

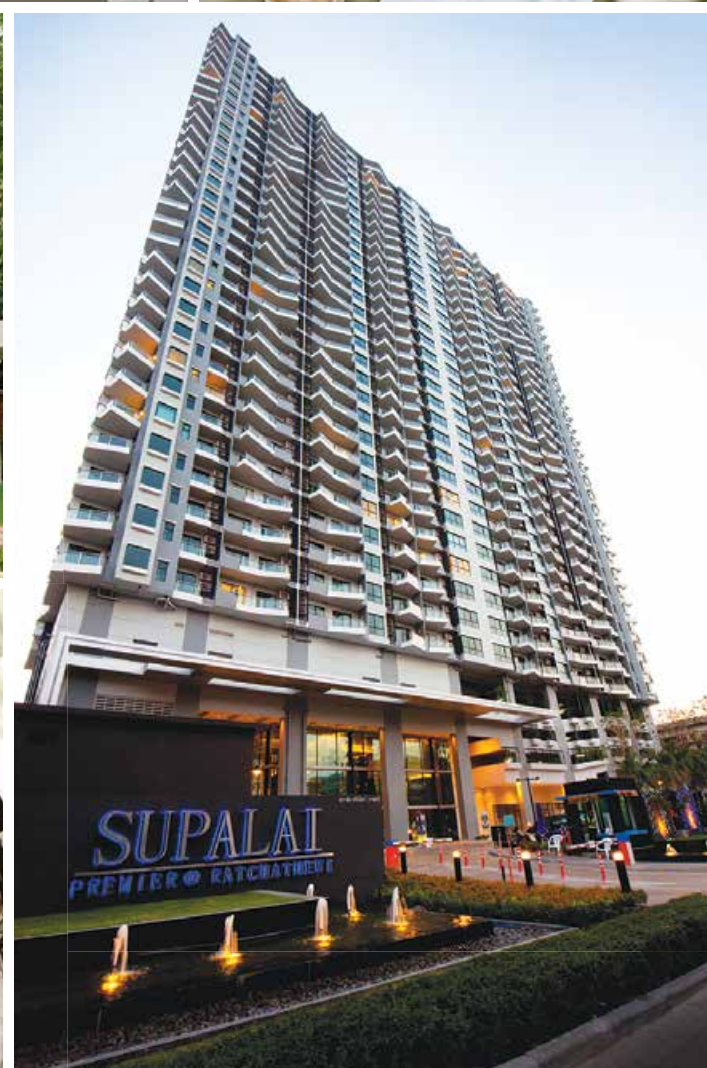


ANNUAL CSR REPORT 2014

รายงานประจำปี 2557 บริษัท สุภาลัย จำกัด (มหาชน)
SUPALAI PUBLIC COMPANY LIMITED

Content

Vision , Mission and Management Philosophy	4
General Information and Annoucement	7
Chairman of the Board’s Statement	8
Report of the Audit Committee	12
Report of the Corporate Governance Committee	16
Report of the Nomination and Compensation Committee	20
Report of the Risk Management Committee	22
Thailand’s Economic Condition	24
Significance of Economic Condition on Housing Business in 2015	26
Corporate Profile	31
Supalai’s Award & Accolades	90
Performance Review	98
Corporate Social Responsibility	104
Human Resources Capital Development	113
Community	117
Anti-Corruption	119
Corporate Governance	135
Investor Relations	238
Quality System	239
Connected Transaction	243
Report on the Board of Director’s Responsibility for Finacial Report	246
Independent Auditor’s Report	248
Statement of Financial Position	250



VISION, MISSION, ORGANIZATION'S VALUES, MANAGEMENT PHILOSOPHY, ORGANIZATIONAL CULTURE AND GOOD CORPORATE GOVERNANCE MOTTO



Vision

Leader in Real Estate Innovations and Value Creation

Mission

Create & Develop Innovations for Outstanding Performance and Sustainable Growth

Organization's values

- Innovations
- Win-Win
- Factual Key Performance Index
- Legal and Corporate Governance
- Sufficiency Economy
- Responsibilities to Stakeholders, Society and Environment



Management Philosophy

For quality society of “Supalai Residents”, the Company has been committed to create good quality residences and develop its products continually, while developing the society to be safe and comfortable as well as developing good services as a professional in order to create maximum satisfaction to the customers by adhering to the principles of management philosophy as follows:

S (SUPERIORITY)

- Excellence in terms of products, service and good management

P (PROFITABILITY)

- Emphasis on profits for all concerned parties, there are customers, shareholders, employees, contractor for trading partners and society

L (LONGEVITY)

- Operation of business continually based on secure foundation

Organizational Culture

S (SENIORITY)

- Cooperate and assist one another in a way that the senior employees teach younger ones.

P (PLAN)

- Establish a plan and a clear target.

A (ATTITUDE)

- Have a positive attitude and sacrifice personal interests for the common good or benefit of others, and not being selfish.

L (LEGAL AND REGULATION)

- Comply with applicable laws, rules and regulations as well as requirements for each operational stage of the Company's ISO systems

I (INTEGRITY)

- Be honest and adhere to moral standards. Never take advantage of customers and colleagues.

Good Corporate Governance Motto

G (GOOD)

- To think good, speak good and do good is the foundation of positive thinking, which can be applied to work and to solve problems. This also helps reduce conflicts while enhancing smooth and successful interpersonal communication.

R (RESPONSIBILITY)

- Act consciously.
- Operate business with determination and dedication with all our ability.
- Always learn to enhance capabilities.

E (EQUITABLE

TREATMENT & ETHICS)

- Treat all relevant parties equally.
- Adhere to moral standards and conduct business with fairness.
- Give priority to all stakeholders.
- Treat stakeholders equally regardless of gender, age, race, nationality, religion, belief, and political opinion.

A (ACCOUNTABILITY)

- Fulfill duties with utmost attention.
- Be consciously aware of and carry out our tasks cautiously.
- Bravely accept the consequences of our actions.
- Adhere to and abide by applicable laws, rules and regulations.

T (TRANSPARENCY)

- Operate business with transparency, disclosure of information and accountability.
- Be determined to conduct business with honest intention.
- All pieces of evidence and references can be traceable and accountable.

General Information And Announcement

Supalai Public Company Limited

1011 Supalai Grand Tower Building, Rama III Road, Chongnonsee , Yannawa , Bangkok 10120

Registration Number 0107535000303

Telephone 0-2725-8888

Fax 0-2683-2177

Homepage Website : www.supalai.com

E-mail : ir_spali@supalai.com

Registered Capital 1,770,000,000 Baht

Paid-up Capital 1,716,553,249 Baht

Company Secretary Mrs.Varunee Lapitananuvat

Telephone 0-2683-2228

Fax 0-2683-2177

E-mail varunee.lap@supalai.com

The Annual General Shareholders' Meeting of year 2015

April 22,2015 at 2.30 p.m.

at Supalai Grand Tower Building at Meeting Room, 33rd Floor,

1011 Rama 3 Road, Chongnonsee Subdistrict, Yannawa District, Bangkok 10120

Dividend Payment : 1.00 Baht per share

Interim Dividend : 0.35 Baht per share

The Dividend for the Second-half- year Operations: 0.65 Baht per share

Dividend Payment Date : 6 May 2015



A stylized, handwritten signature in black ink, likely representing the name Prateep Tangmatitham.

(Mr.Prateep Tangmatitham)
Chairman of the Board
Supalai Public Company Limited

Chairman of the Board's Statement

To Shareholders

Last year, the prices of agricultural products decreased significantly resulting in reduced consumer purchasing power, especially in provincial areas. Other additional causes are domestic political instability, global economy slowdown as well as restriction of financial institutions in granting mortgage loans. However, Supalai Public Company Limited and its subsidiaries could still generate the income from sales Baht 21,379 million, 56% of condominium units and 44% of subdivision houses with a total of 27 projects launched, comprising 18 horizontal projects and 9 condominium projects.

In 2014, the credit rating of the Company by TRIS has been upgraded from A-Positive to A Stable with the Gearing Ratio of approximately 66%, with average interest rate lower than 4% per year, while asset growth has been 24% and shareholders' equity growth has been 22%. The Company's group could generate a total income of Baht 18,671 million with the net profit of Baht 4,478 million or a growth rate of 55%.

The Company continues to expand its investment to various major provincial areas in the regions which are business centers and tourist destinations. Most of them are low rise subdivision projects, while high rise condominiums are developed only in tourist districts. Selective provinces for investment of the Company include Chiang Mai, Surat Thani, Songkhla, Phuket, UdonThani, Khon Khaen, Chonburi, Rayong and UbonRatchathani. In 2015, the Company plans to expand its investment to develop additional projects in Nakhon Ratchasima province.

At present, there are approximately 88 projects under development in Bangkok, its peripheries and the provincial areas accounting for the value of around Baht 78,000 million, whereby the backlog is approximately Baht 38,758 million.

During the past 25 year period, the Company has proved its professionalism and leading property developer with expertise in both horizontal and high rise building projects by having already built approximately 19,000 units of subdivision projects and 36,000 units of condominium projects. The Company committed to create the concept of green design comprising comfortable, energy-saving and modern style houses, be it lighting system, air-conditioning including the use of energy conservation materials which are environmental friendly, such as foamed concrete blocks, tinted glass, insulation energy saving light bulbs, water-saving sanitary ware, etc., while developing modern style houses and using good and standardized materials. The Company has also developed good services both before and after the delivery of goods in accordance with international quality standards of ISO 9001: 2008 and attached importance to caring and developing the society to be comfortable and safe according to the Company's mission, that is, "Create & Develop Innovation for Outstanding Performance and Sustainable Growth".

Awards of Pride

In 2014, the Company has received awards of pride in many fields.

- Awards for its potential regarding corporate management as listed below:

The Company has been 1 out of 29 companies that have received excellent score from the evaluation of the Thai Institute of Directors (IOD) from the survey of a total number of 550 companies.

- Award for Transparency and Good Corporate Governance :

In 2014, the Company received the “Top Corporate Governance Report Awards” from the Stock Exchange of Thailand.

- Awards for corporate social responsibility :

In 2014, the Company received the Consumer Protection Thailand Call Center Award 2014 from the Office of the Consumer Protection Board.

- Awards for being the leader in excellent product development :

In 2014, the Company received a plaque and certificate of BCI Asia Top 10 Developers Awards 2014 from BCI Asia Construction Information Company Limited and Future Arc Journal. Supalai has received this award for 4 consecutive years.

In addition, the Company attaches importance to social responsibility by returning profits to the society according to the policy: “SUPALAI..... we care for Thai society”, while operating the property development business by promoting special creative events for the society in various forms, such as

- Charity Art Exhibition under the title: “The power of happiness from nature and goodness”, The paintings shown have been given to the donors of fund to Thammasat University Hospital.
- Sculpture Contest, organized jointly with the Department of Sculpture, the Faculty of Fine Arts, Sculpture and Graphic University By inviting artists and those interested in creating works under 3 categories: the “happiness or love or prosperity .”
- The photography contest under the title “Happiness in SUPALAI” by inviting SUPALAI families and employees to share happiness through photographs.
- The essay contest on “Happiness in SUPALAI” by inviting SUPALAI families to write essays to convey the feelings and opinions on living in Supalai projects.

Additionally, the Company has held a variety of activities to return profits to the society every year. The activities comprise knowledge provision on education, family, health, environment, arts and cultures. This is not only aims to provide benefits to the society, but the Company also has a goal to create happiness for the public and the society in the long run.

The Board of Directors would like to thank you all groups of stakeholders for support and trust that enable the Company to operate its business continually and steadily. The Board of Directors hereby assures that it is committed to ensure that the Company continues to grow steadily by adhering to the principles of honesty, good governance, ethics as well as righteousness according to the laws so as to be a leading company with steady growth that creates good housing projects for the Thai society.

Report of the Audit Committee

To Shareholders

The Audit Committee of the Company comprises 3 independent directors who are experts with experiences in financial, immovable property and organizational management and Mr. Prakrit Pradipasen is the Chairman, while Mr. Anant Gatepithaya and Assistant Professor Aswin Bijayayodhin are members.

The Audit Committee performs the duties as assigned by the Board of Directors of the Company, that is, to assist the Board of Directors in supervising the business operations. In 2014, the Audit Committee has carried out its responsibilities in accordance with good corporate governance and the Audit Committee Charter approved by the Board of Directors. The Committee has performed such responsibilities by exercising its knowledge, ability and carefulness with sufficient independence to ensure that maximum benefits were delivered to stakeholders in an equal manner. It has also informed the Board of Directors of the minutes of each meeting with a total of 12 meetings being held in 2014. The Committee has consulted with the management, the Internal Audit Department and the external auditor on concerned matters. Its duties can be summarized as follows:

1. Review of Financial Report System and Non-Financial Performance

The Audit Committee has jointly with the executives, the Internal Audit Department and the auditor, except the management, reviewed Supalai Public Company Limited's quarterly financial statements as well as its consolidated financial statements of 2014 on a quarterly basis. The consultation has been made, without the management participating, on the independence in performing the duties and the expression of opinion of the auditor. The auditor has also been asked about the correctness and completeness of the financial statements and adjustment of significant accounting items which would have impact on the financial statements, the sufficiency and the appropriateness of the account recording methods and the scope of the audit. Accordingly, the disclosure of information in a correct, complete and sufficient manner with the independence of the auditor ensured that the preparation of financial statements has been made according to the provisions of the laws and accounting standards in line with generally accepted accounting principles. The accounting system and the financial statements are, therefore, correct and reliable. In addition, the information has been disclosed in the financial statements sufficiently and in a timely manner for the benefit of investors or users of the financial statements.

The Audit Committee has reviewed reports on the operational results of various departments by comparing their plans and their operational results. It has made inquiries on problems, while providing opinions and considerations regarding management guidelines to ensure that the implementation of such guidelines has been made in an appropriate and transparent manner.

2. Risk Management Review

The Audit Committee has reviewed the risk management including risk management plans and guidelines according to the principles prescribed in the policy on risk management. The effectiveness and suitability of the process, which has been employed for handling risks arising from the Company's both internal and external factors have been considered and reviewed. Furthermore, the Committee followed up the progress on significant risk management by taking into consideration and identifying risk factors existing in operations as well as chances to generate impact by such risk management. Accordingly, such management ensures that the Company has systematically assessed significant risks while providing knowledge and understanding for the employees across the organization in order to be important mechanism in creating additional value to its business. In addition, the Audit Committee has provided opinions regarding real estate business development for various locations of land as well as the analysis of risks regarding legal provisions, area of land expropriation and potential of relevant plots of land.

3. Review of Internal Control System

The Audit Committee has jointly reviewed the internal control system with the auditor and the Senior Manager of Internal Audit Department. Such a review has been conducted to assess the sufficiency and suitability of the internal control system in accordance with the internal audit standards and the guidelines prescribed by the Securities and Exchange Commission of Thailand. It also considered the audit results according to the approved audit plan and reported the audit results, whereby the management of the Company has monitored and ensured that there were correction and improvement in accordance with the recommendations of the Audit Committee on a continual basis. It shall adjust and improve the internal control system to be in line with changing circumstances. From the internal audit results, there has been no weakness or defect in the internal control system in material matter, and the Audit Committee is of the opinion that the Company has sufficient internal control system and risk supervision for business efficiency. In addition, the auditor has assessed the internal control system and found no significant weakness which may have impact on the Company's financial statements.

4. Review of Compliance with Business Related Laws

The Audit Committee has reviewed the compliance with the Securities and Stock Exchange Laws, policy of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission and other laws related to the business of the Company and found that compliance has been made correctly with related laws.

5. Review of connected transactions or transaction which might contain conflicts of interest

The Audit Committee has reviewed connected transactions or those which might contain conflicts of interest. The Committee found that information in these transactions has been thoroughly and sufficiently disclosed. Such information comprises actual trading transactions which are general and reasonable businesses with no conflict of interest and in compliance with the requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

6. Review of implementation of counter-corruption measures

The Audit Committee has reviewed the internal control measures including the supervision on compliance with the principle of anti-corruption measures as well as the risk assessment. It has also provided recommendations and reported on review results according to the principle of anti-corruption measures to the Board of Directors. The results of the internal audit carried out in accordance with the principle of anti-corruption measures revealed no weakness or defect in the internal control system in material matters, and the Audit Committee is of the opinion that the Company has appropriate internal control system, sufficient supervision of risk and principle of anti-corruption measures in line with the Nation Associate Anti-Corruption Network.

7. Review of Requirements of the Audit Committee and Charters of the Internal Audit Department

The Audit Committee has reviewed its requirements to be suitable and in accordance with its newly established duties and responsibilities as well as relevant legal provisions by performing its duties with due care, independence and transparency for maximum benefits of the Company. Accordingly, the Audit Committee is confident that the financial statements of Supalai Public Company Limited and its subsidiaries are correct, reliable and in accordance with generally accepted accounting principles. Also, its financial reporting standards have been adopted according to the risk management as well as effective and sufficient internal control system, while being consistent with relevant laws and official requirements in all respects.

In addition, the Audit Committee has reviewed the Charter of the Internal Audit Department to ensure its suitability and consistency with the responsibilities of the Internal Audit Department as the Charter would be used as operational guidelines. This will also raise awareness of the importance of corporate governance. The Internal Audit Department can perform its duties independently, while the Audit Committee can provide recommendations, consultation and information useful for making decision in making improvement of the Company's operations.

8. Supervision of Internal Audit

The Auditing Committee is tasked with the supervision of the internal audit unit, which covers the unit's key operations, scope of duties and responsibilities as well as its independence in performing audit, and, the organizational and workforce management. The Committee reviews and approves an annual audit plan established in accordance with risk assessment results from various departments while providing operational advice to the Internal Audit Department on an ongoing basis. This is to ensure that internal auditing has been conducted in compliance with international standards and the professional practice framework for enhanced efficiency. In addition, the Committee keeps track of corrective actions with a focus on significant issues in audit reports. In summary, the Committee found that the Company has implemented the internal audit system and information management in a sufficient, suitable and effective manner. The Internal Audit Department has been able to perform its duties independently while offering consultation and information which have contributed to the Company's effective decision making to improve business efficiency.

9. Consideration to appoint the auditor and auditing fee for the year 2014

The Audit Committee has considered selecting and proposing to appoint the auditor and determine the auditing fee for the year 2014 by taking into consideration the performance of the previous year of the auditor in compliance with the assessment criteria of the Company in terms of the auditor's qualifications, independence in performing duties, quality and standards of work, which are satisfactory and the auditor has possessed the qualifications in line with the Notification of the Securities and Exchange Commission and the Stock Exchange of Thailand (SET). The Audit Committee, therefore, had proposed to the Board of Director to nominate to Annual General Meeting to appointed Ernst & Young Office Limited as auditor of Supalai Public Company Limited of 2014 and approved the auditing fee of 2014.



(Mr. Prakit Pradipasen)

Chairman of the Audit Committee
Supalai Public Company Limited

Report of Corporate Governance Committee

To Shareholders

The Corporate Governance Committee consists of four members in which not less than half of the number are independent members and the Chairman of the Committee must be an independent member. In 2014, the Corporate Governance Committee held 1 meeting, and its duties comprise of the supervision of Company's business to be in line with the principles of good corporate governance and in consistent with the principles of good corporate governance of the Stock Exchange of Thailand and the principles of the Organization for Economic Cooperation and Development to ensure that the principles of good corporate governance have been put into practices. Its duties also include the monitoring of the implementation of corporate governance plan as well as counter corruption operations, responsibilities for stakeholders, such as employees, customers, trading partners, communities, contractors, shareholders, society and government agencies as can be summarized as follows:

1. Shareholders' Right

- Organize the annual shareholders' meeting of 2014 by providing in advance sufficient and timely information, date, time and place as well as the meeting agenda and all information relating to relevant matters to be decided by the shareholders' meeting; provide convenience and encourage all shareholders which are institution investors to attend the shareholders' meeting of the Company and cast their votes in a complete manner. As a result, the Company has received excellent score according to the Annual General Meeting Checklist (AGM Checklist).
- Notify shareholders on regulations to be applied in the meeting in both Thai and English on the Company's website and deliver the invitation to attend the meeting in advance in order for shareholders and institution investors to have time for preparation and to study the details of each agenda, and prepare document for assigning proxy; such meeting invitation has been publicized in the newspapers for 3 consecutive days at least 3 days before the date of the meeting.
- Prepare the meeting agenda to include the objectives, and clear reasons for each agenda and opinions of directors for each agenda.
- Request for voluntary representatives of minor shareholders and representatives of the Thai Investors Association to attend the meeting as observers of the counting of votes at the vote counting point of each agenda; disclose the resolutions of the ordinary shareholders' meeting as well as the results of the voting after the meeting, then notify the Stock Exchange of Thailand and disclose such results on the Company's website.

2. Equal Treatment of Shareholders

- Provide convenience to foreign shareholders by preparing documents in 2 languages, namely, Thai and English, and the Company's website has been prepared in 2 languages as well; this is to provide service to interest shareholders.
- Ensure that all directors, executives and employees prepare report on conflicts annually, whereby there has been no conflict of interest in material matters in 2014.
- Ensure that all directors and executives have the duty to report on their holding and changing of their securities according to the law, whereby the Company's secretary has compiled and reported on such matters to the Board of the Directors of the Company for acknowledgement on a quarterly basis.
- Ensure that disclosure of information has been made on connected transactions in the annual report (Form 56-2) and annual registration statement (Form 56-1) in a complete manner, however, in case there are connected transactions, they must be approved in advance by the Board of Directors of the Company and there must be disclosures in details of the transactions, values, reasons and needs in the annual registration statement and the annual report according to the rules and regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission; while the Audit Committee must attend the meeting to consider and ensure that connected transactions are made in a reasonable and fair manner.

3. Importance of Interest Parties

- Provide channels for reporting on whistle blowing or complaints on violation of laws or offences regarding dishonest acts or violation of ethical code of conduct, by sending emails to independent directors or Anti-Corruption Unit (anti-corruption@supalai.com). In 2014, the Company received an Outstanding Award from the Consumer Protection Board for being the real estate developer that has provided consumers with a Call Center that both takes complaints and offers solutions.

4. Disclosure of Information and Transparency

- Prepare annual registration statement (Form 56-1) and annual report as well as quarterly report on operational results, financial statements and important information for shareholders, investors and the general public with complete, sufficient, reliable material matters in a timely manner through various channels, such as the Stock Exchange of Thailand system and the Company's web site (www.supalai.com) in both Thai and English.
- Establish investment relations unit for use by shareholders, investors and the general public as channels for contact and for information relating to the Company; such channels have been publicized in the annual report and the website of the Company.

5. Responsibilities of the Committee

- Review and approve the annual vision and mission of the Company.
- Review the requirements of the Board of Directors of the Company and sub-committees.
- Review business ethics and code of conduct for directors, executives and employees, along with the Good Corporate Governance Manual. This is to ensure their compliance with good corporate governance principles recommended by the Stock Exchange of Thailand as well as the best corporate governance practices outlined in the listed company development project.
- Review the Board's manual to ensure its consistency with the Code of Best Practice for Boards of Directors of Listed Companies and the principles stipulated by the Office of the Securities and Exchange Commission.
- Ensure that there is an annual evaluation of operational results of the company's Board of Director and sub-committees as well as conducting self assessment of the Board of Directors, the Audit Committee; and evaluation of work of highest executives of the Company annually.
- Organize 1 meeting of non-executive directors (independent directors).

6. Corporate Governance

In 2014, This is the Company's reward in Corporate Governance of pride can be summarized as follows:

- The Company was one of the 10 corporates who were awarded the Top Corporate Governance Report Award for 2014 in the "SET AWARDS 2014" event jointly - organized by the Stock Exchange of Thailand and the Money & Banking Magazine.
- The Company has been awarded the rank of "Excellence" of group rating of the survey of corporate governance report of the Thai Listed Companies of 2014 organized jointly by the Thai Institute of Directors Association, the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.
- The Company was ranked among the 17 Thai listed companies whose marks were equal to or above 90 of the ASEAN Corporate Governance Scorecard. The Company achieved an average score of 95.48, which was higher than the average score gained among a total of 529 ASEAN listed companies, and among the top 100 Thai listed companies in terms of market capitalization.

The Corporate Governance Committee continues to strive to improve the corporate governance to be transparent and be a good role model because the Committee strongly believes that the management that adheres to the rule of law with transparency, honesty, accountability while developing good corporate governance continuously and focusing on the responsibility toward stakeholders with its utmost effort would enable the organization to achieve sustainable growth and create confidence among shareholders and all stakeholders.



(Dr. Virach Aphimeteetamrong)

Chairman of the Corporate Governance Committee
Supalai Public Company Limited

Report of the Nomination and Compensation Committee

To Shareholders

The Nomination and Compensation Committee consists of three independent directors as follows:

- | | | |
|--------------|------------------|----------|
| 1. Mr.Prasob | Snongjati | Chairman |
| 2. Mr.Prakit | Pradipasen | Director |
| 3. Dr.Virach | Aphimeteetamrong | Director |

The Nomination and Compensation Committee has performed its assigned duties carefully, transparently, honestly and reasonably by taking into account maximum benefits of the Company and the shareholders. There have been studies of more information regarding concerned matters in a complete manner. It has also encouraged members to express their opinions freely and creatively in accordance with the duties and responsibilities specified in the Charter of the Nomination and Compensation Committee. Its duties also cover the determination of compensation. In 2014, this Committee had conducted 2 meetings to select and nominate suitable candidates for election as new directors of the Board of Directors to replace those retired by rotation and submitted the executive summary to the Board of Directors, which must be done on a continual basis. Important tasks of this Committee in 2014 are as follows:

• Nomination of Directors

The Committee had reviewed and nominated candidates with suitable qualifications in accordance with the provisions of the law, whereby such nominated persons must not possess prohibited characteristics according to the requirements and good governance principles as well as the strategy of the Company. Nomination procedures had been adopted to select the directors according to transparent criteria by adhering to the good practices in line with good governance principles disclosed in the Company's annual report and website. The Nomination and Compensation Committee had screened and selected directors to propose to the Board of Directors to further propose to the Annual General Meeting of the shareholders of 2014, for election on an individual basis.

The Nomination and Compensation Committee had also invited shareholders to nominate suitable persons to be selected as candidates for election but there was no nominee from shareholders. The Nomination and Compensation Committee had therefore considered re-appointing the retired directors in 2014 for another term of office. Also, a request had been made to add one director and the shareholders' meeting had approved the new directors as proposed. The new directors being appointed possess complete qualifications pursuant to the Public Companies Act with no prohibited characteristics as prescribed in other laws enforced upon the Company. They also possess qualifications, knowledge, ability, expertise and basic legal knowledge and skill as well as moral and ethical conduct with transparent and clean work record. Details were published in this Annual Report for transparency and audit purposes.

- **Compensation**

In 2014, there were 2 meetings to determine the compensation for directors and senior executives by taking into consideration their performance and operational success when compared with the target and key performance indicators (KPIs). The consideration was made by taking into account the directors' responsibilities, business size and environment as well as the general economic condition, results of operations that reflect and link with the operational results when compared with the compensation rate of companies in the same industry. Such compensation must be competitive and reasonable, and it had been proposed to be approved by the annual meeting of shareholders of 2014. The compensation for directors, sub-committee members and executives has been disclosed in this Annual Report for transparency inspection.

- **Evaluation of Board of Directors' Performance**

There has been self-evaluation of the Board of Directors and sub-committees on a group and individual basis annually, and results have been reported to the Board of Directors so as to be used for improvement of efficiency and to achieve the goals of the Company.

- **Directors Development Plan**

Review has been made on necessary qualifications and skill of the board diversity to be in line with the Company's strategy. Arrangement has also been made for each director to do self-evaluation on necessary skill in order to create balance in terms of quality of performance as well as decision-making capability of the Board of Directors, which is important to the Company's business operations. Also, orientation has been organized for new directors, and the director's manual and information beneficial to the performance of work of directors have been distributed.

- **Improvement and Development of Roles and Duties of the Nomination and Compensation Committee**

The Nomination and Compensation Committee has reviewed the Charter of the Nomination and Compensation Committee (NCC) annually. It has screened all matters relating to its roles and duties in order to improve its performance for maximum benefits of the shareholders. Such matters shall then be further considered and approved by the Board of Directors.

All members of the Nomination and Compensation Committee have upheld the importance of attending the meetings, expressing opinion as well as searching for information that would be useful for the development of the nomination and compensation for all concerned on a fair and appropriate basis by adhering to the principle of good corporate governance of the Stock Exchange of Thailand, which is in line with the Corporate Governance Scorecard. All the comments and recommendations can then be used with confidence and trustworthiness as tools for the Board of Directors in performing duties.



(Mr. Prasob Snongjati)

Chairman of the Nomination and Compensation Committee
Supalai Public Company Limited

Report of Risk Management Committee

To Shareholders

The Risk Management Committee consists of executive directors, independent director and management who have experiences, knowledge and understanding of business operations and risk management. There are altogether 10 members as follows:

1.	Mr.Anant	Gatepithaya	Chairman of the Risk Management Committee
2.	Mr.Atip	Bijanonda	Director of Risk Management
3.	Mr.Tritecha	Tangmatitham	Director of Risk Management
4.	Mr.Punnapan	Nengpetch	Director of Risk Management
5.	Mrs.Varunee	Lapitananuvat	Director of Risk Management
6.	Mr.Kittipong	Sirilugtrakun	Director of Risk Management
7.	Mr.Boonchai	Chaiananbovorn	Director of Risk Management
8.	Mrs.Suchawadee	Suppha-asa	Director of Risk Management
9.	Mr.Adisak	Warinsirikul	Director of Risk Management
10.	Mr.Krid	Chancharoensuk	Director of Risk Management

Performance of Risk Management Committee in 2014

The Board of Directors has assigned the Risk Management Committee to perform its duties and responsibilities as specified in the Risk Management Committee Charter.

In 2014, the Risk Management Committee held 1 meeting with a quorum. Its duties consist of the prescription and review of the organization's risk management framework, policy, organization's risk management process and the charter of the Risk Management Committee in order to be suitable for efficient business operations and in accordance with international standards. It also provides recommendations and guidelines for risk management in accordance with the strategic direction and business plan. It also support the continual development of risk management at all levels across the organization in order to create corporate culture and to ensure effective risk management and the management of important risks to be at an acceptable level.

In addition, monitoring, evaluation and report on results of risk management has already been made to the Board of Directors through the Audit Committee, which includes credit risk, operation risk, strategic risk, liquidity risk and other risks such as legal risk, corruption risk and regulatory risk, etc.

The Risk Management Committee has performed the duties in the past year to ensure that the risk management has been sufficient and appropriate, and it has been conducted continuously until the risks are acceptable to the Company. In 2014, Chairman of the Risk Management Committee was the guest speaker in the training course titled “Guidelines for Risk Management of Modern Organizations”, which was organized for supervisory and operational employees with an aim to create understanding of risk management among staff members within the organization.

In 2015, the Risk Management Committee has adopted an operational plan covering key operations as follows:

1. Review and improve the Policy on Risk Management to ensure its compliance with the business strategy and vision.
2. Consider and approve the 2015 risk management plan to reduce business risks to an acceptable level.
3. Provide recommendations and guidelines for the implementation, monitoring and evaluation of the management of critical risks for the year 2015 to ensure the Company’s efficient risk management.

From such operational plan, the Company is confident that the business goals will be achieved for the maximum benefit of shareholders as well as other groups of stakeholders.



(Mr. Anant Gatepithaya)

Chairman of the Risk Management Committee
Supalai Public Company Limited

Thailand's Economic Condition 2014 – 2015

In 2012, Thailand's economy was in the period after the great flood of 2011. Thus, there had been a large amount of expenditures in both public and private sectors for post-flood recovery. The expenditure of 2012, when combined with the normal government's expenditures on consumption and investment, had been increasing, leading to a huge economic expansion when compared with the previous year, especially in the 3rd and 4th quarters of 2012, as shown in Table 1.

The public expenditures still expanded well in the 1st and 2nd quarters of 2013, but, concurrently, the private sector's started to slow down, as shown in Table 1. The public investment should have expanded well afterwards, however, adhering to the policy of mega projects implementation, similar to that of the government during 2002-2005, every effort had been put into these projects. Once these projects faced legal obstacles, all investments had been discontinued since the 3rd quarter of 2013. Also, due to the anti-government protests from the 3rd quarter of 2013, almost all of the government's expenditures on both consumption and investment had come to a halt, which continued up to the 1st and 2nd quarters of 2014.

Meanwhile, all investments of the private sector started to slow down since the 3rd quarter, with increasing severity in the 4th quarter of 2013. The private investment still slowed down continuously up to the 1st and 2nd quarters of 2014. Thus, the economic expansion in every sector had been decelerated, causing a decrease in the overall country's economic expansion of 2014, which was much lower than expected.

The political demonstration was followed by a coup d' etat in the latter part of the 2nd quarter of 2014. The signs of recovery in consumption and investment began in the 3rd quarter, while the situation in the country gradually returned to normal with a clearer view of the future. This might be the reason for the private sector to begin their investment again, but the rate of expansion might not be as high as that of 2012. However, the overall economy should be well recovered in 2015.

In respect of the public sector, several and various projects had been brought back to be under review. The only hope from this government is that it should not repeat the action of the previous government which was trying to launch the mega projects in whole, but waiting for a complete detailed review. We hope this government will make informed and understanding decision in order to press for projects to be launched in parts soonest. This is the only hope for Thai economy to reach an expansion of 5-6% per year, which is not difficult, that is, just try to maintain the same level as that of 2012; not hoping for more than that, otherwise the expansion rate will be approximately not more than 3%, which is similar to that of 2013.

Table 1 : Ratio and Growth Rate of GDP Components

Approx.%of GDP		10%	50%	25%	5%	20%	15%		100%
		G.Con	P.Con	Cap.	G.Cap	P.Cap	X	M	GDP
2012	Q1	(0.2)	2.9	5.2	(9.6)	9.2	(3.2)	4.3	0.4
	Q2	7.4	5.3	10.0	4.0	11.8	1.1	8.6	4.4
	Q3	10.0	6.0	15.4	13.3	16.2	(2.8)	(1.8)	3.1
	Q4	12.5	12.4	22.9	30.9	20.9	10.6	15.0	19.1
2012	Total	7.5	6.6	13.2	8.9	14.4	3.1	6.2	6.5
2013	Q1	2.9	4.4	5.8	18.8	2.9	8.3	8.1	5.4
	Q2	7.6	2.4	4.6	15.4	2.0	2.9	4.5	2.9
	Q3	7.3	(1.2)	(6.3)	(16.2)	(3.3)	3.8	6.6	2.7
	Q4	0.8	(4.1)	(11.4)	(4.7)	(13.2)	2.0	(3.4)	0.6
2013	Total	4.9	0.3	(2.0)	1.3	(2.8)	4.2	2.3	2.9
2014	Q1	4.2	(3.0)	(9.3)	(16.6)	(7.4)	(0.5)	(8.6)	(0.4)
	Q2	2.1	0.2	(7.5)	(6.7)	(7.0)	(0.6)	(9.0)	0.4
	Q3	0.4	2.2	2.8	(0.8)	3.9	(4.0)	(1.1)	0.6

Note : G.Con. = Government Consumption, P.Con.= Private Consumption, Cap. = Capital Formation, G.Cap. = Government Capital Formation, P.Cap. = Private Capital Formation, X = Exports, M = Imports และ Capital Formation = Investment

For exports in 2014, it was, to a certain extent, affected by the anti-government protests, though not as much as the investment. However, the impact on import sector was much more than the export sector, this is due to the normal nature of Thai economy that relies on imported goods for investment and semi-finished raw materials. It is generally understood that foreign trade sector is the only economic sector that contributes to economic expansion rather than economic shrinkage; which is wrong. On the contrary, In 2015, the international trade sector will be the factor causing the Thai economy to shrink rather than to expand as expected by several parties (with the same misunderstanding). This is because the overall economy will be under expansion period, in which there will be greater demand for resources from abroad.

Significance of Economic Condition on Housing Business in 2015

At present, the real estate companies listed on the Stock Exchange of Thailand are regarded as having a lot of influence on the trend of housing market because they have the sales volume of about 2 times as much of that of the non-listed companies. The typical behavior of listed companies is to set up the target of a turnover growth every year in order for the share price to keep increasing all the time. The problem, then, is whether or not the housing market or consumers can accommodate the increasing supply which keeps increasing all the time as well.

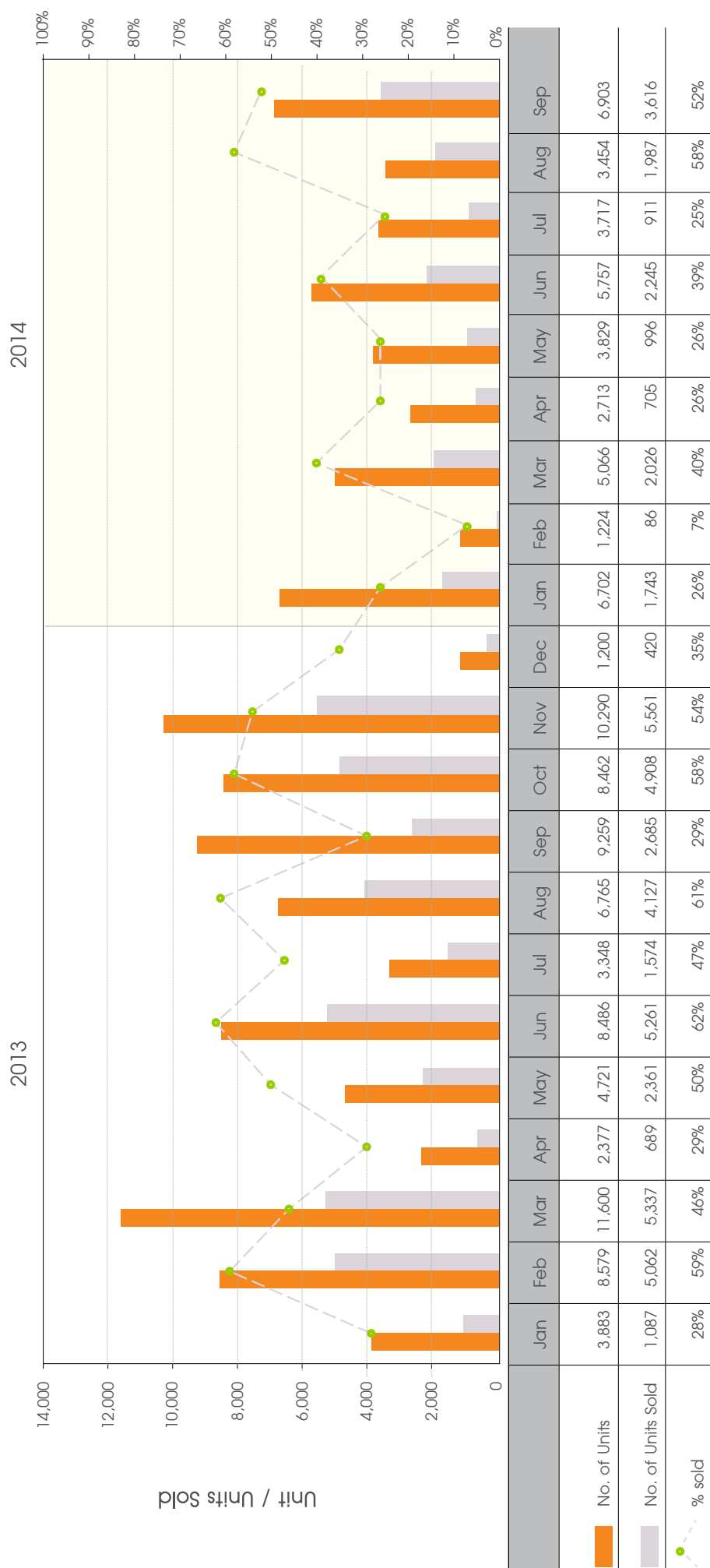
In the past, the number of subdivision houses sold was more than 30,000 units per year. In 2013, the actual number of houses completely built in a year increased approximately from more than 20,000 units to more than 30,000 units, and the number still increases constantly. Even though the political situation seemed to have a negative impact on the demand and caused a decrease of more than 10% in sold units, the sales condition for the newly opened projects in 2014 still continued at the same rate. Listed companies still set sales targets with continuous expansion, having very little connection to the economic conditions as spread around in the media.

The consumers' demand for condominiums, so far, has been driven by several objectives:

1. Investment purchase due to too low interest rates on bank deposits,
2. Real demand purchase as a home in the city to avoid traffic jams or for children or grand children,
3. Purchase due to increasing purchasing power from lower housing loan interest rates, enabling larger installments,
4. Purchase to be used as a real residence for lower-level employees who can never buy housing cheaper than this.

All the above reasons need suitable level of income as well. Such reasons are important drivers for continued growth of condominium business for the last 5 years.

Condominium Sales Condition (Jan 2013 – Sep 2014)



In the first half of 2014, very few projects had been launched and the rate of sales for newly opened projects also decreased significantly. However, in the latter half of 2014, the newly opened projects, after the political situation returned to normal, could reach a rate of sales of over 50%. This proves that the purchasing power does not vanish and there is still further demand for condominium.

In 2014, condominium was the product affected the most by political events, with a decrease in sales volume for the first half of the year by about one half when compared to the same period of the previous year as shown in Figure 1. Condominium sale depends rather greatly upon the campaign conducted during the launching of new project. In the first half of 2014, very fewer projects had been launched and the rate of sale for the newly opened projects also went down greatly. However, in the latter half of 2014, the newly opened projects, after the cooling down of political event, could make a rate of sale of over 50%. This proves that the purchasing power does not vanish and there is still further demand for condominium. The rate of sale of over 50% of the new projects is considered very high based on past statistics. Meanwhile, worldwide interest rates are still low with a continuing trend of getting even lower, despite the gradual phasing out of quantity expansion by the Federal Reserves. There is also disagreement within the Federal Reserves about the policy of interest rate increase. Thus, the demand under the above factors of 1-3 should not be affected by economic variables and would still further accommodate the purchasing power, while good location is still viable for demand for 4th factor. All in all, demand for condominium is still possible at over 70,000 units. In respect of supply, there should be little chance to increase production capacity, because land supply begins to reach a dead end.

In respect of the problem of household debt to GDP ratio widely mentioned in the press that it will reduce purchasing power, this is due to the approximate average annual growth rate of personal loan of 14%, while GDP growth rate at current price is approximately 7%, as shown in Table 1. It can't be said that the rising personal loan is caused by recklessness of financial institutions, because the Bank of Thailand's indicator on strictness of bank lending does not indicate so. The growth rate of personal loan is due to the snatching of market share from informal financial sector by formal financial institutions. The National Statistical Office's data in Table 2 indicates that the numbers of households with informal debts keeps decreasing. Furthermore, there is no tendency of an increase in the ratio of household debt to income, as shown in Table 3. Accordingly, the rising household debt to GDP ratio should not have an adverse effect on housing demand.

With regard to the concern over housing installment loans provided by financial institutions that it will be more restricted, in real practice, there is no significant change.

In conclusion it can be said that, with an economic growth rate of 4-5% per year, the housing market still can maintain the volume of sales and the volume of number of houses completed at not less than 100,000 units in 2015.

