”

Mama joined up with Spicy Disk to organize a fun and free music festival in the city: “Mama Presents the 8<sup>th</sup> Music Festival Melody of Life”, under the concept of “The Instant Music Festival”. The festival had a host of different aspects to enjoy. Spanning two full days, over 100 different artists were showcased from different disciplines, including fashion, art, and movies. In addition, Mama hosted three separate booths:

The MAMACUP 3D booth allowed participants to snap three dimensional photos and share images using the hash-tag #MAMACUP3D. The photo also served as a souvenir from the festival.

The MY OWN MAMA Cup booth allowed participants to utilize their creative side to design their own Mama cup in their own style.

The MAMA DIY booth provided Mama food samples. A special show about special flavorings was organized with guest celebrities. Also, a surprise MAMA PARADE, with giveaway souvenirs for participants, was put on display 4 times a day at Central World.



## STARR Infiniti นวัตกรรมใหม่ครั้งแรกกับ “เครื่องสำอางดื่มได้”

เพราะหน้าตาและรูปร่างที่ดีจะช่วยสร้างความมั่นใจให้ได้รับโอกาสที่ดีในชีวิต ผู้หญิงยุคใหม่รวมไปถึงผู้ชายจำนวนมากจึงให้ความสำคัญกับการดูแลตัวเองให้ดูดีอยู่เสมอ บริษัทฯ จึงคิดค้นและพัฒนา “เครื่องสำอางดื่มได้” (Cosme' Drink) ภายใต้ชื่อ “สตาร์ อินฟินิตี” (STARR Infiniti) เพื่อตอบโจทย์ของผู้บริโภคยุคใหม่ที่ต้องการมีผิวพรรณที่สวยงามเปล่งประกายจากภายใน ซึ่งเป็นความงามที่ยั่งยืนและปลอดภัยกับสุขภาพอย่างแท้จริง

“สตาร์ อินฟินิตี” เป็นนวัตกรรมที่ค้นคิดสูตรพิเศษเฉพาะ โดยผสมผสานประโยชน์ของ “คอลลาเจน” สูงถึง 5,000 มิลลิกรัม ที่สกัดเป็นโมเลกุลขนาดเล็กจึงดูดซึมเข้าสู่ร่างกายได้ดีและไม่ตกค้าง ให้ประสิทธิภาพเต็มที่ในการดูแลและฟื้นฟูบำรุงเซลล์ผิว พร้อมด้วย “เอนไซม์ Q10” นำเข้าจากประเทศญี่ปุ่นในรูปแบบอิมัลชันที่มีประสิทธิภาพในการดูดซึมได้มากกว่ารูปแบบอื่น และ “มาเกิเบอร์รี่” ตันกำเนิดสายพันธุ์นำเข้าจากประเทศชิลี อุดมไปด้วยสารต้านอนุมูลอิสระมากที่สุดในระดับเซลล์ ช่วยกระตุ้นการดูดซึมคอลลาเจนได้อย่างมีประสิทธิภาพ

จุดเด่นของ “สตาร์ อินฟินิตี” คือสูตรที่มีความพิเศษเฉพาะ โดยเลือกใช้ส่วนผสมจากแหล่งผลิตที่ดีที่สุด อยู่ในรูปฟอร์มและขนาดที่ดูดซึมได้อย่างมีประสิทธิภาพที่สุด ผลลัพธ์ที่ได้จากการดื่ม “สตาร์ อินฟินิตี” จึงเห็นผลชัดเจนและรวดเร็ว แตกต่างจากการดื่มเครื่องสำอางที่มีคอลลาเจน คิวเท็น และมาเกิเบอร์รี่ทั่วไป โดยบริษัทฯ ได้มีการทำวิจัยโดยสถาบันวิจัยที่ผ่านการรับรองมาตรฐาน พบว่ากลุ่มตัวอย่าง 99 คน จาก 100 คน ที่ดื่ม “สตาร์ อินฟินิตี” ติดต่อกันทุกวัน มีการเปลี่ยนแปลงของผิวที่ดีขึ้นอย่างเห็นได้ชัดภายใน 4 สัปดาห์ ทั้งในด้านความชุ่มชื้น เนียนนุ่ม กระชับ กระจ่างใส และเรียบเนียนไร้ริ้วรอย

## STARR Infiniti Innovation “Consumable Cosmetics”

Looking good makes you feel confident enough to take on any challenge in life. The new-age woman and man understand the importance of taking care of themselves. The Company has come up with the "Cosme' Drink" under the name of "STARR Infiniti" to address the needs of the modern consumer. The product helps its wearer feel beautiful and comfortable in the true safety of their skin.

"STARR Infiniti" is an innovation that comes from a specialized formula, taking advantage of the benefits of "Collagen". It has over 5,000 milligrams of small molecules that lightly penetrate and efficiently repair the skin. Its "Q10 Enzyme" is imported from Japan. It also takes an emulsion form, which is more effective than other forms. The "Maki Berries" are imported from Chile and efficiently stimulate the collagen in the product.

The unique selling point of "STARR Infiniti" is its special formula that was selected from the highest quality raw materials available. The form and size of the molecules allow them to be absorbed as efficiently as possible. The benefits of drinking "STARR Infiniti" are that the results come quickly and clearly. This differentiates the product from Q-Ten and other Maki Berry products. Research shows that sample groups report 99 out of every 100 people who try "STARR Infiniti" see improvements to their skin if they take it every day for 4 weeks. This includes more noticeable softness and moisture of the skin.



ข้อมูลทั่วไปของบริษัท		The Company's General Information	
ชื่อ / ที่ตั้งสำนักงาน / หมายเลขโทรศัพท์ / หมายเลขโทรสาร / ประเภทธุรกิจ		Name / Location / Telephone Number / Fax Number / Type of Business	
ชื่อ	บริษัท สหพัฒนพิบูล จำกัด (มหาชน)	Name	Saha Pathanapibul Public Company Limited
ทะเบียนเลขที่	0107537001421	Registered No.	0107537001421
ที่ตั้งสำนักงาน	2156 ถนนเพชรบุรีตัดใหม่ แขวงบางกะปิ เขตห้วยขวาง กรุงเทพฯ 10310	Office Address	2156 New Petchburi Rd. Bangkok, Huaeykwang, Bangkok 10310
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	โทรสาร 0-2319-1678		Fax. 0-2319-1678
ประเภทธุรกิจ	จำหน่ายสินค้าอุปโภค - บริโภค	Type of business	Distributor of consumer products
จำนวนและชนิดหุ้นทั้งหมดที่ออกจำหน่ายแล้ว	หุ้นสามัญ จำนวน 327,765,203 หุ้น	Number and type of Share Issued	Common Share 327,765,203 shares
	มูลค่าหุ้นละ 1 บาท		Par Value 1 Baht
ชื่อ / สถานที่ / โทรศัพท์ โทรสารของบุคคลอ้างอิงอื่นๆ		Name / Office address / Telephone and Fax of other reference persons	
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