Table 1 Household Sector Loan 1

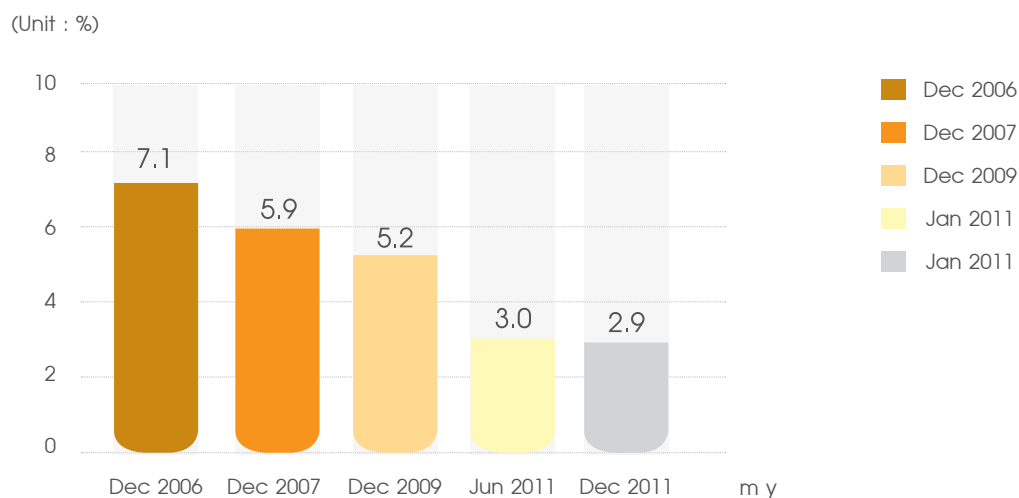
Unit : Million Baht

	Q4/2013	Q4/2011	Q4/2009	Q4/2007	Q4/2005	Q4/2003
1. Financial Institutions	8,521,064 13.6	6,601,050 16.6	4,854,608 9.8	4,024,624 8.3	3,432,466 13.4	2,668,149
2. Commercial Banks 2/	4,165,800 13.6	3,031,293 16.6	2,301,569 9.8	1,960,744 8.3	1,608,449 13.4	1,281,710
3. Specific Task Force Financial Institutions Accepting Deposits 3/	2,887,775 9.0	2,428,845 18.0	1,743,048 11.4	1,403,334 9.7	1,165,248 18.1	835,881
4. Savings Co-operatives	1,464,634 13.8	1,131,294 19.3	795,238 11.4	641,281 10.6	524,345 12	418,025
5. Other Financial Institutions	1,271,556 22.7	844,589 9.9	698,729 5.1	632,592	n.a.	n.a.
6. Credit Card, Leasing and Personal Loan Companies	1,052,917 30.1	622,224 10.8	506,727 6.3	448,084	n.a.	n.a.
7. Life and Non-Life Insurance Companies 5/	79,163 9.0	66,596 5.0	60,349 6.7	53,056	n.a.	n.a.
8. Securities Companies	48,724 29.2	29,209 21.2	19,871 -5.5	22,269	n.a.	n.a.
9. Pawn Shops 7/	56,506 -5.4	63,121 26.7	39,304 13.4	30,551	n.a.	n.a.
10. Other Financial Institutions 8/	8,536 25.0	5,463 2.5	5,196 1.3	5,063	n.a.	n.a.
11. Total	9,792,620 14.7	7,445,639 15.8	5,553,337 9.2	4,657,216 16.5	3,432,466 13.4	2,668,149
12. GDP (at market price)	11,898,710 6.2	10,540,134 8	9,041,551 3	8,525,197 9.6	7,092,893 9.5	5,917,369
13. Ratio of Household Credit per GDP	0.82	0.71	0.61	0.55	0.48	0.45

Source: The Bank of Thailand

Table 2 Households Having Non-Formal Debt

Chart : % of Households Having Non-Formal Debt

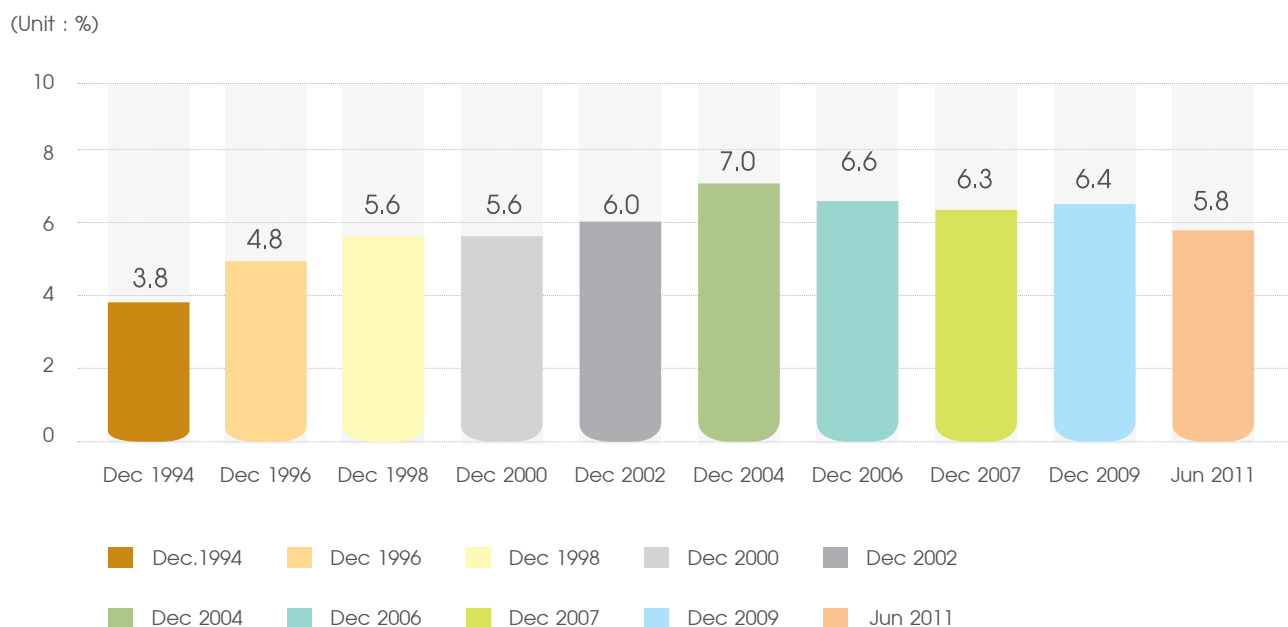


* Name of indicator : % of Households Having Non-Formal Debt

* Explanation : Household debt means outstanding loans from both financial institutions and other persons outside the household. Formerly prepared after every period of 2 years (Survey of Income-Expenses). From 2006, it has been prepared every year (Survey of Expenses).

Table 3 Proportion of Household Debt per Income

Chart : Ratio of Debt per Income



* Name of indicator : % of Households Having Non-Formal Debt

* Explanation : (Average ratio of debt per household) per (Monthly income per household), formerly prepared after every period of 2 years (Survey of Income - Expenses). From 2006, it has been prepared every year (Survey of Expenses)

Corporate Profile

Business Operations

Supalai Public Company Limited (Company) was established on 26 June 1989. Its operations began with real estate development in the category of housing projects and commercial buildings with the initial registered capital of 100 million baht. At the beginning stage, its business dealt with constructing detached houses and townhouses in the form of gated communities. Subsequently, its business has expanded to cover condominium projects, office buildings, hotels and resorts. In 1992, the Company has transformed into a public company with the registered capital increased to 1,000 million baht and its shares had been listed on the Stock Exchange of Thailand on 17 November 1993. The Company's goal is to focus on building both low-rise and high-rise housing projects. However, in 1997, the Company had suffered from Thailand's economic crisis and had entered into the debt restructuring process of the Office of the Debt Restructuring Committee of the Bank of Thailand in 1999 with its total debt value of 8,113 million baht. The debt restructuring was completed in 2002 and the Company has continued its real estate development by building detached houses, townhouses, duplex houses, condominiums, office buildings, resorts and hotels. Up to the present, the Company's paid-up issued capital increased to 1,716.55 million baht. During 2004 - 2014, the Company has undergone significant changes and developments as follows:

Summary of Significant Changes and Developments

2004

- 2 projects of detached houses and townhouses were launched, they are Supalai Ville Srinakarin and Supalai Ville Ekamai-Ramindra. At the same time, 3 big high-rise building projects were also opened, they are Supalai Casa Riva on the Chao Phraya River, Supalai Premier Place Asoke and Supalai Oriental Place Sathorn - Suanplu.
- TRIS RATING had rated the credit of Supalai Plc. at the level of "BBB". Such credit level reflected the Company's long standing experiences in real estate development with an experienced management team. It is a symbol accepted in the medium-price housing market.

2005

- 1 detached house project, Supalai Park Ville, was opened together with 2 condominium projects in the heart of the city, namely, City Home Ratchadaphisek and City Home Sukhumvit of which the sales had been closed during the Grand Opening.
- The Company issued and offered for sale 3rd series of ordinary share warrants in the amount of not more than 433,087,447 units to existing shareholders at the par value of 0 baht per unit with the exercising right of 3 years, whereby 1 unit of the warrant can be exercised to purchase 1 ordinary share at the par value of 1.50 baht. At present, the exercising rights of such warrants had expired.
- The Company issued and offered for sale ordinary share warrants in the amount not more than 10,000,000 units to the employees, executives, directors and advisors to the Board of Directors at the par value of 0 baht with the exercising right of 3 years. 1 unit of such warrants could be exercised to purchase 1 share at the par value of 2.28 baht. At present, the exercising right of such warrants had expired.
- The Company issued and allocated shares for the capital increase in the amount of not more than 443,087,447 shares at the par value of 1 baht per share to support the exercise of right under the 3rd series of ordinary share warrants and the warrants offered for sale to the employees, executives, directors and advisors of the Board of Directors.

2006

- 4 Projects of detached houses and townhouses were launched, namely, Supalai Suvarnabhumi, Supalai Ville Outer Ring Road - Rattana Tibeth, Supalai Ville Sukhumvit - Srinakarin and Supalai Ville Kingkaew - Srinakarin and 2 condominium projects, namely, Supalai Park Srinakarin and Supalai River Place. Also, Supalai Grand Tower Building, an office building for rent on Rama 3 Road, was opened this year, and Supalai Head Office was relocated into this building.
- TRIS RATING upgraded credit rating of Supalai Plc. to the level of "BBB+", which reflected a better financial position and ability to control the operational cost.
- The Company received ISO 9001:2000 certificate from the Engineering Institute of Thailand under H.M. The King's Patronage (EIT-CBO) and from AFAQ-EAQA for low-rise projects.

2007

- 4 projects of detached houses and townhouses were launched, namely, Supalai Ville Wongsawang, Supalai Park Ville 2, Supalai Garden Ville Outer Ring Road Pinklao - Rama V and Supalai Ville Outer Ring Road Pinklao - Rama V together with 4 condominium projects, namely, City Home Ratchada - Pinklao, Supalai Premier Ratchada-Narathivas-Sathorn, City Home Tha Phra Intersection and Supalai Park @ Kaset.
- TRIS RATING maintained the credit rating of the Company at the level of "BBB+".
- The Company received the ISO9001:2000 certificate from the Engineering Institute of Thailand under H.M. the King's Patronage (EIT-CBO) on 15 August 2007 for high-rise projects.

2008

- 8 projects were launched comprising 5 projects of detached houses and townhouses and 3 condominium projects, they are (1) Supalai City Home Rattanaibeth condominium project (2) Supalai City Resort Ramkhumhaeng condominium project (3) Supalai Ville Rattanaibeth-Khae Rai townhouse project (4) Supalai Ville Sukhumvit-Phraeksa detached house project (5) Supalai Ville Tiwanon-Pathumthani townhouse project (6) Supalai Garden Ville Tiwanon-Pathumthani detached house project in (7) Supalai City Resort condominium project in Phuket and (8) Supalai City Resort detached house and townhouse project in Phuket.
- The Board of Directors of the Company approved of the re-purchase of ordinary shares of the Company from the stock market according to the Treasury Stock Project for financial management in the amount of 120 million shares or 6.99% of all issued and paid-up shares, whereby the Company could purchase the total amount of 120 million shares.

2009

- 11 projects were launched comprising 6 projects of detached houses and townhouses and 5 condominium projects, they are (1) the detached house, townhouse and duplex house project of Supalai City Hill Phuket (2) the detached house project of Supalai Hills Phuket (3) the detached house and townhouse project of Supalai Ville Ratchapruk - Petchakasem 48 (4) the detached house and townhouse project of Supalai Park Ville Ramindra 23 (5) the detached house project of Supalai Park Ville Pracha Unit 86 (6) the detached house, townhouse and duplex house project of Supalai Ville LakSi - DonMuang (7) the condominium project of Supalai Park @ Tiwanon (8) the condominium project of Supalai Casa Riva Vista 2 (9) the condominium project of Supalai Park Asoke - Ratchada (10) the condominium project of Supalai Park @ Ratchayothin and (11) the condominium project of Supalai Park @ Downtown Phuket.

- The Company's Board of Directors resolved to offer for sale existing 120,000,000 ordinary shares at a par value of 1 baht per share, they were the ordinary shares repurchased by the Company from the Stock Exchange of Thailand according to the Treasury Stock for Financial Management Project, which comprised 6.99% of all the shares sold of 1,716,553,249 shares. They were offered for sale to the general public through the underwriters at the value of 5.55 baht per share, whereby the Company had an objective to use such mobilized sum of money as working capital in the current projects and for purchasing new land.
- The Company received ISO 9001:2000 Certified for "Housing Projects" and "Condominium Projects" from Bureau Veritas Certification Thailand Company Limited which covers everything from the plan layout stage, design, construction, sales and property management.



- 14 projects were launched comprising 10 projects of detached houses and townhouses and 4 condominium projects, they are (1) the detached house and duplex house project of Supalai Ville Phaholyothin-Chantharubeksa (2) the detached house and duplex house project of Supalai Ville Saimai-Wacharapol (3) the detached house project of Supalai Park Ville-Ramindra 5 (4) the detached house project of Supalai Garden Ville Phuket (5) the detached house and duplex house project of Supalai Garden Ville Changwattana-Laksi (6) the detached house project of Supalai Garden Ville Chiangmai (7) the detached house project of Supalai Park Ville Outer Ring-Ratchaphruek (8) the townhome project of Novo Ville Tiwanon-Pathumthani (9) the townhome project of Supalai Ville Srinakarin-Kingkeaw (10) the detached house project of Supalai Garden ville Outer Ring-Lumlukka Klong 3 (11) the condominium project of Supalai River Resort (12) the condominium project of City Home Srinakarin (13) the condominium project of Supalai Park Rachapreuk-Petchkasem (14) the condominium project of Supalai Premier @ Ratchathewi
- TRIS RATING upgraded credit rating of Supalai Plc. to the level of "A-", which reflected a better financial position and ability to control the operational cost.
- The Company received ISO 9001:2008 Certified for "Housing Projects" and "Condominium Projects" from Bureau Veritas Certification Thailand Company Limited which covers everything from the plan layout stage, design, construction, sales and property management

2011

- 9 projects were launched comprising 5 projects of detached houses and 4 condominium projects, they are (1) the detached house project of Supalai Montara Pinklao-Bhuddhamondhol Sai 1 (2) the detached house project of Supalai Ville Ringroad-Lamlukka Klong 3 (3) the townhome project of Novo Ville Ringroad-Lamlukka Klong 3 (4) the detached house project of Supalai Park Ville Romklao-Suvarnabhumi (5) the detached house project of Supalai Suanluang (6) the condominium project of Supalai Prima Riva (7) the condominium project of Supalai Premier Asoke (8) the condominium project of Supalai Park Kaerai-Ngamwongwan (9) the condominium project of Supalai Park Ekkamai-Thonglor

2012

- TRIS RATING maintained credit rating of Supalai Plc. at the level of "A-", which reflected a better financial position and ability to control the operational cost.
- 17 projects were launched comprising 10 projects of detached houses and 7 condominium projects, they are (1) the detached house project of Supalai Park Ville Sriracha (2) the detached house project of Supalai Garden Ville Suvarnabhumi (3) the townhome project of Novo Ville Ringroad-Lamlukka Klong 5 (4) the detached house and duplex house project of Supalai Ville Sri Samarn-Pathumthani (5) the detached house and duplex house project of Supalai Ville Ratchapruk - Bangbuatong (6) the townhome project of Novo Ville Phahonyothin52 (7) the detached house project of Garden Ville Ringroad-Lamlukka Klong 5 (8) the detached house project of Garden Ville Airport (9) the detached house project of Park Ville Changpuak (10) the detached house project of Garden Ville Suratthani (11) the condominium project of Supalai City Resort Ratchada - Huaykwang (12) the condominium project of Supalai Wellington (13) the condominium project of Supalai Vista@Tiwanon Intersection (14) the condominium project of Supalai Park @ Phuket City (15) the condominium project of Supalai Monte @ Viang Chiangmai (16) the condominium project of Supalai Lite @ Sathorn - Charoenrat (17) the condominium project of Supalai Elite Sathorn - Suan Plu

2013

- TRIS Rating has affirmed the company rating of Supalai Public Company Limited (SPALI) at “A-”. At the same time, TRIS Rating has revised the rating outlook of SPALI to “positive” from “stable”. The “positive” outlook reflects an expected improvement in the company’s operating performance over the next few years upon the delivery of condominium units, which have been secured by its huge backlog.
- 15 projects were launched comprising 8 projects of detached houses and townhome and 7 condominium projects, they are (1) the detached house project of Supalai Ville Onnut - Suanluang (2) the detached house project of Supalai Ville Ringroad - Rama 2 (3) the townhome project of Supalai Ville Thepprasit 8 (4) the detached house project of Supalai Moda (5) the detached house project of Supalai Garden Ville Bangsaen (6) the detached house project of Supalai Essence (7) the detached house project of Supalai Park Ville Nittayo (8) the townhome project of Novo Ville Krungthep - Phathumthani (9) the condominium project of Supalai Mare (10) the condominium project of Supalai Vista Phuket (11) the condominium project of Supalai City Resort Phranungklao - Chaophraya (12) the condominium project of Supalai City Resort Ratchayothin - Phaholyothin 32 (13) the condominium project of Supalai Vista Sriracha Tharua - Laemchabang (14) the condominium project of Supalai City Resort @ Rayong (15) the condominium project of Supalai Veranda Ratchavibha - Prachachuen

2014

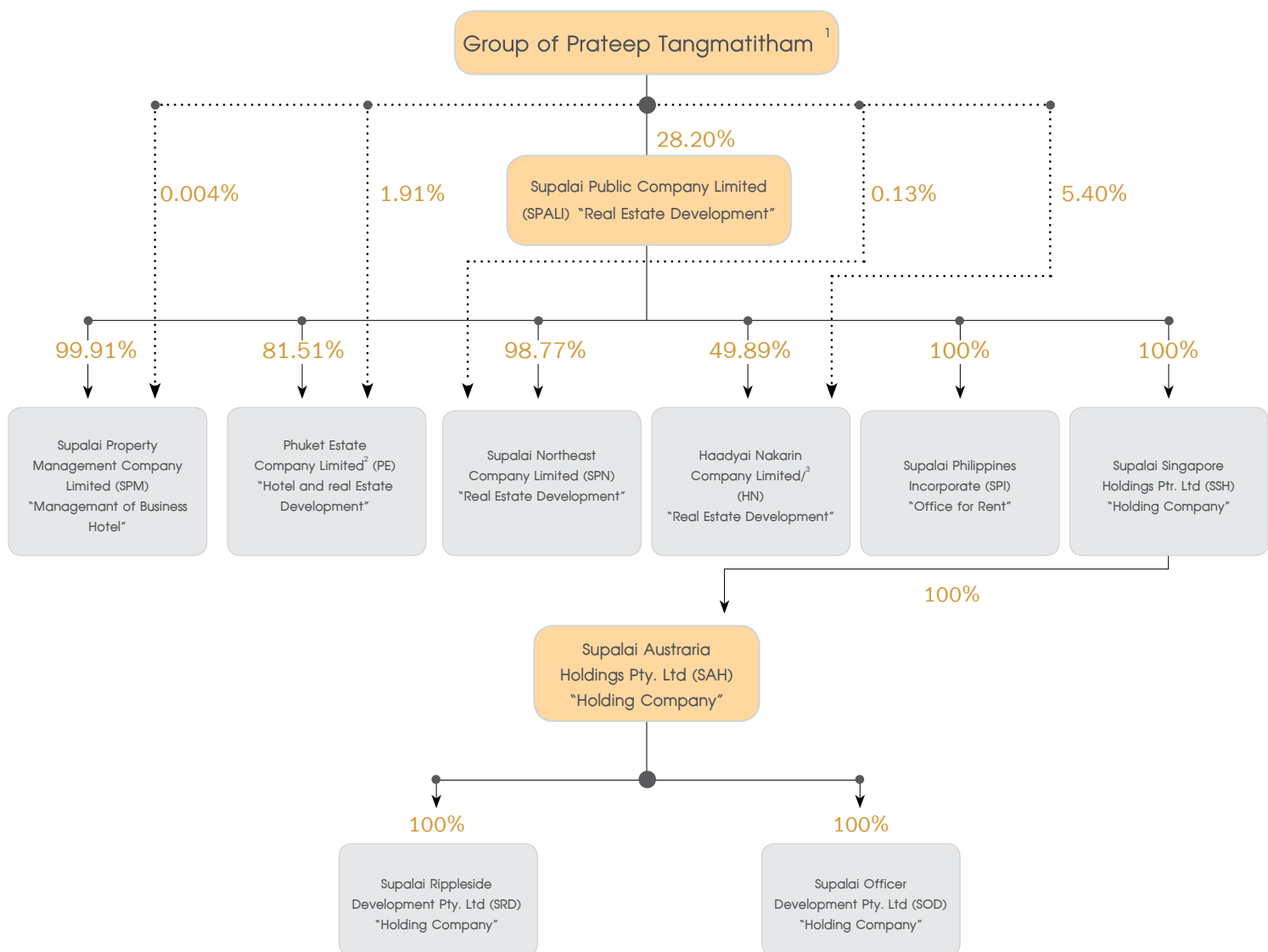
- TRIS Rating has upgraded the ranking of the organization and unsubordinated-unsecured debentures of Supalai Public Company Limited to “A” from “A-”. The upgrading of the rank reflects the better results of operations of the Company as expected with growing revenue base. The rating has also been done by taking into consideration the performance of the Company which has been recognized in the real estate development market in Thailand with the product brand recognized in the moderate-priced housing market, while the Company has strong financial position.
- 28 projects were launched comprising 19 projects of detached houses and townhome and 9 condominium projects, they are (1) the detached house, new series house and townhouses project of Supalai Bella Outer Ring Road - Rama II (2) the detached house, new series house and townhome project of Supalai Bella Outer Ring Road Pinklao - Rama V (3) new series house project of Supalai Ville Outer Ring Road Pinklao - Nakhonin (4) the detached house project of Supalai Garden Ville Srinakarin - Bangna (5) the detached house project of Supalai Garden Ville New Krungthepkritha - Motorway (6) the townhome project of Supalai Novo Ville

Lamlukka Klong 2 (7) the detached house and new series house project of Supalai Ville Outer Ring - Lumlukka Klong 5 (8) the townhome project of Supalai Novo Ville Outer Ring - Bangyai (9) the detached house and new series house project of Supalai Ville Outer Ring - Bangyai (10) the detached house and new series house project of Supalai Ville Bangkok - Pathumthani (11) new series house and townhome project of Supalai Ville Rangsit Klong 2 (12) the detached house new series house and townhome project of Supalai Bella Rangsit Klong 2 (13) the detached house project of Supalai Garden Ville Outer Ring Road - San Kam Phaeng Chiangmai (14) the detached house project of Supalai Moda Ubonratchathani (15) the detached house and new series house project of Supalai Ville Ubonratchathani (16) the detached house project of Supalai Park Ville Rayong (17) the detached house project of Supalai Garden Ville Udonrthani (18) the detached house, duplex house and townhouses project of Supalai ville Mittaphap-Banchan Udonthani (19) the detached house and townhouse project of Supalai Ville Phuket (20) the detached house, new series house and townhouse project of Supalai Lagoon Phuket (21) the condominium project of Supalai City Resort Bearing Station (Sukhumvit 105) (22) the condominium project of Supalai Vista @ Pak - Kred Intersection (23) the condominium project of Supalai Elite @ Phaya Thai (24) the condominium project of Supalai Wellington II (25) the condominium project of Supalai Veranda Rattanathibeth (26) the condominium project of Supalai Cute Ratchayothin - Phaholyothin 34 (27) the condominium project of Supalai Loft Chaeng Watthana (28) the condominium project of Supalai Monte II Chiangmai.

Overview of business operations of the Company and its subsidiaries

Supalai Public Company Limited and its subsidiaries (group of companies) operate real estate development projects for living and commercial purposes. Our projects are conceptualized with the idea of a quality living place for quality community of "Supalai residents". We always develop our housing models with carefully selected materials that meet our ideal standards. Our pre and after delivery services are diligently supervised to foster a safe and friendly community for our clients' utmost satisfaction. The Company and our subsidiaries operate and own the following housing projects: detached houses, duplex houses, townhouses and condominiums in a variety of areas throughout Bangkok and peripheries including other provinces. This is to respond to the need of the market and our many clients who have different preferences and goals, and are primarily those who are middle to high income earners. Our priority is to focus on the completion of our current housing projects and deliver them by deadlines to create the brand awareness of "Supalai." This name will be used as a leading name for every project, followed by specific name of each project to fit in with different project formats and the target market. Moreover, the Company is also the developer of offices for rent in the commercial districts, while the subsidiaries operates real estate project management as well as the management of hotels and resorts. Currently, the Company and its subsidiaries have grown to become one of the leading companies in real estate business.

Chart Indicating Shareholding Structure of the Group of Companies as at 31 December 2014



¹ The shares are held by Mr. Prateep Tangmatitham and the persons pursuant to Section 258 of the Securities and Exchange Act B.E. 2535 (1992).

² Mr. Prateep Tangmatitham and Mr. Chuan Tangmatitham who is Mr. Prateep Tangmatitham's elder brother and Mrs. Anchan Tangmatitham, Mr. Chuan Tangmatitham's wife hold shares in an aggregate number of 5.06% of the paid-up capital. The other shareholders are natural persons who are not related to the group of Mr. Prateep Tangmatitham.

³ The Company's proportion of shareholding is less than 50% of the paid-up capital but it has the managing power of such companies. Such companies' financial statements are therefore included in the preparation of consolidated financial statements. The other shareholders comprise the group of Mr. Chuan Tangmatitham who is Mr. Prateep Tangmatitham's elder brother, which holds 4.65% shares, and juristic persons and natural persons who are not related to the group of Mr. Prateep Tangmatitham.

The Company has a total number of 5 subsidiaries which operate real estate business as follows:

1. Supalai Property Management Co., Ltd. (“SPM”)

The Company holds shares of this company at the rate of 99.91% of the registered capital of 25 million baht. It operates the management business of hotels, restaurants, resorts and real estate projects. At present, it is managing Supalai Pasak Resort & Spa Hotel.

2. Haadyai Nakarin Co., Ltd. (“HN”)

HN was established in 1988 by a group of real estate businessmen in Songkhla Province with the group of Mr. Prateep Tangmatitham, the group of Mr. Chuan Tangmatitham and M.K. Real Estate Development Plc. holding shares at the rate of 5.40%, 4.65% and 6.03% respectively. Subsequently, in 1996, the Company, seeing the potential of real estate development in Songkhla Province and wishing to expand its investment in the provincial areas, had increased its investment ratio in HN to 49.89% of the registered capital of 191.50 million baht. Currently, it is developing the ASEAN Trade Center project, a complete range business center, 2 middle level condominium project and 5 housing projects.

3. Supalai Northeast Co., Ltd. (“SPN”)

The Company’s shareholding proportion in this company is 98.77% of the registered capital of Baht 335.45 million. It operates the real estate business in the northeast of Thailand and currently carrying out 5 housing projects in Khon Kaen Province.

4. Phuket Estate Co., Ltd. (“PE”)

PE was established in 1989 in order to purchase the land in Phuket. Subsequently, in 2001, SPM which is a subsidiary of the Company has invested in PE to build hotels and resorts in Phuket Province as it saw the potential of hotels in Phuket. Since the development of hotels in Phuket needed very high amount of investment and SPM did not have sufficient capital. SPM, therefore, sold all of its shares to the Company. On 24 March 2010, the 2010 Annual General Meeting of the Shareholders of Phuket Estate Company Limited approved an increase of that its registered share capital from Baht 153.6 million to Baht 307.3 million. The Company invested a total of Baht 143.7 million. As a result the percentage shareholding of the Company increased to 81.51 percent. PE is currently engaging in the development of resorts for long term lease and manage hotels in Phuket Province.

5. Supalai Philippines Incorporate (“SPI”)

During the year 2013, the Company invested in 599,999,972 ordinary shares, 100% of Supalai Philippines Incorporate which is incorporated in Philippines. The Company is principally engaged in office building business.

6. Supalai Singapore Holdings Pte. Ltd. (“SSH”)

During the year 2014, the Company invested in 9,955,356 ordinary shares, or 100% of Supalai Singapore Holding Pte. Ltd. which has been incorporated in Singapore as part of foreign investment scheme.

7. Supalai Australia Holdings Pty. Ltd. (“SAH”)

During 2014, Supalai Singapore Holdings Pte. Ltd., a subsidiary of the Company invested in 3,605,100 ordinary shares, or 100% of Supalai Australia Holdings Pty. Ltd., a company incorporated in Australia, as part of investment scheme in various companies .

8. Supalai Rippleside Development Pty. Ltd. (“SRD”)

During 2014, Supalai Australia Holdings Pty. Ltd., invested in 5,750,100 ordinary shares, or 100% of Supalai Rippleside Development Pty. Ltd., a company incorporated in Australia as part of investment scheme in various companies .

9. Supalai Officer Development Pty. Ltd. (“SOD”)

During 2014, Supalai Australia Holdings Pty. Ltd., invested in 3,250,100 ordinary shares, or 100% of Supala Officer Development Pty. Ltd., a company incorporated in Australia as part of investment scheme in various companies .

Strength in Business Operations

- Having experiences in real estate development more than 30 years, therefore are being able to produce quality products to meet the demand of the consumers at competitive cost in the market.
- Having locations of the projects in potential areas of all directions of Bangkok Metropolitan and its peripheries as well as the provincial areas with a variety of products, such as commercial buildings, townhomes, houses and condominium. The purpose is to expand the selling opportunity and distribute investment risks.
- Having developed the quality of products and services on a continual basis to satisfy the changing demand of customers until the Company has finally become a leader in developing energy-saving houses and buildings which are trusted by customers.

- Having standardized work system in the layout, design, construction and using standardized materials. The Company also focuses on after-sale-services after completion of the project by supervising and developing a safe and friendly community for the customers' utmost satisfaction until it has received international recognition system ISO 9001:2008, which covers a complete range of quality control throughout the production process up to the delivery to ensure customers' confidence. As a result, delivery can be made on an expedite basis.
- Management of risks efficiently in order to be able to sell, develop, construct and deliver the ownership quickly. It also has conducted researches to find out customers' demand and evaluated the potential of the plot of land to be developed before considering the increase of investment in existing or future projects. The projects of the Company would not be too big in order to reduce risk due to the change of market demand and to limit the investment budget in the projects so as to shorten the project's selling period.

Business Operational Objectives

The Company attaches importance to providing benefits to all groups of stakeholders on a long-term basis for the Company's sustainable growth as follows:

1. Creating utmost satisfaction to shareholders with continual appropriate returns.
2. Creating the environment and happy workplace for the employees and focusing on continual development of human resources for higher potential and efficiency in working in order to develop leading services in real estate business and enable the Company to achieve its goals and success.
3. Establishing business alliances with trading partners and contractors by adhering to honesty and business ethics.
4. Creating excellence in goods and services to satisfy demand of customers at all levels both inside and outside the country by focusing on quality housing development projects on a continual basis in suitable locations with high potential to meet the demand of target group of customers; placing importance on the plan layout, design, construction, excellent sales and services by significantly taking into account the customers' benefits and demands.
5. Prevention of potential or possible impact on the communities, the society and the environment under the concept of "Supalai...we care for Thai society" by providing good returns to the communities and the society as a whole, such as conducting studies and research as well as designing energy conservation houses; developing social environment and the areas of all the projects developed by the Company and providing support for activities of the institutions or charitable foundations so as to contribute to the society.

Characteristics of Products or Services

Supalai Public Company Limited and its subsidiaries operate real estate business and related business. The products of each category are as follows:

A. Residential Projects

1. Land and House Development Business

The Company operates the business of land and house development for selling. It comprises housing projects on a horizontal characteristics in the category of detached houses, duplex houses and townhouses, while simultaneously developing the infrastructure and utilities in the projects. The Company's policy is to sell the land and the house in the form of ready-made houses and houses made to order. Most of the time, the Company sells the houses which are almost completed in order for the customers to see the houses during the construction and be confident that the houses would be completed as scheduled. The projects of the group of companies are located in the areas around the outer ring roads of Bangkok Metropolitan or near the existing or future mass transit systems, and also in the provincial areas which are business centers or tourist destinations. This is because they are new locations with high potential where housing is very much in demand. All projects of the group of companies are under the concept of "Supalai...we care for Thai society." There are many types of houses with different and beautiful designs in modern classic style, which are comfortable, energy-saving and cost-effective. At present, different names of the projects are given by the Company according to specific characteristics of the projects, the products and target groups of customers. This is to satisfy different demands of different groups of customers. Different types of business of the group of companies are as follows:



Supalai Montara Pinklao – Phutthamonthon Sai 1

Product Type	:	Detached House
Price Range	:	8.00 – 16.00 Million Baht
Target Customers	:	Upper high income group, age over 36 years old, income 150,000 baht/family/month



Supalai Suvarnabhumi

Product Type	:	Detached House
Price Range	:	5.30 – 15.99 Million Baht
Target Customers	:	Upper high income group, age over 36 years old, income 120,000 baht/family/month



Supalai Orchid Park

Product Type	:	Detached House
Price Range	:	3.59 - 8.00 Million Baht
Target Customers	:	Upper medium income group, age over 30 years old, income 70,000 baht/family/month



Supalai Park Ville

Product Type	:	Detached House and Town House
Price Range	:	2.90 - 7.99 Million Baht
Target Customers	:	Upper medium income group, age over 30 years old, income 50,000 baht/family/month



Supalai Garden Ville

Product Type	:	Detached House
Price Range	:	2.80 - 4.50 Million Baht
Target Customers	:	Upper medium income group, age over 30 years old, income 50,000 baht/family/month



Supalai Ville

Product Type	:	Detached House, New Series House and Town House
Price Range	:	1.80 - 4.00 Million Baht
Target Customers	:	Upper medium income group, age over 30 years old, income 40,000 baht/family/month



Palm Springs

Product Type	:	Town House
Price Range	:	1.70 - 4.00 Million Baht
Target Customers	:	Upper medium income group, age over 25 years old, income 40,000 baht/family/month



Novo Ville

Product Type	:	Town Home
Price Range	:	1.20 - 2.00 Million Baht
Target Customers	:	Upper medium income group, age over 25 years old, foreigners, income 15,000 baht/family/month



Essence

Product Type	:	Detached House and Commercial building
Price Range	:	4.35 - 5.69 Million Baht
Target Customers	:	Upper medium income group, age over 30 years old, foreigners, income 80,000 baht/family/month



Moda

Product Type	:	Detached House Modern style
Price Range	:	3.70 - 4.20 Million Baht
Target Customers	:	Upper medium income group, age over 30 years old, foreigners, income 70,000 baht/family/month



Bella

Product Type	:	Town home , New Series and Detached House
Price Range	:	1.59 - 5.00 Million Baht
Target Customers	:	Upper medium income group, age over 25 years old, foreigners, income 40,000 baht/family/month



Lagoon

Product Type	:	Detached House, Town home Modern style
Price Range	:	1.59 - 8.00 Million Baht
Target Customers	:	Upper medium income group, age over 25 years old, foreigners, income 40,000 baht/family/month

2. Condominium Business

The Company operates the development of condominiums for selling which comprises project of high-rise residential buildings in the locations near public utility sources and mass communications including the area along the Chao Phraya River. The names of the condominium projects are given differently according to the specific formats of the products and the target groups of customers as follows:



Supalai Place

Product Type	:	Condominium
Price Range	:	1.86 - 10.60 Million Baht
Target Customers	:	Upper medium income group, age over 25 years old, income 30,000 baht/family/month

City Home

Product Type	:	Condominium
Price Range	:	0.89 - 1.60 Million Baht
Target Customers	:	Upper medium income group, age over 25 years old, income 18,000 baht/family/month





City Resort

Product Type	:	Condominium
Price Range	:	2.07 – 3.96 Million Baht
Target Customers	:	Upper medium income group, age over 28 years old, income 28,000 baht/family/month



Supalai Park

Product Type	:	Condominium
Price Range	:	1.39 – 3.94 Million Baht
Target Customers	:	Upper medium income group, age over 25 years old, income 25,000 baht/family/month



Supalai Vista

Product Type	:	Condominium
Price Range	:	1.63 – 4.49 Million Baht
Target Customers	:	Upper medium income group, age over 25 years old, income 28,000 baht/family/month



Supalai Lite @ Sathorn – Charoenrat

Product Type	:	Condominium
Price Range	:	2.40 – 6.77 Million Baht
Target Customers	:	Upper medium income group, age over 28 years old, income 40,000 baht/family/month



Supalai Casa Riva

Product Type	:	Condominium
Price Range	:	2.40 - 28.00 Million
Target Customers	:	Upper medium income group, age over 30 years old, income 50,000 baht/family/month



Supalai River Resort

Product Type	:	Condominium
Price Range	:	2.40 - 18.00 Million
Target Customers	:	Upper medium income group, age over 30 years old, income 50,000 baht/family/month



Supalai Wellington

Product Type	:	Condominium
Price Range	:	3.00 - 19.00 Million
Target Customers	:	Upper medium income group, age over 30 years old, income 60,000 baht/family/month



Supalai Prima Riva

Product Type	:	Condominium
Price Range	:	2.40 - 22.00 Million
Target Customers	:	Upper medium income group, age over 30 years old, income 50,000 baht/family/month



Supalai Elite Sathorn – Suan Plu

Product Type	:	Condominium
Price Range	:	4.40 – 24.00 Million
Target Customers	:	Upper medium income group, age over 28 years old, income 100,000 baht/family/month



Supalai Mare @ Pattaya

Product Type	:	Condominium
Price Range	:	1.44 – 4.89 Million
Target Customers	:	Upper medium income group, age over 28 years old, income 35,000 baht/family/month



Supalai Veranda Ratchavipha – Prachachuen

Product Type	:	Condominium
Price Range	:	1.85 – 8.72 Million
Target Customers	:	Upper medium income group, age over 25 years old, income 50,000 baht/family/month



Supalai Elite @ Phaya Thai

Product Type	:	Condominium
Price Range	:	4.40 – 18.6 Million
Target Customers	:	Upper medium income group, age over 28 years old, income 100,000 baht/family/month



Supalai Wellington II

Product Type	:	Condominium
Price Range	:	2.85 - 5.57 Million
Target Customers	:	Upper medium income group, age over 28 years old, income 50,000 baht/family/month

Supalai Veranda Rattanathibeth

Supalai Veranda Rattanathibeth

Product Type	:	Condominium
Price Range	:	1.63 - 6.28 Million
Target Customers	:	Upper medium income group, age over 25 years old, income 28,000 baht/family/month



Supalai Cute Ratchayothin – Phaholyothin 34

Product Type	:	Condominium
Price Range	:	1.96 - 3.07 Million
Target Customers	:	Upper medium income group, age over 25 years old, income 28,000 baht/family/month



Supalai Loft Chaeng Watthana

Product Type	:	Condominium
Price Range	:	2.16 - 4.58 Million
Target Customers	:	Upper medium income group, age over 25 years old, income 30,000 baht/family/month



@ Viang Chiangmai

Supalai Monte

Product Type	:	Condominium
Price Range	:	1.60 - 8.20 Million
Target Customers	:	Upper medium income group, age over 25 years old, income 25,000 baht/family/month

B. Office Building Business

The Company operates office building in order to lease out office space to customers in high potential areas to be easily connected to central business districts with complete range of public utilities and communications. Currently, the Company has opened “Supalai Grand Tower” , the office building on Rama 3 Road. It is a 33-floor building with 42,000 square meters of the space for rent and 1 car-park building. This office building has been designed in modern style of architectural shape of an oval that has suitable areas for use. It is an energy-saving building. The space for rent begins with the size of 118-1,000 square meters or more.

Supalai Philippines Inc., is Supalai’s subsidiary operating the business of renting office buildings to customers. The office building is A-grade building of 45 floors with the parking space included and the total area is 67,590 square meters. Supalai Philippines Inc., owns 16 floors with the total area of approximately 20,000 square meters. This building was built in 1998 and the design was developed by world class architect company, namely, Skidmore, Owings & Merrill. In 1999-2000, this building was recorded as the tallest building in the Philippines. Despite the fact that this building had been built for quite a long time, it has been well taken care of by the Building Management Department of Colliers and Petron Mega Plaza Condominium Association. The building has won the awards regarding building maintenance in the contests organized by many agencies.

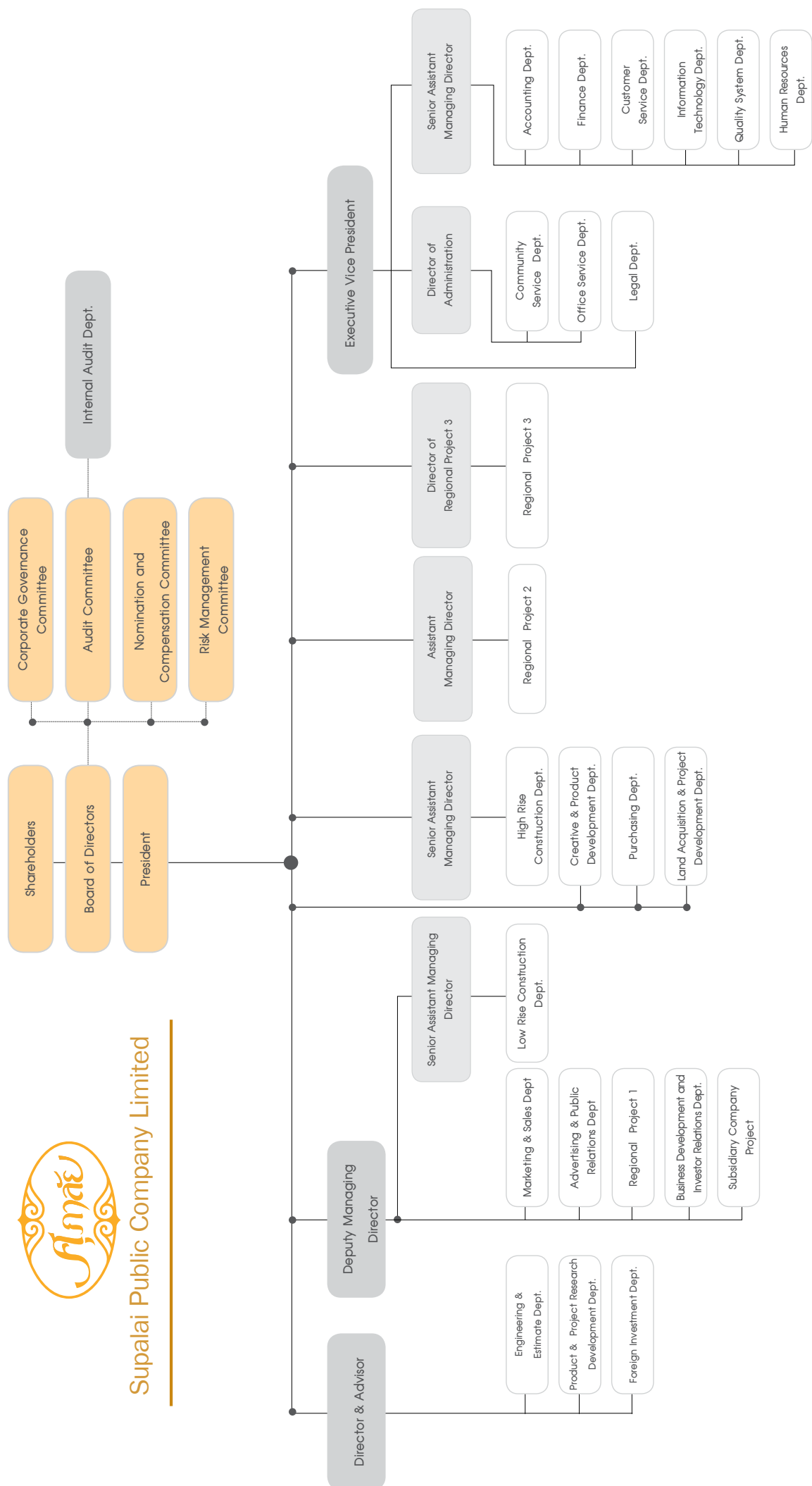
C. Hotel and Resort Business

The group of companies operates hotel and resort business by focusing on the provincial areas with high potential. Currently, there are 2 places under its management, namely, “Supalai Pasak Resort & Spa” with 138 rooms in Saraburi Province near natural tourist destination not far from Bangkok. It is surrounded by shady trees, stream and mountains with modern facilities. The second place is “Supalai Resort & Spa Phuket” in Phuket Province. It is a 4-star hotel. It has 182 rooms in deluxe and pool side villa types with the target group of foreign customers.

Organization Chart



Supalai Public Company Limited



MANAGEMENT TEAM & BOARD OF DIRECTORS

According to the Company's management structure, there are 7 committees, namely ,the Board of Directors and the Advisor to the Board of Directors, the Audit Committee, the Nomination and Compensation Committee, the Corporate Governance Committee, the Risk Management Committee, the Executive Committee and the Management Committee according to the list and scope of duties as follows:



Board of Directors

1. Mr.Prateep	Tangmatitham *	Chairman of the Board
2. Mrs.Ajchara	Tangmatitham *	Vice Chairman of the Board
3. Mr.Tritecha	Tangmatitham *	Director
4. Mr.Prakit	Pradipasen	Independent Director
5. Mr.Prasob	Snongjati	Independent Director
6. Dr.Virach	Aphimeteetamrong	Independent Director
7. Mr.Anant	Gatepithaya	Independent Director
8. Assist.Prof. Aswin	Bijayayodhin	Independent Director
9. Mr.Atip	Bijanonda	Director
10. Mr.Prasas	Tangmatitam	Director
11. Mr. Krid	Chancharoensuk*	Director**



Remark * These four directors are authorized to act on behalf of the company with any two joint signatory with Company's seal

** Annual Ordinary General Meeting of Shareholders 22 April 2014 approved to elect the new director into the Board

Company Secretary

Mrs.Varunee Lapitananuvat

The Board of Directors is well aware of good corporate governance and has observed Section 89/15 of the Securities and Exchange Act (No. 4) B.E. 2551 (2008), which requires that the board of directors of a company appoint the company secretary to be responsible for the preparation and maintenance of documents, reports on interest which has been reported by the directors or executives, and other operations as announced by the Capital Supervision Committee as well as carrying out coordination work, organizing the meetings of the board of directors, the meetings of shareholders and ensuring that the directors and the Company comply with the laws and related regulations.



Audit Committee

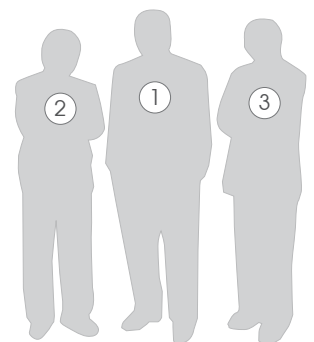
1. Mr.Prakit Pradipasen
2. Mr.Anant Gatepithaya
3. Assist. Prof. Aswin Bijayayodhin

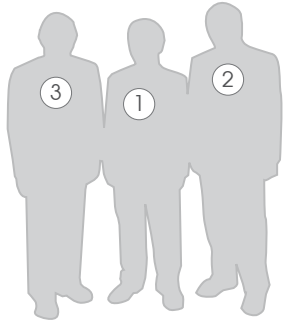
Chairman of the Audit Committee
Director of the Audit Committee
Director of the Audit Committee

Secretary

Ms. Toophong Hirunyanulak

Senior Internal Audit Manager



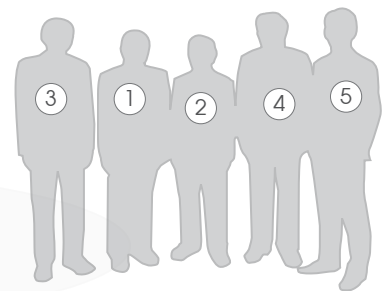


Nomination and Compensation Committee

1. Mr. Prasob Ssongjati
Chairman of the Nomination and Compensation Committee
2. Mr. Prakit Pradipasen
Director of the Nomination and Compensation Committee
3. Dr. Virach Aphimeteetamrong
Director of the Nomination and Compensation Committee

Secretary

Mrs. Varunee Lapitananuvat
Senior Assistant Managing Director of Finance and Accounting



Corporate Governance Committee

- | | | |
|-----------------|------------------|--|
| 1. Dr. Virach | Aphimeteetamrong | Chairman of Corporate Governance Committee |
| 2. Mr. Prasob | Ssongjati | Director of Corporate Governance Committee |
| 3. Mr. Prasas | Tangmatitam | Director of Corporate Governance Committee |
| 4. Mr. Atip | Bijanonda | Director of Corporate Governance Committee |
| 5. Mr. Tritecha | Tangmatitham | Director of Corporate Governance Committee |

Secretary

Mrs. Varunee Lapitananuvat



Risk Management Committee

1. Mr.Anant	Gatepithaya	Chairman of Risk Management Committee
2. Mr.Atip	Bijanonda	Director of Risk Management Committee
3. Mr.Tritecha	Tangmatitham	Director of Risk Management Committee
4. Mr. Krid	Chancharoensuk	Director of Risk Management Committee
5. Mr.Punnapan	Nengpetch	Director of Risk Management Committee
6. Mrs.Varunee	Lapitananuvat	Director of Risk Management Committee
7. Mr.Kittipong	Sirilugtrakun	Director of Risk Management Committee
8. Mr.Boonchai	Chaiananbovern	Director of Risk Management Committee
9. Mrs.Suchawadee	Suppha-asa	Director of Risk Management Committee
10. Mr.Adisak	Warinsirikul	Director of Risk Management Committee

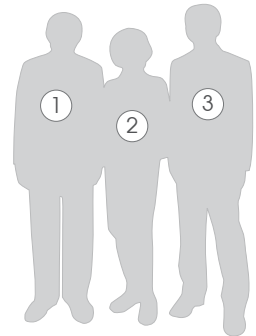
Secretary

Ms. Toophong	Hirunyanulak
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Executive Committee

- | | | |
|----------------|--------------|--------------------------|
| 1. Mr.Prateep | Tangmatitham | Chief Executive Officer |
| 2. Mrs.Ajchara | Tangmatitham | Executive Vice President |
| 3. Mr.Tritecha | Tangmatitham | Deputy Managing Director |





Management Committee

The Company has 9 Executives who have complete qualifications according to Section 68 of the Public Limited Companies Act B.E. 2535 (1992) and the Notification of the Capital Supervision Committee No. TorJor. 28/2008 Re Application for Approval and Granting of Approval to Offer for Sale Newly Issued Shares dated 1 December 2008 as per the following list:

1. Mr.Prateep	Tangmatitham	Chief Executive Officer
2. Mrs.Ajchara	Tangmatitham	Executive Vice President
3. Mr.Tritecha	Tangmatitham	Deputy Managing Director
4. Mr.Punnapan	Nengpetch	Senior Assistant Managing Director of Low Rise Construction
5. Mrs.Varunee	Lapitananuvat	Senior Assistant Managing Director of Finance and Accounting
6. Mr.Kittipong	Sirilugtrakun	Senior Assistant Managing Director of High Rise Construction
7. Mr.Boonchai	Chaiananbovorn	Assistant Managing Director of Regional Project 2
8. Mrs.Suchawadee	Suppha-asa	Director of Administration
9. Mr.Adisak	Warinsirikul	Director of Regional Project 3



Mr. Prateep Tangmatitham
Chairman of the Board and
Chief Executive Officer

BOARD OF DIRECTORS

Mr.Prateep Tangmatitham Age 66 years

Chairman of the Board and Chief Executive Officer

Date of Appointment : 26 June 1989

Length of Service (as at 22 April 2015) : 25 years 10 months

Education

- Hons. PH.D.Sc. (Innovative Real Estate Development) Thammasat University
- M.Arch. (Hons.) (Housing) University of Illinois at Urbana-Champaign U.S.A.
- B.Arch. (Hons.) Chulalongkorn University
- Advanced Certificate Course in Public Economics Management for Executives, King Prajadhipok's Institute, Class 9
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives, King Prajadhipok's Institute, Class 16

Training

- Capital Market Academy, Class 7
- The Job of the CEO -IMD (Institute for Management Development)
- Urban Green Development Institute Bangkok, Class 1
- Thai Institute of Directors :
 - DCP : Director's Certification Program Class 17/2002
 - RCP : The Role of Chairman Program Class 9/2003

Present Position

Directorship(s) in Listed Company

1989 - Present Chairman of the Board and Chief Executive Officer of Supalai Public Company Limited

Directorship(s) in Related Companies

2014 - Present Chairman of Supalai Officer Development PTY.LTD
2014 - Present Chairman of Supalai Rippleside Development PTY.LTD
2014 - Present Chairman of Supalai Australia Holdings PTY.LTD
2014 - Present Chairman of Supalai Singapore Holdings PTE.LTD
2013 - Present Chairman of Supalai Philippines Incorporated
1993 - Present Chairman of Supalai Property Management Company Limited
1993 - Present Chairman of Supalai Northeast Company Limited
1989 - Present Director of Haadyai Nakarin Company Limited
1989 - Present Director of Phuket Estate Company Limited

Directorship(s) in Other Company

1988 - Present Director of Munkong Estate Company Limited

Directorship(s) in Others

2012 - Present President of University of Illinois Alumni Association Thailand Chapter
2011 - Present Vice President of Thai Listed Companies Association
2011 - Present Vice President of King Prajadhipok's Institute Association
2000 - Present Honorary President of Thai Condominium Association

Percentage of the company's shareholding : 393,816,044 shares, 22.94% (as of 31 December 2014)

Illegal record in the last 10 years : Nil



Mrs. Ajchara Tangmatitham

Age 66 years

Vice Chairman of the Board and Executive Vice President

Date of Appointment : 26 June 1989

Length of Service (as at 22 April 2015) :
25 years 10 months

Education

- M.S. Finance at University of Illinois at Urbana-Champaign U.S.A.
- B.A. Accountancy (Hons.) Thammasat University
- Certified Public Accountant (Thailand)

Training

- Thai Institute of Directors Director's :
 - CSP : Company Secretary Program class 1/2002
 - DCP : Certification Program class 30/2003

Present Position

Directorship(s) in Listed Company

1989 - Present Director and Executive Vice President of
Supalai Public Company Limited

Directorship(s) in Related Companies

1993 - Present Director of Supalai Property
Management Company Limited

1993 - Present Director of Supalai Northeast
Company Limited

1989 - Present Director of Haadyai Nakarin
Company Limited

1989 - Present Director of Phuket Estate Company
Limited

Directorship(s) in Other Company

1988 - Present Director of Munkong Estate
Company Limited

Percentage of the company's shareholding

: 90,188,200 shares, 5.25% (as of 31 December 2014)

Illegal record in the last 10 years : Nil



Mr. Tritеча Tangmatitham

Age 36 years

Director and Deputy Managing Director

Date of Appointment : 21 April 2009

Length of Service (as at 22 April 2015) :
6 years

Education

- Master of Business Administration at Sasin Graduate Institute of Business Administration, Chulalongkorn University, Majoring in Marketing and Strategic Management.
- Bachelor of Commerce at the University of Melbourne, Majoring in Marketing Economics.

Training

- Thai Institute of Directors :
- DCP : Director's Certification Program class 120/2009

Present Position

Directorship(s) in Listed Company

2014 - Present Director and Deputy Managing Director of Supalai Public Company Limited.

Directorship(s) in Related Company

2007 - Present Director of Supalai Northeast Company Limited

Directorship(s) in Other

2009 - Present Director of Housing Business Association

Former Last 5 years

Director(s) in Listed Company

2009 - 2014 Executive Director of Supalai Public Company Limited.

Percentage of the company's shareholding

: -Nil- share, (as of 31 December 2014)

Illegal record in the last 10 years : Nil



Mr. Prakit Pradipasen Age 72 years

Independent Director and Chairman of the Audit Committee

Date of Appointment : 25 April 2001

Length of Service (as at 22 April 2015) :
14 years

Education

- M.A. Business Administration Wayne State University, Detroit, Michigan, U.S.A.
- B.A. Science in Business Administration, Slliman University, Durnaguete, Philippines

Training

- Citibank Credit Training Center, Philippines
- Senior Executive Program, Stanford National of Singapore, Singapore
- Special Program of National Defence College, Joint Public & Private Sector Class 3
- Program for Senior Executive, The Sloan School of Management Massachusetts Institute of Technology, U.S.A.
- Thai Institute of Directors :
 - DAP : Director Accreditation Program class 1/2003
 - RCP : The Role of Chairman Program class 15/2007
 - Course Seminar R-CAC : Thailand's 4th National Conference on Collective Action Against Class 1/2013

Present Position

Directorship(s) in Listed Companies

2005 - Present	Chairman of the Board of Asian Marine Services Public Company Limited
2003 - Present	Chairman of the Board of Diamond Building Products Public Company Limited
2001 - Present	Independent Director of Siam United Services Public Company Limited
2001 - Present	Independent Director and Chairman of the Audit Committee of Haadthip Public Company Limited
2001 - Present	Independent Director and Chairman of the Audit Committee of Luckytex (Thailand) Public Company Limited
2001 - Present	Independent Director and Chairman of the Audit Committee of Supalai Public Company Limited
2000 - Present	Independent Director and Chairman of the Audit Committee of Thai Carbon Black Public Company Limited
1991 - Present	Chairman of the Board of The Erawan Group Public Company Limited

Directorship(s) in Other Company

1986 - Present	Chairman of the Board of Ang Thong Sugar Terminal Company Limited
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Former Last 5 years

Directorship(s) in Listed Companies

1993 -2012	Independent Director and Chairman of the Audit Committee Bata Shoe of Thailand Public Company Limited
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Directorship(s) in Other Company

2004 - 2011	Chairman of the Board of Thai Sugar Millers Corporation Limited
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Directorship(s) in Other(s)

2006 - 2012	Chairman of Audit Committee Thai Chamber of Commerce and Board of Trade of Thailand
2000 - 2011	Director and Chairman of the Audit Committee of Payap University

Percentage of the company's shareholding

: -Nil- share, (as of 31 December 2014)

Illegal record in the last 10 years : Nil



Mr. Prasob Snongjati Age 76 years

Independent Director and Chairman of the Nomination and Compensation Committee

Date of Appointment : 29 April 1993

Length of Service (as at 22 April 2015) :
22 years

Education

- B.Commerce (Accounting) of University of Calcutta, India
- Cert. Industrial Development
- IBM Advance Management

Training

Thai Institute of Directors :

- DCP : Director's Certification Program class 30/2003
- RCC : Role of the Compensation Committee class 2/2007 and 15/2012
- R-CF : "Meeting the AEC Challenge: Role of the Chairman" Class 1/2013
- Course Seminar : Compensation Survey Report 2014.

Present Position

Directorship(s) in Listed Companies

1993 - Present Independent Director of Supalai Public Company Limited

Directorship(s) in Other Company

1996 - Present Chairman of the Board of Directors of Infonet (Thailand) Company Limited

Former Last 5 years

Director(s) in Listed Company

2000 - 2012 Independent Director and Chairman of Audit Committee, Tipco Foods Public Company Limited

Percentage of the company's shareholding

: 376,000 shares, 0.02% (as of 31 December 2014)

Illegal record in the last 10 years : Nil



Dr. Virach Aphimeteetamrong

Age 72 years

Independent Director and Chairman of the Corporate Governance Committee

Date of Appointment : 5 October 1992

Length of Service (as at 22 April 2015) :
22 years 6 months

Education

- Ph.D (Finance) University of Illinois at Urbana - Champaign U.S.A.
- M.B.A. Gothenburg, Sweden
- M.A.S. University of Illinois at Urbana-Champaign (UIUC), USA
- Bachelor of Accounting (Second Class Honor), Chulalongkorn University

Training

Thai Institute of Directors :

- DAP : Director Accreditation Program class 2/2003
- ACEP : Anti-Corruption for Executive Program class 4/2012

Present Position

Directorship(s) in Listed Companies

2013 - Present	Independent Director of Thai Agro Energy Public Company Limited
2006 - Present	Chairman of Intouch Holdings Public Company Limited
2006 - Present	Independent Director of Bangkok Chain Hospital Public Company Limited
2004 - Present	Independent Director of Asia Plus Group Holdings Securities Public Company Limited
1995 - Present	Independent Director of Metro Systems Corporation Public Company Limited
1992 - Present	Independent Director of Supalai Public Company Limited

Directorship(s) in Other Companies

2003 - Present	Independent Director of TRIS Corporation Limited
2003 - Present	Independent Director of TRIS Rating Company Limited
1993 - Present	Director of Supalai Property Management Company Limited
1988 - Present	Chairman of Dr. Virach and Associates Office Company Limited

Percentage of the company's shareholding

: 2,431,466 shares, 0.14 % (as of 31 December 2014)

Illegal record in the last 10 years : Nil



Mr. Anant Gatepithaya Age 63 years
Independent Director and Member of the
Audit Committee and Chairman of the Risk
Management Committee

Date of Appointment : 22 January 2001

Length of Service (as at 22 April 2015) :
 14 years 3 months

Education

- M.M. (Management) Sasin Graduate Institute of Business Administration Chulalongkorn University
- M.B.A. (Management) Commerce Faculty of Commerce and Accountancy Thammasat University
- BA (Statistics) Commerce Faculty of Commerce and Accountancy Chulalongkorn University

Training

Thai Institute of Directors :

- DCP : Director's Certification Program class 17/2002
- ACP : Audit Committee Program class 2/2004
- DAP : Director Accreditation Program class 7/2004
- QFR : Improving the Quality of Financial Reporting class 1/2006
- HRP : How to Develop a Risk Management class 2/2012

- RMP : Risk Management Committee Program class 1/2013
- AACP : Advanced Audit Committee Program Class 17/2014
- Course Seminar : R-Forum : "Director Nomination Issues and Trend" Class 1/2013
- Course Seminar : DTT : Personal Financial Planning Workshop for Directors Class 1/2013
- Course Seminar : AGM : "Integrity Pact: Transparency Tool for Preventing Corruption" Class 1/2013
- Course Seminar : NDC : The 2nd National Director Conference 2013 "Board Leadership Evolution" Class 1/2013
- Course Seminar : SE2 : "Risk Resilience: How the company's directors should deal with the issues of Enterprise Risk Management?" Class 2/2013
- SE3 : CNBC Summit: Myanmar Class 3/2013
- Course Seminar : DBT : "The Governance Role of the Board in the Preparation and Response to Unforeseen Crisis and the Oversight of (Foreign) Subsidiaries" Class 1/2013

Present Position

Directorship(s) in Listed Companies

2008 - Present	Independent Director and Member of the Audit Committee of Zeer Property Public Company Limited
2007 - Present	Independent Director and Member of the Audit Committee of Raja Ferry Port Public Company Limited
2007 - Present	Independent Director and Member of the Audit Committee of Hydrotek Public Company Limited
2004 - Present	Independent Director and Member of the Audit Committee of Fortune Parts Industry Public Company Limited
2003 - Present	Independent Director and Member of the Audit Committee of CMO Public Company Limited
2001 - Present	Independent Director and Member of the Audit Committee of Supalai Public Company Limited

Directorship(s) in Other Company

2000 - Present	Chairman of The Brilliant Solution Company Limited
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Percentage of the company's shareholding

: -Nil- share, (as of 31 December 2014)

Illegal record in the last 10 years : Nil



Assist. Prof. Aswin Bijayayodhin
Age 74 years

Independent Director and Member of the Audit Committee

Date of Appointment : 10 May 2011

Length of Service (as at 22 April 2015) :
3 years 11 months

Education

- Master of Architecture, University of Illinois, U.S.A.
- Bachelor of Architecture (Honor), Chulalongkorn University

Training

Thai Institute of Directors :

- DAP : Director Accreditation Program class 91/2011
- ACP : Audit Committee Program class 38/2012
- FSD : Financial Statements for Directors class 26/2014

Present Position

Directorship(s) in Listed Companies

2011 - Present Independent Director and Member of the Audit Committee of Supalai Public Company Limited

Directorship(s) in Others

2012 - Present Honorary Advisor "Real Estate Broker Association"

2011 - Present Lecturer for the Graduate Study of Chulalongkorn University, Thammasath University, Silpakorn University and The School of Real Estate Business

2011 - Present Subcommittee of the office of the National Broadcasting and Telecommunications Commission

2009 - Present Advisor "The Committee of Property Valuation in Bangkok" Treasury Department

2002 - Present Advisory Committee of "The Real Estate Business Development" Thammasath University

2001 - Present President Advisor of "The Thai Real Estate Business School (TREBS)"

2000 - Present Advisor "The Association of Condominium", "The Association of Housing Business", "The Association of Real Estate Business"

2000 - Present Lecturer for the Graduate Study on "Real Estate Management" (MRE) Thammasath University

1999 - Present Advisory "Trade Associations Group of Construction and Real Estate Business." "The Federation of Thai Industries"

1999 - Present Vice President of Alumni Association of Illinois University

1997 - Present Lecturer for the Higher Certificate Study on "Property Valuation" Thammasath University

Former Last 5 years

Director(s) in Others

2011 - 2014 Advisor "National Economic and Social Advisory Council" on Infrastructure, Communication and Energy

2010 - 2014 Advisor "The Committee of the New Parliament Construction" at Kiang Kay

2011 - 2013 Member of Committee of the Thai Real Estate Association, The Federation of Thai Industries

2009 - 2010 Advisor "The Red Cross - Land Development Selection, plot Sukumvit Road opposite Wat That Tong

2007 - 2013 Chairman of the Board of Determine Price Construction Building, The Valuers Association of Thailand

2006 - 2009 Advisor, Investment Budget for study Projects, Din-Daeng Renewal Housing project National Housing Authority Transport & Communication Hub - Phahon Yothin, Development Raja-Dam-Noen Avenue Project

Percentage of the company's shareholding

: -Nil- share, (as of 31 December 2014)

Illegal record in the last 10 years : Nil



Mr. Atip Bijanonda **Age 56 years**
Director

Date of Appointment : 2 March 1992

Length of Service (as at 22 April 2015) :
23 years

Education

- M.B.A (International Business) Georgia State University, U.S.A.
- M.B.A (Finance) Mercer University, U.S.A.
- B.Acc. (Finance) Chulalongkorn University
- Graduate Degree of the National Defense College of Thailand 2009.

Training

Thai Institute of Directors :

- DCP : Director's Certification Program class 24/2002
- DAP : Director Accreditation Program class 8/2004

Present Position

Directorship(s) in Listed Company

2014 - Present Director of Supalai Public Company Limited

Directorship(s) in Related Companies

2014 - Present Director of Supalai Officer Development PTY.LTD

2014 - Present Director of Supalai Rippleside Development PTY.LTD

2014 - Present Director of Supalai Australia Holdings PTY. LTD

2014 - Present Director of Supalai Singapore Holdings PTE.LTD

2013 - Present Director of Supalai Philippines Incorporated

Directorship(s) in Others

2013 - Present President of Housing Business Association

2010 - Present Director of Board of Trade of Thailand

2008 - Present Chairman of Trade Associations Group of Construction and Real Estate Business, Board of Trade of Thailand

2004 - Present Honorary President of Thai Condominium Association

2004 - Present Board of Real Estate Information Center of the Government Housing Bank (GHB.)

Former Last 5 years

Director(s) in Listed Company

2010 - 2014 Managing Director of Supalai Public Company Limited

1992 - 2010 Deputy Managing Director of Supalai Public Company Limited

Director(s) in Others

2005 - 2009 Specialist Board of Environmental Impact Assessment (EIA) of Residential Projects, Office of Natural Resources and Environmental Policy and Planning

Percentage of the company's shareholding

: 5,334,140 shares, 0.31% (as of 31 December 2014)

Illegal record in the last 10 years : Nil



Mr. Prasas Tangmatitam
Age 64 years

Director

Date of Appointment : 25 April 2001

Length of Service (as at 22 April 2015) :
14 years

Education

- Master of Economics (English Program), Thammasat University
- Bachelor of Engineering, Major in Survey Engineering Chulalongkorn University

Training

Thai Institute of Directors :

- DCP : Director's Certification Program class 36/2003
- DCP Diploma : Directors Certification Program Diploma Class 11/2003
- SFE : Successful Formulation & Execution the Strategy class 14/2012
- SE2 : "Risk Resilience: How the company's directors should deal with the issues of Enterprise Risk Management?" Class 2/2013
- DBT : "The Governance Role of the Board in the Preparation and Response to Unforeseen Crisis and the Oversight of (Foreign) Subsidiaries" Class 1/2013

Present Position

Directorship(s) in Listed Companies

2001 - Present Director of Supalai Public Company Limited

Directorship(s) in Related Companies

2014 - Present Director of Supalai Officer Development PTY.LTD

2014 - Present Director of Supalai Rippleside Development PTY.LTD

2014 - Present Director of Supalai Australia Holdings PTY.LTD

2014 - Present Director of Supalai Singapore Holdings PTE.LTD

2013 - Present Director of Supalai Philippines Incorporated Supalai Philippines Incorporated

Percentage of the company's shareholding

: -Nil- share, (as of 31 December 2014)

Illegal record in the last 10 years : Nil



Mr. Krid Chancharoensuk

Age 44 years

Director

Date of Appointment : 22 April 2014

Length of Service (as at 22 April 2015) :

1 years

Education

- Bachelor of Laws, Ramkhamhaeng University

Training

Thai Institute of Directors :

- DCP : Directors Certification Program Class 193/2014

Present Position

Directorship(s) in Listed Companies

2014 - Present Director of Supalai Public
Company Limited

Percentage of the company's shareholding

: -Nil- share, (as of 31 December 2014)

Illegal record in the last 10 years : Nil



Mrs. Varunee Lapitananuvat
Age 52 years

Company Secretary

Education

- M.B.A (Finance), National Institute of Development Administration
- B.Acc. (Accounting) Chiang Mai University
- Certified Public Accountant (Thailand)
- Tax Auditor
- Advanced Certificate Course in Public Economic Management for Executive class 10, King Prajadhipok's Institute
- Advanced Certificate Course in Accounting and Taxation, University of the Thai Chamber of Commerce

Training

Thai Institute of Directors :

- EMT : Effective Minute Taking class 16/2010
- BRP : Board Reporting Program class 3/2010
- Course Seminar : R-CS : Equipping Your Board for AGM Class 1/2013

Present Position

Directorship(s) in Listed Companies

2002 - Present Senior Assistant Managing Director of
Finance and Accounting of Supalai
Public Company Limited

Percentage of the company's shareholding

: 10,000 shares, (as of 31 December 2014)

Illegal record in the last 10 years : Nil

Board of Directors' Meeting and Additional Training Courses or Relevant Seminars Attended by Directors

In 2014, the Company had organized 12 meetings of the Board of Directors, whereby all 11 Directors attending the meetings. The meeting attendance can be summarized as follows:

Name of Directors	Appointment Date	Board Meeting Attendance in 2014	Attending Training Course of Thai Institute of Directors ¹
1. Mr. Prateep Tangmatitham	26/06/1989	12/12	DCP , RCP
2. Mrs.Ajchara Tangmatitham	26/06/1989	12/12	DCP , CSP
3. Mr.Tritecha Tangmatitham	21/04/2009	12/12	DCP
4. Mr.Prakit Pradipasen	25/04/2001	12/12	DAP, RCP,R-CAC
5. Mr.Prasob Snongjati	29/04/1993	11/12	DCP, RCC, R-CF, Compensation Survey Report ²
6. Dr.Virach Aphimeteetamrong	05/10/1992	12/12	DAP , ACEP
7. Mr.Anant Gatepithaya	22/01/2001	12/12	DCP , ACP , DAP , QFR , HRP , RMP , R-Forum, DTT, AGM, NDC, SE2, SE3, DBT, AACP ²
8. Assist. Prof. Aswin Bijayayodhin	10/05/2011	12/12	DAP , ACP, FSD ²
9. Mr.Atip Bijanonda	02/03/1992	12/12	DCP , DAP
10. Mr.Prasas Tangmatitam	25/04/2011	11/12	DCP, DCP Diploma , SFE, SE2, DBT
11. Mr. Krid Chancharoensuk	22/04/2014	8/12	DCP ²

Note¹

DCP: Directors Certification Program

CSP : Company Secretary Program

RCC : Role of the Compensation Committee

QFR : Improving the Quality of Financial Reporting

HRP : How to Develop a Risk Management Plan

DCP Diploma : Directors Certification Program Diploma

R-CAC : Thailand's 4th National Conference on Collective Action Against Corruption

SE3 : CNBC Summit : Myanmar

AGM : Integrity Pact : Transparency Tool for Preventing Corruption

SE2 : Risk Resilience – How the company's directors should deal with the issues of Enterprise Risk Management?

R-CF : Meeting the AEC Challenge – Role of the Chairman

FSD : Financial Statements for Directors

ACP : Audit Committee Program

DAP : Director Accreditation Program

RCP : Role of Chairman Program

SFE : Successful Formulation & Execution the Strategy

ACEP : Anti-Corruption for Executive Program

RMP : Risk Management Committee Program

DTT : Personal Financial Planning Workshop for Directors

R-Forum : Director Nomination Issues and Trend

NDC : The 2nd National Director Conference 2013
"Board Leadership Evolution"

DBT : The Governance Role of the Board in the Preparation and Response to Unforeseen Crisis and the Oversight of (Foreign) Subsidiaries"

R-CS : Equipping Your Board for AGM

Compensation Survey Report 2014

AACP : Advanced Audit Committee Program

Note ² Additional Training Courses or Relevant Seminars Attended by Directors in 2014

The Audit Committee performs the duty of reviewing financial statements, disclosing information and evaluating the internal control of the Company. In 2014, the Company organized 12 meetings of the Audit Committee. Audit Committee members attended the meetings as follows:

Name of Directors		2014
1. Mr.Prakit	Pradipasen	12/12
2. Mr.Anant	Gatepithaya	12/12
3. Assist. Prof. Aswin	Bijayayodhin	12/12

Remuneration for Directors and Executives

1. Remuneration for Board of Directors

The Company has the policy on criteria for proposing to shareholders to consider remuneration of directors, which shall be considered and scrutinized by the Nomination and Compensation Committee consideration the same industrial sector, which shall then propose to the Board of Directors to further propose for approval by the meeting of shareholders.

2. Remuneration Policy for Directors

The Company has the criteria for providing remuneration to the Board of Directors and Sub Committees clearly and transparent, which shall be considered the same industrial sector and business expansion. It's believed that such remuneration could attract, retain and motivate the directors to perform their roles and carry out their responsibilities to accomplish the Company's goals efficiently.

In 2014, The Annual General Meeting on 22 April 2014, resolved that approve the Remuneration for Board of Directors, such as

Remuneration for the Board of Directors	
1. Monthly Allowance	Chairman, director and advisor to the Board of Director 30,000 Baht/person/month
2. Directors' Remuneration	Chairman, director and advisor to the Board of Director 500,000 Baht/person/year
Remuneration for the Audit Committee	
1. Chairman	25,000 Baht/person/month
2. Director	20,000 Baht/person/month
Remuneration for the other committees (Excluding directors who are an executive)	
Remark : 1. Meeting allowance will be paid only once at the meeting. 2. The other committees comprise of (1) The Nomination and Compensation Committee (2) The Corporate Governance Committee (3) The Risk Management Committee and the other subcommittee appointed by the committee.	
1. Chairman	25,000 Baht/person/meeting
2. Director	20,000 Baht/person/month/meeting

3. Remuneration in the Form of Cash

3.1 Remuneration for the Board of Directors

The remuneration for the Board of Directors and the Executives of the Company in 2014.

Unit: Baht

Name of Directors	2014		
	Monthly Allowance	Directors' remuneration	Total
1. Mr. Pratee Tangmatitham	320,000	500,000	820,000
2. Mrs. Ajchara Tangmatitham	320,000	500,000	820,000
3. Mr. Tritecha Tangmatitham	320,000	500,000	820,000
4. Mr. Prakit Pradipasen	320,000	500,000	820,000
5. Mr. Prasob Snongjati	320,000	500,000	820,000
6. Dr. Virach Aphimeteetamrong	320,000	500,000	820,000
7. Mr. Anant Gatepithaya	320,000	500,000	820,000
8. Assist. Prof. Aswin Bijayayodhin	320,000	500,000	820,000
8. Mr. Atip Bijanonda	320,000	500,000	820,000
9. Mr. Prasas Tangmatitham	320,000	500,000	820,000
10. Mr. Krid Chancharoensuk	240,000	-	240,000
Total	3,440,000	5,000,000	8,440,000

3.2 Remuneration for the Audit Committee

In 2014, the Company has a 3 member Audit Committee and organized 12 meeting of the Corporate Audit Committee.

1. Mr. Prakit	Pradipasen	300,000 baht
2. Mr. Anant	Gatepithaya	240,000 baht
3. Assist. Prof. Aswin	Bijayayodhin	<u>240,000</u> baht
Total		<u>780,000</u> baht

3.3 Remuneration for the Corporate Governance Committee

In 2014, the Company has a 4 member Corporate Governance Committee and organized 1 meeting of the Corporate Governance Committee. Meeting Allowance in details under the following :

1. Dr. Virach	Aphimeteetamrong	25,000 baht
2. Mr. Prasob	Snongjati	20,000 baht
3. Mr. Prasas	Tangmatitham	20,000 baht
4. Mr. Atip	Bijanonda	<u>20,000</u> baht
Total		<u>85,000</u> baht

3.4 Remuneration for the Nomination and Compensation Committee

In 2014, the Company has a 3 member Nomination and Compensation Committee and organized 2 meeting of the Nomination and Compensation Committee. Meeting Allowance in details under the following :

1. Mr.Prasob	Snongjati	50,000 baht
2. Mr.Prakit	Pradipasen	40,000 baht
3. Dr.Virach	Aphimeteetamrong	<u>40,000</u> baht
	Total	<u>130,000</u> baht

3.5 Remuneration for the Risk Management Committee

In 2014, the Company has 2 member who is not an executive director of Risk Management Committee and organized 1 meeting of the Risk Management Committee. Meeting Allowance in details under the following :

1. Mr.Anant	Gatepithaya	25,000 baht
2. Mr.Atip	Bijanonda	<u>20,000</u> baht
	Total	<u>45,000</u> baht

4. Other Remuneration

- None-

5. Remuneration for the Executives

The Company has the policy to provide remuneration to the executives, whereby the Nomination and Compensation Committee is required to appraise the performance of Executives Management, determine Key Performance Indicators (KPIs) and the remuneration in the form of cash to be in accordance with the operational results of the Company, and consider and scrutinize the rates of remuneration for Executives Management, namely, the Chief Executive Officer and the Executives at the level of Assistant Managing Director and above in order to be considered and approved by the Board of Directors every year.

In 2014, the Company has 6 Executives in the first 4 respective order.

Salaries and gratuities 105,830,937.60 baht

There is no member of the Board of Directors and the Executive subject to a court judgment for committing criminal act or being under the process of legal action, criminal case, being adjudged to be bankrupt or placed under receivership.

6. Employees

Number of Employees

The Company divided its operations into 2 lines, namely, the main line comprising construction and sales, and supporting line such as accounting department, finance department, human resource development department, legal department, etc. There are details on the number of employees and remuneration in 2014 as follows:

	Number of Employees	Remuneration * (Million Baht)
Main Staff	547	243
Supporting Staff	239	123
Total	786	366

Remark : * Collective remuneration means salary, overtime pay, special payment, commission, provident fund contribution (Except 6 Executives in the first 4 respective order)

Due to a quantum leap in the Company's growth, its personnel, both executives and operators, have increased rapidly. Accordingly, to enable its personnel to properly adjust themselves to the management philosophy, organization culture, values and good corporate governance motto as well as to give them motivation and incentive to work, the Company's strategy places emphasis on Employee Career Development Planning by applying Competency to establish relationship of levels of skills, knowledge, abilities as well as work-related behaviors. The Company also supports the use of Key Performance Indicators (KPIs), and places emphasis on raising awareness of the Executives regarding their key roles as Human Resource Manager. Every employee is also given the right to be shareholder and to take part in the Company's growth as one of the Company's owners.

The aforementioned are policies and strategy responding to the visions and key goals for development of personnel's potential, resulting in work effectiveness which leads to sustainable progress of the organization. (Please see more details in "Human Resources Capital Development")

Internal Control and Risk Management

Supalai Public Company Limited has established suitable and efficient internal control and internal audit systems by adopting internal control measures as well as overseeing the compliance with measures against corruption and risk assessment, while providing advice and reporting on audit result according to the counter-corruption measures to the Board of Directors of the Company on a regular basis. In addition, the Company has been audited to ensure compliance with the Securities and Exchange law, the regulations of the Stock Exchange of Thailand and business relating laws. The audit has been done to ensure that there is correct financial report with sufficient disclosure.

Internal Control

The Company requires that there be audits and reports on the internal control system by the internal audit department established independently, which performs the audit of the internal control system of the Company, whereby the Company has prepared work manual and regulations in which the authorities and duties are clearly defined, and have been communicated to employees. The policies and personnel management procedures regarding internal control of the Company have also been adopted. Controlling activities for internal control have been established which comprise both financial and non-financial audits, protection of high risk assets and controls of information system as well as monitoring and evaluation during work performance and continual evaluation on a case-by-case basis to ensure that the internal control system is sufficient, suitable, efficient, and can be actually implemented. Moreover, the internal control system of the Company conforms with the internal control guidelines as advocated by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The Board of Directors' Meeting No. 12/2014 held on 9 December 2014 in which 5 independent directors attended, had assigned the Audit Committee to assess the sufficiency of the Company's internal control in various aspects according to 5 elements, namely, control environment, risk assessment, control activities, information and communication, and monitoring. Various issues were discussed according to the sufficiency assessment form of the internal control system as well as the report of the Audit Committee.

In 2014, the Audit Committee's opinion was that the Company has sufficient and proper control system as presented in the report of the Audit Committee. The Company's auditor is Ernst & Young Office Limited, which had assessed the Company's internal control system effectiveness and had not found any observation and defects which would have any significant impact on the Company's financial statements.

The Board of Directors subsequently resolved that the Company has sufficient internal control and monitoring system as it has sufficient and concise internal control system regarding transactions with major shareholders, directors, executives and persons who may have conflict of interest. The

Board of Directors attaches importance to internal control system of every process. The Company has provided sufficient number of personnel to implement the system effectively. There is segregation of duties of various departments and work positions, along with decentralization of power by making it clear and proper the authority of executives and operators, with the check and balance in place to protect shareholders' capitals and Company's assets. The Company also has sufficient control system for monitoring the operations of its subsidiaries in order to protect the assets from unduly or unauthorized use by the directors or executives, and from conducting transactions with persons with conflict of interest or related persons. There is also internal control system covering financial reporting, operations, assets maintenance, compliance with laws, relevant regulations. For monitoring, the Board of Directors assigns the Audit Committee to review the internal control assessment result focusing on the effectiveness, efficiency, adequacy and suitability to business operations to ensure that all assets are maintained and resources used efficiently to prevent possible damage or dishonesty.

The Audit Committee's Meeting No. 8/2008 held on 9 September 2008, had appointed Miss Toopthong Hiranyanurak to be the internal auditor in the position of senior manager of the Internal Audit Department of the Company since 18 August 2008 as she has the qualification and experience in internal audit. She used to be trained in courses relating to internal audit such as international course on internal audit standards, development of guidelines for audit of dishonest acts, internal control system evaluation and risk management according to COSO ERM guidance. As a result, she is considered to be suitable to perform the duty.

The consideration appointment and removal of the chief of internal audit of the Company must be approved by the Audit Committee.

Risk Management

The Board of Directors has formulated the Policy on Risk Management, which has been supervised by the Risk Management Committee to ensure that the policy has covered the entire organization. The process for risk management consists of major steps, namely, risk identification, risk assessment, risk monitoring and control and report on risk as well as regular review of sufficiency and effectiveness of the risk management system. The risk management process covers Credit Risk, Operation Risk, Strategic Risk, Liquidity Risk and other risks such as legal risk, corruption risk and regulatory risk. The Risk Management Committee also offers comments or additional suggestions in this regard. The Policy on Risk Management has incorporated the following guidelines.

1. Determine that risk management processes are under a single standard throughout the organization.
2. Implement the risk management throughout the Company in an integrated manner. This is achieved through the systematic and ongoing management that is in line with the indicators and the Company's strategic plan.

3. Encourage and develop executives and employees at all levels to have knowledge and understanding of risk management while participating in the Company's risk management processes with a training in this regard being provided annually.
4. Focus on both preventive and corrective actions in the risk management, which are conducted regularly and rapidly in a transparent, accurate and thorough manner.
5. All sectors are responsible to specify their objectives as well as creating a risk assessment matrix while identifying risk indicators and preparing risk reports in line with the risk management processes adopted by the Company.
6. The identification and control of risks effecting the Company's plans, directions or strategies are to be managed systematically to ensure an acceptable level of these risks.
7. Acceptable risk level must be approved by the Risk Management Committee before implementation.
8. Any employees witnessing or acknowledging risks, which may affect the Company, must report such risks to the Company's Management and the Risk Management Committee immediately. This must be conducted according to the procedures specified in the risk management policy manual for further handling of the risks.
9. There shall be monitoring, assessing and conducting risk management reports which will be submitted to the Board of Directors. The risk management must also be reviewed and updated on a regular basis.

The Company has communicated the policy on risk management to the executives and the employees via emails, intranet and website of the Company. The new employees shall learn about such policy as soon as they begin to work and attend the orientation.

In 2014, the Company had carried out tasks in regard to the risk management, which can be summarized as follows:

- Performing risk assessment at unit level. There has also been risk assessment anti-corruption of each unit of the Company as well as of subsidiaries and set out methods for possible future risk management to be efficient.
- Organizing a training course titled "A Guide to the Risk Management of Modern Organizations" for employees at supervisory and operational levels in order to equip all staff members with knowledge and understanding of risk management.
- Reviewing the risk management manual.
- Conducting a review and revision of the Policy on Risk Management to ensure its compliance with the Company's business strategy and vision.

Risk Factors

Risk factors which may arise and affect future operations of the Company are as follows:

1. Strategic Risk

1.1 Risk from Increasing Competition

Despite the impact of the political problem on the general economic condition of the first half of 2014, the confidence of the consumers has not considerably changed but after June 2014 there have been signs of economic improvement. The overall condition and manufacturing is likely to return to normal in a short time. Some developers could still apply marketing strategies or organize sales promotion activities to stimulate sales volume of real estate products, while, many companies, both on the securities market and outside, have delayed their opening of new projects resulting in the decrease of supply. Nevertheless, due to being a major operator with more than 25 years of experiences, the Company has been at the advantage because of its reputation in operating business that based on honesty, fairness, sincerity with housing projects in convenient locations or close to the mass transit systems and has spread projects in all directions of Bangkok, its peripheries and major provinces in regional areas to satisfy different demands of various groups of customers. In addition, the Company has outstanding designs of energy conservation houses with the management under ISO 9001: 2008 standards, in which there are processes for quality inspection up to the delivery of the goods to the customers as well as the provision of after-sale-services and emphasis on customers' satisfaction. Accordingly, the Company has competitive advantage in both the reliability and quality of the goods and services, and, therefore, has not been much affected.

1.2 Risk from Granting Housing Credits by Commercial Banks

At present, domestic commercial banks have restricted the granting of credits to consumers buying houses due to the concern over high rate of household debts. Therefore, there is a risk that commercial banks may not grant credits to the customers, which might affect the number of ownership transfers and the Company's operational results. To reduce such risk, the Company is currently carrying out assessment of basic qualifications and ability to repay loans on installments by the customers intending to acquire loans from financial institutions at the initial stage of the purchase up to the stage of applying for credit from financial institutions. In addition, for highrise building projects, there will be collection of downpayment by approximately 20% of the selling price, while the remaining 80% shall be a loan from the bank at the date of transfer of ownership. As a result, the risk of lending decreases as the proportion of the loan is less than the criteria set by commercial banks.

1.3 Risk due to Shortage of Labour

The shortage of labour in construction industry is increasing when the state has launched urgent infrastructure development projects attracting a great number of labour. Therefore, there is a need to use foreign labour, and there has been pressure through various associations for the official sector to provide convenience in importing foreign labour in order to ease such problem. However, since there is an economic downturn this year, resulting many companies delaying their construction projects. Increasing number of contractors who are confident in the potential of the Company have provided service to the Company. As a result, the Company has not suffered from a shortage of labor. In addition, the Company has applied the precast construction system by using certain precast concrete for some types of construction in order to reduce the use of labour and reduce the risk regarding labour shortage in the future.

2. Risks from Business Operations

2.1 Risk from Pre-Built Houses

The policy of pre-built houses is the strategy applied by many companies including Supalai Public Company Limited in order to ensure the customers' confidence and to be in line with the credit market for small real estate customers, in which there is competition among financial institutions which offer high credit line for ready-made houses for sale. However, to do such business needs very high amount of capital and there is a risk if the circumstances change or the customers are not satisfied with such pre-built houses. At present, the Company has a proportion of pre-built houses of approximately 10% of all its housing projects.

Nevertheless, the Company does not have high risk in this case as the Company divides the construction of pre-built houses in phases, and selling assessment would be done cautiously. Also, the construction of houses must meet the needs of clients of each project. Besides, the control of inventory is applied as it is another factor in reducing risk. Each phase of the construction would comprise about 30 units and when the houses have been built by 50%, the sales would be launched and the Company is flexible if the customer wishes to change the materials of the house which is under the construction process. In addition, the Company is confident that its experiences in this business as well as the ability to adjust to respond to the demand of the customers, the competition condition in terms of sizes, quality and prices including the designs that focus on maximum satisfaction of the customers with strict control of the quality should also help reduce such risk for the Company.

2.2 Risk from Delay and Quality of Construction Work

At present, the Company is employing external contractors for the construction of both houses and condominiums causing risk from the delay delivery of work, or the work does not have the quality as specified if the contractors are short of sufficient expertise, lack of personnel and having liquidity problem. To reduce such risk, the Company has applied management skills as follows:

1) Selecting contractors and suppliers with sufficient experiences and quality of work for the construction according to the plan and has ensured that the work does not concentrate heavily upon certain contractors. For building horizontal houses, the work for any certain contractor would not be more than 10% of the value of the houses each year.

2) Contacting the banks to set up project of revolving credits for contractors and coordinating with large supplier in order for contractors to order materials with credits to ensure better liquidity for expansion of work. Besides, the work is better divided in order for the contractor to have better liquidity. The Company has even supplied certain items of materials to lessen financial burden of the contractors.

3) Developing construction work by being allied with construction contractors and manufacturers develop construction work and construction materials to have better quality in shorter period of time by applying appropriate technologies having already studies and examined before applying by examining and selecting contractors or manufacturers with extensive expertise, while conducting studies to find out ways and means to use less labor in order to reduce risks regarding labor shortage in construction industry.

In addition, the Company has adequate experts and management teams to supervise the construction to be in line with the standards. The Company also has training plans for operation personnel, supervisors and construction contractors in order to develop construction processes to be efficient with better quality and mutual understanding regarding the inspection of work so as to ensure good quality and reduce the risk of being delay in work delivery.

4) Reviewing the construction contracting price to be in line with the market condition in order for the contractors to work uninterrupted. The Company has also organized 2 major meetings per year to have brain-storming and listen to problems, comments and ideas of contractors and tried to solve the problems regarding construction work and create satisfaction to contractors.

5) The Company has also applied pre-fabrication technology in the construction of two-storey townhomes in 2014, which would be done on a continual basis in order to solve the problem regarding labour shortage. In case of condominium, major contractors with experiences would be chosen and the hiring would be divided according to the types of work and the expertise. No single contractor would be hired for all types of work in the project. There have been improvement and correction of construction methods and all kinds of information twice a year to be updated and suitable to the current construction situation.

2.3 Risk from Changes of Rules, Regulations or Relevant Real Estate Laws

Risk in the business could be seen through number of limitations. Developers may be barred from developing some types of projects on a particular land plot and they could be subject to height control, the set-back formula, legal disputes with landlords of adjacent land plots, complaints while the construction works are underway, land expropriation, legal amendments, and enactments of new rules and regulations after the land is acquired but not yet awarded the development license. Nevertheless, the company has guidelines for reducing such risk by examining and studying legal restrictions and regulations of relevant agencies regarding the utilization of land before developing any real estate project to find out whether there is any control which would affect the guidelines prescribed by the Company for developing such plot of land.

2.4 Risks from Purchase of Land for Development

1) Risk due to relevant laws and regulations on land purchase

The risk due to relevant laws and regulations involves the ability to develop the project in the prescribed form without being obstructed by restrictions of any law or regulation. In purchasing land, the Company has controlled the risk caused by relevant laws and regulations by making careful examination and studies of all provisions relating to project development, as well as to announce in the near future such as provisions on city plan, construction of buildings, land allocation and various provisions of the locality, which might have effect on project development as well as a thorough examination of ownership and derogation of right to the land. Furthermore, after taking into consideration the above factors, the Company would experiment by laying out the project plan on such plot of land to see whether or not before purchasing the land.

2) Risk in purchasing land for business purposes

The risk in purchasing land for business purposes is the risk whether there is ability to sell the projects on the purchased land in order to receive returns according to the target set within the specified timeline or not. The Company has controlled such risk by conducting analysis of demand of each locality and economic condition, and updating the information on market condition of real estate business and changes of land prices in various locations on a continual basis. As a result, the Company has been able to selectively purchase the land with suitable size in good location to develop projects to properly meet the demand of the market and economic conditions of each period accurately. By taking into consideration the above-mentioned factors, the Company can reduce business risk considerably in purchasing land.

2.5 Risk from Increasing Cost of Construction Materials

Currently, the price of construction materials, which is one of the major investment costs, has fluctuated according to considerable change of oil price and the policy on increasing wage to Baht 300 per day. Such factors have effect on the capital cost of the Company's project and may have effect on future operations and financial position of the Company. Accordingly, to reduce the risk causes by the fluctuation of prices of construction materials, the Company would manage the cost of the construction from the designing stage up to the entering into contracts with the contractors regarding the labor cost and the cost of construction materials, whereby the contractors must acquire minor part of construction materials and equipment. The Company would provide certain types of construction materials from the trading partners, manufacturers or major agents to get discount price for the project and maintain the price where the Company can control the cost, while monitoring the movement of prices and estimating the prices in advance. In a necessary case, advance purchasing order has to be made in a big lot so as to be able to negotiate the prices and control the construction cost as well as managing and controlling the specified quality and standards of the houses. Furthermore, the Company has conducted studies on choices of alternative materials of each type to be suitable for certain circumstances. In addition, the Company shall jointly with the contractors and manufacturers develop and improve production methods, transport construction materials, develop innovation relating to construction for effectiveness in terms of capital cost, logistics and reduction of fluctuation of prices or shortage of materials. In 2014, the construction costs have not changed much. The prices of some materials have dropped due to high competition as there is increasing supply while the demand has been decreasing because many companies delayed their construction projects.



Capital Structure

1. Securities of the Company

As at 31 December 2014, the Company has a registered capital of Baht 1,770,000,000 with paid-up capital of Baht 1,716,553,249 divided into 1,716,553,249 ordinary shares at a par value of Baht 1 per share.

2. Other Types of the Company's Shares with the Rights or Conditions Different from Ordinary Shares such as Preferred Shares

In 2010, 2013 and 2014, the Company had issued unsecured debentures with the details as follows:

- No.4/2010 on July 16,2010 with 5 years maturity at a fixed interest rate of 3.73% per annum in the value of Baht 500 million (500,000 units at a par value of Baht 1,000 per unit), and the maturity date is 16 July 2015, with interest payment after every period of 6 months throughout the maturity period of the debentures.
- No.7/2010 on October 29,2010 with 5 years maturity at a fixed interest rate of 3.73% per annum in the value of Baht 745 million (745,000 units at a par value of Baht 1,000 per unit), and the maturity date is 29 October 2015, with interest payment after every period of 6 months throughout the maturity period of the debentures.
- No.1/2013 on May 3, 2013 with 3 years maturity at a fixed interest rate of 3.68% per annum in the value of Baht 1,000 million (1,000,000 units at a par value of Baht 1,000 per unit), and the maturity date is 3 May 2016, with interest payment after every period of 6 months throughout the maturity period of the debentures.
- No. 1/2013 on May 3, 2013 with 5 years maturity at a fixed interest rate of 4.12% per annum in the value of Baht 500 million (500,000 units at a par value of Baht 1,000 per unit), and the maturity date is 3 May 2018, with interest payment after every period of 6 months throughout the maturity period of the debentures.
- No. 1/2014 on February 28, 2013 with 3 years maturity at a fixed interest rate of 3.95% per annum in the value of Baht 2,300 million (2,300,000 units at a par value of Baht 1,000 per unit), and the maturity date is February 28, 2017, with interest payment after every period of 6 months throughout the maturity period of the debentures.
- No. 2/2014 on May 20, 2013 with 3 years 19 days maturity at a fixed interest rate of 3.65% per annum in the value of Baht 500 million (500,000 units at a par value of Baht 1,000 per unit), and the maturity date is June 8, 2017, with interest payment after every period of 3 months throughout the maturity period of the debentures.

- No. 3/2014 on July 10, 2014 with 2 years 1 day maturity at a fixed interest rate of 3.38% per annum in the value of Baht 200 million (200,000 units at a par value of Baht 1,000 per unit), and the maturity date is July 11, 2016, with interest payment after every period of 3 months throughout the maturity period of the debentures.
- No. 4/2014 on August 28, 2014 with 3.5 years maturity at a fixed interest rate of 3.87% per annum in the value of Baht 2,200 million (2,200,000 units at a par value of Baht 1,000 per unit), and the maturity date is February 28, 2018, with interest payment after every period of 3 months throughout the maturity period of the debentures.
- No. 5/2014 on September 25, 2014 with 3 years maturity at a fixed interest rate of 3.60% per annum in the value of Baht 200 million (200,000 units at a par value of Baht 1,000 per unit), and the maturity date is September 25, 2017, with interest payment after every period of 6 months throughout the maturity period of the debentures.
- No. 6/2014 on December 2, 2014 with 4 years maturity at a fixed interest rate of 3.60% per annum in the value of Baht 1,000 million (1,000,000 units at a par value of Baht 1,000 per unit), and the maturity date is December 2, 2017, with interest payment after every period of 6 months throughout the maturity period of the debentures.
- No.7/2014 on December 7, 2014 with 3 years maturity at a fixed interest rate of 3.25% per annum in the value of Baht 1,000 million (1,000,000 units at a par value of Baht 1,000 per unit), and the maturity date is December 4, 2017, with interest payment after every period of 6 months throughout the maturity period of the debentures.

3. Offering for Sale Shares or Convertible Securities to Mutual Fund for Foreign Investors (Thai Trust Fund) and the Issuance of Non-Voting Depository Receipt (NVDR)

From the information on ordinary shareholders who hold shares of the Company through Thai NVDR Company Limited as of 28 August 2014, there were 240,676,515 shares, or 14.02% of the paid-up ordinary shares. Also, since the ordinary shares of the Company held by Thai NVDR Company Limited have no right to vote in the meeting of shareholders (except the exercise of right to vote on the resolution to delist the shares), the voting rights of other shareholders have increased. The shareholders can check the most recent number of NVDR shares of the Company from the website of the Stock Exchange of Thailand at www.set.or.th for consideration to further exercise their voting rights.

4. Top 10 Major Shareholders as of the Most Recent Closing Date of the Share Register on 28 August 2014

Shareholders' List	Percentage of Shareholding	
	Number of Shares	Percentage
1. TANGMATITHAM FAMILY ¹⁾	484,004,244	28.19
2. THAI NVDR COMPANY LIMITED	240,676,515	14.02
3. STATE STREET BANK EUROPE LIMITED	69,509,824	4.05
4. HSBC (SINGAPORE) NOMINEES PTE LTD	51,995,505	3.03
5. STATE STREET BANK AND TRUST COMPANY	44,316,100	2.58
6. THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, FUND SERVICES DEPARTMENT	41,479,300	2.42
7. Mr. Santi Singhawangcha	22,113,400	1.29
8. M.L. Kamonsvas Visuddhi	21,030,800	1.23
9. Mrs. Wachanee Singhawangcha	18,400,000	1.07
10. Electricity Generating Authority of Thailand Registered Provident Fund	18,184,400	1.06
Total Top 10 Shareholders	1,011,710,088	58.94
Others	704,843,161	41.06
Total	1,716,553,249	100.00

Remark : ¹⁾ The group of Mr. Prateep Tangmatitham and related persons pursuant to Section 258 of the Securities and Exchange Act (B.E. 2535) (1992) consists of
1) Mr. Prateep Tangmatitham 2) Mrs. Ajchara Tangmatitham holding 393,816,044 shares and 90,188,200 shares, or 22.94% and 5.25% respectively.

5. Policy on Dividend Payment of the Company and the subsidiaries

For Sustainable growth, the Company has set dividend policy for the 2015 onwards to be not less than 35 percent of net income after tax of the separate financial statements. However, in case the Company still suffers accumulated loss, it cannot pay dividend as specified in its Articles of Association. In addition, subject to the Company's regulation on rights and duties of the debenture issuer, the Company can pay dividend in the amount of not more than 60% of the net profit of such particular year. Nevertheless, the Board of Directors may pay interim dividend to shareholders from time to time if deemed appropriate that the Company's profit is sufficient to do so, and report to the subsequent meeting of shareholders for acknowledgement.

On 13 August 2014, the meeting of the Company's Board of Directors No. 8/2014 passed a resolution to approve the Company's payment of interim dividend at Baht 0.35 per share on 10 September 2014.

According to the resolution the Board of Directors' Meeting No.2/2015 on February 25, 2015, the Board of Directors resolved to propose to annual shareholders' meeting of 2015 on 22 April 2015 resolved to approve the allocation of profit of 2014 for the operation period from 1 January to 31 December 2014 to be dividend payment to shareholders at the rate of Baht 1.00 per share, of which the remaining dividend is Baht 0.65 per share to be paid on 6 May 2015.

Nevertheless, the Company has set up condition in maintaining the conditions for making dividend payment according to the Loan Agreement, that is, the Company shall not pay dividend, be it interim or annual dividend, or distribute any benefit or remuneration to any or all shareholders by any means or method unless all of the following events take place in a complete manner:

- 1) the Company has not breached the Loan Agreement and
- 2) the Company has presented the evidence for consideration by the creditors and is of the opinion that in the year in which any dividend and/or benefit and/or remuneration shall be paid, the Company has provided reserve in a sufficient amount to fully pay all the interest and principal due in the year in which any dividend and/or benefit and/or remuneration shall be paid.

For the subsidiaries, there is no certain policy regarding dividend payment, it depends on the operational result of each company each year.

References

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Registrar

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Telephone 0-2229-2800, 0-2654-5599

Fax 0-2359-1259

Call Center 0-2229-2888

Website www.tsd.co.th

E-mail contact.tsd@set.or.th

Debenture Registrar: Unsecured Debenture No.4/2010, No.7/2010 and No.1-6/2014

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Telephone 0-2626-7503-4

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Debenture Registrar: Unsecured Debenture No.1/2013 and 7/2014

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Auditor's Fee 1,970,000 บาท

Supalai's Awards & Accolades

Supalai Public Company Limited

Supalai Public Company Limited has operated real estate development business and has been recognized as a leading developer today. This has been achieved by adhering to the S P L philosophy, **S – Superiority**: Focus on the superiority of goods, service and management. **P-Profitability**: Emphasize profitability for every party concerned, i.e. customers, employees, contractors, shops, society and shareholders, **L- Longevity**: To operate business continuously based on security, and joining the Stock Exchange of Thailand, and implementing a quality policy in compliance with the ISO 9001: 2008 international standard, while ensuring to give back to societies on a continuous basis. The aforementioned factors have contributed to achieving a long list of prestigious awards and accolades which have brought the Company pride and joy. These awards symbolizes not only the Company's management competencies and social responsibility, but also the ability to offer quality products and its executives' professional performances, all of which emphasizes the business that has enjoyed the progressive and sustainable growth.

The awards to be proud of by Supalai and subsidiaries are as follows:

1. Awards for its potential regarding corporate management as listed below:

- In 2014, the Institute of Directors jointly with the Stock Exchange of Thailand and the Securities and Exchange Commission had conducted a survey and monitored the development of the corporate governance of listed companies in Thailand with the objective to prepare CGR report to provide an overall picture of corporate governance of listed companies in Thailand with recommendations, and to be information for securities analysts in order to support investment decisions. In 2014, the result of such annual survey and monitoring had placed Supalai Public Company Limited 1 of 29 companies that received the excellent score out of 550 companies under such survey.



- In 2010, the Company received the best performance award and recognition certificate for “Listed Company with Excellent Operational Results of 2010” from the Stock Exchange of Thailand in the SET Awards 2010 presentation ceremony. It is the only listed company to receive the award among the group of listed companies with market capitalization higher than Baht 10,000 million.



- In 2010, the Company received the “Best Under A Billion Award” from Forbes Asia Magazine. Supalai is one of 200 companies to receive such distinguished award considered and selected among 13,000 companies in the Asian region, and 1 out of 9 Thai listed companies to receive this award as measured by the profits, growth rate, debt burden and future business opportunities.

2. Award of Transparency and Good Corporate Governance

- In 2014, the Company received the “Top Corporate Governance Report Awards” from the Stock Exchange of Thailand at the SET Awards 2014 event; such award has been given to listed companies having outstanding reports on compliance with good corporate governance practices.



3. The following awards are for corporate social responsibility :

- In 2014, the Company received the Consumer Protection Thailand Call Center Award 2014 from the Office of the Consumer Protection Board.



- In 2013, the Company received the Award for “Good Real Estate Developer of 2013” from the Office of the Consumer Protection Board (CPB), the Prime Minister’s Office in the Starred Real Estate Projects CPB, whereby, 4 projects of Supalai had received such award, namely, Supalai Suvarnabhumi Project, Supalai Park Srinakarin Project, Supalai Park Yaek Tiwanon and Supalai River Place projects. This is the third time that Supalai had won such award consecutively.

- Also received in 2012 was the “Ratsadakorn-Pipat” award or the “Excellent Taxpayer 2011” award presented by the Revenue Department, Ministry of Finance in accordance with its “Integrity, Pride, and Contribution to the Nation” policy. This award is offered to any individual or corporate taxpayers who are worthy of praise and admiration as they file and pay taxes accurately, willingly and forthrightly. Such responsibilities also exemplify people’s good deeds and create confidence among citizens, entrepreneurs, agencies and organizations, while making them realize how their tax paying can immensely contribute to the country’s prosperity and stability.



- In 2012, the Company as the owner of Supalai Grand Tower Building received the award for “Safe Building, Feeling Good All Over the City” from the Bangkok Metropolitan Administration. It was given as a complementary for good management of the building in the project for participation in safety of houses and buildings organized by the Office of Civil Works of Bangkok Metropolitan Administration.
- In 2012, Supalai Public Co., Ltd. received a plaque in honor of the “Ruam Raeng Thai, Raksa Nam Sai Thuk Khu Khlong” project (Canal Dredging and Cleaning Project) for joining to help maintain the good quality of canal water in a sustainable manner. The plaque was bestowed upon the Company by Prime Minister Yingluck Shinawatra, who chaired the award-giving ceremony.



- In 2010, the Company received the “Good Property Developer Award of 2009 - 2010” from the Office of the Consumer Protection Board, Office of the Prime Minister in the Real Estate Star Project; and Supalai has received this award for 2 consecutive years already.



- In 2008, the Company received the Award for “Good Property Developer Award of 2007-2008” from the Office of the Consumer Protection Board of the Prime Minister’s Office in the project to select good property developers.
- In 2003, the Company received the Award for “Developer who Preserves Consumers’ Advertisement Rights : Fair Advertisement of Products and Services for Consumers” from the Consumer Protection Board of the Prime Minister’s Office.

4. The following awards are for being the leader in excellent product development:

- In 2014, the Company received a plaque and certificate of BCI Asia Top 10 Developers Awards 2014 from BCI Asia Construction Information Company Limited and Future Arc Journal. Supalai has received this award for 4 consecutive years. The awards had been given due to the designs and development of construction projects of the Company, which have been widely accepted by the consumers.
- In 2013, the Company was awarded “BV Symbol of Confidence in International Standard” of Bureau Veritas Certification (Thailand) Ltd. (BVC). Such award has been given by taking into consideration the application of ISO 9001: 2008, the accreditation system of BVC as part of the advertising media of the Company, which has been extensive, efficient, correct according to the rules, beautiful and creative.



- In 2013, the Company had also received BCI Asia Top 10 Developers Awards 2013 in the form of plaque and certificate from BCI Asia Construction Information Co., Ltd. and Future Arc Journal, whereby Supalai had received this award for the 3rd time consecutively as one of the top 10 property developers in Thailand to receive this award. The award had been given by taking into consideration the design and the development of the construction projects of the Company, which have been widely accepted by the consumers



- The Company, also in 2012, won accolades for the Outstanding Real Estate Project 2012: for the Supalai Parkville Romklao-Suvarnabhumi project in the category of “detached house” and the Supalai Park @ Tiwanon Junction project for “condominium”, which were presented by the Research and Evaluation Center for Thailand’s Real Estate, Agency for Real Estate Affairs Co., Ltd. (AREA). This award represents a housing project which comprises the “worth-buying” features, by taking into account its price, quality, location and materials, as well as the style, design and the environment within the project.
- By taking the outstanding design and construction development of a housing project into account, the Company was one in ten real estate developers in Thailand that won the BCI Asia Top 10 Developers Awards 2012 organized by the BCI Asia Construction Information Co., Ltd. and FuturArc Journal. The four projects which earned the Company this award comprised Supalai Premier Asok, Supalai Park Khae Rai-Ngamwongwan, Supalai Park Ekkamai-Thong Lor and City Resort Ratchada-Huai Kwang
- In 2011, received the Thailand Property Awards 2011 in the category of Best Affordable Condo Development (Bangkok) for Supalai Park @ Tiwanon Intersection and Supalai Premier Ratchada-Narathivas-Sathorn from Property Report Magazine



- In 2011, the Company has received the plaque of honor for the Excellent Property Development Project 2011 for Supalai Park Ratchaphruek-Phetkasem Project from the Thai Real Estate Research and Assessment Center of Agency For Real Estate Affairs Co., Ltd. Such award is for the “Value for Money” projects by taking into consideration suitable price (price per square meter), location, materials, patterns and designs of the environment of the project as well as additional giveaways.

- In 2011, the Company has received “Top 10 Developers Awards 2011” from BCI Asia as one of top 10 property developers in Thailand. Such award has been given due to the designs and development of construction projects of the Company, which are extensively acceptable by the consumers.
- In 2011, the Company has been awarded altogether 27 sets of “Certified Energy Conservation Building Label 2011” from the Department of Alternative Energy Development and Efficiency, Ministry of Energy for 13 housing designs.



- In 2010, the Company has just received a Complementary Award of the “Urban Design Award 2009” at the organizational and professional level in the category of project for master planning of group of buildings for Supalai Casa Riva project from the Thai Urban Architects Association.



- In 2009, the Company received the Certified Energy Conservation Building Label 2009 from the Department of Alternative Energy Development and Efficiency, Ministry of Energy for 5 housedesigns, they are, best label for Supapat (new) design and goodlabels for Supadarul (new) design, Supawanna design, Supivat design andSupanuch (special) design.
- In 2009, the Company received the Living in Thailand Award of Excellence 2008 in the category of special Reader’s Choice Award for Best Designed Property from Living in Thailand Magazine.
- In 2008, the Company received a Good Award for “Excellent Energy Conservation House” for Supanuch (special) design and the Supadarul (new) design in the category of small detached house of Supalai Garden Ville Outer Ring Road Pinklao-Rama 5 project from the Department of Alternative Energy Development and Efficiency, Ministry of Energy.



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- In 2007, the Company received a Good Award for “Excellent Energy Conservation House” for Supavat (new) design in the category of small detached house of Supalai Garden Ville Outer Ring Road Pinklao-Rama 5 project, and for the Supatarin design in the category of medium size detached house of Supalai Suvarnabhumi project from the Department of Alternative Energy Development and Efficiency, Ministry of Energy.
- In 2005, the Company received an Outstanding Award for “Excellent Energy Conservation House” for Supivat design in the category of small detached house of Supalai Orchid Park Watcharapol project and Supakarul design in the category of medium size detached house of Supalai Orchid Park 3 project from the Department of Alternative Energy Development and Efficiency, Ministry of Energy.

5. The professional awards for the Company’s executives are as follows:



- In 2014, Mr. Prateep Tangmatitham, Chief Executive Officer of Supalai Public Company Limited had been awarded the “Khon Dee Sri Suan” (Outstanding Member of Suan Kularb), which is an award of honor for 1 outstanding alumni member of each class in the commemoration event of the 11 cycle or 132th anniversary of the establishment of Suan Kularb School.



- In 2014, Ms. Ajchara Tangmatitham, Executive Vice President of Supalai Public Company Limited had been conferred a royal decoration of Companion (Fourth Class) of the Most Admirable Order of the Direkgunabhorn due to her dedication to continually do good deeds beneficial to the country and the people by donating personal fund to Thammasat Hospital to improve phase 2 of the special orthopedic patient ward on the 6th Floor of Kittiwattana Building.



- In 2013, HRH the Crown Prince had conferred an honorary Ph.D. Degree of Science in the field of Innovation In Property Development to Mr. Prateep Tangmatitham, Chief Executive Officer of Supalai Public Company Limited at the main conference hall of Thammasat University on 1 August 2013.

- In 2013, Mr. Prateep Tangmatitham, Chief Executive Officer of Supalai Public Company Limited was awarded a plaque of honor as “Outstanding Person of the Year 2012 in the Field of Arts and Culture” from King Prajadhipok Institute’s Society, which was presented by Mr. Somsak Kiatsuranon, the President of the National Assembly at Ratripradabdaw Commemoration Night in 2013.
- In 2009, Khun Varunee Lapitananuvat, Senior Assistant Managing Director of Finance and Accounting of Supalai Public Company Limited received the “Analysts’ Popular CFO Award of 2009 in the Category of Real Estate and Construction Material Business” from the Securities Analysts Association.

6. Awards indicating the management potential of Supalai Group comprise:

- In 2010, Haadyai Nakarin Co., Ltd. received the “Good Corporate Governance Award” in terms of transparency and integrity from the National Counter Corruption Commission.
- In 2009, Haadyai Nakarin Co., Ltd. received the Thai Chamber of Commerce Business Ethics Standard Test Award 2009” from the Thai Chamber of Commerce.
- In 2008, Haadyai Nakarin Company Limited received the Award for “Excellent Ethical Conduct” from the Chamber of Commerce of Songkhla Province for being the organization with ethical management according to the ethical principles of the Chamber of Commerce.

Performance Review

Financial Highlights 5 Years

Financial Data					
(Unit: Million Baht)					
	2010	2011	2012	2013	2014
Contractual Sales ¹	13,885	15,911	21,323	17,494	18,726
Revenues from Sales of Real Estate	10,885	12,466	11,260	12,322	18,270
Total Revenues	11,184	12,809	11,649	12,742	18,671
Income before Corporate income tax	3,791	3,991	3,653	3,676	5,722
Net Income	2,581	2,568	2,744	2,882	4,478
Total Assets	18,586	20,495	23,653	30,675	38,031
Total Liabilities	8,962	9,362	10,766	15,966	20,053
Shareholders' Equity	9,624	11,132	12,888	14,709	17,977
No. of Outstanding Shares (Million Shares)	1,716.55	1,716.55	1,716.55	1,716.55	1,716.55
Earnings per Share (Baht)	1.50	1.50	1.60	1.68	2.61
Par Value (Baht)	1.00	1.00	1.00	1.00	1.00
Book Value per Share (Baht)	5.61	6.49	7.51	8.57	10.47
Dividend per Shares (Baht)	0.60	0.65	0.65	0.70	1.00

Remark : ¹ The company only

Financial Ratio					
	2010	2011	2012	2013	2014
Gross Profit Margin from Sales of Real Estate (%)	43	42	44	41	42
Net Profit Margin (%)	23	20	24	23	24
Return on Equity (%)	27	23	21	20	25
Return on Total Assets (%)	14	13	12	9	12
Net Gearing (Times)	0.42	0.40	0.25	0.51	0.66

Significant Information For Shareholders

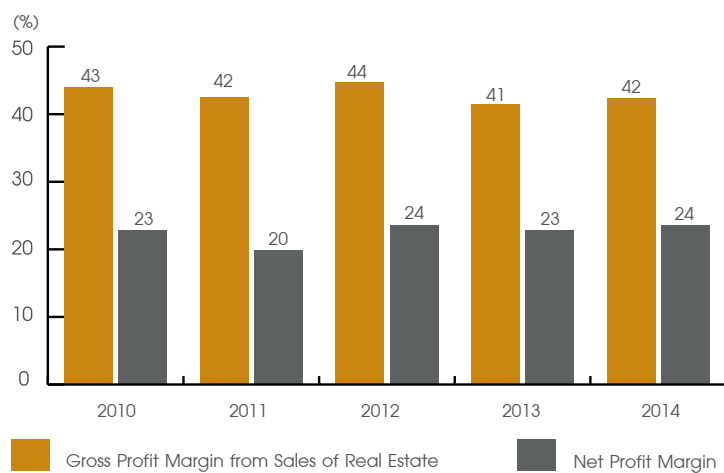
The Annual General Shareholders' Meeting of year 2015

April 22, 2015 at 2.30 p.m. at Supalai Grand Tower Building at Meeting Room, 33rd Floor, 1011 Rama 3 Road, Chongnonsee Subdistrict, Yannawa District, Bangkok 10120.

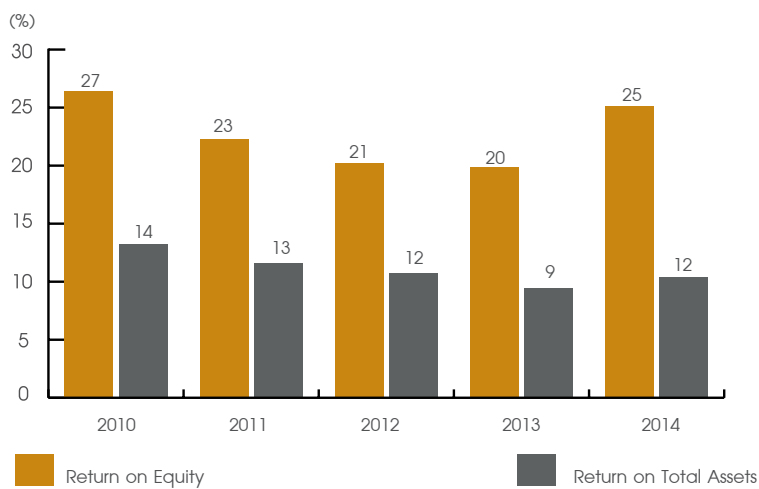
Dividend Payment : 1.00 Baht per share

Dividend Payment Date : 06 May 2015

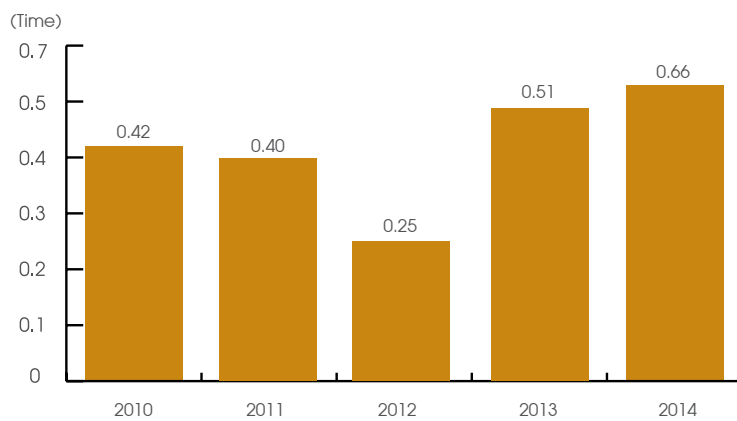
Gross Profit Margin from Sales of Real Estate and Net Profit Margin



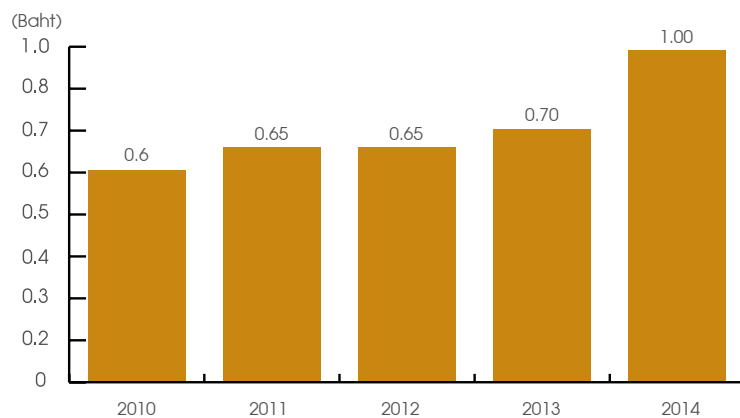
Return on Equity and Return on Total Assets



Net Gearing



Dividend per Share



Analysis of Financial Position and Operational Results

1. Table of Summary of Operational Results

	Year 2013 (Million Baht)	Year 2014 (Million Baht)	Increase (Decrease) Percent (%)
Total Revenues	12,742.01	18,671.39	47%
Revenue from Sales of Real Estate	12,322.35	18,269.95	48%
Selling and Administrative Expenses	1,489.82	1,919.01	29%
% Selling and Administrative to Total Revenues	11.7%	10%	-
Earnings before Tax	3,676.48	5,721.55	56%
Corporate Income Tax	726.07	1,134.40	56%
Effective Corporate Income Tax Rate (%)	20%	20%	-
Net Income	2,882.21	4,478.11	55%
Basic earnings per share (Baht)	1.68	2.61	55%
Net Profit margin (%)	23%	24%	-

- The revenue from sales of real estate in the amount of Baht 18,269.95 million or increase of Baht 5,947.60 million or 48% from the last year, divided into the revenue of 56% from the transfer of ownership of condominiums and the remaining 44% was from the transfer of ownership of detached houses and townhouses. The revenue increase was mainly due to the transfer of ownership 6 condominium projects due in the year 2014 and the transfer of ownership of detached houses and townhouses was increase from the sale increase.
- Selling and administrative expenses / total revenue ratio was 10%, decrease from 12% of the last year.
- Net profit was Baht 4,478.11 million or increase of Baht 1,595.90 million or 55% from the last year, mainly due to revenue from sales of real estate increased as stated above and results in basic earnings per share was 2.61 Baht per share.

2. Table of Summary of Financial Status

	Year 2013 (Million Baht)	Year 2014 (Million Baht)	Increase (Decrease) Percent (%)
Assets			
• Cash and cash equivalents	791.71	661.89	(16%)
• Costs of property development projects for sales	26,462.89	33,600.02	27%
Other assets	3,420.81	3,768.91	10%
Total assets	30,675.41	38,030.82	24%

The total amount of assets in 2014 increased from 2013 by approximately 24%, the main reasons are as follows:

- Cash and cash equivalents have decreased by 16% due to the reason that the Company and its subsidiaries have received the cash flows from a great number of ownership transfers of condominium units in the 4th quarter of 2014. The Company and its subsidiaries have used the cash flows from the transfer of ownership to repay certain part of debt of the project finance. Accordingly, the cash flows have decreased.
- The cost of property development projects for sales increased by 27% due to a great amount of construction cost of the selling projects and backlogs to be transfer to customers this year and in the next 1-3 years

	Year 2013 (Million Baht)	Year 2014 (Million Baht)	Increase (Decrease) Percent (%)
Liabilities and shareholders' equity			
Overdrafts and short-term loans from financial institutions	700.29	726.03	4%
Deposits and advances received from customers	4,568.83	4,492.34	(2%)
Long-term loans from banks	3,219.11	1,745.24	(46%)
Debentures	4,440.53	10,132.76	128%
Other liabilities	3,037.89	2,956.96	(3%)
Total liabilities	15,966.65	20,053.33	26%
Total shareholders' equity	14,708.76	17,977.48	22%
Net Gearing Ratio (%)	51%	66%	-

The total liabilities of 2014 has increased from 2013 by approximately 26%, the main reasons are as follows:

- During 2014, the Company issued unsecured debentures amounting to Baht 7,400 million, of which the financial cost was lower than the project loan in order to repay for redemption of debentures which were due and repay project loans from banks.
- Net gearing ratio was 66% as at 31 December 2014, which was increased from the level of 51% as at 31 December 2013 because of increasing investment in the new projects.

3. Table of Summary of Liquidity and Cash Flows

	(Unit: Million Baht)	
	Year 2013	Year 2014
Net cash flows from operating activities	(2,422.49)	(2,633.19)
Net cash flows used in investing activities	(842.55)	(419.56)
Net cash flows used in financing activities	1,865.61	2,937.38
Net increase in cash and cash equivalents	(1,399.43)	(115.37)

In 2013 and 2014, the Company and its subsidiaries used increasing cash flows in operating activities due to increasing investments in the construction of projects awaiting delivery to customers according to a high increase of the backlog awaiting transfer. Also, the cash flows used in investing activities increased due to a subsidiary's purchase of a rental office building in Philippines during the year 2013 and investment in Australia during the year 2014.

As of 31 December 2014, the Company and its subsidiaries have house and/or condominium backlog of Baht 38,758 million. The Company and its subsidiaries expect to transfer additional Baht 17,664 million of these backlogs over the year 2015, and Baht 21,094 million over the next 3 years. The backlog means total value of houses and/or condominiums sold but awaiting to be transferred, then the Company and its subsidiaries could recognize the revenue according to the Thai Accounting Standard, recognizing in full when ownerships are transferred.

Corporate Social Responsibility

SUPALAI...WE CARE FOR THAI SOCIETY

Supalai Public Company Limited has been committed to the business of real estate development with the concept of “SUPALAI... WE CARE FOR THAI SOCIETY” for such a long period of 25 years, with an emphasis on creating better quality of life of the people in the society according to a strong sense of corporate social responsibility (CSR), which has been transferred into a variety of activities. Therefore, on the occasion of the 25th anniversary of its business operations, the company has organized special social creative events in various forms, such as

- **The Sculpture Contest** jointly with the Department of Sculpture, the Faculty of Painting, Sculpture and Graphic, Silpakorn University by inviting artists and those interested in creating works under three topics: the “happiness, love or prosperity.”
- **The Photography Contest** under topic: “Happiness in SUPALAI” by inviting SUPALAI families and SUPALAI employees to share happiness through photographs.
- **The Essay Contest** on “Happiness in SUPALAI” by inviting SUPALAI families to convey the feelings and opinions on residing in Supalai residential projects.



Over 25 years of operations, the Company has organized on going activities to return profits to the society, which comprise activities to provide knowledge and education on the environment, arts, culture, family, health, community and religions that is truly beneficial to the society.

• Free Trainings and Seminars to Provide Knowledge to the Public

The Company has organized seminars on various types of knowledge free of charge to Supalai customers, Supalai fan club, the general public, Supalai employees and the mass media.



For the year 2014 , the Company jointly with leading organizations had conducted seminars to provide knowledge and understanding to the people on various topics of interest that can be truly applied in daily life, such as “Tips to Take Beautiful Pictures Like a Pro” by Mr. Anan Jiramahasuwan, seminars on tips on various types of investment, such as “Non-Secret Tips to Look for Best Stocks to Be a Millionaire in the Second Half of the Year” by TISCO Company Limited, “Leading the Way to Get Rich Through the Crisis” by Dr. Suvarn Valaisathien, seminars on health and alternative medicine like “Total Lifestyle Modification” by MD Sant Jaiyodsilp, a specialist on family medicine, “Heal the Brain Protects the Heart” by MD Siritor Chantasirikarn, a brain specialist.

The Company also organized seminar for women and new generations who care about quality of life by partnering with leading publishing company, namely, Nanmee Books Company Limited to organize seminar and workshop titled “Tips for Beautiful Shape and Good Healthy with Towel Yoga”.

- Educational activities

The Company has development projects for many schools, universities, educational institutions on various aspects from donation of land to build Suankularb Wittayalai School of Rangsit, building school buildings, lecture rooms, donation of vehicles and cooperated with the Faculty of Architecture of Thammasat University on academic and research projects, the Company has also provided donations to needy schools in rural areas.



In 2014, the management and employees of the Company in collaboration with the University of Illinois Alumni Association organized donation of education and sports supplies with the objective to share happiness with the children in rural provincial schools that have scarce resources, such as Ban Huay Poon School in Surin Province, Ban Hinkong School in Sra Kaeo Province, Ban Kokklang Nonglai Pittaysan School in Khon Khaen Province, Samakki Tham Ratbumrung School in Nakhon Sawan Province and Ban Romklao 3 School in Tak Province.

Also, donation had been made in monetary and object forms to improve the cafeteria and library as well as water tank, water pump and sports equipment to Ban Pang Pei of Nan Province according to the policy of “Saeng Prateep” Project.

The Company has made donation in terms of money and medical instruments for the restoration of Wat Kukum Temple in Chiang Mai Province, and contributed financial support to build toilets, wash basins and paving the path with ceramic tiles throughout the walkway to the toilets for kindergarten students at Kukum Municipal School in Chiang Mai Province.

In addition, the company donated 15 rai of land in the area of Rangsit Canal 4, Pathumthani Province to the Education Department of the Ministry of Education to build Suankularb Wittayalai School of Rang sit and donated Baht 2,000,000 to the Faculty of Architecture and Planning, Thammasat University, to support the building of the Center of Innovative Urban, Community and Real Estate Development.

Mr.Prateep Tangmatitham, President, together with Ms. Ajchara Tangmatitham, Executive Vice President, generously made their personal contributions on behalf of Supalai Public Company Limited at the “30 Years of Giving” charity concert, to the TISCO Foundation where these contributions were consequently allocated as scholarships given to students in need nationwide and the Company donated



copies of the book titled “Sustainable Wealth and Happiness” written by Mr.Prateep Tangmatitham, to rural schools in Chiang Mai, Khon Kaen, Songkhla, Saraburi, Phuket, Chon Buri, Surat Thani, Rayong, Udorn Thani and Nakhon Ratchasima provinces, as a source of knowledge mutually used by both teachers and students.

- **Environmental Conservation Activities**

The Company attaches importance to the responsibility to jointly conserve the environment in response to the policy of creating energy efficient homes that are environmental friendly to match the statement “Supalai Save Our World Save Your Money”, which has been transferred to environmental conservation activities, such as the executives of Supalai and the media had jointly with school administrators participated in planting trees to restore green space at Surat Pittaya 2 School of Surat Thani Province, also with the media in the mangrove reforestation in order to bring about affluence to the ecological system at Toonkramom Mangrove Forest in the Sirindhorn International Environmental Park of Petchaburi Province, the release of sea turtles at the Sea Turtle Conservation Center of the Navy in Chonburi Province, and the reforestation of Thai literature plants at Banpang Sammakki School, Kaengkoi District of Saraburi Province. Recently, the Company also participated in the project of “Joint Effort to Maintain Clean Water in Every Canal” organized by the Ministry of Finance in order to keep canal water clean in a sustainable manner.

- **Art and Culture Activities**



In October 2014, the Company held a charity art show titled. “The Power of Happiness from Nature and Goodness” at Lifestyle Hall, 2nd Floor of Siam Paragon Shopping Center. That was a creation of Chinese brush paintings, and the proceeds from the sale of art works was totally Baht 4,000,000 baht, which was given to Thammasat University Hospital. The displayed paintings have been given to the donors.

In 2010, the Company had organized the art exhibition under the theme of “Creative Power” at Life Style Hall, 2nd floor of Paragon Department Store, and the proceeds from the sales of 56 pieces of art works in the exhibition in a total amount of Baht 2,400,000 had been offered to Princess Mahachakkri Sirindhorn for charity activities of the Thai Red Cross. Also some art works were presented to the Princess.

- **Activities for Producing Media for both Dhama and Worldly Knowledge**

The Company had produced knowledge books to be given away free to Supalai families and the general public by selecting information that is useful in all aspects, such as knowledge about health, Feng Shui, Dharma principles for leading the life, etc. in order to offer happiness during every new year occasion. The books published are Prosperous Life, Blessed Life, Auspicious Plants, Long Life, Good Health, Happy Life, Conquer the Disease, Conquer the Age, Victory in Life, Power of Breath, Creating Life Power, Light for Life, Learning about Feng Shui, Knowing the Path to Happiness, Smiling Heart. The books “Key to Heaven and Creation of Happy Life”, Household Knowledge, and “Motto” as the latest book which comprises a collection of valuable philosophies for living, the creation of media on the topics of our home, happy mind; and our latest book is “The Prateep Philosophy”, a collection of philosophies valuable to life.

Also media pockets books, a total of three pockets books were produced, namely, 1. (Non) -Secret Tips for Management + Development of Real Property; 2. (Non) Secret Tips, Supalai + Real Property. And 3. When... will we be rich sustainably written by Mr. Prateep Tangmatitham, Supalai President. All the proceeds from the sales of the books had been given as part of the “Prateep Tangmatitham Fund” while Baht 2,000,000 was donated to the Architecture Faculty of Chulalongkorn University. As for book No.3, the entire proceeds from the book sales will be donated without deductible expense to the Thai Red Cross Society.

In addition the Company had prepared verses for Dhama song called “Wide Perspective, Think Far and Aim High”, which is a social creative song for maintaining mental value suitable for listeners of all ages. The song contents comprise advice on leading life with sustainable happiness. The name of the song came from the verses of Prapromkunaporn who has granted approval to use such name, the song was written and produced by Mr. Prateep Tangmatitham.



- **Social Activities**

In 2014, the Company, jointly with the Supalai Relations Club had organized an event of “donation of aluminum” to be given to the Prostheses Foundation under the patronage of HRH the Princess Mother in order to provide prosthetics to those less fortunate. For such activity, Supalai had invited its employees, lessee companies of Supalai Grand Tower Building and the general public to jointly donate aluminum pulling rings of cans or materials made of aluminum by having donation box at the lobby of the building, and aluminum had been generously donated 2 consecutive years in a great amount.



The Company had helped with the disaster relief for the flood victims led by the executives and employees of Supalai in distributing life saving bags, instant food, drinking water and other necessary items to help the customers of all Supalai projects and the people suffering from the floods in various areas with the cooperation of the Army. The Company had also donated money to help the flood victims, which was accepted by the governor of Nonthaburi Province. Besides, the Company had donated Baht 2,000,000 to the Thai Listed Companies Association as contribution to the “Capital Market for Flood Victims Fund”. The Company jointly with Dao Coffee Beans Co., Ltd., F & B By Dao Co., Ltd and Champ Boom Bell Co., Ltd. had donated floated toilets, instant food and necessary items to the flood victims in the villages of Moo 2, 3, 4 of Thachange Sub-District, Nakhonluang District of Pranakhon Sri Ayutthaya Province.

In addition, the Company had carried out the design of “**Rural House for Farmer**” by cooperating with the Work Team for Infrastructure, Communications and Energy, the National Social and Economic Advisory Council in conducting a study on “Development of Housing Infrastructure Project” to be given to interested farmers free of charge.



• Family Institution Promotion Activities

The Company attaches importance to continually promoting good relations within the family in order to be strong support foundation for the Thai society, such as “Developing Conscience-Meditation” activities by focusing on the practice on how to use conscience-meditation in order to develop oneself and apply in daily life as well as to strengthen families.



• Health activities

The Company invited medical teams from leading hospitals to provide free medical check-up and knowledge on interesting health topics. The Company also organized seminar on alternative medical approach Supalai families and the general public. Besides, there were charitable activities, such as “Blood Donation” for Vachira Hospital on L Floor of Supalai Grand Tower Building for Supalai employees and the employees of companies renting space in Supalai Grand Tower Building.

Ms. Ajchara Tangmatitham, Executive Vice President, made a generous donation of Baht 1,500,000 to support work of the special care unit, Kittiwattana Building, Thammasat University Hospital. Such contribution was used for procuring medical equipment and enabled the unit to provide more thorough services and better quality treatment to the patients.

Additionally, the Company jointly provided support to the book titled “Yesterday at Present”, the proceeds from which, after administrative expense deduction, went to the Alzheimer’s Disease and Related Disorder Association (ARDA).

• Community Development Activities

The Company has focused on maintaining the environment of its projects to be in good condition at all time. If there is any problem regarding the environment, the customers can notify the Company so as to carry out the improvement and development. In the past, there had been many projects taken care of by the Company as follows:

- The Company completed the dredging of canals in the vicinity of Supalai Parkville Romklao-Suvarnabhumi project so as to increase efficiency of the canal water management in Bangkok. This activity was performed in accordance with a cabinet resolution that requests be made for co-operation from the private sector in canal dredging within areas of real estate development projects for mitigation of impact from flooding in the future.
- The Company improve the road, install the drainage pipe and the cesspool in the area of Paholyothin Soi 48, in front of Supalai Park Ville Project and install the pipe under LaSalle Road and improve this road in the area of Supalai Ville Srinakarin Project.
- The Company had delivered a garbage collection truck worth Baht 2.1 million to Muang Lumsamkaew Municipality of Pathumthani Province for maintaining cleanliness and orderliness of nearby communities and donated the garbage collection truck to the Tambol Administration Organization of Klong Luang District, Pathum Thani Province for maintaining cleanliness and public order of Supalai Buri Project and the nearby areas.
- The Company had improved the road along Klong 4 canal for the comfort and convenience of the people driving in that area.
- The Company donated the equipment for operation to Bang Pongpang Metropolitan Police Station for use to maintain public order of the people driving in the area.



• Religious Support Activities

The Company has the project to develop landscape in many religious premises including temples, mosques and help with the design and layout of buildings in the temples by giving advice and collaboration with the Fine Arts Department, the Stock Exchange of Thailand and the Federation of Thai Capital Market Organizations (Fetco), whereby the Company has been a host for the caring and restoring of a temple in Nonthaburi Province. Also, in the past, the Company had arranged for adjusting the landscape of various religious places, such as Wat Pantainorasingh Temple in Samutsakhon Province, Wat Cholpratan Rangsarit Temple, Nonthaburi Province and Rao Dortulmuttagine Mosque in Por Bay of

Phuket Province. In addition, Mr. Prateep Tangmatitham, the President of the Company, has initiated the creation of Buddha's images named "Pra Supanimit Mingmongkol" to be dedicated to the Lord Buddha. The images have been set up at Supalai projects as propitious symbol for prosperity in both work and life of families of worshippers.

"Pra Supanimit Mingmongkol"

Human Resources Capital Development

Sustainable Promotion and Development of Human Resources Capital

Supalai Public Company Limited recognizes that human resources are extremely valuable in contributing a great success to the Company. Therefore, the Company continues to invest in human resources through the improvement of policies and strategies. It emphasizes the development of human resources both physically and mentally. The Company also enhances the management system and the human resources development system to be much more updated and in line with modern technologies and international standards. The Company also aims at strengthening the employees' capacity to become both good and skillful people in order to maintain further sustainable achievements of the Company by establishing the following policies;

1. Recruitment and Selection of Personnel

The effective human resources management of the Company includes the recruitment of employees who are considered skillful and good persons and have possessed knowledge, ability, skills and behavior attributable to the positions. The policy in recruitment and selection of personnel will specify core competencies of all positions. The process of recruitment and selection always consists of competency based interviews.

Furthermore, the Company has focused proactively on the recruitment of personnel through various projects, such as "Supalai Open House" project which is jointly carried out with leading educational institutions by organizing seminars to provide more information to 3rd and 4th year students of an undergraduate level. The Company provides the students with opportunities to visit the project to learn more and have practical experiences to motivate them to become part of the Company's team after their graduation.

With regard to the Company's principles in recruitment and selection of personnel, the Company has adhered to the practices of non-discrimination, providing equal opportunities to all people regardless of gender, race, religion, place of birth, age, socio-economic status and educational degrees.

Moreover, the candidates who have been chosen to work with the Company shall be provided by the Human Resources Department with a basic orientation course necessary for working including on the job training to ensure that the employees are ready to perform work correctly and appropriately. In addition, the personnel joining the Company must be the employees with good attitudes and understand the corporate culture of the Company in order to help each other to work smoothly.

For career advancement promotion, especially for supervisory positions, the Company has a policy to promote capable personnel within the Company first. The purpose is to provide opportunities for internal employees to use their knowledge and ability to develop themselves into higher positions or opportunities for cross functional transfer, etc.

2. Wages and Welfare Management

One of the systems that the Company considers important is to determine appropriate compensation in accordance with performance achievements of the employees as it can create motivation and retain good and skillful people to continue working with the Company. The Company, therefore, has joined with human resources consulting firms and other corporates in the same group of business in conducting a compensation and benefits survey in order to formulate policies on appropriate and competitive salaries and compensation.

Furthermore, the Company has attached importance to the implementation of the Employee Recognition System in the form of financial and non-financial compensation. This system helps boost the morale of capable employees who have performed well with positive attitudes. Rewards will be continuously given to those qualified employees who will later become role models for others such as rewards for excellence in customer service, long years of service, and plaques of honor to excellent employees of the year.

3. Promotion of Good Relations in the Organization

The Company continues to establish communication channels to strengthen human relations in the organization through various activities including major festivals such as activities of Songkran Day, annual celebration of the Company, internal sports events, annual retreat trips and activities regarding feedback through various channels of the Company such as the 'Site Visit' Project which allows employees to have opportunities to directly communicate with executive management, enabling the employees to be informed of guidelines on the Company's operations, challenges and possible impact. In this regard, the employees will have chances to express their opinions and take part in the development and improvement of the operations of the Company. In addition, the Company also promotes moral and ethical activities of employees through Supalai Relations Club, such as blood donation, charitable donations of unused articles, participation in mindfulness meditation to promote and develop the spirit of the employees.

4. Promotion and Development of Knowledge and Career Advancement

The Company recognizes that human resources development is a long-term investment that will contribute to the achievements of the organization and add values to the organization. The human resources development is, therefore, a major commitment, and accordingly, the Company will continue to emphasize the strategies that focus on enhancing the employees' knowledge and capacity corresponding to their responsibilities in order for them to exercise their maximum potential. The Company aims at improving curricula, development formats and methods to be updated and much more effective to support the growth of the Company and to assist the Company to continue operating business on a sustainable basis.

The development of knowledge and ability for career advancement of employees can be divided into 2 types as follows:

1. Development of Employees' Competency, which is divided into 3 aspects:

- 1.1 Core Competency is a basic competency of employees required by the organization to be consistent with the organization's vision, goals and corporate culture, which means that the employees should have the same DNA, and the training courses to initiate them to be Supalai members include orientation course for new employees, the courses to reinforce teamwork (Supalai Way), the ISO courses and the course on safety in working, etc.
- 1.2 Functional Competency is the knowledge and ability required for the position, and the level of expected ability for each position has already been defined. For employees with capacity exceeding the required level, they will be considered for suitable positions in order to be able to exercise their potential appropriately for their career development. The Company shall provide both in-house trainings and external trainings for the employees on a continual basis.
- 1.3 Managerial Competency is the managerial knowledge and ability for the positions at the supervisory level and above, whereby the Company has provided trainings to potential employees whose positions have been adjusted in order to have knowledge, understanding and skills as good supervisors, such as smart leader training courses for supervisors at departmental level and above, supervisory skill training courses for supervisors at unit level, etc. Both the in-house or external training courses shall be organized each year as deemed appropriate.

The preparation process of annual plan for trainings and development of the Company's employees has been compiled from the employees' competency gap assessment, which has been prepared as Individual Development Plan (IDP) in order to select talent stars and provide development for such group of employees to support the succession plan, especially critical positions to the business of the organization.

2. Continuing Education and Development of Employees

are studies arising out of interest and willingness of the employees themselves. Accordingly, there has been continual development and the Company has provided support in the form of scholarships at both undergraduate and graduate levels, encouraged employees with outstanding performance to go on site visit in the country and abroad in order to broaden their worldview and applying the knowledge in working for the organization. The Company has also developed the website of the Human Resources Department to be a source of self-learning, especially the compilation of information by employees sent out for trainings by the Company, etc.

As regards employee development in other forms informally, such as provision of mentors for new employees to be well prepared, provision of advisors during the probationary period, and provision of coaching by supervisors with employees in new positions at the level of section head and above, has been done concurrently with the formal development to raise awareness among employees of the importance of lifelong learning.

Furthermore, the Company has also established networks with leading educational institutions through Co-operative Education Program to provide work-based learning opportunities for students and to support its employees to share and transfer knowledge and experience to participating students.

Due to the continued commitments of the Company in human resources development, the Company has received several awards. Nevertheless, all of those awards and standards are not as important as that the Company has had highly qualified human resources who have possessed knowledge, ability and integrity in the forefront of Thai business. All these important factors have become driving forces for the Company to create innovations that can respond to the demand of the Company's clients in the dynamic world of competitions for the sustainable growth of the Company and for adding values to the Company's shareholders and eventually have further contributed to the betterment of the Thai society as a whole.

Community

Supalai Public Company Limited has more than 50 housing projects and more than 20,000 condominium units. In the real estate developments of Supalai throughout the past have proved the Supalai has maintained its intention to emphasize on taking good care of the homeowners or residents in Supalai projects by establishing various departments to provide services to Supalai members such as project supervision, complaint reception, activity organization, news public relations, maintenance as well as providing support to set up juristic person in order to resume the responsibility for the housing project from Supalai, as can be seen from the activities that are organized for Supalai members such as

- **Creation of Quality Society.** Supalai provides mindfulness – meditation activities focusing on building relationships within the family to be stronger and warmer helping the development of family minds and leading to be good basis for society.
- **Activities to Strengthen Relationships or Familiarization among Members,** Supalai has organized activities for residents in the project to jointly make merit and offer alms to the monks in the auspicious occasion such as new year and to strengthen relationship among residents in the same project. The Company has also organized fun and amusement activities for the children to express themselves, to be courageous in thinking and doing things, while providing rewards in special occasion such as National Children's Day.
- **Reinforcement of Safety,** Supalai jointly with relevant government agencies in different localities providing vaccination to prevent rabies in pets in its projects and spraying insecticide on mosquito breeding sources.
- **Establishment of Juristic Person for Housing Project,** "Juristic Person for Housing Project" begins to play more roles in the Thai society because it is necessary for residents in the housing project to live together in an orderly manner. After having taken care of the project for a period as required by law, the Company, as a developer, has encouraged and provided support to establish juristic person in order for any Supalai projects to be managed as wished by the majority of the residents.
- **Maintenance,** After the ownership has been transferred, Supalai has provided maintenance unit to provide maintenance services to houses in Supalai projects for the guarantee period.
- **Communication with Residents,** Supalai has arranged for communications in various forms, such as Journal "San Saiyai", public relations booklets, signboards for public relations notices in order to provide useful information to residents of the projects, which is also aimed at forming cooperation physically and mentally for mutual benefits of the members, and developing warm feeling toward each other so as to live a happy life together in the project.



- **Accepting Suggestions and Compliments,** To provide information, in order to improve the products and service by opening communication channels to provide after-sales service, such as



Supalai's Smart Center

Tel. 02-725-8899, 1720



Rakang Kaew Project

- Suggestion box
- Community service Department (Head Office) at Tel. 02-725-8888, Fax: 02-687-0234
- E-mail : manage@supalai.com,
- Website : www.supalai.com
- Post

All the above-mentioned activities are parts of the process of Supalai to add value to the development and to create satisfaction to the customers.

Anti-Corruption

Message from the Chief Executive Officer about Anti-corruption

It is well aware that corruption are regarded as crimes, which are both illegal and immoral, and can have significant impact on the status of the Company as well as the economic, social and political condition of the country including the international confidence. Therefore, the Company decided to join the Nation Associate Anti-Corruption Network to reassure all stakeholders that the Company has conducted business in compliance with the good governance principles. Policies are adopted with an emphasis on instilling awareness on harm from corruption in the minds of employees and executives at all levels, while creating the right value in order to develop transparency within the organization and adopting clear set of anti-corruption-related policies.

Additionally, the company has appointed specific personnel to be responsible for preparing in writing the criteria, methods, follow-up measures and reports. The Board of Directors then assigned the Audit Committee to ensure compliance with all relevant principle of anti-corruption measures. In so doing, the Audit Committee will review the measures as well as related internal control principles and report on the measure sufficiency and efficiency. The Audit Committee shall also review risk assessment and provide recommendations to the Board of Directors regarding required practices to reduce such risks which will be further implemented by the executives.

Anti-corruption-related policies are to be strictly followed by directors, executives and employees of the Company, its subsidiaries and associated companies including those under the supervision of the Company. These policies comprise

1. Policy on Anti-Corruption
2. Policy on Political Contributions
3. Policy on Gift and Hospitality
4. Policy on Whistleblowing and Complaints
5. Policy on Provision of Financial Support
6. Policy on Charity Donation

The adoption of policies and principles as well as the internal control system to prevent corruptions will bring about concrete and auditable transparency and good corporate governance. The Company fully hopes that all stakeholders will gain long-term benefits from such practice as follows:

1. Shareholders

Gain confidence on a worthwhile return on investment.

2. Employees

Receive fair treatment in performing their duties and are provided with channels to report on clues regarding corruption to Independent Directors.

3. Business partners

Receive fair selection, contract agreement and evaluation.

4. Customers

Having received good quality products and services.

5. Contractors

Facilitated in a number of ways without being charged in activities such as loan procurement, receive payment on time, there shall be inspection to accept the work and the preparation of transportation routes of materials and equipment into and out of the construction area.

6. Social and the Country

The state receives the right and full amount of tax which will further be used for the development of the country, while at the same time, the society will gain indirect benefits from the culture of honesty fostered among employees in the organization, which will further expand widely into the society.

Commitment and Policy

On 9 November 2010, the Company announced to join Thailand's private sector Collective Action Coalition against Corruption, which was initiated by the Thai Institute of Directors (IOD), the Thai Chamber of Commerce, the International Chamber of Commerce, the Thai Listed Companies Association, the Thai Bankers' Association, the Federation of Thai Capital Market Organization and the Federation of Thai Industries. The Company has implemented several actions to prevent corruption involvement by establishing criteria and guidelines, as well as follow-up and reporting procedures in writing. The Board of Directors then assigned the Audit Committee to ensure compliance with all relevant principle of anti-corruption measures. In so doing, the Audit Committee will review the measures as well as related internal control principles and report on the measure sufficiency and efficiency. The Audit Committee shall also review risk assessment. Recommendations regarding required practices to reduce such risks will be provided to the Board for consideration, to reassure all stakeholders that the Company has conducted business in compliance with the good governance principles.

Supalai Public Company Limited has laid written practical guidelines for corruption prevention in its Code of Business Ethics and Conduct for directors, executives and all employees to follow, which had been approved by the Board of Directors, at its meeting

No. 2/2014 held on 25 February, 2014. The Board of Directors also passed the resolution approving six anti-corruption policies as follows: 1) Policy on Anti-Corruption 2) Policy on Political Contributions 3) Policy on Gift and Hospitality 4) Policy on Whistleblowing and Complaints 5) Policy on Provision of Financial Support and 6) Policy on Charity Donation. These policies have been disseminated to the Company's directors, executives and employees. The Company requires that, all operation procedures under these policies must comply with applicable laws and regulations. Clues or complaints about corrupt actions can be reported to the Company via several channels, with proper measures available to protect informants or complainants. Details of the policies and actions related to the prevention of corruption involved are on the Company's website. (<http://www.supalai.com/anticorruption>) under Anti-Corruption Measures.

Under its anti-corruption policies, the Company will not allow any form of corrupt action to occur by reviewing its risk assessment and having established practical guidelines for all directors, executives and employees to follow to ensure compliance with applicable laws and regulations and the Company's Code of Conduct. Such policies shall be binding upon performance of duties, relationship with its customers and trading partners, which have been approved by the Board of Director and have been made public. The Company's Board of Directors have stipulated the written anti-corruption policies that apply to all of the Company's subsidiaries, associated companies and other companies under its control, which include business partners, such as construction contractors, shops, customers, banks, competitors, etc., as displayed under the anti-corruption related policies as follow:

- **Policy on Anti-Corruption**

The Company has complied with the Policy on Anti-Corruption by having implemented fair business competition strategies with an emphasis on the quality of products. Thus, the company will not tolerate any form of corruptions, either by offering, promising, asking, demanding, giving and receiving bribes, persuading any person to commit illegal acts, or discrediting, for every business and transaction of the Company in every country and concerned agency. This also refers to when one operator or more, be it an employee, executive or third party, involved in the business joins in committing undesirable or illegal acts for their own benefits. 'The benefit' herewith does not only refer to money but includes any other types of benefits which are not related to money.

In addition, a thorough anti-corruption procedure is set up to ensure that all relevant practices are implemented in accordance with the regulatory policy. Such practices will be reviewed on a regular basis to keep up to date with constant change in business laws as well as to maintain the Company's reputation.

- **Policy on Political Contributions**

The Company has a policy to support political democracy by encouraging all directors, executives and employees including, employees of its subsidiaries and other companies under its control to exercise their political right according to the law as good citizens who can express, participate and support the exercise of right outside official working hours by using their own resources only. The Company has no policy to encourage the supervisors and employees at all levels to instruct or persuade the employees and their subordinates by any means to participate in political activities of all types, which may cause conflict within the organization.

- **Policy on Gift and Hospitality**

Supalai Public Company Limited is law-abiding and has operated its business with integrity to maintain its reputation. Hence, the Company sets up the policy on the offer and acceptance of gifts, assets and any other benefits which can be carried out according to traditions and morality, for example, to express gratitude and maintain business relationships. Nevertheless, any inappropriate offer or acceptance of gifts, assets and other benefits may affect the employees' decision making and consequently their performance which may cause the Company to lose benefits. Therefore, such offer and acceptance shall not be tolerated by the Company.

- **Policy on Whistleblowing and Complaints**

The Company has complied with the policy on reporting on clues or complains by opening a channel for accepting reports on clues and complaints on violation of laws or ethical conducts or illegal conducts and any misbehavior which implies dishonest act or improper act of any person in the Company, be it employees or any segments of stakeholders. In addition, the Company has implemented protective mechanisms for informants while placing high value on reported information and complaints to ensure the confidentiality of informants and complainants by establishing a process of implementation, investigation of the fact, summary of results as well as clear measures to protect the whistleblower or the complainant. The clues or complaints can be informed directly via email of independent directors.

- **Policy on Provision of Financial Support**

The Company has complied with the Policy on Provision of Financial Support. The Company is committed to conducting business while caring for the society continuously. To conduct business with transparency, the Company has set up procedures for supervising

items of provision of financial support by reviewing the approvals of the authorized persons of the Company. It has also required that there be reporting and monitoring of provision of financial support to ensure that the provision of financial supported has been used according to the objective of the request for financial supporting.

- **Policy on Charity Donation**

The Company has complied with the Policy on Charity Donation. The Company is committed to conducting business while caring for the society continuously. To conduct business with transparency, the Company has set up procedures for supervising items of charity donation by reviewing the approvals of the authorized persons of the Company. It has also required that there be reporting and monitoring of charity donations to ensure that the money donated has been used according to the objective of the request for donations.

The Company has strong determination to operate business without any involvement with corruption. Apart from communicating a message with every group of stakeholders such as customers, trading partners and contractors to counter corruption. The President of the Company has also been appointed as member of the Anti-Corruption Cooperation Subcommittee, the Subcommittee is in charge of considering appropriate ways to comply with the Finance Ministry's Order requiring cooperation in corruption prevention, and to generate more transparency of procurement processes. To ensure all executives' and employees' acknowledgement and compliance, the President announced at New Year's celebration party that the Company had joined Thailand's private sector Collective Action Coalition against Corruption and had also launched related-measures accordingly.



Since 2013, the Company has required all of its working units and subsidiaries to conduct risk assessment on corruption at least once a year. The year 2014 is the second year of implementation under this requirement. All the working units have to identify and rank the risks on corruption in their units by likelihood and effect and also figure out a risk reduction, prevention and countermeasures for possible corrupt actions, whereby the assessors shall assess risks with regard to type of business activity, operation procedures, industry conditions, business logic, related anti-corruption policies, as well as the available policy manual that specifically gives directions for each act of corruption, such as accepting-giving gift and hospitality, provision of financial support or political contribution that all executives and employees of the Company and those of its subsidiaries are required to strictly follow as informed and trained.

The Company's risk assessment comprises the following procedures.

1. **Risk identification**, chief of each working unit of the Company and those of its subsidiaries shall identify possible risks.
2. **Risk assessment**, after the risks are identified, their impact on goal achievement as well as the likelihood and possible degree of impact will be assessed.
3. **Risk management**, strategies or activities shall be designed to keep risks at the Company's acceptable level. The Company shall have to consider whether existing risk management plans are adequate for risk reduction and impact mitigation.
4. **Controlling activities**, that is, the Company's policies or operation procedures namely approval, review, account reconciliation and division of work shall be applied to ensure appropriate and timely risk management.
5. **Risk Monitoring and reporting**, this is to monitor and improve the activities for assessment of all kinds of risks on a continual basis. Information on risk regarding dishonesty and corruption will be compiled and reported to the Risk Management Committee. The Committee assesses and analyzes risk, prioritizes risks, prescribes guidelines and strategy for managing risk regarding dishonesty and corruption in order for the risk to be at acceptable level with appropriate cost, then reports results of the risk assessment to the Audit Committee and the Board of Directors for consideration and granting approval.
6. **Communication** by arranging for communication on risk management according to the approval of the Audit Committee and the Board of Directors to concerned parties in order to prepare manuals and practical principles to be communicated to every member of the unit for acknowledgement and compliance.

7. Following up results according to opinions of the Audit Committee and the Board of Directors including the compliance with the practical manuals at least once a year.
8. Reporting by the Audit Committee on compliance with practical manuals to the Board of Directors annually.

Implementation

The Company's President is a role model leader of organization who implements anti-corruption policies seriously, whether leading the Company to join Thailand's private sector Collective Action Coalition against Corruption, or being appointed as member of the Anti-Corruption Cooperation Subcommittee of the Finance Ministry. He has built up high confidence among all employees, which resulted in their united effort to fight corruption. All employees have adopted strict policies against corruption and the Company has prepared operation guidelines to prevent and monitor the risks on corruption accordingly. Such guidelines are published on the Company's Intranet network while knowledge about the anti-corruption policies and practice is communicated to all employees of the Company and those of the subsidiaries under "Noo Dee's Story" Project through e-mails and PR boards, both at the head office and offices of every project of the Company and subsidiaries. New employees will be informed of the anti-corruption policies and practices immediately as they started work; training is also provided to every new employee during their orientation program.

Moreover, the Company has provided a channel for accepting reports on clues and complaints on corrupt acts. Clues or complaints can be sent directly to e-mails of the Company's Independent Directors. This submission channel has been widely promoted for all parties' acknowledgement whether the Company's employees or the third parties. PR posters have been displayed at all offices of the Company's projects; leaflets have been sent to all trading partners i.e. contractors, banks or supplier. Recording and gathering of statistical data is required to follow designated procedures, such as the number and types of clues received, investigated, and those subject to action. Result of implementation to each clue or complaint must be reported in writing for the Audit Committee and the Board of Directors to monitor the progress and to improve some of the Company's working procedures that might cause any form of corruption.

From the corruption risk assessment processes, the results were contributed to an anti-corruption policy and established operation guidelines to prevent corruption regardless of bribes, gifts, rewards, conflict of interest, etc. To ensure the policy compliance, responsible persons have been assigned to monitor risk-prone operation under the supervision of the management. The management has intention to encourage the Company's and subsidiaries' employees and contractors not to involve in corruption. Such intention was stressed to all business and trading partners at the annual

thank-you party organized for the contractors. If contractors have any comment to express, or if any unfair treatment was found, they can directly make report or comment to the Company's senior executives.

In 2014, the policies, operation guidelines, punishment, monitoring and review measures relating to countering dishonesty and corruption were included in the Company's Code of Conduct to be strictly complied with by directors, executives and employees of the Company. All employees are also required to sign to acknowledge the Company's policy every year.

Operation Procedures According to Counter-Corruption Measures

The Board of Directors and the Audit Committee are responsible to ensure that there be internal control system and to provide opinions on the sufficiency of such system by having carried out the assessment of topics according to the "Form for Assessment of Sufficiency of Internal Control System" of the Stock Exchange of Thailand implemented in 2014. Therefore, the assessment has been done within the scope of internal control of COSO (The Committee of Sponsoring Organization) of the Treadway Commission). The COSO internal control scope comprises 5 chapters, namely, 1)Control Environment 2)Risk Assessment 3)Operation Control 4)Information System and Communication of Information and 5)Monitoring System. From the review of the internal control system, no weak point or defect has been found in important matter, whereby there has been approval and sufficient review in each step of the process, for instance, for the receiving-paying process, the power has been authorized to grant approval in hierarchical manner, which has been approved by the management. Accordingly, it can be confident that the internal control system is effective. Also, there has been division of duties and responsibilities in order to have a check and balance for all items incurred, etc.

The Company has assigned the Internal Audit Department to monitor and assess the implementation of measures against dishonest acts, and has improved the operation process to be in line with relevant policies. Such monitoring and assessing guidelines of the implementation of anti-corruption measures are as follows:

1. Policy

The Company has adopted written policy on counter-corruption and required strict compliance by directors, executives and all employees of the Company, its subsidiaries, associated companies or other companies under its control.

2. Monitoring and Assessment

The Internal Audit Department has monitored and assessed the compliance with anti-corruption measures by reviewing each step of working process which might contain the loopholes where dishonest act could be incurred in order to find ways and means for prevention which would also be set out as guidelines for practices.

3. Improvement of Operation Process

The process review results shall be used for improvement of operation guidelines, while the opinions of the Audit Committee and the Board of Directors obtained from the review of completeness and sufficiency of operation processes, the consideration results of investigation of complaints, results of risk assessment regarding dishonesty as well as opinions of employees expressed through emails as set out would also be used for improvement of the process, the guidelines for practices and relevant policies in order to reduce risk from dishonest acts.

4. Monitoring of Operation Process Improvement

There shall be monitoring of operation process improvement to ensure the implementation of proposed recommendations for improvement of the process, operation guidelines and policies in a truly and timely manner.

5. Report on Results

The Internal Audit Department would report on results of the monitoring and assessment of the implementation of counter-corruption measures as well as the items to be improved and results of improvement to the Audit Committee on an annual basis in order to be reviewed of completeness, suitability and sufficiency of the process, operation guidelines and policies relating to counter-corruption measures. The Audit Committee shall then report such review results to the Board of Directors. Should there be any recommendations from the Audit Committee and the Board of Directors, the Company would apply them to improve the process, the operation guidelines and relevant policies in order to increase internal control efficiency.

Results of Countering Dishonesty and Corruption Operation

The Company has taken actions to prevent participation in dishonest acts and corruption as follows:

1. The Company has set out policies relating to countering dishonesty and corruption to be complied with by the directors, executives and all employees of the Company as well as employees in the subsidiaries, associated companies or other companies under its control. Such policies are also included in the ethics to be strictly complied with by directors, executives and employees of the Company.

2. The Audit Committee has the duty to oversee and review the implementation of counter-corruption measures under the control, prevention and monitoring of risk from dishonest acts of the management which has set out clear policies and operation guidelines. The Audit Committee shall then report the results to the Board of Directors.
3. The Company has arranged for efficient internal control system that covers financial and accounting matters, as well as the assessment of sufficiency of internal control system to be presented to the Audit Committee on a yearly basis including the storage procedures of documents and various records according to the prescribed accounting principles.
4. The management has provided support with knowledge in complying with the count-dishonesty measures as well as having expressed its determination and commitment to prevent dishonest acts to all employees of both the Company and those of its subsidiaries, associated companies and other companies under its control and all groups of stakeholders.
5. The Company has arranged for channels to report on clues through emails of the Independent Directors when seeing any dishonest acts, and provided protection measures for persons who report or persons who provide the information.
6. The Company has arranged for a channel in which the employees can provide suggestions, report on complaints and make inquiry regarding the compliance with measures against dishonest acts via email at anti-corruption@supalai.com, while activities have been organized for the employees to jointly express their opinions.
7. The Company has assessed the risks regarding dishonesty and corruption in every unit of the Company and its subsidiaries.
8. The Company has appointed the working group to develop the counter-corruption system by involving the employees to jointly press forward, promote and develop the implementation of the counter dishonest acts inside the organization.
9. The Company has organized campaigns to counter dishonesty and corruption, such as publicizing the policies relating to counter dishonesty and corruption among all groups of stakeholders via the Company's website (www.supalai.com), and disseminated among all employees through emails and intranet. The new employees shall also be informed immediately when joining the Company. The public relations is organized to provide knowledge relating to measures against dishonesty and corruption as well as providing public relations posters, leaflets and brochures in every project of the Company; and organized activities such as reward winning contests, answering questions, test of knowledge on counter dishonest acts and orientation to new employees to provide knowledge on the policy and practical guidelines on prevention of dishonesty and corruption.

Channels for Clue Reporting on Corruption

The Board of Directors has provided channels for the employees and all groups of stakeholders to report on clues or complaints on illegal or dishonest acts or acts against ethics or circumstances indicating dishonesty or improper acts of persons in the organizations or any right violations, The Independent Directors are assigned to accept the complaints and the stakeholders can reports on the clues or complaints directly via emails of the Independent Directors as follows:

No	Name of Director	Position	E-mail
1.	Mr.Prakit Pradipasen	Independent Director and Chairman of Audit Committee	p_pradipasen@hotmail.com
2.	Mr.Anant Gatepithaya	Independent Director and Member of Audit Committee	gatepithaya@gmail.com
3.	Assist. Prof. Aswin Bijayayodhin	Independent Director and Member of Audit Committee	b.aswin@hotmail.com
4.	Mr.Prasob Snongjati	Independent Director	prasobs@infonetthailand.com
5.	Dr.Virach Aphimeteetamrong	Independent Director	virach5183@yahoo.com

The Company has launched public relations on counter-dishonest act measure as well as providing many channels for clue reporting, such as the Company's website, emails, intranet and posters at the selling and construction offices of every project. Besides, public relations leaflets and letters requesting cooperation on compliance with counter-dishonest act measures have been prepared and sent out extensively to stakeholders, such as customers, contractors, employees and shops. This is to emphasize the Company's policies on treating of customers and trading partners by not demanding dishonest returns or benefits from them; and channels of reporting on clues of such acts to the Company have been provided so as to communicate with the stakeholders on the Company's policies and guidelines for preventing dishonest acts and to include stakeholders to take part in such scheme in order to be committed and achieve the goal as has been set out.

Procedures for Dealing with Complaints on Dishonest Acts

The Company has established procedures for dealing with complaints on dishonest acts as follows:

1. **Receiving complaints**, when the clue or dishonest act is reported to the Independent Directors, the Independent Directors shall notify the coordinator to register the matter.
2. **Investigation**, the investigation committee shall be appointed to carry out the investigation and further submit the results to the Audit Committee.
3. **Report on result**, the Secretary of the Company shall summarize details of the complaints, the investigation and the consideration results to be submitted to the Audit Committee. The Audit Committee shall then make conclusion of the consideration and provide recommendations to be further submitted to the Board of Directors of the Company.
4. **Notification to the clue reporting persons or the complainants**, the result of the consideration shall be notified to the clue reporting persons or the complainants, or they shall be notified after the investigation results have already been reported to the Board of Directors of the Company.
5. **Monitoring and reporting of results**, in case the Audit Committee or the Board of Directors has provided recommendations or opinions on the improvement of the operation practices to prevent dishonest act, the Internal Auditing Department has the duty to monitor and report the results of improvement to the Audit Committee and the Board of Directors.

Protection Measures for Clue Reporting Persons or Complainants

The Company has adopted the policy to protect clue reporting persons or the complainants regarding dishonest acts as follows:

1. The Company shall keep confidential the information and the persons reporting on clues, or complainants as well as the persons subject to the complaints.
2. The Company shall disclose the information as may be deemed appropriate by taking into consideration the safety and damage of the persons who report the information or relating persons.

3. The injured parties shall be remedied according to suitable and fair process.
4. In case the complainants or persons cooperating in the fact-finding investigation may be unsafe or suffer damage, such persons can request the Company to provide suitable protection measures, or the Company may provide such measures without being requested by such complainants or cooperating persons in the fact-finding investigation if finding that they may face with trouble, damage or unsafe situation.
5. The Company shall not do any unfair act towards the persons reporting clues or the complainants, either by changing the position, nature of work, place of work, or suspension of work, threatening, causing disruption of work, termination of employment, or doing any act that is unfair to the persons reporting clues, or complainants or persons cooperating in the fact-finding investigation.

Provision of Knowledge on Measures to Counter Dishonest Acts to Directors, Executives and Employees

The Company has organized orientation course to every new employee to be well-equipped with knowledge on measures to counter dishonest acts. Also, public relations news has been posted on the PR sign boards or pop-up message on computer screens and emails to all employees of the Company and those of the subsidiaries on a monthly basis. In addition, the activities to create counter-corruption culture in the organization have been organized, such as the yearly test on knowledge regarding measures to counter dishonest acts, the question-answer contest for rewards in the New Year celebration events, which are welcome by the employees.

In providing such knowledge to directors and top executives, the information on policies against dishonest acts, guidelines, results of implementation of policies, manual for the implementation of policies and benefits from such policies have been proposed through the Management Committee, the Executive Committee and the Board of Directors.

เรื่องเล่าของหนูดี ฉบับที่ 15

ฮัลโล่ค่ะ ... ช่วงนี้จากหนังสือเล่มต่อไปของ หนูดี อย่างนี้ เราควรใช้อินเทอร์เน็ตจากที่ไหนล่ะคะ ♥

ถ้าหาเว็บไซต์นี้ หนูดีมีเรื่องดังๆมาให้ดู มีทั้งข่าวสวยๆอีกหลายๆ สามารถศึกษาหาข้อเขียนเกี่ยวกับมาหาทราบเพิ่มเติมกับชุดชีวิตจริงจริงจนจบชีวิตฯ ได้ค่ะ :-

- **Intranet** โดยทั่วไปจะใช้อักษรย่อ Logo ของทางธุรกิจหรือบริษัท สามารถเรียกใช้ได้ง่ายๆจากคอมพิวเตอร์ได้
- **Website** (www.supala.com) โดยทั่วไปจะใช้ชื่อ "ชื่อของร้าน" เป็นชื่อเว็บไซต์ของร้าน หรือชื่อเว็บไซต์ของหน่วยงาน เช่น

ซึ่ง เว็บไซต์ที่เราดูสามารถใช้งานได้ฟรีโดยไม่ต้องมาขอใบรับใช้ฟรีๆ ถ้าหากมี และต้องเก็บเงินแบบเก็บค่าธรรมเนียมจากเราไปได้อีก

ระบบจัดการแบบทดสอบ ONLINE

ติดต่อระบบ โทร. 02-587-3888

อีเมล online@scpl.co.th

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เรื่องเล่าของหนูดี ฉบับที่ 16

ฮิลลี่ดี ... จากการศึกษาเมื่อเช้านี้ ... เกี่ยวกับการต่อต้านทุจริต
ไปให้หน่อย ชาวสุราษฎร์ธานีทราบเรื่องของการดำเนินการระดมบริจาค มา
โดยตลอดเลย
หนูดี ... รวดเร็วเหมือน ... ชาวสุราษฎร์ธานีแสดงความยินดีเป็นอย่างยิ่ง

**"บริษัทฯ ควรดำเนินการ หรือรับฟัง หรือมีแผนหาเรื่องใดบ้าง อย่าให้
เรื่องส่งเสียให้การต่อต้านทุจริต รวดเร็วกว่าเรื่องอื่น"**

เริ่มส่งความเข้าใจแล้ว ... ถึงแค่บัดนี้ จนถึงวันที่ 31 มี.ค. 57
ผ่านทาง e-mail : anti-corruption@supala.com
ความเป็น ... โด่งดัง ... รับรางวัลจากจุดประกายรับรางวัลโดย
ชาวสุราษฎร์ธานีร่วมใจกันบริจาคเงิน ... รวมเงินต่อต้านทุจริตทุกเขต ... รวมแล้ว

The Company has publicized anti-corruption measures to all employees through public relations sign boards, emails and intranet of the Company as well as publicizing to all groups of stakeholders, namely, shareholders, trading partners, competitors and customers through the posters and public relations leaflets provided at the selling and construction offices of the Company's projects including the Company's website (www.supalai.com).

132

• Public Relations at the Project Site Office



• Public Relations Posters



• Public Relations Brochure



• Dissemination via Company's Website



• Dissemination via Company's Intranet



Monitoring

The Board of Directors has the duty to annually review the suitability of the anti-corruption policy by taking into consideration the effectiveness of the policy, the implementation of good corporate governance as well as the recommendations of the Board of Directors in the development and improvement of existing policies. Each year, the Internal Audit Department has to report on the compliance with anti-corruption measures to the Audit Committee, the Audit Committee shall then provide opinions and recommendations regarding the improvement of the process to be further submitted to the Board of Directors.

The Company has monitored and assessed the implementation of the anti-corruption measures by establishing clear procedures, operation methods, process, roles, powers and duties of responsible persons, monitoring and assessing guidelines, methods for reporting of results and correction steps. The Board of Directors has assigned the Audit Committee to monitor and ensure that the Company's operations are carried out according to the anti-corruption policy prescribed in the regulations of the Audit Committee. In addition, the Company has also compiled suggestions from the employees regarding dishonest acts via emails and suggestion box for further improvement of policies and guidelines to prevent risk from dishonest acts.

The Company has applied the method for disclosing information on anti-corruption according to the self-appraisal form regarding anti-corruption measures prepared by the Thai Institute of Directors with reference to the original version of Transparency International, which has been adapted for Thai companies and the assessment of counter-corruption of the Company reviewed by Independent Directors of the Audit Committee according to the anti-corruption policy. The Audit Committee has provided opinions on the operations, sufficiency of operations and effectiveness of operations according to anti-corruption measures. In 2014, the Company has completed 70 clauses of the criteria for self-appraisal regarding anti-corruption measures of the Thai Institute of Directors or 99% of the 71-clause criteria.

In 2014, the Company and its subsidiaries did not have any legal dispute or violation of the law regarding dishonest act, neither pending investigation nor legal proceeding, nor adjudicating by the court.

Corporate Governance

The Board of Directors of Supalai Public Company Limited is well aware of the importance of corporate governance and responsibilities to the society in the belief that good corporate governance will be a key element in enabling its business to achieve success. It will also create confidence that there is efficient management system with transparency and accountability to ensure confidence of shareholders, investors, stakeholders and all parties concerned, which will bring about sustainable growth with quality and add value to the business. The Board of Directors understands its roles, duties, and responsibilities to the shareholders, as well as various parties concerned, and is determined to conduct business under good corporate governance principles in accordance with good practices or regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission as well as other concerned regulations.

Corporate Governance Policy, Code of Conduct and Business Ethics

In 2014, the Board of Directors set out the “Corporate Governance Policy Handbook” approved in writing by the Board of Directors on 13 August 2014. The handbook encompasses details on the implementation of good corporate governance guidelines, authorities of the Board of Directors, as well as the practice guideline for the management and internal control system. Furthermore, the Board has arranged for the review on the part of the “Code of Conduct and Business Ethics of directors, executives and employees” to be conducted on an annual basis. In 2014, the Board added topics of examples of practice guidelines, cautions, and best practices in various situations while also clearly specifying personnel at different levels that need to comply with the Code of Conduct set forth in each policy. In this regard, the Company has disseminated the “Corporate Governance Policy Handbook” and the “Code of Conduct and Business Ethics” on the Company’s website to inform third parties. The Company also established a communication channel through its intranet system for the directors, executives and employees to understand and implement as operational guidelines when dealing with all groups of stakeholders. These guidelines are used as a standard in compliance with the Good Corporate Governance Policy to 5 chapters of corporate governance, which consist of the following :

1. Shareholders’ Rights
2. Equitable Treatment of Shareholders
3. Roles of Stakeholders
4. Information Disclosure and Transparency
5. Board Responsibilities

The Company has implemented a guideline for encouraging and supervising the directors, executives and employees to comply with Code of Conduct. They are required to make efforts to understand the Code of Conduct and Business Ethics of the Company and sign their names to affirm their commitments. On top of that, a test of knowledge and understanding of the Code of Conduct is arranged annually through an e-Exam developed by the Company.

The Code of Conduct and Business Ethics for directors, executives and employees are regarded as disciplines that all personnel must strictly adhere to. Any persons violating or not following the principles of the Code of Conduct will be subject to disciplinary actions.

Directors, executives and employees of the subsidiary companies are obliged to follow and encourage others to follow the Code of Conduct and Business Ethics. The following actions shall be regarded as violation of the Code of Conduct:

- 1) do not comply with the Code of Conduct.
- 2) advise, encourage or support others against the compliance with the Code of Conduct.
- 3) be negligent and inactive when exposed to a violation or non-compliance with the Code of Conduct in case that they know or should know as such a violation or non-compliance is related to the work under their responsibilities.
- 4) do not cooperate or impede the investigation and fact-finding into the claim of a violation or non-compliance with the Code of Conduct.
- 5) Perform unfair actions towards others due to lack of reports in case of non-compliance with the Code of Conduct.

With regard to the above-mentioned actions against the Ethics and Code of Conduct, those committing such actions are subject to disciplinary penalties as set out by the Human Resources Department. In addition, any employees taking any action which is an offence according to laws may be punished by law.

Therefore, executives on behalf of supervisors, must pay close attention to the matter and advise their sub-ordinates to strictly comply with the Code of Conduct and may provide development support as deemed appropriate. Importantly, directors, executives and employees must also strictly adhere to the Code of Conduct.

The Company has attached great importance to and focused on the development of Good Corporate Governance through promoting the continuous compliance with Corporate Governance principles. This has been achieved by implementing a transparent and accountable management system while respecting the rights of both shareholders and stakeholders, and gaining their confidence. As a result, the Company received a number of awards and scores in Good Corporate Governance assessment from external regulatory organizations in 2014 as follows.

- The Company was one of the 10 corporates who were awarded the Top Corporate Governance Report Award for 2014 in the "SET AWARDS 2014" event jointly - organized by the Stock Exchange of Thailand and the Money & Banking Magazine.

- The Company was 1 of 29 companies that received the score “Excellence” (surveyed from a total of 550 listed companies). The Company achieved the score “Excellence” from the year 2013 to 2014 consecutively.
- The Company was ranked among the 17 Thai listed companies whose marks were equal to or above 90 of the ASEAN Corporate Governance Scorecard. The Company achieved an average score of 95.48, which was higher than the average score gained among a total of 529 ASEAN listed companies, and among the top 100 Thai listed companies in terms of market capitalization.
- The Company was 1 of 128 companies that received the score 100% full marks or the “Excellence” level from the AGM Quality Assessment from 2013-2014 consecutively.

The Company established a Compliance Unit (For details, please refer to: Corporate Governance for the operation of the Company) to supervise, monitor and ensure that the Company’s directors, executives and employees comply with the requirements of external regulatory organizations. In 2014, directors, executives and employees of the Company, as well as, employees of the subsidiaries and associated companies followed the guidelines on Corporate Governance along with the Business Ethics and Code of Conduct as well as other policies concerned. The details are as follows.

Chapter 1 : Shareholders’ Rights

The Company recognizes and attaches importance to the rights of shareholders. It, therefore, shall not violate or reduce the rights of shareholders, instead, the basic rights will be provided to them on an equal basis, such as the right to purchase and sell or transfer shares, repurchase of shares, the rights to receive dividend, to have a share in profit of the business and to consider all forms of remuneration, to receive sufficient data and information of the Company in a timely manner, to attend the shareholder’s meeting to exercise their rights to appoint or remove directors, auditors and matters having impact on the Company, etc.

The Company does not have a policy to create a mechanism that prevents the taking over of the Company business and makes the management or persons who have power manage the Company without transparency and efficiency. The shareholding structure of the Company does not include cross-holdings or pyramid schemes among its group of companies. The Company has a free float as of 31 December 2014 at the rate of 65 percent or more (see details on the website of the Office of Securities and Exchange Commission). In addition, The Company has observed the policy on treatment of shareholders by requiring that the Board of Directors respect the rights and treat all shareholders equally, especially the small shareholders, foreign shareholders and institutional shareholders, not limiting to only legal rights. The Company has performed its duties and operated business with honesty, transparency and accountability towards shareholders, while managing and caring for the Company’s assets not to be depreciated, lost or wasted. It also shall not do any act for personal gains or the gains of related persons. The Company also has the policy to facilitate and encourage every shareholder and shareholders who are institution investors to attend the Company’s shareholders’ meetings, while ensuring that the

policies are observed in order to conduct the meeting in compliance with the laws and guidelines for shareholders' meetings. In 2014, the Company's shareholders had the following rights;

1.1 Rights to Receive Share Certificates and Rights to Buy, Sell or Transfer Shares.

The Company has appointed Thailand Securities Depository Co., Ltd. to perform the duty as its securities registrar to provide convenience to shareholders regarding securities registration matters of the Company.

1.2 Rights to Propose Meeting Agendas in Advance, Nominate Persons to be Appointed as Directors and to Pose Questions Relating to the Company.

The Company has set out criteria in proposing agenda, nomination of persons for appointment as directors and raising questions about the Company. This is to encourage small shareholders to participate in overseeing the Company and to select qualified directors, who can perform their duties effectively for the best interests of shareholders and all groups of stakeholders (The criteria are posted on the Company's website (www.supalai.com) in the Investor Relations section under the "AGM"). For the 2015 meeting, the Company has published the criteria on both its website (www.supalai.com) and that of the Stock Exchange of Thailand from 1 October 2014 to 7 January 2015 in order for shareholders to nominate persons to be elected as directors, propose agendas and inquire about the Company.

1.3 Right to Attend Shareholders' Meetings

- Shareholders' Ordinary Meeting

In each year, the Company will arrange a shareholders' ordinary meeting within not more than 4 months from the end of its fiscal year. Being aware of the shareholder rights, and to enable them to fully exercise their rights in the meeting, the shareholders are given an opportunity to propose the agendas for the meeting as well as the list of persons to be appointed as Company directors, and advance questions to the Company in both Thai and English, via the Company's website (www.supalai.com) at least 3 months prior to the closing date of the accounting year of the Company. In the past year, the Company had already notified its shareholders via the SET and its website since 1st October 2014 until 7th January 2015, for maximum benefit to the shareholders, the Company has posted in its website the criteria and supporting information, both Thai and English, for the meeting to give its shareholders time to study the information before the meeting. On the date of the shareholders' ordinary meeting, the Board of Directors, advisors to the Board and the executives responsible for finance-accounting would attend the meeting and be ready to answer questions.

In the previously year, the Company organized the annual ordinary meeting on 22 April 2014 at Supalai Grand Tower, Rama 3 Road, Bangkok. During the year, there would not be the extraordinary meeting of shareholders. To come to the meeting, shareholders can travel conveniently by many routes, such as

- ❖ Take the expressway via Dao Kanong and take Rama 3 exit (Chongnonsi-Nang Linchee road) then take the flyover bridge of 1 junction and turn left and pass through the tri-section traffic lights, go straight for 500 meters, then make a U-turn, Supalai Grand Tower is on the left.

- ❖ Take Bhumipol 1 Bridge and Bhumipol 2 Bridge from Suksawad road or Samut Prakan Province or Samut Sakorn Province to the exit on Rama 3 road, after reaching the traffic lights turn right, go straight for 500 meter, then make a U-turn, Supalai Grand Tower is on the left.
 - ❖ From Thapra junction, go to Krungthep Bridge and to Rama 3 road, then get on the flyover until seeing the Head Office of Krungsi Bank (on the right), then do not continue on the bridge but go on normal road, Supalai Grand Tower is on the left.
 - ❖ From Asok-Sukhumvit junction, come straight passing Sirikit National Convention Center and on the flyover bridge at Klong Toei to Rama 3 road and on through 2 junctions flyover bridges. After leaving the bridge and passing the tri-junction before getting on Bhumipol 1 Bridge, go straight for 500 meter, then make a U-turn, Supalai Grand Tower is on the left.
 - ❖ From Silom-Sathorn, take Narathiwat Ratchanakkarin road until reaching Rama 3 road, then turn right and go through the tri-junction before the road to Bhumipol 1 Bridge by going straight for 500 meter, then make a U-turn, Supalai Grand Tower is on the left.
- **Invitation Letter to Attend the Meetings**

The Company delivers an invitation letter to a meeting of shareholders with required documents to the shareholders to study in advance at least 21 days before the meeting date. The shareholders will then be well-prepared for the subjects to be considered at the meeting and also for their consideration whether to attend or not. The documents will include objectives and rationales along with opinions of Sub-Committees and the Board of Directors to support the consideration of each agenda.

The Company clearly defines the agenda topics for the shareholders' meeting with no other agendas being proposed in the meeting. The Company will avoid adding any agenda that had not been identified in advance as it will not be fair to the shareholders who are unable to attend the meeting. Regarding the appointment of directors, the Company will provide the names and brief bio-data of each director to be appointed to the shareholders. Similarly, as for the appointment of the auditor, the Company will clearly identify the name of the auditor, his/her affiliated company, experience, skills, independence and the length of duration that the proposed auditor had been the auditor at the Company including his/her audit fees. Also, the Company will propose at the meeting to pay the dividend. The Company's dividend policy will be announced with the dividend rates being proposed to the shareholders along with reasons and background information. (For details, see "Dividend policy of the Company and subsidiaries"). In regard to the shareholders' meeting, in the invitation letter, the company will present the list of 3 independent directors in order for the shareholders absent from the meeting to choose whether to appoint independent directors or other shareholders as their proxies at his/her own discretion. With respect to the voting of each agenda, the shareholders can vote as pre-specified in proxy forms or their proxies can vote for all agendas at the meeting.

- Meeting Invitation

Thailand Securities Depository Company Limited the Company's share registrar, is responsible for forwarding an invitation to attend the meeting along with supporting documents for various agendas with adequate details for decision making as well as proxy forms and annual report to the shareholders not less than 21 days before the date of the meeting. This is to give its shareholders and institutional investors time to study details of each agenda and to make preparation for proxy where it is not convenient to attend the meeting on one's own. In addition, the stamp duties for affixing on the proxy forms are also provided free of charge to lessen the burden of shareholders as well as for their convenience.

Furthermore, the letter of invitation, supporting documents and proxy forms, both Thai and English, would be posted in the Company's website (www.supalai.com) more than 30 days before the meeting, as another channel of information for shareholder such is the same information forwarded by the Company to its shareholders in documentation form. The meeting notification would also be advertised in the newspaper for a period of 3 consecutive days — 14 days before the meeting as stipulated by the laws.

The Company always informs its shareholders in the letter of invitation to attend the meeting of their legal voting right, principle and procedure. There would not be any other agenda added without prior notice except in case of urgency arisen after forwarding the invitation letter, or upon any urgency relating to or affecting the shareholders' interest and it is necessary to propose that as a special agenda. In such case, the Company would urgently call an Extraordinary General Meeting of which the Company Secretary will take the minutes of the meeting properly and completely of every agenda to be further examined by its shareholders.

One or several shareholders with not less than 1 percent of paid-up capital and with shares held consecutively for not less than 1 year and still held on the day of nomination may nominate a person for election as a director. In this regard, the Nomination and Compensation Committee will screen the lists proposed by the shareholders to see whether the persons nominated are qualified or not, accordance with the criteria for Nomination of Qualified Candidate for Directorship, has announced via the company's website since 1 October 2014.

- Shareholders' Meeting Procedures

On the meeting date, the Company would have registration officers ready 2 hours before the meeting and until the end of the meeting to provide convenience to shareholders and proxies who attend the meeting. In addition, there has been an application of e-Registration for the Annual General Meeting (AGM) as well as the e-Voting system beginning from the preparation of information for the members attending the meeting, printing of voting ballots and compiling of voting results according to the agendas and minutes of the meeting to facilitate the shareholders' meeting as well as organizing a reception for shareholders attending the meeting.

Before the meeting begins, the chairman would inform the meeting clearly of the voting and vote counting procedures for each agenda under the articles of association, as well as the requirement

that the voting ballots be used for every agenda in order for the shareholders to exercise their voting rights as may be deemed appropriate for each agenda.

Explanation on voting procedures and vote counting are as follows :

1. One share shall be counted one vote and the majority of votes shall be deemed resolution. In case of an equality of votes, the Chairman shall be entitled to a casting vote distinguishing from that he has in the capacity of shareholder.
2. Any shareholder who has in a resolution a special interest shall not be entitled to exercise the right of proxy to vote, and the Chairman may ask him to leave the meeting temporarily. However, there is no prohibition for the voting for election or removal of directors.
3. Shareholders attending the Meeting in person can cast votes as they wish on the ballots handed to them at the time of registration. The proxy appointed by the shareholder can also cast votes as directed by the grantor specified in the Proxy Form, and deliver to the staff to be recorded together with the votes that the shareholders have in advance given proxy to the independent directors proposed by Company.
4. The chairman will inform the Meeting of all voting results in each agenda. The votes as counted will include all votes per directions of all shareholders that appointed proxies. Each agenda will use the latest number of shares under possession of shareholders present in the Meeting.

For the selection of directors, the vote would be cast individually to enable shareholders to elect the preferred directors, whereby the Company would nominate names to be voted one by one. For transparency of this agenda, every shareholder who either votes for, against or abstains, was required to vote by using ballots, which would be collected by the officers after all the votes have been cast. Each director who is elected must receive more than half of the entire votes cast by shareholders who attend the meeting and have the right to vote.

The Company attendees would also be given an opportunity to raise questions or to give opinions with reasonable time for discussion. The issues of the questions and answers would be recorded in the minutes of the meeting in order to inform the shareholders who had not attended the meeting, and the chairman would conduct the meeting according to the agendas and would not add any agenda without notifying the shareholders in advance.

In 2014, the Company organized only one ordinary meeting which was the 2014 Annual General Meeting of shareholders held on 22 April 2014 at Supalai Grand Tower, Rama 3 Road, and Bangkok. On the meeting date, the Chairman presided over the meeting to meet and answer questions posed by shareholders regarding the management of the Company. The chairman of every Sub-Committee, the Board of Directors and the executive in charge of finance — accounting, totaling 11 persons, had attended the meeting by the concerted as follows:

1. Mr.Prateep	Tangmatitham	Chairman of the Board
2. Mrs.Ajchara	Tangmatitham	Director and Executive Vice President
3. Mr.Tritecha	Tangmatitham	Director and Deputy Managing Director
4. Mr.Prakit	Pradipasen	Independent Director and Chairman of the Audit Committee
5. Mr.Prasob	Snongjati	Independent Director and Chairman of the Nomination and Compensation committee
6. Dr.Virach	Aphimeteetamrong	Independent director and Chairman of the Corporate Governance Committee
7. Mr.Anant	Gatepithaya	Independent Director and Chairman of the Risk Management Committee
8. Assist.Prof. Awin	Bijayayodhin	Independent Director
9. Mr.Atip	Bijanonda	Director
10. Mr.Prasas	Tangmatitam	Director
11. Mrs.Varunee	Lapitananuvat	Senior Assistant Managing Director of Finance and Accounting and Company Secretary

Furthermore, the Company had invited Mr.Supachai Phanyawattano is the auditor from EY to attend since the meeting in order to listen to the opinions and answer questions raised by shareholders.

In the meeting, the Chairman explained before the meeting began how to vote and how to count the votes, as well as the requirement to use voting ballots for every agenda. The chairman also asked for concurring opinion that for those who attended the meeting later, they would be considered as forming a quorum and given voting rights from the beginning agenda, of which the meeting gave concurrence. To proceed with the meeting, the Chairman presented matters in the order of agendas and gave time for questions of each agenda. For other matters apart from the agendas, there was question time in the latter part, of which every shareholder had equal rights and was given reasonable time.

● Shareholders' Meeting

The meeting of shareholders will be facilitated by the Company, ensuring that it does not contain any complicated procedure or limit the opportunity of those who wish to study the information of the Company. In addition, the Company shall not perform in any way that creates barriers to or hinders effective communication among shareholders. The Company shall take into account the convenience of the participants by not organizing the meeting on traditional holidays or holidays of commercial banks. Also, it shall conduct the meeting during appropriate period, that is, during 8.30 - 17.00 hours and the venue is at the headquarters of the Company, which is in the area of Bangkok, and convenience is provided such as having the staff to provide sufficient convenience, to check documents and provide lunch for shareholders attending the meeting, while convenience is provided for the elderly and the disabled as well as security system and emergency plan for the participants.

In 2014, the Company organized the annual ordinary meeting on 22 April 2014, of which 10 directors (the total number of directors is 10) and 1,183 shareholders attending the meeting. There were

totaling 1,047,696,486 shares or 61.03 percent of all outstanding shares (the total paid-up shares of the Company are 1,716,553,249 shares), comprising 166 shareholders who attended the meeting themselves with total shares of 521,607,729 shares, amounting to 30.39 percent of all outstanding shares, and 1,017 proxies with total shares of 526,088,757 shares, amounting to 30.65 percent of all outstanding shares, forming a quorum under the articles of association and under the Public Limited Company Act, i.e. not less than 25 shareholders must attend the meeting, either by themselves or by proxy, and with total shares of not less than 1/3 of the total outstanding shares. In addition, for transparency and to be in accordance with the best practice in organizing the shareholders' meeting of listed companies, volunteers from the minority shareholders, namely, Dr.Sukulpat Khumpisarn and Mrs. Sunantha Chaoanajin were requested to observe the vote counting at the counting point. At each agenda of the meeting, the Company held the voting and recorded resolution of the meeting clearly whether agreed or disagreed or abstained from voting. In addition, Miss Siriporn Kattapong, a representative from the Thai Investors Association had also attended this meeting.

- **Disclosure of Results of the Meeting**

The Company had disclosed the resolutions of the ordinary shareholders' meeting with result of the vote in a letter to the Director and Manager of the Stock Exchange of Thailand and on the Company's website (www.supalai.com) within 1 day after completion of the meeting, which was on 22 April 2014 as well as the minute of the meeting with the votes for each agenda and important questions or suggestions fully recorded. The minutes of the meeting had been forwarded to the Stock Exchange of Thailand (SET), and relevant agencies within 14 days from the date of the meeting, which was on 6 May 2014 and also disseminated via the Company's website for distribution to interest shareholders.

- **Report on the shareholders' meeting**

In order for the shareholders to review meeting details within a reasonable time and to ensure equality for both Thai and foreign shareholders concerning access to the information, the Company has implemented a policy on distributing minutes of the shareholders' meeting in a comprehensive manner. Each agenda contains important information, comprising the essence of agendas, resolutions and voting results (either votes for, against, or abstained), as well as questions, clarifications, and comments during the meeting in both Thai and English. Such information will be displayed on the Company's website within 14 days from the meeting date for shareholders to ensure the accuracy of the minutes' data which will be later forwarded to the Ministry of Commerce within the time prescribed by laws.

In 2014, the Company disseminated the minutes of the shareholders' meeting on 6 May 2014.

1.4 Rights to Receive Dividends and Share of Profits

The Company allocated profits to shareholders in the form of dividends. Shareholders will be informed of the Company's dividend policy along with the proposed dividend rates including reasons and other related information for their consideration. The Company determined the list of shareholders entitled to the dividends for the year 2014 (Record Date) on 11 March 2015 and collected the names in accordance with Section 225 of the Securities and Exchange Act. The book closing date is 12 March

2015 with the dividend payment being scheduled to take place on 6 May, 2015 (For details, see Section: Dividend policies of the Company and subsidiaries).

1.5 The right to consider remuneration for directors

As regards remuneration for directors, the Company has complied with the policy on the criteria for considering and proposing the directors' remuneration to shareholders. Accordingly, the Nomination and Compensation Committee was appointed to consider the form and criteria for the payment of remuneration to each position of the directors. Such remuneration has been considered by taking into account the remuneration of similar groups of industry and expansion of the business. The Company has also proposed all forms of remuneration, i.e., monthly allowance, gratuity and meeting allowance, which will be proposed to the shareholders for approval at every annual ordinary shareholder's meeting. Neither cash nor other assets will be offered to the directors unless it is the remuneration as per the rights and entitlements on a normal basis for the position as directors of the Company (For details, see "Remuneration for Directors and Executives"). The remuneration payment shall be in accordance with the Public Limited Companies Act, Section 90, which stipulates that "the remuneration payment to directors must be in accordance with the resolutions of the general meeting of shareholders that consists of not less than two-third of the total votes of the shareholders present at the meeting. The Company has publicized such a policy on its website (www.supalai.com) for the acknowledgement of both shareholders and the general public.

1.6 The right to receive adequate business information in a timely manner

The Company has disclosed business-related information on the news system of the Stock Exchange of Thailand while also posting important information and current updates on its website (www.supalai.com). Such an effort is considered the protection of shareholders' rights beyond their legal rights.

1.7 The right to approve the appointment of auditors and determination of audit fees

The Company has set out agendas for the appointment of auditors and determination of audit fees for shareholders to approve at the general meeting of shareholders on an annual basis. Details on the proposed auditors and audit fees will be provided sufficiently to shareholders for consideration.

Chapter 2: Equitable Treatment of Shareholders

The Company has complied with the policy to treat its shareholders equally by placing emphasis on equality of both major and small shareholders, and attaching importance to their fundamental rights and encouraging them to exercise their rights as given by law. Information is provided completely and equally to make the shareholders feel confident in making investments, and provide benefits and share profits on an equal basis regardless of gender, age, race, nationality, religious beliefs, social status, disability, or political opinion. Though shareholders are unable to attend the meeting because of any inconvenience, they are entitled to appoint a proxy to attend the meeting. For such purposes, the

Company has publicized guidelines on the website of the Company (www.supalai.com) to inform the shareholders and the general public.

The Company is determined to develop itself towards international standard. Therefore, its business operation is conducted based on integrity, transparency and fairness. For effectiveness and achievement of its objectives, the Company had prescribed the Code of Conduct for its directors, executives and employees to be used as a guideline for proper behavior. It has also laid down as a policy for strict compliance for maximum benefit to the shareholders and stakeholders, i.e. conflict of interest management, confidentiality, responsibility for the property and reputation of the Company, and accountability to its stakeholders.

2.1 Conflict of Interest Management

The Company complies with the policy on conflict of interest, whereby directors, executives and all employees as well as employees in the subsidiaries and the associated companies are required to strictly comply with such policy to prevent the conflict between personal interest of its employees or his/her close associates and the Company's overall interest by requiring that the directors, executives and every employee must avoid having any personal interest that will have adverse effect on their performance for the Company's interest or that will make it difficult to perform the work properly, e.g. to make investment or to involve in any business in which the Company is interested in and it has come to one's knowledge due to the work performed under one's responsibility; or to seek interest in any organization that conducts business or is the Company's competitor; or to conduct business on behalf of the Company with one's own family members or with any business organization in which oneself or one's family members are significantly involved; or to work as an employee, director, partner or advisor of an organization that conducts business or seeks to conduct business with the Company or is in business competition with the Company or provides service to the Company's main competitor; or to get involved in the work conducted on one's own or employed by others to the extent that causes adverse effect in any respect to the work performed for the Company. Besides, the Company has the policy to prohibit directors and executives with vested interest in any agenda from participating in such particular agenda of the Board of Director's meeting.

In this regard, every director, executive and employee is required to disclose upon arising of any situation believable as a cause for conflict of interest. Where an employee is in doubt that there might be a conflict of interest or there is something that might make others consider as a conflict of interest, he/she must report that to the Board of Directors promptly. Any business opportunity from utilizing of the Company's property or information must also be disclosed before using such opportunity for any purpose for self-interest. The Company's property or information or work position must not be used for personal gain. The Company does not have any transaction in the form of financial assistance to any company that is not its subsidiary company. There has never been any case of insider trading by its directors or executives, or any case of violation/non-compliance with the rules on related party transaction and the rules on asset trading, the Company has publicized the Ethics and Code of Conduct, Director's Handbook, and Corporate Governance Policy Handbook on the website of the Company (www.supalai.com), to inform shareholders and the general public.

In 2014, The company has required the directors, management and all employees to disclose potential conflicts of interest through a specific disclosure form and no such cases of significance have arisen.

2.2 Use of Inside Information

The Company complies with the policy on conflict of interest, whereby directors, executives and all employees as well as employees in the subsidiaries and the associated companies are required to strictly comply with such policy. The directors, executives and employees shall not use inside information of the Company or business trading partners of the Company, that they know from performing duties, to purchase or sell or offer to purchase or sell. They shall not persuade others to purchase or sell or offer to purchase or sell securities of the Company or those of the Company's trading partners for personal gains or for the gains of others. In addition, they shall not engage in any business that competes with the Company as well as its related businesses even though their businesses do not cause the Company to lose benefits. They shall also strictly comply with related laws. Directors and executives are required to

- Submit the list of their first securities holding and report on changes of securities holding including those of their spouses and minor children, as well as related persons. The submission and report shall be conducted in accordance with Section 59 of the Securities and Exchange Act 1992 (B.E. 2535) within 3 working days from the date of buying, selling, transferring or receiving the transfer of the securities. The directors and executives are also prohibited from buying and selling of the Company's securities during the period of one month prior to disclosure of financial statements to the public.
- Report on the change of securities holding to the Securities and Exchange Commission Thailand and submit the copy of the report to the Company on the same day they submit the report to the Securities and Exchange Commission Thailand.
- Directors and executives who know essential inside information that has influence on securities price must not buy or sell the Company's securities for one month prior to the disclosure of financial statement to the public and they shall not disclose such essential information to other people.
- Report to the Board of Directors on buying and selling shares of the Company at least 1 day before starting the transactions.

The Company Secretary will provide a written notice to directors and executives as well as the departments, which had acknowledged inside information, during the week before the closing date of financial statements, requiring them not to disclose the information to external persons or unrelated persons. Furthermore, they are prohibited from selling or buying the Company's securities in the duration of one month before the financial statements are disclosed to the public.

In 2014, the Board of Directors and executives have strictly followed the applicable rules. There was neither violation nor non-compliance with the regulations on buying and selling securities using inside information as well as those prescribed by the Stock Exchange of Thailand and the Office of Securities and Exchange Commission of Thailand.

The Company considers inside information and all business information essential information for operation and management of the Company. Such information is confidential and shall not be disclosed to the public. If such information is exposed, the Company and its employees, including its subsidiaries, associated companies and particularly the value of the stocks traded on the Stock Exchange will be affected. Therefore, unless authorized to disclose, or legally obligated to disclose, the Company's personnel are required to maintain the confidentiality of inside information, the Company has publicized the Ethics and Code of Conduct, Director's Handbook, and Corporate Governance Policy Handbook on the website of the Company (www.supalai.com), both in Thai and English, to inform both shareholders and the general public. (For details, please refer to the Section "Use of Inside Information")

2.3 Related Party Transaction

The Company has complied with the policies on related party transaction by requiring that directors, executives and all employees as well as employees in the subsidiaries and associated companies strictly comply with the regulations of the Stock Exchange of Thailand in every respect. When a transaction is not in accordance with normal trading conditions, an approval must be obtained from the Audit Committee and then presented to the Board of Directors for approval of the transaction. The implementing steps regarding interrelated transactions or related party transaction are as follows:

1. To consider doing related party transaction, the Company shall use the same criteria as that used with general customers and in accordance with the Company's normal lending procedures to support the company operation which must be fair and reasonable with maximum benefits to the Company. For example, if the Group requests for a loan, an interest rate charged must be the same rate applied to the third parties.
2. The evaluation of the transactions of assets or services according to the total value of consideration paid or received or book value or the market value of such assets or services, depending on whichever is higher.
3. If there are transactions between each other of the Company or the subsidiaries incurred to the person who may have a conflict of interest or stake or may have a conflict of interest in the future, the Company will require the Audit Committee's comments about the need and appropriateness of such transactions. If the Audit Committee has no expertise regarding such transactions, the Company shall arrange for an independent expert or internal auditor of the Company to provide their comment in order to support the decision making of the Board of Directors or shareholders, as the case may be.
4. If the Company has a transaction between each other or other related party transaction which are applicable to requirements of the Stock Exchange of Thailand, the Company must strictly comply with such requirements.
5. The Company is required to disclose transactions with potential conflicts of interest or related party transaction or transactions between the Company and subsidiaries according to the regulations issued by the Securities and Exchange Commission Thailand which disclosed in its annual registration statement and annual reports or any other reports, as

the case may be. There shall also be disclosure of related party transaction to the Stock Exchange of Thailand in accordance with the rules of the Stock Exchange of Thailand as well as items related to the Company in accordance with accounting standards which must be disclosed in the notes to the financial statements being audited by the auditor of the Company.

The directors, executives and all employees must avoid any personal interest that will have a negative effect on the performance of work for the benefit of the Company or making it difficult to perform the task correctly and efficiently. A conflict of interest may arise in many situations. However, in performing duties, the Company's benefit under legitimate law and ethics must be observed. The Company had completely disclosed related party transaction in its Annual Report (Form 56-2) and Annual Registration Statement (Form 56-1). Furthermore, the Company forbids its executives and employees from undertaking or participating in any business that is in competition with the Company's business, regardless of whether such directors, executives and employees will receive either direct or indirect interests. It is clearly indicated in the Company's Code of Conduct. However, to conduct related party transaction or transactions with conflict of interest, the Board of Directors has laid as a policy that they must be considered and approved by the Board before proceeding. In addition, the information on details of transactions, transaction value, reasons and the need must be disclosed in the annual registration statement and annual report as per the rules of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. The meeting must also be attended by the Audit Committee to ensure that the related party transaction are conducted fairly, reasonably, and with proper pricing policy, taking into consideration the maximum benefit of the Company, the Company has publicized guidelines on the website of the Company (www.supalai.com) to inform the shareholders and the general public.

2.4 Proposing Meeting Agenda, Nomination of Persons to be Appointed as Directors and Raising of Questions about the Company

The Company has set rules for proposing meeting agenda, nomination of persons to be appointed as directors and raising of questions about the Company to give an opportunity for the minority shareholders to participate in monitoring the Company's operations and selection of qualified directors who can perform duties effectively for the maximum benefit of every shareholder and stakeholder of the Company. (The rules have been disclosed on the website of the Company (www.supalai.com) in the Section "Investor Relations" under the heading "Shareholder's Meeting")

For the Meeting in 2015, the Company has publicized such guidelines on the Company's website (www.supalai.com) and made an announcement on the website of the Stock Exchange of Thailand from October 1, 2014 to January 7, 2015 to invite the Company's shareholders to propose names of candidate to be appointed as directors, to propose meeting agenda and raise questions about the Company. However, no one proposed meeting agenda, names of candidate to be appointed as directors, or raised questions about the Company during such period.

2.5 Exercise of Voting Right

The Company gives its shareholders equal voting right, one share one vote for ordinary share, which is the only type of share issued by the Company to its shareholders. One share shall be counted as one vote, and the majority of votes shall be deemed as the resolution of the shareholders' meeting.

2.6 Proxy

The Company informed its shareholders in the event that they were unable to attend the meeting in person. These shareholders could appoint a proxy or an independent director nominated by the Company, who would be given rights and treated as a shareholder. The Company provided these shareholders with convenience by delivering to them a proxy form as set out by the Department of Business Development, Ministry of Commerce along with an invitation letter to the meeting in both English and Thai. This proxy form described thorough and clear details of the proxy and was delivered to the shareholders not less than 21 days prior to the meeting date. To ensure clarity and avoid inconvenience in attending the meeting of the proxies, details about the meeting, i.e., meeting schedule, agendas, including information on the procedures, documents and testimonials required for the proxy are also provided in the invitation letter. Such information was also posted on the Company's website (www.supalai.com) in the Section "Investor Relations" under the heading "Shareholder's Meeting" more than 30 days prior to the meeting date. In this regard, the shareholders can request further information via phone, email to the Investment Relations unit (For details, please see the Section "Investor Relations")

2.7 To facilitate the holding of a meeting of shareholders.

To facilitate the shareholders who are foreigners, the Company has prepared all relevant documents in two languages i.e. English and Thai for Thai and foreign shareholders such as in Thailand and overseas, such as the notice of the meeting, proxy instrument, minutes of the meeting, annual report etc., and developed the Company's website (www.supalai.com) in two languages.

The Company will send the notice of the meeting and relevant supportive documents of various agendas to the shareholders not less than 21 days prior to the meeting date and will publicize details about the meeting, the meeting schedule and the meeting agenda on the website of the Company (www.supalai.com) 30 days prior to the meeting date.

The Company did not impose any conditions or rules that needed to be certified by government offices or other regulations that caused difficulties for shareholders to appoint a proxy. To lessen the shareholders' burden of acquiring stamp duties and photocopying, the Company provided stamp duties for affixing in the proxy form at the meeting and assigned staff to assist in photocopying and verifying documents required for attachment free of charge at the point of registration. The meeting was open for registration 3 hours before it commenced. Additionally, barcode technology was also used to facilitate casting votes while a reception was hosted by the Company for the participating shareholders.

Chapter 3 : Roles of Stakeholders

The Company attaches importance to the rights of every group of stakeholders, both internal and external such as shareholders, employees, trading partners, competitors, government agencies including

the responsibilities toward the society and the environment. The Company has also set the Code of Conduct as ethical guidelines for business operations by taking into consideration the principle of fairness, human rights, legal respect, intellectual property rights and anti-corruption. In 2012, the Company has adopted clear policy on treatment of each group of stakeholders, policy on treatment of the society and the environment and the policy relating to anti-corruption measures by taking into account the rights of such stakeholders according to the laws or the contract made with the Company. All directors, executives and employees including employees of the Company, subsidiaries and associated companies are required to strictly comply with such policies, and such policies have been disseminated on the Company's website in order to inform shareholders and the general public. Furthermore, it has provided its stakeholders with a channel for expression of opinion regarding its operations or for making complaints in case of unfair treatment by the Company via Company's website (www.supalai.com).

The Company identifies its stakeholders by taking into account the stakeholders with truly significant impact to the Company's operations, i.e. the organization's activities, products, services and connecting to value chains that cause economic, social and environmental impacts on the stakeholders, not only concerning the Company, but including its subsidiaries, partners that are related parties, without any influence or inclination towards presentation only the information of the stakeholders who are in favor of or agree with the Company.

Human Rights Principles

The Company has complied with the policy on human rights principles by requiring that the directors, executives and all employees as well as employees of the subsidiaries and associated companies strictly comply with such principles. The Company regards human rights principle as common practice by taking into consideration human dignity, freedom and equality of individuals, and shall not do any act and nor encourage the violation of human rights. The Company shall not be involved with any agency, organization or individual that violates human rights in every case. The Company has provided a better understanding of human rights to employees in performing their duties, and has not supported any activity that violates human rights and all employees shall not do any act in the manner of sexual harassment, flirting, possessing pornographic pictures, using sexual language or touching the employees of the Company or outsiders who contact the Company.

For more than 25 years, Supalai Public Company Limited has been dedicated to the property development business, together with continuous conducting the corporate social responsibility activities. The Company recognizes and values the activities in support of surrounding communities and society, as well as paying attention continuously to care for the environment. Furthermore, the Company intends to work with all parties involved by focusing on building a relationship of mutual trust and acceptance as well as taking into account the impact which may occur to its stakeholders, namely, shareholders, employees, community members, customers, partners, or government agencies, including the society and the nation. In addition, an attitude and culture of the organizational have been established in order to encourage employees towards having social responsibility.

The Company recognizes the importance of human rights and freedoms with non-discrimination by promoting equality of disadvantaged and disabled people, as well as the impartiality of opportunity between women and men. There is neither gender and racist discrimination, and there is no child labors in the Company. The wages are managed to be comparable to those of other companies in the same business. Organizational structures are improved and updated in accordance with the laws of Thailand and all related occupational health and safety regulations to provide the safe working environment for all its employees.

All level of employees - from maids to executives — will be cared and treated fairly and equally without discrimination both in terms of remuneration and welfare according to the labor laws. In times of emergency and need, the Company treats its employees and their families with mercy and compassion. The opportunities will be given to employees to progress in their career path along with the growth of the Company by focusing on human resources development and being learning organization in order to enhance employees' knowledge and skills to increase capability to meet operational business of the Company either in the form of scholarships or familiarization trips, both at home and abroad. There are Intranet and library for employees to research for self-development. Moreover, there exists the suggestion box being an upward communication channel for all level of employees to executives who will answer every question via email. Human rights activities which the Company has carried out are as follows:

1. Design buildings by taking into account the convenience of the disabled such as ramps and toilets for disable people.
2. Encourage people with disabilities to live independently with human dignity and equality to other people, and to participate fully and effectively in social activities under an environment where people with disabilities can access and make use of it. Disable people are given opportunity to work with the Company. In 2014, the Company employs 4 handicapped employees from the total of 791 employees.
3. Respect human rights and freedom of individuals. All parties, whether women or men, were treated equally by the Company with equal opportunities for women and men to be executives. At present, the Company's Management Committee comprises 9 members with 3 female executives included.
4. The Company pays attention to safety in the workplace by having security officers who will supervise the steps and procedures to be performed correctly, resulting in minimal number of employees' accidents from work. However, to accommodate possible risk of accidents, the Company has bought accident insurance for all employees.

Principle of Law Compliance

The Company recognizes the importance of law, and applies laws along with morality, ethics and integrity with both internal and external stakeholders. It can be seen from the Company's quality policy

which is focused on continuous quality improvement in the system planning, design, construction, sales and community management to meet the requirements of the law, professional standard, occupation and written agreements with customers. Such quality policy are regarded as creation of culture in the organization and attitude for employees and executives to comply with the laws. Also, since 2004 onwards, the Company has adopted the policy to monitor the business operations to be in line with relevant regulatory laws. The Legal Department is responsible for updating the list of enforced laws within the Company and follow up the progress, the consideration and drafting legislations, relating to the Company's business operations as well as verification, revision, amendment, confirmation on the updated list of enforced laws, and confirmation on law compliance of every department once a year (within June of each year). In general, Legal Department will report to the Chief Executive Officer, and / or the Board of Directors subject to nature of the case. Then it will be reported to the Management Committee, the Audit Committee and supervisors in all departments. Furthermore, the Chief Executive Officer has assigned the Internal Audit Department to be responsible for the follow-up of the result as well.

In addition, the Company also provides trainings to all employees involved whenever there is a promulgation of new laws or there is modification, amendment or revocation of laws or regulations as well as educating new employees, such as trainings and seminars held by the Legal Affairs Department, offering comments to improve rules and regulations suitable to the economic social environment through the state agencies and independent organizations such as the National Economic and Social Advisory Council, etc.

The Company is well aware that its business operations must be under the regulatory laws, therefore, there shall be no fraud or illegal act or making use of the gap of laws in its operation.

Currently, the Company is committed to business operation under the policy of "Supalai ... we care for Thai society". Although the business operation must be under the framework of the laws, it needs to take into consideration morality and ethics as well. This is to ensure the fairness and the respect of interests of all parties concerned, examples of the implementation of the Company's policy in planning in the operational level are as follows:

- The Company has a standard form of contract for the purchase and sale of land in case the Company wants to purchase land to develop projects which is be in accordance with the standard set by the Office of Consumer Protection Board. In general, legal language will be used in the contract to purchase and sell land and sometimes the parties may not well understand because they are villagers living in the provincial areas. In such case, the Company has adapted the contract to purchase and sell the land to a language easy to understand and there shall be explanations before signing the contract which shows that the Company adheres to integrity and do not take advantage of the other party.
- In case the customers who enter into a contract to purchase and sell land or other goods with the Company and have already made a certain amount of downpayment, and the buyers subsequently, notify the Company that they have suffered for some reasons and request the

Company to have a refund of such downpayment. The management of the Company, after having considered such request, can return the payment equal to the amount requested by the customers. This is based on humanitarian principles for the sake of the customers. Normally, such request, if it is not the fault of the Company, the Company shall have the right not to refund such amount of down payment, which is in accordance with the law.

- If the owner of the adjoining land points the boundary line of his land into the land of the Company even though the evidence from the land survey confirms that such boundary line belongs to the Company's land, but the adjacent land owner still insists on the boundary line he has pointed out. In such case and in order to solve the problem and end the conflict, the Company uses the decision criteria based on the fact that, in the near future, the Company's projects and the owner of such adjacent land will become a neighbour, therefore, it should maintain a good relationship with each other. The Company shall then decide to end this dispute by accepting the boundary line of the land to be in the Company's land for development though the Company will lose investment opportunity, after all.
- In the case that the Company helps construct a juristic person office building for its own housing project for those who live in the Company's project, while according to the law, the Company would just allocates a plot of land for legal entity office purpose with an area of 20 square wah with no need to construct an office building. However, the Company understands the need of customers living in the project, therefore even though a land for constructing a juristic person office building is provided, the Company also has a policy to construct a juristic person office building to be given to the customers in the housing project for further use. This is to create the value, worthiness and support to the management of that particular housing estate.

During the period of 25 years in business, it is apparent that the Company has not only focused on the best interests of the organization but also carried out the management by adhering to the legal principles, honesty, integrity, transparency, honesty and accountability as well as paying attention to the importance and responsibility of concerned parties, both directly and indirectly, such as customers, suppliers, competitors, the environment and local culture based on compromising principles along with the political and legal principles as can be seen from a variety of awards received from many agencies such as

- In 2003, the Company received the Award for "Developer who Protects Consumers' Advertisement Rights : Fair Advertisement of Products and Services for Consumers" from the Consumer Protection Board of the Prime Minister's Office.
- In 2008, the Company received the Award for "Good Property Developer Award of 2007-2008" from the Office of the Consumer Protection Board of the Prime Minister's Office in the project to select good property developers.
- In 2010, the Company received the "Good Property Developer Award of 2009 - 2010" from the Office of the Consumer Protection Board of the Prime Minister's Office in the Real Estate Star Project; and Supalai has received this award for 2 consecutive years already.

- In 2013, the Company received the “Good Property Developer Award of 2013” from the Office of the Consumer Protection Board of the Prime Minister’s Office in the Real Estate Star Project, whereby 4 projects of the Company received such award, namely, Supalai Suvarnabhumi, Supalai Park Srinakkarin, Supalai Park Yaek Tiwanon and Supalai River Place projects. Supalai has received this award for 3 consecutive years already.

Intellectual Property

The Company has complied with the policy on Intellectual Property by requiring that the directors, executives and all employees as well as employees of the subsidiaries and associated companies strictly comply with such principles. The employees who are employed by the Company,

Products or production procedures, findings and development, improvement or invention of products, process, procedures; or objects made, used, sold or developed by the employees relating to the work of the Company or expanded from the work of the Company shall be considered as the products or procedures of the Company. All employees have the duty to maintain the confidentiality of trade secret, namely, business information and all technical information of the Company by protecting confidential information or business partners of the Company. The obligation to protect such information shall continue even after the employees have already resigned from the Company.

Any employees who disclose any information without permission and cause damage to the Company shall be subject to penalty according to the law. All the employees shall use computer programs with the copyrights provided by the Company, and shall not install and use unlicensed computer software in the Company, shall not demand, accept or use business information acquired illegally or immorally, and shall not to infringe the copyrights, patents and trademarks of others.

Ethical Practice

Apart from the policy to support the business operation with integrity, transparency and fairness to all parties involved, the Company also provides support of Dharma activities by publishing the book called “Sustainable wealth and happiness” and building Buddha image of a contemporary art form called “PhraSupanimitrmingmongkolpanyabaramee” that can communicate philosophy with a focus on the essence of Dharma in order to uplift the mind and wisdom of those who worship to stay above greed, anger and delusion, which comprise the foundation of Buddhism represented by the Buddha image as offerings to the Lord Buddha and for the well-being of good friends in the contemporary period.

Responsible to stakeholders

Analysis of Stakeholder and Development of Operation Strategies

The Company divides stakeholders into groups and sets up a mission to satisfy the need of each group of stakeholders. Regarding the impact on stakeholders in relation to business operations, both directly and indirectly, positively and negatively, the Company has based its consideration on its relationship to the organizations in order to enable response to the needs and expectations of the stakeholders which are shareholders, customers, employees, trading partners, contractors, competitors, communities, the society, environment, economy of the country, and government agencies.

Criteria for Stakeholder Identification

The Company has categorized its stakeholders into 2 major groups as follows

- Primary Stakeholders are those who are directly involved with the business, receiving direct interest or effect from the business operations, i.e. shareholders, customers, employees, trading partners, contractors, competitors, communities, society and the environment.
- Secondary Stakeholders are those who are indirectly involved with the business, receiving indirect interest or effect from the business operations, i.e. government agencies and the country economy.

Due to a wide variety of stakeholders, the Company has arranged various tools and channels to look for the needs and expectations of each group of stakeholders, as well as to exchange opinions for further development by the Company, such as;

- Customer opinion survey after transfer of ownership
- Collecting of comments, from customers, contractors, and employees through suggestion box.
- Expression of opinions in the shareholders' meetings, where shareholders can ask for information, as well as to give suggestions in respect of the Company's products, services, and operations in various aspects.
- Employee visit, both at the Head Office and project sites, by top executives and Human Resource Department, to look after their daily livelihood and operations.

From the use of such tools and channels as guidelines for operation improvement and in responding to expectations of every group of stakeholders properly and continuously, it will eventually result in sustainable business growth based on participation and good corporate governance.

Objectives of building relationships with the Company's stakeholders

The subjects raised by the Company's stakeholders range from economic, social and environmental areas. The Company has responded to each group of stakeholders, to which the subjects selected for action are;

Stakeholder	Subject
Shareholders	Taking into consideration maximum returns, placing emphasis on equality between major shareholders and small shareholders.
Customers	Build quality home in accordance with construction standards.
Employees	Take care of remuneration, welfare and knowledge development; treat employees fairly and equally under human rights principles.
Trading partners	Treat trading partners in strict compliance with agreed contracts and conditions.

Stakeholder	Subject
Contractors	Receive facilitation in various areas, e.g. support for credit acquiring, transfer of payment to account on due date, etc.
Competitors	Treat business competitors fairly and not to destroy competitors by using various tricks.
Community	Oversee construction with noise/dust impact, affecting neighboring communities.
Society and Environment	Carry out construction of high-rise buildings by taking into consideration the environment as approved by the Expert Committee for Consideration of EIA Report, e.g. green belt, health, traffic, fire prevention, etc.
Economy	Adhere to the principles of good entrepreneur for sustainability of the country's economic system.
Government agencies	Strictly comply with laws and report operation results.

Analysis of Social and Environmental Trends and Changes

The Company has used data from analysis of social and environmental trends and changes in considering the matters that are important to the Company's operations which may affect the society and its stakeholders. Furthermore, it has also used data from risk analysis with significant economic, social and environmental impacts, both from internal and external factors and severity of impact in consideration of the matters that are important to the Company's operations. They are disclosed in its annual report for 2014 under the topic of General Economic Conditions, Social Responsibility, Personnel Development, and Community Care.

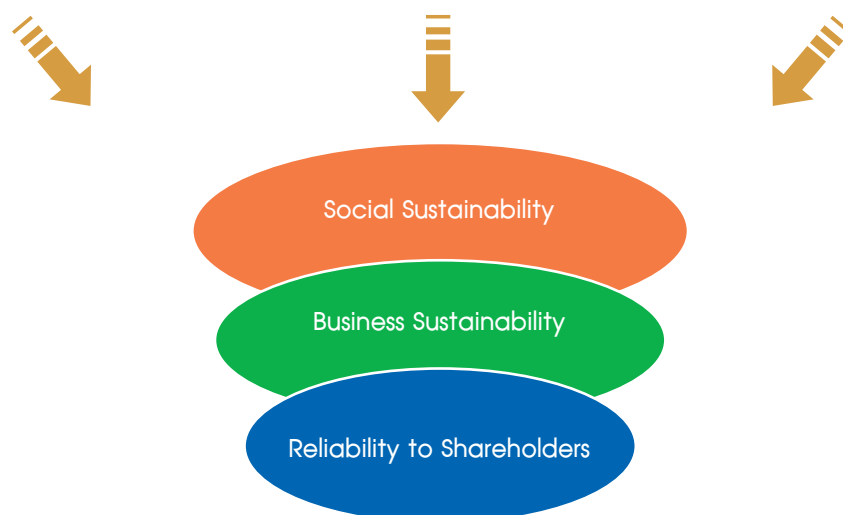
Its social and environmental practices result from stakeholder analysis, using criteria that are industrial benchmarks, all of which are significant to the organization in economic, social and environmental dimensions, in line with the expectations of its stakeholders, for example;

- The trend in building the organization to have competitive potential has resulted in the Company's emphasis on employee development of creativity in order to create innovation for the Company, by giving them opportunity to express opinions, and supporting knowledge development and career progression. The employees are also provided with continuous studies and development.
- The trend of energy saving campaign results in energy saving home designed by the Company. The Company has created and developed housing designs with emphasis on energy saving and being environmentally friendly, so that its customers can play a part in environmental conservation, as well as for saving of money on electricity bill, which is in line with Green Design Standard.
- Due to the trend of higher cost of living, the Company has reviewed the salary and welfare increase in various areas, e.g. expense for medical treatment, discount rate for buying of project

housing, etc., by obtaining data from suggestion boxes, and considered by the Remuneration and Compensation Committee, for fairness to employees.

- According to the trend of environmental care emphasized by public sector and with the promulgation of environmental law, Enhancement and Conservation of National Environmental Quality Act B.E. 2535 (1992), the Company has to design its projects in compliance with the law, with long-term benefit for the community and the environment in the project area.
- Due to the trend of community development for sustainability, the Company has created quality society; there has been activities organized to enhance relationship or acquaintance building among members of the community, increase security, provide cooperation with public sector, establish housing estate juristic persons, carry out repair and maintenance of public utilities and communicate with residents for better understanding.

The social and environmental practices of the Company start from complying with relevant laws and regulations, ensuring that the impacts from its operations would not cause problems to the community, neighboring areas, or the society affected from its operation. It has also given chance for the community and society to play a part in its operations, creating shared value between the business and the society, as well as to lay down guidelines and conduct operations towards sustainability. Thus, it is in line with the sustainability development plan in business development towards Creating Shared Value.



Management Guideline

The elements of management guidelines are as follows

1. Vision: the Company defines its vision related to the society and the environment as “Supalai... We Care to Create Thai Society”, which has arisen from the awareness of social responsibility of the organization.

2. Strategic objectives: the Company defines its management philosophy as:

To develop quality society of “Supalai People”, the Company sets out a firm commitment in creating quality housing, continuing product development, developing a society of warmth and safety, developing good services in professional manner for customer satisfaction by adhering to its management philosophy.

S (SUPERIORITY)	Excellence in terms of products, service and good management.
P (PROFITABILITY)	Emphasis on profits for all concerned parties, there are customer, shareholders, employees, contractor for trading partners and society.
L (LONGEVITY)	Operation of Business continually based on secure foundation.

3. Key performance indicators: criteria have been put in place to indicate that something has impact on operation results, the Company has defined reasonable indicators that can provide clear, non-complicated information that is measurable and proper to the organization.

4. The Company has reviewed its activities relating to stakeholders to ensure that they are in accordance with the objectives and key performance indicators, business nature, business size, and readiness of the organization.

5. There has been review of the relationship between activities and strategic objectives by ensuring that the activities conducted can respond to the strategic objectives for efficiency in performing its social and environmental activities.

6. Action has been taken for CSR-in-process and CSR-after-process with budgets allocated by the Company, pressing forward various activities, including participation by employees and stakeholders.

In this regard, the Company has defined the scope and format of operations in each issue for each group of stakeholders as follows:

A) Shareholders

The Company places emphasis on the quality and sustainable business growth. Thus, it has conducted business with integrity, transparency, aiming to provide good services for customers' satisfaction, which will result in value adding and maximum returns to its shareholders in the long run. All shareholders, both major and small shareholders.

The Company complies with a policy on equal treatment of both major and small shareholders by respecting their rights, and treat all of them equally, while operating business with honesty, integrity and transparency. The Company also manages its business to grow on a stable basis for sustainable

benefits of shareholders by carrying out efficient operation with good business performance, while disclosing information to shareholders appropriately, completely with standards under legal framework, ethical principles and good corporate governance practice.

B) Customers

The Company has committed to comply with the policy on treatment of customers, and requires that the directors, executives and all employees as well as employees of the subsidiaries and associated companies to strictly comply with such policy in order to focus on the development of customer's satisfaction and confidence and is committed to treat customers with integrity, honesty and fairness on the basis of a fair return to both parties, while delivering a quality product at a fair price as well as aiming to provide, develop and produce quality products to meet customers' demand with regular evaluation and improvement of the potential impact on customers. The Company also controls and ensures that its product has the quality that is up to the standards and requirements of the Consumer Protection Act or other relevant laws, and also provides effective after- sales service to the customers. Such policy has been disseminated to customers through the Company's website (www.supalai.com).

The Company focuses on building customers' satisfaction and trustworthiness. It has, therefore, implemented the quality management system, ISO 9001: 2008, an international standard mainly emphasizing quality management and customers' need. The Company pays attention to every step with the need for quality check up to the delivery of goods to customers, including servicing. The management is carried out in a preventive manner based on customers' satisfaction, which is of direct benefit to the consumers. It is also another alternative for the consumers to choose houses that undergo the management process under ISO standards. The Company has laid down its quality policy as follows: "Supalai Plc. puts emphasis on the continuous development of "quality" in the systems of planning, designing, construction, sales and community management, to be in line with legal requirements, professional standards and written agreements made with customers".

It has also defined the quality objectives by requiring various departments related to the quality system to set the quality objectives that can be assessed and practicable. Each department must communicate the quality objectives to the responsible persons in the unit for achievement of such quality objectives.

The quality objectives put into practice by each unit must be approved by the Chief Executive Officer and must be announced so that every unit can take them as work targets that will lead to the achievement of objectives of the quality policy as prescribed by the Company.

Supalai Public Company Limited is the first and only real estate Company in Thailand that receives quality management assurance under ISO 9001: 2008, covering planning, designing, construction, sale, and after-sale serviced as can be seen by many awards received as follows:

- The Company has been awarded with "Top 10 Developers Awards 2014" from BCI Asia Construction Information Co.,Ltd. and Future Arc Journal from which the Company received four time consecutively, that was in 2011 - 2014, and has been 1 out of 10 property developing companies of Thailand to receive such award. The award had been given by taking into

consideration the design and the development of the construction projects of the Company, which have been widely accepted by the consumers.

- The Company was awarded “BV Symbol of Confidence in International Standard of 2013” of Bureau Veritas Certification (Thailand) Ltd. (BVC). Such award has been given by taking into consideration the Company’s extensive, efficient, correct, beautiful and creative application of ISO 9001: 2008, which is the accreditation system of BVC, as part of the Company’s advertising media.
- The Company has been awarded with the “Excellent Property Development Project 2012” for Supalia Parkville Romklao-Suvarnabhumi project and Supalai Park Yaek Tivanont project. Also, the Company received the “Excellent Property Development Project 2011” for Supalai Park Ratchapruek — Petchakasem Project from the Thai Real Estate Appraisal Research Center of Agency for Real Estate Affairs Company Limited. Such award refers to the “Worth Buying” projects, of which appropriate price, quality, location, materials, format and design as well as the environment of the projects are taken into consideration.
- The Company received “Thailand Property Award 2011” in the category of Best Affordable Condo Development (Bangkok)” for Supalai Park Yaek Tiwanon Project, and Supalai Premier Ratchada — Narathiwat — Sathorn Project from Property Report Magazine.
- The Company has been awarded with “Certified Energy Conservation Building Label 2011” by the Energy Conservation Building Promotion Project of the Department of Alternative Energy Development and Efficiency, Ministry of Energy, altogether 27 awards. As a result, Supalai is the only property developer that received the highest number of labels for 13 housing designs and it has been awarded with such labels two time consecutively, that is in 2009 and 2011 as the presenting ceremony has been organized every period of 2 years. In addition, based on such award, the Company has developed housing designs by focusing on energy-saving and environmental friendly for its customers in every Supalai project. In so doing, it helps conserve the environment and save the electricity cost, which is in accordance with the Company’s policy of “Green Design Standard”, or the design that is environmental friendly.
- Best Performance Awards for 2010 from the Stock Exchange of Thailand of which Supalai is the only company that received such awards in the group of market capitalization higher than Baht 10,000 million. The Company’s results of operation were outstanding in terms of net profit margin, return on equity, return on assets, net gearing. Furthermore, such awards would take into consideration the results of operation over the past 3 years in the areas of continuous growth, good corporate governance, compliance with the rules of the Stock Exchange of Thailand regarding disclosure of information, the outstanding figures of Return on Assets, Return on Equity, Debt to Equity, Return to Investors etc.
- The Company received the “Best Under A Billion Award” from Forbes Asia Magazine. Supalai is one of 200 companies to receive such distinguished award considered and selected among 13,000 companies in the Asian region, and 1 out of 9 Thai listed companies to receive this award as measured by the profits, growth rate, liability and future business opportunities.

- In 2009, the Company received the Living in Thailand Award of Excellence 2008 in the category of special Reader's Choice Award for Best Designed Property from Living in Thailand Magazine.
- In 2010, the Company has just received a Complementary Award of the "Urban Design Award 2009" at the organizational and professional level in the category of project for master planning of group of buildings for Supalai Casa Riva project from the Thai Urban Architects Association.

The Company has been committed to strictly comply with the contracts made with the customers. Fairness provided to the customers begins from the designing to respond to current demand of the customers, preparing standard contract specifying clear details of construction materials, and inspecting to deliver the house before ownership transfer and offering guarantees various arrangements have been done as follows:

- **Implement the quality management system, ISO 9001 : 2008**, the Company pays attention to every step with the need for quality check up to the delivery of goods to customers, and has also set up quality policy and ensures that the employees have been communicated for acknowledgment and compliance.
- **In designing the house** the Company takes into consideration benefit of usable areas and energy saving for maximum benefits. The Company has also designed model of the house for the disabled and the elderly as it has research and development department which has the duty to study the materials used by the Company. Therefore, a committee has been appointed for selecting each type of materials.
- **The standardized contract** : that is prescribed by the Land Allocation Committee and the Office of Consumer Protection Board has ensured that a customer who buys a house from the Company will be treated fairly from the step of making contract, because the Company will use the agreement to sell under the standard defined by the Land Allocation Committee and Office of the Consumer Protection Board. This is to prevent and solve problem in the past where house buyers would often be taken advantage by sellers in making contract, and caused buyers not obtaining the house as requested and could not bring legal action against the seller for contract compliance as easy as this standardized contract.
- **Clear specifications of construction materials** : in sale and purchase agreement the Company will attach the list of materials used in construction with the sale and purchase agreement for every customer. It will indicate what materials will be used for the house purchased by the customer.
- **Inspection before transferring ownership** : the Company will make appointment with customer in order to inspect and accept delivery of house before transferring ownership to the customer. If the customer finds any defect in the construction or is not satisfied with the construction because the standard is lower than the model shown in the project, the Company will make modification until reaching satisfaction before transferring ownership.

- **House guarantee** : the Company provide guarantee against any defect for further 5 years in the part of building structure, and guarantee for component part or equipment essential to the building within 1 year after the transfer of ownership. The Company aims to give customers satisfaction and confidence in the event where there are any faults or defects in the house delivered and with ownership transferred but still within guarantee period. Upon being informed, the Company will make correction repair until completion.
- **Customers' opinion survey** : the Company will give customers a form to survey their satisfaction after the transfer of ownership and after-sales services in order to improve its quality and service.
- **Regarding the complaints** : the Company has the channels for accepting complaints of customers such as by phone, suggestion boxes at site, Glass Bell Project (manage@supalai.com), Smart Center (1720), Website (www.supalai.com), etc. thus, the system has been set up to solve the problems for customers rapidly and appropriately; the information reported would be further used for making improvement and development of the Company's products and services.
- **After-sale services** : are provided for customers' convenience, such as acquisition of bank credits, authorization in order for the Company to act as the customers' representative for ownership transfer, etc.
- **Delivery of House Manual** : to the home owners for the purpose of maintaining different parts of the house after the transfer of ownership.

C) Employees

Employees are considered the highest valued resources, the Board of Directors has, therefore, laid down clear and tangible policy of employee treatment, in respect of remuneration and welfare. That is, the Company has committed to comply with the policy on Treatment of Employees, Policy on Remuneration and Welfare and Policy on Employee Development. The Company is fully aware that employees at all levels are valuable resource of the Company, which is a factor for success and achievement of the goals of the Company. Accordingly, it shall provide care and fair treatment in terms of opportunity, returns, appointment, transfer and trainings for the employees as well as encouraging them to show their potential in order to be part of a sustainable development of the organization. The Company is well aware of the importance of all employees regardless of which section or department they are working in without any discrimination, and focuses on creating a good working environment, safety, with appropriate remuneration for their work. Such remuneration has been considered to be paid at similar rates of the same group of industry and according to the operational results of the Company, that is, for the short term, it depends on the ability to make profits each year, while for the long term, the employees are provided with Employee Stock Options. This also depends on the considerations of the Nomination and Remuneration Committee and the Board of Directors. There is also good welfare to employees as well as the provision of innovation and new technologies to support their work as rewards to all employees operated for maximum benefits of the Company. Regarding development of

personnel, the Company is fully aware that employees are valuable assets. Therefore, it always emphasizes development of knowledge and ability for all employees in order for them to grow sustainably along with the organization. Various policies of the Company have been publicized on the Company's website (www.supalai.com), for every employee to acknowledge and such policies are also included in every orientation of new employees.

The Company is well aware of the importance of its employees. It pays attention to and treats every employee of every level with fairness, both in terms of remunerations and welfares as prescribed by the labor laws. It also looks after employees and their family in emergency time based on loving kindness principles. Moreover, employees are given opportunities to be promoted along with the Company's growth. The Company attaches importance to the potential reinforcing of its employees because it foresees that "personnel" is essential resource considered as Human Capital. They can push business operation forward to meet the targets, which will result in a sustainable growth of the Company. In this regard, the Company has conducted annual Opinion Survey under the slogan "Every valuable opinion means every growth and progress together with the Company". In addition, due to continuous business expansion, the numbers of the Company's employees, in 2014, are as follows.

Unit: Persons

Employee Level	Male	Female
Executives	6	3
Supervisors	84	50
Operating	335	313
Staff	47	100
Total	472	466

Moreover, for happiness to every employee, the Company has taken care of its employees' welfare by adopting 8 categories of happiness in its workplace, they comprise;

1. Happy Body : Being healthy, both physically and mentally, knowing how to spend life, how to eat, how to sleep, with the following provided;
 - Sports Day, internal sporting event, and friendship games between the Company and the Press, and the Company and real estate business groups.
 - Fitness room, for employees to exercise before work, at lunch time, and after work.
 - Pre-employment physical examinations and annual health check-up.
 - Welfare for health care, dental treatment fees and accident insurance.
 - Medical care unit for employees who fall ill during work.
2. Happy Heart : To have a generous mind, with the following provided;
 - Service Award to the employees who provide constant heartfelt service, to instill in them service mind and to help build culture that leads to excellent service.

3. **Happy Relax** : To have a relaxing attitude towards life and work, with the following provided;
 - Supalai Club, to arrange various activities for employees, e.g. Sports Day, New Year Party.
 - Welfare such as staying at the Company's affiliated hotels.
 - Budget for external trainings and seminars with other organizations.
4. **Happy Brain** : Happiness from an ongoing study and development, leading to professionalism and advancement in the career, with the following provided;
 - The 1 Business Unit 1 IDEA Project, year 3, to promote creativity for development of the Company on a teamwork basis.
 - A learning organization by having set up a library for employees to acquire further knowledge, as well as allocating budget for annual training that is in accordance with the policies and goals of the Company. In addition, employees are continually developed under the plan to enhance their capabilities in working.
 - Scholarships for Bachelors and Masters Degree.
 - Study tour, both in Thailand and abroad.
5. **Happy Soul** : Happiness from one's wit and wisdom of the "Peaceful and Virtuous Path", that is to have faith in one's religion and to lead a moral life with a sense of shame and fear for wrongdoings, with the following provided;
 - Preaching by monks in respect of working with happiness.
 - Permission granted to employees to take leave for religious observances, e.g. ordination, undertaking the Hajj Pilgrimage to Mecca, Saudi Arabia, etc.
 - Arrange the Kathin Robe Offering ceremony.
 - Merit making on occasion of its 25th anniversary.
6. **Happy Money** : Knowing how to save, how to spend, how to live in a proper lifestyle, with the following provided:
 - Provident fund at the rate of 3-10% according to number of years of service, of which the Company will make contribution equaling the rate of the employee's savings as a tangible action taken by the Company to look after its employees in the long run, and also to build financial stability for its employees in the event of resignation, retirement, disability, or loss of life. This is to create a good relationship in the organization and to increase work motivation, as well as to ensure its employees a life of quality.
 - Allowance for employees, namely, funeral benefits, wedding allowance. allowance for employees and families upon difficulties in various matters.
 - Provide knowledge to employees on how to plan their savings and make financial investment.
 - Distribution of employee uniforms to help reduce cost of living.
 - Shuttle bus for employees between the Company and BTS stations.

7. Happy Family : Having a warm and secure family, with the following provided:

- School scholarships for employees' children with outstanding academic performance. In 1996, 3 top executives of the Company, i.e. Mr.Prateep Tangmatitham, Mrs.Ajchara Tangmatitham, and Mr.Atip Bijanonda, had added up their personal money amounting to Baht 3,000,000 to set up a fund for employees. Scholarships have been given to children of the employees of the Company and subsidiaries, who are in school age (primary to higher education levels), with average school-record of not lower than 3.00, without any limitation on the number of child applying for the scholarship. In 2014, scholarships had been awarded to employees' children in primary level amounting to Baht 2,500 each, secondary level of Baht 3,500 each, and higher education level of Baht 5,000 each. From 1996 up to the present, 864 scholarships have been awarded to employees' children with good school-record, totaling Baht 2,032,000.



- Employees are provided with special privilege in buying residential places under the Company's and its subsidiaries' projects with special discount. This is to provide a chance to employees to have their own houses or to expand or change residence proper to the family size.
8. Happy Society : Creating a good society with happiness, love, harmony and kindness, with the following provided:
- Coaches to train new employees.
 - Activity during Songkran Festival by organizing pouring water ceremony for the elderly.
 - The Company has the policy to strengthen the love and bonds between its employees and the organization according to the "Promote from Within" & "Recognize" policy, for long year-of-service employees. There has been recognition event and awards given to employees with 5, 10 and 20 years of service. Furthermore, it has emphasized to the employees to behave in a good and virtuous way so as to be quality persons of the society. They are encouraged to participate in religious observances, e.g. meditation, study tour to the Land of Buddha, the four holy places of Buddhism in India, etc. Employees with good potential are also promoted under the "Outstanding Employee of the Year" Program and "Service

Award” Program, to instill in them service mind and to help build culture that leads to excellent service, and the “Excellent Creative Award” in order to build an innovation organization.

- For training courses, the Team Learning & Development has been organized by giving a course on “Supalai Way to Excellence”, under the program for efficiency development and boost up of neo - working power under Core Competency, for behavior change and reinforcement of new working culture. Every employee is encouraged to have good attitude and conscience towards oneself, colleagues and the organization by way of self potential development, both physically and psychologically. There is a combination of team building and supporting to develop a team with attitude, knowledge and skill in the same direction.

In addition, employees are encouraged to fulfill their potentials for greater efficiency to increase competitiveness. There is Employee Development Plan (EDP) carried out in the direction that is in accordance and connected with business strategy. It is considered by the Company as a key policy and implemented continuously. Employees are encouraged to learn new things, as well as to practice necessary skills in order to increase their capability. Support is provided to employees of all levels so that they can obtain knowledge to enhance their efficiency. The Company has implemented the Competency system for personnel development of knowledge and ability, as well as to accumulate knowledge, skill, personality and desirable attitudes proper for the positions. The Company has communicated to every employee of every level to have a right way of thinking and right attitude with understanding in the principles and philosophy on Core Competency. The activity for Team Learning & Development has been arranged under the program for development and increase of efficiency and neo workforce based on its Core Competency to bring about change in behavior for the building of new work culture. In 2014, the average training course for employees are 1 course / per person / per year. The information on employee training is as follows.

	Average numbers of hours/person/year
Information on employee training	
Average numbers of training hours (hrs/person/year)	23,50
Average numbers of training hours classified by sex	
Female	22.0
Male	25.0
Average numbers of training hours classified according to employee level	
Executive level	30,50
Employee level	23,50

The Company provides several channels for upward communication from employees of every level to the top management as follows:

- Suggestion box, the top management will answer every question via email to every employee.
- Site Visit by the top management and Human Resource Department to look after the employees, both in terms of work and daily life.
- Meeting program between employees representatives and the management to exchange opinions and suggestions in respect of the operating process of the Company.

The Company had also promoted employees with excellent performance by selecting the outstanding employee of the year. Employees with employment period of 5, 10, 15, 20 and 25 years, considered as valuable resource of the Company, were granted awards, to encourage their love for and committed to the Company. Moreover, the HRMS system has been implemented in the Company to raise the capabilities and efficiency of personnel management and human resource development.

- **Management** : guidelines for the organization's risk management in the new era, human resource management for supervisors, performance management system, quality management system (ISO 9001:2008), etc.
- **Change of behavior** : to create a shared value for employees of every level and every project to have a servicing culture to move forwards to achieve Supalai — Service Excellence, Supalai Way Activity, to build up unity among employees. The Key Performance Indicator (KPI) had been used to assess individual performance, causing employees to have work targets with a fair assessment in place, etc.
- **Increase of efficiency** : to make all the works performed with consistency until achieving the goals, the Company has laid down the Supalai-7 R policy to increase efficiency of its teams. The Supalai-7R strategy is an idea to build up efficiency of every department concerned, both internal and external, sharing the same objectives and targets, comprising:
 1. **CSR (Corporate Social Responsibility)** : Supalai and the society, by aiming at corporate social responsibility and returning of profit to the society, building relations between the society and Supalai, making the Company to be talked about with better image.
 2. **PR (Public Relation)** : Supalai and the media, e.g. public and media relations, by focusing on building good relations with the public and mass media, making familiarity between the management and the media with the wish to make the media a part of the organization in a constructive manner to strengthen cooperation.
 3. **CRM (Customer Relations Management)** : Supalai and customers, by aiming at better relations between the Company and its customers by organizing various useful activities for customers' satisfaction.
 4. **ER (Employee Relation)** : Supalai and employees, by emphasizing good relations with employees to make every employee live and work in unity like family members and enjoy their work

5. IR (Investor and Shareholder Relation) : Supalai and shareholders, by creating better understanding among shareholders and investors so as to be better informed about the Company in order to have a positive feeling about the Company and become long-term shareholders. The Company also aims for operational results satisfactory to investors and shareholders
6. SCR (Supplier Contractor Relation) : Supalai and suppliers and contractors, by attaching importance to suppliers by treating suppliers and contractors with fairness and sincerity to obtain good returns and trust.
7. GR (Government Relation) : Supalai and relevant government agencies, by emphasizing relations between government agencies and the Company for coordination and flexibility; the Company complies with laws and regulation, and provides cooperation, both directly and indirectly.

In this regard, the Company has focused on reinforcement of good culture and working environment and treated every employee equally. There has been Code of Conduct for directors, executives and employees, while Supalai magazines are issued monthly. To make its employees respond to the Company's vision and mission, the Company has therefore adopted the annual motto of 2015 as follows: "Charms of Supalai People ● Clean and tidy ● Friendly ● Courteous ● Sincere ● Service minded"

D) For Trading Partners

The Company has committed to comply with the policy on Treatment of Trading Partners, it has the policy to treat its contractors, trading partners, vendors and financial institution creditors equally with fairness, whereby directors, executives and all employees as well as employees in the subsidiaries and the associated companies are required to strictly comply with such policy, by taking into account the best interests of the Company, while focusing on fair returns to both parties by avoiding situations that cause a conflict of interest. It shall also comply with contractual obligations by providing accurate information and correct reports. Any negotiation to solve problems and find solutions shall be based on the business relationship. The Company has supported the construction contractors on a continual basis to boost the morale and to encourage them to create quality work products.

The Company has committed to comply with the policy on Treatment of Creditors, whereby directors, executives and all employees as well as employees in the subsidiaries and the associated companies are required to strictly comply with such policy. The Company is committed to conducting business in a fair manner in order to create trust among creditors. The Company is committed to maintaining a sustainable relationship and mutual trust with the creditors. The Company is committed to strict compliance with the conditions of the creditors regardless of whether it is the objective in spending the money, repayment, maintaining of quality of collaterals and any other agreed matters made with the creditors in order to achieve mutual benefits. In the case of non-compliance with any of the conditions, it shall inform the creditors promptly in order to jointly solve the problems by applying reasonable principles. The Company shall not do any dishonest act against the creditors. The Company treats its counterparties/creditors as follows:

- The Company strictly complies with various agreements and conditions. In the event where the Company cannot fulfill any one of the conditions, it will inform the creditors promptly in order to jointly find a solution based on rationality.
- The Company strictly follows the conditions made by its creditors, regardless of whether it is about the spending objectives, repayments, maintaining of quality of collateral, guarantee conditions, capital management, payments for goods, and any other matters agreed with its creditors in order to achieve mutual benefits.
- The Company has adopted as its policy, requiring employees whose work is to contact with suppliers to be fair-minded. In particular, employees must not receive or demand any benefit from suppliers or potential suppliers, which may affect the fair assessment or consideration in purchasing and price. This has been indicated in the Code of Conduct to be strictly complied with by the directors, executives and employees. Before making any purchase order such as construction materials for house, suppliers that are the Company's counterparties must propose quotations first so that the Company can compare for the best proposals and terms.
- The Company attaches importance to the payment of goods by making payment upon due date as agreed. However, in some cases where a supplier needs to receive payment before due date and agrees to give discount, the Company is willing to provide assistance if it has adequate liquidity and in a position to do so.
- It is the Company's policy to treat contractors as business partners, while adhering to contract or agreement mutually made under requirements of the law. In order to obtain mutual benefits in operating business between the Company and its trading partners, the Company has followed the policy to select the contractors (trading partners) on a fair basis with transparency and strictly complying with trading conditions. It also jointly considers and solves the problems with the contractors on a regular basis, for instance, the Company normally employs the contractors by providing a lump sum for the materials and the labor cost, however, in case of shortage of materials, the Company has leverage potential to assist the contractors to procure material supplies for maximum benefits in the joint business operation. In addition, the Company provides privilege to the construction contractors having worked for the Company for a long time to carry out construction work in the provincial projects in order to have work continually.
- The Company has organized events to express its gratitude to the contractors and presented the award to the role model contractors under the concept "Joint Labor and Spirits of Supalai & Contractors" in order to strengthen mutual relationship and boost the contractors' morale so as to create continual constructive work.
- The Company has also coordinated with the banks to provide support of credit lines to the contractors so as to have supplement liquidity and capacity in expanding work.

- The Company has also supported the contractors to have an opportunity to expand or change the residence by providing privilege to contractors building houses in the Company's projects to buy Supalai's houses or the houses of its subsidiaries at the discount rate of 10% from the maximum reduction price sold to the general customers of each project.
- The Company has offered a chance to new contractors to jointly work with the Company in order to create quality work. To obtain more information, such contractors can contact the Company at 02-725-8888 ext. 310 on work days of Monday-Friday.
- To jointly find a way, to develop and test materials in cooperation with the manufacturers to ensure that all materials used for construction possess the qualifications as specified.
- Taking into consideration fairness to financial institution creditors : when the economic crisis broke out in 1999, the Company had entered into the debt restructuring process with the Office of Corporate Debt Restructuring Advisory Committee (CDRAC) of the Bank of Thailand, and completed the debt restructuring in 2002, with every creditor receiving the principals in full. As such, the Company gains trust from financial institutions which continue their support to the Company in many projects.

The Company has informed its trading partners of such policies and disseminated them on the Company's website : www.supalai.com

E) Competitors

The Company has committed to comply with the policy on Treatment off Competitors, whereby directors, executives and all employees as well as employees in the subsidiaries and the associated companies are required to strictly comply with such policy.

- Whereby the business operations shall be conducted under the free and fair competition framework and shall not seek trade secret of the competitors by fraudulent, dishonest, inappropriate, immoral or illegal acts.
- Regarding its competitors, the Company shall not do any act to cause damage to the reputation of the competitors by accusing, defaming or using any tactics without grounds; and shall not do any act to violate intellectual property rights and copyrighted works of others or competitors; and shall not conduct monopoly with its trading partners or suppliers. The Company has never had any dispute regarding trading competitors.

Such policy has been publicised on the website of the Company (www.supalai.com).

F) Community, Society, Environment, and Safety

Community and Society

The Company has committed to comply with the policy on Responsibility toward Community, Society and Environment, whereby directors, executives and all employees as well as employees in the subsidiaries and the associated companies are required to strictly comply with such policy. The Company is committed and attaches importance to business operations with the responsibility towards communities,

society and the environment in order to achieve sustainable development in terms of economic, social and environmental aspects by taking into account interest of related stakeholders in the project area as well as the society in general. This is to return benefits to the community, the society and the environment on a sustainable basis.

Over the past 25 years, the Company has committed to operate business while giving back to the society on a regular basis according to the slogan "Supalai....We Care for Thai Society" in order to return profits to the society. The Chief Executive Officer of the Company has initiated that "the return of profits to the society of business organizations is important part of corporate governance, that is, it is mutual responsibility to care for and develop the society to have good quality continually in addition to the creation of good environment for the community. Guidelines for the creation of society of Supalai focus on the provision of knowledge because knowledge can be a base for developing and improving the quality of life for personal and family benefits as well as the benefits for the society in general. Accordingly, providing knowledge is an extraordinary great contribution for happiness of the society better than providing any other factors or things. That is the source of "Saeng Prateep" Project, it is a project to create light and illumination for the development of quality of life. It is a non-profit project of which activities comprise

- **Free trainings and seminars** for the public relating to health, dharma (religious teachings), arts, finance and investment. In 2014, the seminars conducted were, Ways to Richness through Crisis, Non-Secret Tips to Find Best Stocks to Become a Millionaire in the Latter Half of the Year, Complete Change in Lifestyle, Tips to become Great Photographer Like a Pro, Tips for Body Shape Up and Health with Towel Yoga. Also, photo and writing contests had been organized under the topic "Happiness in Supalai", so that every family in Supalai projects could share the happiness in Supalai.
- **Educational activities**, in the past, the Company, having recognized the importance of education for Thai children, has provided support for the development and improvement of classrooms, school buildings, libraries, dormitories in many schools in rural areas at primary schools, secondary schools and universities, for instances, the Company provided Baht 2 million to the Department of Architecture and City Planning of Thammasat University as support for preparing classrooms, and Baht 2 million to the Department of Architecture of Chulalongkorn University and more than Baht 2 million for establishing a museum of Suankularb Witthayalai School and the Natinal Education Museum, etc. Furthermore, the Company has, jointly with the University of Illinois Alumni Association Thailand Chapter, arranged visits to schools in remote areas and made donations to these schools, i.e. money, computers, books, educational materials, sports equipment, school uniforms, medical equipment. On the occasion of its 25th anniversary, the Company has played a part in constructing and renovating school buildings, toilets, washbasins. In 2014, these activities had been organized by the Company for Baan Hin Kong School, Sa Kaeo Province, Baan Huai Poon School, Surin Province, Baan Khok Klang Nong Lai Phitthaya San School, Khon Kaen Province, Wat Kukham Municipal School, Chiang Mai Province, including donation of money and medical equipment to Wat Kukham also in Chiang Mai Province.

- **Art and cultural activities**, the Company had organized “Creative Power” art exhibition, of which all the proceeds from selling art works of Baht 2,491,414 was presented to Her Royal Highness Princess Mahachakri Sirindhorn for the charity of the Thai Red Cross Society. In addition, sculpture contest had been organized to celebrate its 25th anniversary of success, under the topic of “Happiness, Love, Prosperity” to win a total cash prizes of Baht 2,100,000.
- **Activities on production of media for worldly and Dharma knowledge**, the Company has produced books of which the contents are tips for leading daily life and Dharma song verses called “Mong Kwang, Kid Klai, Faisung” (having wide perspectives, thinking far with high ambition) to be given to customers and the general public, and the books named “Getting Rich with Sustainable Happiness” were published at the expenses of the Company, and all the proceeds were donated to the Thai Red Cross Society.
- **Social activities**, the Company had provided life saving bags to mitigate difficulties to victims of disasters in many places and donated money to the “Capital Market Joined Forces to Help Victims of Flood” Foundation to help victims of the floods in a total amount of more than Baht 10 million. In addition, the Company had provided “Rurul Home for Farmers” designs to be given to interested farmers free of charge.
- **Activities to promote family institution**, the Company attaches importance to the promotion of good relations in the family on a continual basis in order to reinforce the foundation of Thai society by organizing activities for love bondage to strengthen gratitude to parents, etc.
- **Health activities**, the Company has invited the team of medical doctors and nurses from leading hospitals to provide free health check up to Supalai customers’s family and the general public, and organized annual activities for blood donation at the Company’s main office.
- **Community development activities**, such as the improvement of road along Klong 4, donation of garbage collection truck. Installing pipe under the road and improving Soi La Sale, installing water drainage pipe and clarifier in the area of Soi Paholyothin 4, donation of operating equipment to the police stations.
- **Religious activities**, the Company has improved the landscape in the areas of temples, mosques for safety and shady areas comfortable for people visiting religious monasteries.
- **Medical check up**: The Company will invite physicians and nurses from leading hospitals to provide medical check up free of charge, and to give medical knowledge under interesting topics, with seminars on health and alternative medicine. The Supalai family and general public can participate in such activities.

- Activity to strengthen family ties
 - Mother's Day activity : Every August will be the national Mother's Day festival. Therefore, the Company organizes every year an activity to return profit to the society under the concept of "Mother-Lovers Gathering". All of the Supalai Families of every project and the public can join the activity to build up a good relationship among the Supalai Families.
 - Bonds strengthening activity : for example, meditation to strengthen family ties, activity to strengthen bonds of affection to increase gratitude towards one's parents.
- The Company has transferred knowledge through activities which are beneficial to the society in various forms, such as seminars to provide knowledge to the general public without having to pay for any expenses. It also has organized the activities to distribute life saving bags to the flood victims, the big cleaning day to clean various projects of the Company after the floods. In addition, activities have been organized for members of the projects with an objective to promote a warm Thai society with good family relationship.
- Provides support services to customers in the housing project in term of safety, cleanliness and beauty and the perfect establishment of Juristic person for housing project to satisfy residential customers and help promote a good image since the Company recognizes that living in a society with good environment will inevitably affect the quality of life of the residents in the community. As a result, the Company emphasizes creating Supalai society with good quality in order to a warm and safe society by focusing firstly on building strong relationships within the family and cultivating good attitude toward the family so as to be a good foundation for society as a whole. The Company, therefore, organizes an event that instill gratitude to the parents, or events that continuously help strengthen relationships within the family such as mindfulness - meditation, new year activities that promote the activities of family members, etc. Supalai cares not only for the Supalai residents but also for the residents of nearby areas starting from the development of the site from the beginning of the project, thus, there is a schedule for security check and prevention of various effects that may occur to the residents living in surrounding areas due to the construction. One aspect demonstrates the importance on taking care of Supalai residents is having various communications channels leading to the development of products and services in order to importantly achieve maximum benefit and satisfaction of our customers. The available communication channels are used for relating happy story or information or send feedback through community project officer, executive officer of the community and at the headquarters. Contact can be made at 02 725 8888 ext 553, 557, Smart Center at 02 725 8899 ext, 1720, or www.supalai.com, project comment box and "Glass Bell" project.

Due to the policy of Supalai Public Company Limited which focuses on conducting real estate business on a continual basis along with participation in the creation of Thai society under the concept of "Supalai.....we care for Thai Society", emphasis has been placed upon a variety of activities organized

every year as from its establishment up to now so as to return profits to the society. Being aware of Corporate Social Responsibility (CSR), several activities with benefit to the society had been organized in several forms. Moreover, the Company has defined in its policy regarding the responsibility to the community, society and environment, the instilling of sense of responsibility for the environment into its employee, and has continuously organized environmental training for them.

Environment

As regards the use of resources, the Company has also observed the policy on efficient use of resources, whereby the directors, executives and all employees including employees of the subsidiaries and associated companies are required to strictly observe this policy as currently, natural resources are diminishing; the Company, therefore, focuses on raising awareness of the employees to make the most effective use of resources in order to further create the habit and apply at home. This by-product is also expected to result in more efficient use of resources at national level. Such good habit would be passed on to the younger generations and be a role model for the future. This habit will lead to the concept of “thinking before using” and will further help create the saving habit. The Company has applied various methods to create awareness on the use of resources, such as affixing stickers, conducting public relations, exhibition boards and providing knowledge through trainings under the theme “3Rs-Reduce, Reuse, Recycle” in order to achieve effective utilization of resources and reduce energy in irradiating waste, reducing pollution and reducing greenhouse gas emissions.

The Company is committed to comply with all the laws relating to environmental protection and all the laws relating to health and safety, and therefore requires that all employees do the same. It also provides knowledge on the environment, health and safety to the employees and the general public in order to be applied at the office and extended to the outsiders. The topics of the trainings comprise “Saving Energy of the Company” and “Producing Household Products”, which can be naturally decomposed and not adversely affect the environment.

In addition, the Company encourages and provides supports for the design, research and development of products in order to conserve the energy and the environment by applying the principle of polluter paying the costs in order to encourage the reduction of pollution and reduce the burden of the society according to the environmental governance. The Company also encourages its directors, executives and employees including employees of its subsidiaries and associated companies to use resources efficiently by adopting relevant policies, such as policy on the use cars, electricity, air conditioners, office equipment and water as well as the policies on reducing waste and recycle. Such policy has been publicised on the website of the Company (www.supalai.com).

The Company focuses on creating awareness of environment and safety among employees and relevant departments as follows:

- Under the concept “Supalai Save Our World Save Your Money”, the Company has initiated the development by designing environment and energy-saving homes and buildings by means of natural passive cooling, while preparing for mechanical cooling and active cooling as integrated elements as option to reduce the use of energy for air-conditioning,

reduce lighting by electricity and other appliances where the construction cost remains at similar level as those of general houses in the market. As a result, the pricing is cost-effective with appropriate use and saving the cost of electricity. From the energy-saving concept, each Supalai project is similar to Eco Land that helps reduce global warming.

- **Tree Conservation and Deforestation Reduction:** To acquire land for project development, the Company would conduct a survey of the area. If it is found that there are trees that can be used for landscape design within the project, the Company would uproot such trees for further transplanting, in recognition of the value of tree conservation and also to maintain physical environment of the area. The Company can reduce the cutting down of approximate 200 - 500 trees each year. Such action has been done not only to conserve the environment but also to provide a shady place of living to customers buying houses in the Company's projects. In addition, the shareholders receive greater returns on investment due to the Company's ability in cost control.
- **Environmental impact study** in accordance with the Office of Natural Resources and Environmental Policy and Planning, Ministry of Natural Resources and Environment, although the process of public participation is not mandatory, the Company has resorted to meetings to listen to the public opinions in the area which are expected to be affected by the operation of the Company. That is, there is a preliminary inquiry of all houses in expected area of the project, the information shall be then analyzes to clarify the understanding of the issues and concerns as well as adopting mitigation measures for the expected effects which may occur and to inform the public in such areas for participation in the public hearings. All meetings are opened to the public to be able to fully express their opinions, particularly regarding specific measures to mitigate the environmental impact that the Company has gathered from the preliminary inquiry. If the people are not satisfied, the measures will be modified in order to meet the needs of the people. In case of doubt by the community or group of people, or they think the environmental mitigation measures are inadequate, the Company will not disregard but will hold a Focus Group in order to listen to the concerns of the community or a specific group to find ways to mitigate the impact on the community or concerned group properly and satisfyingly.
- **Educating employees and the public on environment**, such as energy savings in the Company by improving landscape around the fire exit stairs in order to persuade employees to use the stairs instead of the elevator, preparing the products for household use, which are naturally decomposed and environmental friendly.
- **Preventing pollution during the construction**, during the construction, the Company has installed fences and canvas to cover the building to reduce noise and dust, closed working area in order to decrease the volume of dust and noise and installed dust and sound level meter as well as cleaning the wheels of vehicles before leaving the project site to prevent any soil attached.

- Environmental conservation activities, the Company has planted mangroves, released sea turtles for ecological abundance, grown traditional plants in Thai literature at Ban Pang Samakkee, Kaeng Khoi District, Saraburi Province.
- Providing a security supervisor on-site for every project in order to conduct functional analysis, monitoring, supervision, and support in terms of security.
- Activities relating to safety of life and health of the employees and customers, such as 5S activities for the employees by adopting the 5S policy while monitoring the implementation of such policy annually. The Company has also provided trainings on safety and annual fire drills for all employees and customers renting the building spaces, etc.
- Environmental improvement for safety to life, health, property of its employees and customers, e.g. activity of 5S campaigns (Clearance, Convenience, Cleanliness, Hygiene, Habit Making), annual fire-drill for all employees and customers renting the spaces in the building, taking into consideration the safety, health and environment, whereby:
 - In 2012, as the owner of Supalai Grand Tower, the Company received an award for “Safe Building, a Comfort to All” from Bangkok Metropolitan Administration, as the building with safety management system, a complimentary award in the project for increasing of participation in home and building safety by Public Works Department of the Bangkok Metropolitan Administration.
 - In 2012, the Company received a plaque under the “Thai Join Hands for Clear Canals” Project from the Prime Minister, who presided over the award giving ceremony on the occasion where the Company was a real estate company that participated in the project for sustainable saving of canals.
- Various campaigns in the Company, e.g. reducing global warming with our hands, turning off lights every time after use, turning off computer screen at lunchtime or whenever it’s not needed, using stairs instead of lifts, using both sides of the paper, reducing hardcopy document transmission by changing to transmission via computer instead, donating of aluminum to create prosthetic limbs and crutches, etc.
- The Company has disclosed its information on CSR practices in accordance with the Corporate Governance Report of Thai Listed Companies and assessment criteria of CSR in Process, which have been used by the Company as guidelines for disclosing of information according to the business nature of the organization.

The Company and its subsidiaries have not been investigated or under investigation by any authorities regarding the practices of the Company or its subsidiaries, in respect of any violation of social and environmental laws. It has also never taken part in or been accused of undertaking business in such a way that create adverse effect on the society and the environment, either in the news published in the media or in the case that might significantly affect business operations, reputation, or trustworthiness of the Company or its subsidiaries.

Safety, Occupational health and Environment in working

As regards safety, the Company has complied with the policy on safety, occupational health and environment in working, whereby the directors, executives and all employees including employees of the subsidiaries and associated companies have strictly complied with such policy. Having attached importance to the safety, occupational health and environment in working, the Company is committed to improve its operations in terms of safety, occupational health and environment on a continual basis. Activities on safety in working have been encouraged and supported, while monitoring and evaluating the policy implementation for maximum efficiency.

The Company has set up the Committee on Safety, Occupational Health and Workplace Environment, comprising 11 members, in accordance with the Notification of the Ministry of Labor and Social Welfare, Re: Committee on Safety, Occupational Health and Workplace Environment, requiring a workplace with 500 employees or more to set up a committee of not less than 11 members, comprising the employer or his/her representative as chairman, 4 representatives of supervising level and 5 representatives of operating level as members, with the work safety officer as member and secretary. The committee members of supervising level were selected by the employer. The selection of committee members of operating level was in accordance with the Notification of the Department of Labor Protection and Welfare, Re: Rules and Procedures for Election of Committee Members Representing Employees. The employees at operating level of at least 3 but not more than 5 persons, who do not wish to apply for the election, shall be appointed as the election committee to conduct the election of committee members at operating level. In 2014, the Company's arrangement regarding safety can be summarized as follows:

- Organizing meeting on safety once a month.
- Inspecting the safety of work area, whereby members of the Committee on Safety, Occupational Health and Workplace Environment are divided to perform such duties. The inspecting results would be considered in the meeting, with follow-up made and advice given if it was found out that the correction method used was not suitable.
- Giving advice and/or order for correction of work condition that might cause danger according to the monthly report on unsafe work condition.
- Giving advice and/or order for solving of accident problem according to the report on accident project.
- Organizing training on Occupational Safety, Health and Work Environment for employees at supervisor level in order to increase knowledge, ability, and to create self-awareness for supervisors and their subordinates.
- Arranging for an annual fire-drill jointly with Supalai Grand Tower.
- Launching a campaign: turn off the lights, unplug appliances and office equipment during long holidays to prevent accident from shortcut to electricity.

- Launching a campaign for safe driving every long holiday to prevent car accident, including a campaign for every employee on prohibitions in driving to raise awareness for safe driving.
- Launching a campaign for self protection from disease, e.g. dengue fever, influenza and physical exercise to reduce office syndrome etc.

In addition, the Company had reported the statistics on accidents in the report of professional level of the work safety officer in accordance with the Notification of the Ministry of Labor and Social Welfare, Re: Work Safety of Employees, which done on quarterly basis. In 2014, the statistics of accident, sickness, and absence from work are as follows:

Summary statistics of accidents, sickness, and absence from work for 2014

Details		Male	Female
Employees injured from accident	(person)	1	-
Numbers of days taken for sick leave	(day)	849	666
Numbers of employees on sick leave	(person)	224	141
Numbers of days of absence without leave	(day)	442	205
Numbers of employees absent without leave	(person)	149	106

G) Economy of the Country

The Company places emphasis on operating business with social and environmental responsibility in order to create simultaneous sustainable social and economic systems of the country, whereby:

- Commitment to be good business operator, the Company has the policy to pay tax in a correct, complete and timely manner since its establishment in order for the country to use for development of housing, occupation, convenience, safety and prosperity of the country. In 2012, the Company receive “Ratsadakorn Pipat” award or “Quality Taxpayer of 2011”, an award given by the Revenue Department, Ministry of Finance, under the policy “Right, Proud, for the Nation”. The award was given to the taxpayers who deserved praise because these organizations or individuals were good citizens of the land, paying taxes correctly, fully, willingly, and honestly. They were exemplars for doing good things and building confidence to the public, various entrepreneurs, entities and organizations, making them aware of the benefit of taxpaying, which would be further used to bring about prosperity and security to the country.
- Generating income in the area of real estate development projects, the fact that the Company has developed the project in neglected and untidied land to be housing or condominium projects has supported the surrounding communities to have better livelihood as some projects have helped develop the drainage systems and access roads as well

as new business, new jobs, new occupations such as laundry and convenient stores, gardening, hairdressing, etc

- Developing energy-saving houses, the Company has received the Excellent Energy-Saving House Award and Energy-Saving Building Label, which indirectly help the country save cost for acquiring energy sources, such as,
 - In 2005, the Company received an Outstanding Award for “Excellent Energy Conservation House” for Supivat design in the category of small detached house of Supalai Orchid Park Watcharapol project and Supakarul design in the category of medium size detached house of Supalai Orchid Park 3 project from the Department of Alternative Energy Development and Efficiency, Ministry of Energy.
 - In 2007, the Company received a Good Award for “Excellent Energy Conservation House” for Supavat (new) design in the category of small detached house of Supalai Garden Ville Outer Ring Road Pinklao-Rama 5 project, and for the Supatarin design in the category of medium size detached house of Supalai Suvarnabhumi project from the Department of Alternative Energy Development and Efficiency , Ministry of Energy.
 - In 2008, the Company received a Good Award for “Excellent Energy Conservation House” for Supanuch (special) design and the Supadarul (new) design in the category of small detached house of Supalai Garden Ville Outer Ring Road Pinklao-Rama 5 project from the Department of Alternative Energy Development and Efficiency , Ministry of Energy.
- The development of low-cost houses for low and middle-income people, the Company sees the sufferings of low income people, and has, therefore, joined the Board of Investment (BOI) project to develop good quality houses at reasonable prices for lower and lower-middle income people, which comprise a sizeable number in the society.

H) Government Agencies

The Company has complied with the laws and strictly reported on such compliance, be it the tax payment and other expenses according to the regulations and rules prescribed by the state sector, and provided cooperation and support in implementing the state policies for the benefits of the country. It is also committed to carry out projects beneficial to the public, either being assigned by the state sector or initiated by the Company itself.

The Company has no operation that is in violation of the laws regarding labor, employment, consumers, trade competition and environment; it also has not been subject to any action by regulatory agency due to its failure to publicize information on significant event within the time prescribed by the authority.

In this regard, the Company has arranged in place channels for stakeholders to communicate, make suggestions, provide information useful to the business operation, or to lodge complaints against improper actions, directly to the Board of Directors. The channels of receiving information or complaints, right protection of the information providers, information related to the persons making complaints are

kept confidential, with the access to information allowed for those responsible for complaints examination only. The Independent Directors will consider the matter and report to the Board of Directors. The various channels are as follows; Supalai Smart Center, tel. 1720, 02-725-8899, “You call, we care”, or Website: www.supalai.com or project opinion box. In addition, the Company has, in 2014, received the Consumer Protection Thailand Call Center Award 2014 from the Office of the Consumer Protection Board (OCPB).

Chapter 4: Information Disclosure and Transparency

The Company has a policy to disclose the information to the investors and all groups of stakeholders on an equally basis by disclosing accurate, complete and transparent information in a timely manner. Such information includes the information on finance, results of operations, future directions of business operations and other information in order that the shareholders and all groups of stakeholders to be able to have access to the Company’s information conveniently, promptly and in a timely manner.

4.1 Shareholding Structure

The Company has clearly disclosed the structure of shareholders with most updated information so that the users of the information are able to have access to the true information of the Company by presenting details of the structures of the major shareholders and the proportion of the small shareholders. In addition, the Company has no policies that allow one company and two other companies or more to hold each other’s shares to take advantage of business clusters or to create structures of the group of companies. (Please see details under topic “Overall business operations of the Company and its subsidiaries” and “ Chart of Shareholding Structure of Companies Group”

4.2 Disclosure of Attendance of Each Director at Board of Directors' Meetings

In 2014, the Company organized the Board of Directors' meetings and Sub-Committees' Meetings, whereby the number of attendances of each director has been disclosed as follows:

Director's name		Board of Director (12 Meetings)	Risk Management Committee (1 Meeting)	Audit Committee (12 Meeting)	Nomination and Compensation Committee (2 Meeting)	Corporate Governance Committee (1 Meeting)
Mr. Prateep	Tangmatitham	12/12	1/1*	-	-	-
Mrs.Ajchara	Tangmatitham	12/12	1/1*	-	-	-
Mr.Tritecha	Tangmatitham	12/12	1/1	-	-	-
Mr.Prakit	Pradipasen	12/12	-	12/12	2/2	-
Mr.Prasob	Snongjati	11/12	-	-	2/2	1/1
Dr.Virach	Aphimeteetamrong	12/12	-	-	2/2	1/1
Mr.Anant	Gatepithaya	12/12	1/1	12/12	-	-
Assist.Prof.Aswin	Bijayayodhin	12/12	-	12/12	-	-
Mr.Atip	Bijanonda	12/12	1/1	-	-	1/1
Dr.Prasas	Tangmatitiam	11/12	-	-	-	1/1
Mr. Krid	Chancharoensuk	8/8 The Annual Ordinary General Meeting of Shareholders on 22 April 2014 approved to elect him to be new director				

Remark : These two directors are change position from Director of Risk Management Committee to Adviser of Risk Management Committee. The Board of Directors 1/2015 on 13 January 2015 approved.

4.3 Report on Direct and Indirect Holding of Securities of Directors and Executives

The Company has put in place the supervision of the use of inside information by requiring that its directors and executives submit the list of their securities holding including those of their spouses, children who are minors and related persons and report on changes of the list to the Office of the Securities and Exchange Commission within 3 day from the date of purchase, selling, transferring or receiving the transfer of the securities. This is to comply with Section 59 of the Securities and Exchange Act 1992. The directors and executives are also prohibited from buying and selling of the Company's securities during the period of one month prior to disclosure of financial statements to the public and forward the report on selling and buying of Company's shares to the Company Secretary to keep as evidence.

In 2014, the company arrange to prepare a report on direct and indirect securities holdings of the directors and executives and also changes in securities holdings of directors and the first 4 executive officers at to the Board of Directors' meetings for acknowledgement 4 times in January, April, July and October. The details are as follows:

Report on Holding of Securities of Directors and Executives as of 31 December 2014

Name – Surname	Number of Share			
	As of 31 December 2013	Acquired during year 2014	Disposed during year 2014	As of 31 December 2014
1. Mr.Prateep Tangmatitham and spouse	484,004,244	-	-	484,004,244
2. Mrs.Ajchara Tangmatitham and spouse	484,004,244	-	-	484,004,244
3. Mr.Tritecha Tangmatitham and spouse	-	-	-	-
4. Mr.Prakit Pradipasen and spouse	-	-	-	-
5. Mr.Prasob Snongjati and spouse	380,533	-	-	380,533
6. Dr.Virach Aphimeteetamrong and spouse	2,461,466	-	(30,000)	2,431,466
7. Mr.Anant Gatepithaya and spouse	-	-	-	-
8. Assist. Prof. Aswin Bijayayodhin and spouse	-	-	-	-
9. Mr.Atip Bijanonda	5,334,140	-	-	5,334,140
10. Mr.Prasas Tangmatitiam and spouse	-	-	-	-
11. Mr.Krid Chancharoensuk and spouse	-	-	-	-
12. Mr.Punnapan Nengpetch and spouse	759,733	-	-	759,733
13. Mrs.Varunee Lapitananuvat and spouse	-	10,000	-	10,000
14. Mr.Kitipong Sirilugtrakun and spouse	507,373	-	-	507,373

4.4 Report on Vested Interest

Supalai Public Company Limited has committed to comply with the policy on Vested Interest, set requirements that the directors and executives report to the Company on their own or their related person's vested interest relating to the management of business of the Company or its subsidiaries pursuant to Section 89/14 of the Securities and Exchange Act B.E. 2535 (1992) amended by the Securities and Exchange Act (No. 4) B.E. 2551 (2008). Such report shall constitute information to support the Company's operations according to the requirement regarding related party transaction, which are transactions that may cause conflict of interest and lead to the siphoning of interest of the Company and its subsidiaries. The directors and executives must also perform their duties with due care and honesty, and they shall make decision on the Company's matters without vested interest either directly or indirectly. The information in such report is, therefore, beneficial in monitoring and ensuring that the directors and executives perform their duties in accordance with such principles.

Reporting

1. The directors and the executives are required to report to the company their own stake, or those of their related persons in case of stake related to the management of business of the company or its subsidiaries by filling in Form for Reporting on Stake of Directors and Executives (as in attached document) as follows:

- First report: It should be done by the 15th of the following month from the on which there is transaction of stake.

- Report on changes of information on stake: It should be made without delay, that is, within 3 business days from the date on which the information has changed by specifying the orderly number of such change.
2. The directors and executives shall submit report form of having their own stake or those of their related persons to the Company's Secretary for acknowledgement immediately or within the specified date. The Board of Directors has required that the basic reporting form "Report of Interest" of the Listed Companies Association.
 3. The Company Secretary shall do as follows:
 - Submit a copy of the report on stake according to Section 89/14 to the Chief Executive Officer of the Company and the Chairman of the Audit Committee within 7 business days from the date on which the Company receives such report.
 - Maintain reports on stake reported to the Company by directors and executives.
 - Disclose the information on stake of directors and executives in the annual report (Form 56-2) and the annual registration statement (Form 56-1).

Penalties

Under the provisions of the law are as follows:

- Section 281/2 of the Securities and Exchange Act prescribes that any director or executive does not perform the duties responsibly with caution and honesty in accordance with Section 89/7 to the point that it causes damage to the Company or causes oneself or others to benefit from the violation or omission to perform such duties shall be liable to a fine not exceeding the amount of damages incurred or the amount of benefit received. However, the fine shall not be less than five hundred thousand Baht.
- Section 281/3 of the Securities and Exchange Act prescribes that any director or executive officer who fails to comply with Section 89/14 shall be liable to a fine not exceeding five hundred thousand Baht and a fine not exceeding three thousand Baht per day throughout the period of incorrect performance.
- Section 281/5 of the Securities and Exchange Act prescribes that any company secretary, who does not perform the duties in accordance with Section 89/15 (1) (2) or (3) or Section 89/16 shall be liable to a fine not exceeding one hundred thousand Baht.
- Section 203 of the Public Limited Companies Act B.E. 2535 (1992) prescribes that any director fails to comply with Section 88, or complies incompletely or incorrectly shall be liable to a fine not exceeding twenty thousand Baht.

In addition, during the past year, there was no director, executive and related person having vested interest that may cause conflicts of interest.

4.5 Diversification of Communication Channels

For the disclosure of key information, the Company had done via various channels and the media on consistency basis to enable its shareholders and stakeholders to be informed entirely. The channels for dissemination are as follows.

1. The Stock Exchange of Thailand
 - 1) Annual Report
 - 2) Financial Statement
 - 3) Operational Results Report on a quarterly basis
 - 4) Resolution of the Board and others
2. The Securities and Exchange Commission
3. Ministry of Commerce
4. Newspaper
5. Magazine
6. Television
7. Press Release
8. Investor Relation (contact 0-2725-8888 Ext.851 or e-mail address : ir_spali@supalai.com)
9. The Company's website (www.supalai.com)
10. Company Visit and One-on One Meeting
11. Domestic and Foreign Road Show
12. Analyst Meeting
13. Public Relation, Press Conference and Press Release of financial status of the Company
14. Document delivery notify shareholders by mail

In 2014, the Company disclosed the financial information, explanation on financial position analysis and operational results (Management Discussion and Analysis) including reports on information and important decision making to the Office of Securities and Exchange Commission and the Stock Exchange of Thailand and the shareholders regularly on a quarterly and an annual basis via the news system of the Stock Exchange of Thailand, while also disseminating information through the website of the Company in both Thai and English.

The financial statements of the Company had no qualified opinions from the auditors and the Company has no record of delays in submitting the quarterly and annual financial reports, and has no notification from external regulatory organizations to correct the financial statements.

Besides, the Company publicized the invitation letters for shareholders' ordinary meetings, supporting documents of the meetings, minutes of the latest shareholders' ordinary meeting and annual reports on the Company's website that can be easily downloaded. The Company also publicized the Annual Report within 120 days after the end of the fiscal year.

4.6 Investor Relations

The Board of Directors of the Company is well aware of its mission and duty to treat all shareholders equally by ensuring that the disclosure, both financial and non-financial information, is made correctly, fully, adequately, reliably and in a timely manner in order for the shareholders to receive information on an equitable basis as required by laws, relevant organizations and government agencies. The Investor Relations Section under the Business Development and Investor Relations Department is the Company's representative in communicating and supervising general investors, securities analysts, and shareholders. Information will be disseminated via various channels, ranging from the mass media, website, telephone, the Stock Exchange of Thailand, the Securities and Exchange Commission.

Before making any disclosure via various channels, in normal and urgent cases, it must be firstly considered by the Board of Directors for correctness, completeness, adequacy of information, before forwarding to the Stock Exchange of Thailand. Once forwarded to the Stock Exchange of Thailand, the financial statements will be disseminated via IR Website at www.supalai.com and www.shareinvestor.com.

The Company has taken proactive action by going out to visit analysts and investors, joining by its executive directors and executives responsible for accounting and finance to give clarification and opportunity for investors, analysts, as well as those interested to make inquiry. In addition to local investors, the Company had organized Road Show to present information and progress of the Company to foreign investors. There was also disclosure of information to the public, e.g. annual report, 56-1 Form, information presented on the day of meeting with investors, etc., to ensure full compliance with relevant regulations. Furthermore, the Company had provided information and disseminated its operation results to investors, shareholders and those concerned on quarterly basis. There were press conferences and disclosure of information to the Stock Exchange of Thailand.

The Company established a unit on Investor Relations to communicate with the general investors, securities analysts, shareholders, and to be a center for disclosing important information to the investors, to take care of the process of financial reports to equally reveal to the investors both in the country and overseas the results of the company's operation, the trend of the revenue and future project development on a regular basis with complete and true information. The dissemination of information has been made at appropriate time through various channels including the media, website, telephone calls, the Stock Exchange of Thailand and the Office of Securities and Exchange Commission.

In addition, the Company has prepared the calendar of its activities in advance to disseminate information that is useful to investors, shareholders, analysts and the general public. The Company also revealed the operational results to the analysts, financial institutional investors, financial institutions and the media after every quarter and also held press conferences and disclosure of information to the Stock Exchange of Thailand to ensure that the Company has been completely in compliance with regulations stipulated in related laws. For investors and related persons who have queries and need more information, they can contact the Investor Relations Department of Supalai Public Company Limited, telephone 0-2725-8888 ext. 851, e-mail: ir_spali@supalai.com or via Company's website (www.supalai.com). The Company has set out the Code of Conduct for the investor relations as follows;

1. must carry out duties using knowledge and ability proficiently in compliance with professional principles consistently with honesty, fairness, diligence and responsibilities.
2. must present information of the Company, news and changes with transparency, clarity and in a timely manner based on the interest of all groups of stakeholders equally and honestly.
3. refrain from disseminating information that affects the price of securities of the Company or may have impact on decision making to invest or on the rights and benefits of shareholders; present the information only after the formal submission of the information to the Stock Exchange of Thailand.
4. refrain from disclosing the information that has no conclusion or in the process of negotiation which contains uncertainty or overestimate.
5. refrain from using inappropriate words or format that may cause misunderstanding on the securities of the Company.
6. create confidence, promote the good image and attitudes of the Company as well as maintaining good relations with the investors and the analysts.
7. perform duties in accordance with rules and regulations, related laws and those of the regulatory organizations.
8. maintain good relations with colleagues in the organization and external organizations.

The Company has publicized the Investor Relations' Code of Conduct in the Company's website, www.supalai.com both in Thai and English. In 2014, the Company presented the results of operations to analysts, investors and financial institutional investors, financial institutions and the media as planned. (For details, please see Section: Investor Relations).

4.7 The Company's Website

The Company has set up a website in both Thai and English to be used as a tool in communicating, and disseminating various kinds of information to shareholders or the investors to be informed of information relating to the Company in a timely manner, such as the nature of business, financial statements, press releases, shareholding structure, organizational structure, the structures of its subsidiaries, information relating to the Board of Directors, the executives, roles and duties of the Board of Directors, Sub — Committees, reports on results of performance of the Sub-Committees, information on investor relations, Articles of Association, certificates, letters of invitation for the shareholders' meetings, reports on the shareholders' ordinary meetings, ethics and business's code of conduct, Handbook on Corporate Governance Policy and other policies, all of which can be downloaded conveniently from the website.

4.8 Board of Directors' Responsibility for Financial Reports

The Board of Directors had arranged for reports of its responsibility for the financial reports to be included in the Annual Report for the year 2014 by being responsible for the financial statements of the Company and the Company's subsidiaries including the financial information appeared in the Annual Report. The financial statements had been prepared in accordance with financial reporting standards

stipulated in the Accounting Profession Act by taking into consideration the appropriate accounting policy. Such practice has been done on a regular basis with careful discretion and the best estimate in preparing such statements. Besides, the Company had sufficiently disclosed important information in the note of the financial statements based on facts with rationale and transparency to be useful for the shareholders and investors in general.

A part from this, the Board of Directors has set up an appropriate and efficient internal control system and has designated the Audit Committee comprising all independent directors to supervise and review the accounting policy, quality of financial report, internal control system and process in internal audit to ensure efficiency. The comments of the Audit Committee have already been included in the report of the Audit Committee.

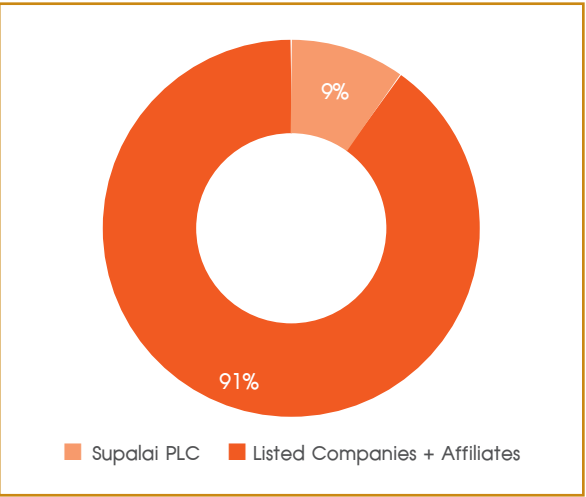
4.9 Market Share

The Company has a ratio of sales to the total sales made by the group of listed companies on the Stock Exchange of Thailand (SET) in the year 2014 as summarized below;

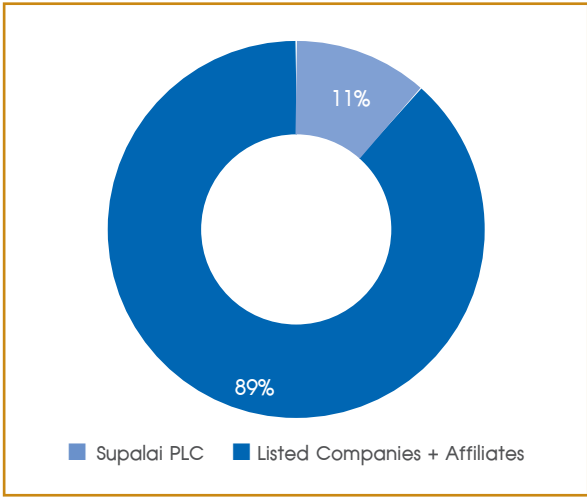
- For the group of low rise projects, the Company has a market share of approximately 9%
- For the group of high rise projects, the Company has a market share of approximately 11%

The Company's total market share amounts to approximately 7% of the entire shares achieved by the group of listed companies on the Stock Exchange of Thailand, details of which are illustrated below:

Ratio of the Company's sales to the total sales of the group of listed companies on the SET— Low-rise projects

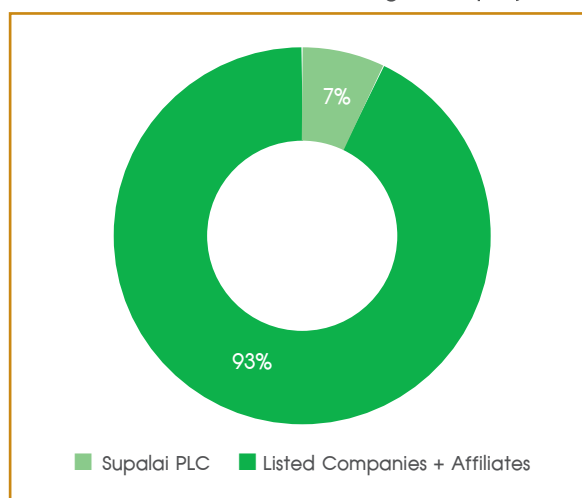


Ratio of the Company's sales to the total sales of the group of listed companies on the SET— High-rise projects



Source: AGENCY FOR REAL ESTATE AFFAIRS

Ratio of the Company's sales to the total sales of the group of listed companies
on the SET— Low-rise and high-rise projects



Source: AGENCY FOR REAL ESTATE AFFAIRS

Chapter 5: Board of Directors' Responsibilities

5.1 Board Structure

- Composition of the Board of Directors

The Company's Board of Directors comprises qualified persons with knowledge, ability and experiences useful to the Company. There are 11 directors in total. The election of directors was in accordance with the resolution of the shareholders' meeting under the rules and procedures prescribed by law, comprising;

- 4 Executive Directors
- 2 Non-executive Director
- 5 Independent Directors

The Authorized Directors to sign on behalf of the Company are Mr. Prateep Tangmatitham or Mrs. Ajchara Tangmatitham or Mr. Tritecha Tangmatitham or Mr. Krid Chancharoensuk, jointly signed by any two out of these four persons and affix with Company's seal.

Furthermore, the Company has set as a policy that its Board of Directors shall have a range of diversified structure, comprising gender, age, educational level, knowledge, professional skill, work experience, expertise, as well as integrity and ethics. It also has appointment criteria and process for newly nominated directors (please see details under the title "Nomination of Board Members). In addition, the 11 Directors of the Company and its Executive Management have never been employees or partners of the external audit firm providing service over the past 2 years. The present Board of Directors has 5 independent and 3 non-executive directors the totally 8 Directors, with work experience related to the Company's business.

- **Company Secretary**

Mrs. Varunee Lapitananuvat, Senior Assistant Managing Director of Finance and Accounting (E-mail: Varunee@supalai.com) has been appointed as the Company Secretary by resolution of the Board of Directors' Meeting No. 7/2008 held on 29 May 2008 which is also an effective date of her appointment and commencement date of her duties. The qualifications, duties and responsibilities of the person in this position are as follows:

- **Qualifications of the Company Secretary**

1. Graduate with a degree in Accounting and Finance and has completed relevant training courses in the Company's secretarial functions and possess good knowledge and understanding of the business type of the Company and the Company secretary-related duties i.e. duties of directors, duties of the Company, and also possess knowledge on relevant laws and regulations, and always keeps abreast with news and information in order to improve the performance of duties.
2. Comply with related laws, the Company's objectives, Articles of Association as well as resolutions of the Company's Board of Directors and the resolutions of the shareholders' meetings with accountability, care, honesty and commitment to support the Company's operations to achieve objectives under the principles of good corporate governance and business ethics.
3. Adhere to ethics and morality and always consider the interest of the shareholders; shall not do anything that may affect reputation and image of the Company.
4. Keep the Company's information confidential and safe and not look out for personal gains from the Company's business opportunity.
5. Have good interpersonal skills and ability to liaise with various departments and agencies, both within and outside the Company.

- **Duties and responsibilities of the Company Secretary**

1. Give basic advice to Directors in respect of laws, orders and regulations of the Company of which the Board of Directors needs to know, as well as to ensure proper and consistent compliance. Report any significant change in matter of laws to Directors.
2. Organize the shareholders' meeting and Board meeting in accordance with the laws, articles of association and proper practice.
3. Take the minutes of shareholders' meeting and Board meeting, as well as to ensure compliance with the resolutions of the shareholders' meeting and Board meeting.
4. Prepare and keep the register of Directors, annual reports, letters of invitation for shareholders' meeting, letters of invitation for Board meeting, minutes of the shareholders' meeting and minutes of the Board meeting.

5. Keep the reports of interests filed reported by directors or executives and make submission as required by laws.
6. Ensure that there is the disclosure of information under responsibility to the regulatory agencies according to the regulations and requirements of government agencies.
7. Contact and communicate with general shareholders to keep them informed of various shareholders' rights and Company's news.
8. Take care of the activities of the Board.
9. Carry out other duties as prescribed by the Capital Market Supervisory Board as well as complying with related laws and the Company's objectives, Articles of Association, resolutions of the Board of Directors and the resolutions of the shareholders' meetings.

- **Independent Directors**

The Board of Directors has defined Independent Directors as those who can independently express their opinions to support policies beneficial to the shareholders or provide recommendations freely according to the assignments given taking into account any interest regarding properties or positions. The Independent Directors shall be independent from the control of the management and majority shareholders of the Company, and shall have no relations, vested interest and shall not be under the influence of any individual or groups of persons. Also, there shall be no situation that prevents the Independent Directors from expressing their opinions as deemed necessary.

- **Set out Qualifications of Independent Director**

To build up confidence for investors and to keep a good balance of management, the Company, therefore, defines the independence of "Independent Director" in a more strict manner than the rules prescribed by the Capital Market Supervisory Board, as follows:

1. Appointed by the Board of Directors or the shareholders of the Company to be the Audit Committee members and be independent directors.
2. Hold shares of not more than 0.5 percent of the voting shares of the Company, subsidiary companies, associated companies, or any juristic persons with potential conflict, including the shares held by related persons of such independent director.
3. Must not be nor have ever been a director with participation in management, a hired worker, an employee, an advisor with fixed salary, or a person with control over the Company, subsidiary companies, associated companies, or juristic persons with potential conflict, unless having been relieved from such title for not less than 2 years before the date of appointment as independent director.
4. Must not be a person related by blood or by legal registration as father, mother, spouse, sibling, and offspring, including spouse of offspring of an executive or major shareholder, controlling person, or a person who will be nominated as executive or controlling person of the Company or subsidiary companies.

5. Must not have nor have ever had any business relationship with the Company, subsidiary companies, associated companies, or juristic persons with potential conflicts to the extent that may obstruct the using of his/her independent discretion, and is not nor ever have been a major shareholder, a non-independent director or an executive of those with business relationship with the Company, subsidiary companies, associated companies, or juristic persons with potential conflicts, unless having been relieved from such title for not less than 2 years before the date of filing an application with the Office of the Securities and Exchange Commission.
6. Must not be nor have ever been an auditor of the Company, subsidiary companies, associated companies, or juristic persons with potential conflicts, and is not a major shareholder, a non-independent director, an executive, or a managing partner of the audit firm where the auditors of the Company, subsidiary companies, associated companies, or juristic persons with potential conflicts are working for, unless having been relieved from such title for not less than 2 years before the date of appointment as independent director.
7. Must not be nor have ever been a provider of any professional service, including a legal consultant or financial consultant, with remuneration in excess of Baht2 million per annum from the Company, subsidiary companies, associated companies, or juristic persons with potential conflicts. Where the provider of professional service is a juristic person, it shall include the major shareholders, non-independent directors, executives, or managing partners of such professional service provider, unless having been relieved from such title for not less than 2 years before the date of appointment as independent director.
8. Must not be a director appointed as the representative of the Company directors, major shareholders, or any shareholders who are connected persons of the major shareholders of the Company.
9. Must not possess any other characteristics that will prevent the independent expression of opinions in respect of the operations of the Company.
10. The Independent Director who are qualified according to 1 - 9 may be assigned by the Board of Directors to make decision on the operations of the Company, the operations of the subsidiaries, associated companies or juristic entities which may have a conflict. The decision could be made in the form of panel.

- **Term of Sub-Committees**

The term of Sub-Committees, i.e. Audit Committee, Corporate Governance Committee, Risk Management Committee and Nomination and Compensation committee, shall be 3 years for each term. Upon the retirement at the end of a term, reappointment may be made.

5.2 Board of Directors

- Segregation of roles and duties between the Board of Directors and the Management Team

The Company has clearly segregated the roles, duties and responsibilities of the Board of Directors from those of the Management Team as per the following details:

➤ Roles and duties of the Chairman of the Board of Directors

1. Be responsible for, as the Leader of the Board for overseeing, monitoring and supervising the management of the Executive Committee and other sub-committees in order to implement the Company's plans as have been set forth.
2. Act as the Chairman of the Board of Directors' meetings and the shareholders' meetings.
3. Give a casting vote in the event of a tie of vote in the Board of Directors' meetings.

➤ Roles and duties of the President

1. Manage and operate the business of the Company according to the policies and powers prescribed by the Board of Directors.
2. Set up both short-term and long-term business goals in the annual business plan as well as the expense budget and long-term strategic plan to be approved by the Board of Directors, and report the progress of the plan and the approved budget to the Board of Directors after every period of 3 months.
3. Supervise the operations through the Management Committee to achieve the goals as specified in the business plan by building the competitiveness and provide appropriate returns to the shareholders.
4. Allocate resources and recruit personnel with potential to create maximum benefits.
5. Employ, appoint, remove, relocate, promote, reduce, cut the salary or wage, impose disciplinary penalties upon the officers and employees and remove the employees from the positions according to the regulations prescribed by the Board of Directors.
6. Promote and establish a strong organization culture and support the vision and business growth.
7. Monitor the operations of the Company closely, evaluate the operational results and report the operations already carried out by the Management to the Board of Directors from time to time in a timely manner.
8. Consider, screen and propose for approval from the Board of Directors regarding the policies and business direction of the Company, matters which, if carried out, would cause significant change to the business of the Company and matters to follow the laws and regulations of the Stock Exchange of Thailand.
9. Prepare details on operational powers within the Company in order to decentralize

such power to enable the employees to carry out the operations and make decision efficiently with flexibility without losing control, to be proposed for approval by the Board of Directors.

10. Prepare reports every quarter on financial position and financial statements to be considered and approved by the Board of Directors.
11. Has the power to consider and approve the purchase of construction materials in the amount more than Baht 500,000 per transaction.

The above-mentioned authorization of power to the Chief Executive Office must not be in such a manner as to be able to approve the transaction of interest of oneself or other persons who may have conflict or conflict of interest with the Company or its subsidiaries unless it is a normal business operation of the Company and has been approved by the meeting of the Board of Directors, in which attended by independent Directors and the scope of consideration has already been clearly outlined. Also, such authorization must be in compliance with the criteria of the Office of the Securities and Exchange Commission and the Regulations of the Stock Exchange of Thailand or as prescribed by other government agencies.

The Company's Board of Directors perform the duties by taking into account integrity, transparency, fairness and maintenance of the Company's interest.

- There are 2 main aspects of the duties and responsibilities of the Board of Directors as follows:

1. Adopt Business Directions, Policies and Strategy

- Supervise and manage the Company's business operations according to the laws, objectives and articles of association of the Company as well as the resolutions of the shareholders' meeting, and maintain the interest of the Company according to the business good governance principles.
- Set out vision, mission, directions and strategies of the Company, consider and review such vision, mission and strategies regularly and grant approval every year to be in accordance with the Company's business plan.
- Control and supervise the operations of the Company to be in line with the rules and regulations of concerned agencies, be responsible and maintain the benefits of shareholders. The Board of Directors must also disclose information in sufficient, correct, complete, standardized and transparent manner to shareholders and all relating parties.
- Grant approval to important strategies and policies including the objectives, financial goals and plans of the Company; monitor and supervise to ensure that the Company's strategies and plans have been implemented.
- Consider and approve the annual budget for investment and business operations as well as supervising the use of the Company's resources.
- The Board of Directors has the power to appoint one Director to be the Chief Executive Officer and Company Secretary as may be deemed appropriate.

- Supervise the system or mechanism for paying suitable remuneration to high level Executives as both short-term and long-term incentive.
- Organize the annual ordinary general meeting of shareholders within 4 months from the closing date of the accounting year of the Company, and organize the extraordinary meeting of shareholders when necessary.
- Organize the meeting of the Board of Directors every quarter and there must be not less than one half of the number of Directors attending the meeting; the decision of the meeting must be made by a majority vote; if there is a tie of votes, the Chairman can have a casting vote.
- Provide advice, jointly discuss the problems extensively and make careful decision on matters according to the agenda of the Board of Directors' meeting.
- Authorize the Chief Executive Officer to have the power to carry out the business operations of the Company as well as the power to appoint and remove the employees of the Company and determine the remuneration for working according to the policies of the Board of Directors; and authorize the employees with the operational powers in accordance with the business condition.
- Determination duties and responsibilities of the Executive and Management Committee clearly.

2. Monitoring the operations of the Management for a Check and Balance by

- **Disclosing Information of the Company**
 - Arrange for accounting system, financial and auditing reports and ensure that there are efficient and effective internal control system and audit Internal.
 - Arrange for suitable communication channels with each group of shareholders and stakeholders of the Company.
 - Arrange for disclosure of correct, clear, transparent, reliable and high standard information.
 - Arrange for a preparation of statements of financial position and income statements as at the ending date of the accounting year of the Company to be presented to the annual ordinary meeting of shareholders for approval whereby the Board of Directors must arrange for an audit by the auditor before presenting to such meeting of shareholders.
 - Arrange for a report on important financial and general information to the shareholders in a correct, complete and sufficient manner; and confirm the verification of information reported.
 - Monitor and solve the problem regarding conflict of interest as well as related party transaction , which may be incurred.
- **Internal Control and Risk Management**
 - Set up guidelines for risk management in an extensive manner and ensure that the Executives are equipped with effective system or risk management process.

- Arrange for an internal control and audit as well as systems for financial control, business operation and supervision including risk control and management.
- Remuneration for Directors
 - The Board of Directors has the duty to propose remuneration for directors to be approved by the Annual Ordinary General Meeting of Shareholders.
- Remuneration for Executive Management
 - The Board of Directors has the duty to evaluate the performance of Executive Management and set out remuneration in accordance with their performance.
- Offering for Sale Securities to the employees and the Directors.
- Appointment and Removal of Company Directors

The Board of Directors has delegated to the Nomination and Compensation Committee to propose to the shareholders' meeting for approval under the rules and procedures as prescribed in the articles of association, with the key contents as follows.

1. The Company Directors are elected by the shareholders' meeting, with the number of not less than five directors, and of which not less than 3 must be independent directors. Not less than one half of all directors must have domicile in the Kingdom. In addition, at least 1 director must possess knowledge in accounting and finance. The directors must have qualification as prescribed by laws and regulations.
2. The shareholders' meeting shall elect directors as screened and nominated by the Nomination Committee under the following rules :
 - (1) A shareholder has the vote of one share per one vote.
 - (2) Each shareholder must put all of his/her votes under (1) to elect a person or several persons as directors, but he/she is not allowed to split his/her votes.
 - (3) Those who receive the highest number of votes will be elected in descending order as directors, equaling the numbers of directors to have or to be elected at that time. In case of a tie between runners-up, exceeding the numbers of directors to have or to be elected at that time, the Chairman shall make the casting vote.
3. At every annual ordinary meeting, one-third of directors shall retire from office. If it is not possible to divide the numbers of directors into 3 exact portions, retirement shall be made by the numbers closest to one-third. The directors to be retired in the first year and second year after company registration shall be decided by a draw. For the later years, the directors who have been in office for the longest period shall retire.
4. Any director who wishes to resign from his/her position shall submit the resignation letter to the Company. The resignation shall take effect as from the date on which the resignation letter reaches the Company.

5. Resolution to remove any director from a position before the end of his/her term shall be made by the votes of not less than three-fourth of the numbers of shareholders that attend the meeting and with voting right, and with all the shares held together not less than one half of the shares held by those attending the meeting with voting right.

- **Delegation of Authority by the Board of Directors**

Two out of four Authorized Directors with signatory power, jointly affix their signatures, for the Company, to authorize other directors or other persons to perform on his/her behalf the Company's affairs within a certain period.

In this regard, the delegation of authority and responsibility by the Board of Directors will not be the delegation or sub-delegation of authority in such a manner that enables the Board or its attorneys to approve any transactions for oneself or for any person with potential conflict (as defined in the Notification of SEC) for both the Company and subsidiary companies. The approval authorities of the Board of Directors are as follows;

- Consider and approve the acquisition or disposal of assets unless such transaction must be approved by the meeting of shareholders; such approval must be made according to the notifications, regulations and/or rules relating to the Office of the Securities and Exchange Commission.
- Consider and approve the related party transaction unless such transactions must be approved by the meeting of shareholders; such approval must be made according to the notifications, regulations and/or rules relating to the Office of the Securities and Exchange Commission.
- Consider and approve the payment of interim dividends to shareholders when deem appropriate that the Company has sufficient profits to do so, and report such dividend payment to the subsequent shareholders' meeting.
- It has the power to consider and approve the borrowings or application for any credit facilities from financial institutions or determine new amount of overdraft (OD) as well as the amount of capital for investment and purchase of land of any item worth more than Baht 200 million each.

- **Nomination of Board Members**

The Company has appointed the Nomination and Compensation Committee to consider selecting and screening the persons nominated for appointment as directors, taking into consideration the proper proportion, numbers and composition. The Nomination and Compensation Committee shall consider selecting qualified persons who do not possess any prohibited characteristics pursuant to the Company's Articles of Association for recommendation to the Board of Directors in order for the Board to nominate such persons to be elected on an individual basis in the shareholders' ordinary meeting.

The Nomination and Compensation Committee set the criteria providing and process for remuneration in a systematic manner are as follows;

1. The Company provides for shareholders to nominate the names of directors or consider the persons from the director pool or consider existing directors to be re-appointed, or each director proposes the name of suitable persons to be appointed.
2. Select and screen the persons with suitable qualifications to be directors, such as suitable knowledge, experiences and specific ability beneficial to the business operations of the Company and in line with the Board Skill Matrix.
3. Examine list of names of nominated persons if they possess the qualifications according to the laws and requirements of regulatory agencies.
4. Consider the dedicated time of directors in case of re-appointment for another term of office by taking into account the performance of duties while serving their terms including the number of companies to be working for as directors to ensure that their efficiency will not decrease.
5. In case of appointment of independent directors, their qualifications must be in line with the criteria adopted by the Company, which is more strict than those adopted by the Capital Market Supervisory Board.
6. Prepare the list of names already considered and screened by the Nomination and Compensation Committee including their qualifications in an orderly manner to be proposed to the Board of Directors to be further proposed to the ordinary shareholders' meeting to consider one after another.

In case of the appointment of directors retiring upon the end of term of office and the appointment of new directors, according to the Articles of Association of the Company, the shareholders shall elect the Directors according to the following criteria and methods:

1. One shareholder has one vote per one share.
 2. One shareholder must exercise all the votes in (1) to elect one or many persons to be Directors but cannot divide the votes to any one person in different numbers.
 3. The persons receiving the highest numbers in respective order shall be selected to be Directors in the number equal to the prescribed number or the number for such particular election. In the case of a tie of votes for the respective order of the candidates exceeding the prescribed number of Directors or the number of Directors for such particular election, the Chairman shall have a casting vote.
- **Authority of the Board of Directors**
 1. The Board of Directors shall work in accordance with the laws, objectives and regulations

of the Company, as well as the resolutions of shareholders' meeting, with integrity, honesty and in the best interest of shareholders in both short term and long term. The Board shall also comply with the rules and regulations of the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission Thailand and the Capital Market Supervisory Board established under the Securities and Exchange Act B.E. 2535 (1992) amended by the Securities and Exchange Act (No. 4), B.E. 2551 (2008).

2. The Board of Directors is empowered to appoint a director as the Chairman, and can also appoint Vice Chairman, as deemed appropriate.
3. The Board of Directors is empowered to appoint a director as the Chief Executive Officer, and can also appoint any person to be the Company Secretary, as deemed appropriate.
4. The Board of Directors has the right to attend trainings or to participate in activities in order to increase knowledge on concerning work by using the Company's resources.

- **Meeting and Quorum of the Meeting**

The Company organizes the Board meeting at least once a month, and with special meetings organized as necessary. Directors are required to attend meeting every time except in case of necessity. The meeting will be pre-scheduled with exact date, time, and agenda for the whole year, which will be every second Tuesday of each month. A letter of invitation along with meeting agendas and supporting documents will be forwarded to each Director not less than 7 days before the meeting to allow them with enough study time, except in case of emergency that affects the Company's interest. The minutes of the meeting will be taken down and completed within not more than 14 days from the date of the meeting. Every Director can check the minutes of the meeting anytime by making request with the Company Secretary. The minutes of meeting already adopted by the Board of Directors will be retained in full along with related documents.

1. The Company has adopted a policy which states that if in any agenda of the meeting, any director has an interest which may be in conflict with the interest of the Company, the Company Secretary shall not forward the meeting agenda concerned to him or her. Consequently, the director who has such an interest must temporarily leave the meeting room and shall abstain from voting on such resolution. This is to be in line with the traditional practice of the organization that the Board of Directors has continuously abided by.
2. To form a quorum for a Board meeting, not less than one half of the total numbers of director must attend the meeting. Where the Chairman is not in the meeting or cannot perform the duty, the Vice Chairman, if any, shall act as the Chairman. If there is no Vice Chairman, or if the Vice Chairman cannot perform the duty, the directors attending the meeting shall select one director to act as Chairman of the meeting.
3. A decision is reached by a majority of the votes.

4. Each director has 1 vote, with the exception that any director with interest in the issue is not entitled to vote in such matter. In the event of a tie of vote, the Chairman shall give the casting vote.
5. To call a Board meeting, the Chairman or the person delegated shall send the letter of invitation not less than 7 days before the meeting, except in case of emergency for the protection of the Company's right or interest, the meeting may be called by other means and may be made sooner.
6. In respect of good corporate governance, the Company has set out a policy determining that a minimum quorum of a meeting required at the time of voting must comprise not less than two-thirds of the number of all directors.

- **Performance of Duties of the Board of Directors**

In 2014, the Company organized 12 meetings of the Board of Directors. The performance of the Board of Directors is summarized as follows;

1. Considered and approved land purchase, application for credit line, foreign investment and other matters relating to the business operations of the Company.
2. Considered and approved the payments of interim dividend for 2014 and the annual dividend for 2013.
3. Considered agendas for shareholders' meetings and submission of advanced questions about the Company prior to the date of shareholders' meetings.
4. Considered and reviewed the vision, mission and strategies of the Company.
5. Considered and approved the annual work plan.
6. Considered and reviewed the requirements of the Board of Directors and the sub-committees.
7. Considered and reviewed/ revised the Director's Handbook, Handbook on Good Corporate Governance Policy, Ethics and Business Code of Conduct, Risk Management Policy and other policies such as the Policy on Equitable Treatment of Shareholders
8. Considered and approved quarterly financial statements.
9. Acknowledged results of monthly operations in 2014.
10. Acknowledged related party transaction and report on securities holding of the directors and executives on a quarterly basis.
11. Acknowledged results of performances of the sub-committees such as:
 - Reports of the sub-committees comprising reports of the Audit Committee, the Nomination and Compensation committee, the Corporate Governance Committee and the Risk Management Committee.
 - Evaluation of the Internal Control System of 2014.

- Payment of special remuneration of 2014.
- Results of self — appraisal of the Board of Directors and the sub-committees of 2014.
- Result of quality assessment in organizing shareholders' ordinary meetings, receipt of SET AWARD 2014 for Excellent Corporate Governance Report, result of Good Corporate Governance Survey of Thai Listed Companies and the award for CGR and ASEAN CG SCORECARD of 2014.
- Results of the organization risk assessment and the corruption risk assessment of 2014.

5.3 Sub -Committees

The Board of Directors has appointed committee members who possess proper knowledge, expertise as the Sub-Committees, to help in studying and screening important matters that need close supervision and to give suggestions to the Board. The Company's Committees comprise Audit Committee, Corporate Governance Committee, Nomination and Compensation Committee and Risk Management committee.

5.3.1 Audit Committee

The Board of Directors approved the establishment of the Audit Committee on 18 November 1999 by appointing the Company's directors who possess qualifications according to the Securities and Stock Exchange Act and as set out by the Stock Exchange of Thailand to be the Committee members. The Audit Committee comprises the following 3 independent members who have possessed knowledge, understanding or experience in Accounting and Finance.

No.	Name	Position in Audit Committee	Position in Board of Directors
1.	Mr. Prakit Pradipasen	Chairman of the Audit Committee	Independent Director
2.	Mr. Anant Gatepithaya	Member of the Audit Committee	Independent Director
3.	Assist.Prof. Aswin Bijayayodhin	Member of the Audit Committee	Independent Director

The Board of Directors has adopted the Charter of the Audit Committee as follows;

➤ The Committee Composition

1. Audit Committee members must be independent directors.
2. The Audit Committee must consist of at least 3 members, and at least 1 member must have knowledge on finance and accounting.

➤ The Qualifications of Audit Committee

1. Appointed by the Board of Directors or the shareholders of the Company to be the Audit Committee members and be independent directors.
2. Hold shares of not more than 0.5 percent of the voting shares of the Company,

subsidiary companies, associated companies, or any juristic persons with potential conflict, including the shares held by related persons of such independent director.

3. Must not be nor have ever been a director with participation in management, a hired worker, an employee, an advisor with fixed salary, or a person with control over the Company, subsidiary companies, associated companies, or juristic persons with potential conflict, unless having been relieved from such title for not less than 2 years before the date of appointment as independent director.
4. Must not be a person related by blood or by legal registration as father, mother, spouse, sibling, and offspring, including spouse of offspring of an executive or major shareholder, controlling person, or a person who will be nominated as executive or controlling person of the Company or subsidiary companies.
5. Must not have nor have ever had any business relationship with the Company, subsidiary companies, associated companies, or juristic persons with potential conflicts to the extent that may obstruct the using of his/her independent discretion, and is not nor ever have been a major shareholder, a non-independent director or an executive of those with business relationship with the Company, subsidiary companies, associated companies, or juristic persons with potential conflicts, unless having been relieved from such title for not less than 2 years before the date of filing an application with the Office of the Securities and Exchange Commission.
6. Must not be nor have ever been an auditor of the Company, subsidiary companies, associated companies, or juristic persons with potential conflicts, and is not a major shareholder, a non-independent director, an executive, or a managing partner of the audit firm where the auditors of the Company, subsidiary companies, associated companies, or juristic persons with potential conflicts are working for, unless having been relieved from such title for not less than 2 years before the date of appointment as independent director.
7. Must not be nor have ever been a provider of any professional service, including a legal consultant or financial consultant, with remuneration in excess of Baht2 million per annum from the Company, subsidiary companies, associated companies, or juristic persons with potential conflicts. Where the provider of professional service is a juristic person, it shall include the major shareholders, non-independent directors, executives, or managing partners of such professional service provider, unless having been relieved from such title for not less than 2 years before the date of appointment as independent director.
8. Must not be a director appointed as the representative of the Company directors, major shareholders, or any shareholders who are connected persons of the major shareholders of the Company.
9. Must not possess any other characteristics that will prevent the independent expression of opinions in respect of the operations of the Company.

10. The Independent Director who are qualified according to 2.1 - 2.9 may be assigned by the Board of Directors to make decision on the operations of the Company, the operations of the subsidiaries, associated companies or juristic entities which may have a conflict. The decision could be made in the form of panel.

➤ **Scope of Duties and Responsibilities**

1. To review for the Company to ensure the accuracy and sufficient disclosure of the reports on both financial and non-financial performance while offering opinions and management guidelines to ensure appropriateness and transparency of the Company's operations.
2. To review for the Company to ensure proper and effective internal control and internal audit. Consider the independence of internal audit department, as well as to approve the appointment, transfer, dismissal of the head of internal audit department or any other departments responsible for internal audit work.
3. To review for the Company to ensure compliance with the laws governing securities and exchange of Thailand, requirements of the Stock Exchange or any laws related to the Company's business.
4. To review effectiveness and suitability of the risk management while providing recommendations and following up with significant progress systematically.
5. To ensure that the Company has the internal control measures including the supervision, implementation of anti-corruption measures, risk assessment as well as providing recommendations, and report regularly to the Board of Directors on the audit results according to the anti-corruption measures.
6. To select and propose for appointment of an independent person to act as the Company's auditor, and to offer remuneration for such person, as well as to attend meeting with the auditor at least once a year without a presence of the management.
7. To consider related party transaction or transactions with potential conflict so that they are in compliance with laws and regulations of the Stock Exchange of Thailand, to ensure that such transactions are reasonable and for maximum benefit of the Company.
8. To prepare report of the Audit Committee, disclosed in the Company's annual report. Such report must be signed by the Chairman of the Audit Committee and must comprise at minimum the following information:
 - 8.1 Opinions in respect of the accuracy, completeness, reliability, of the Company's financial reports.
 - 8.2 Opinions regarding the adequacy of the Company's internal control system.

8.3 Opinions about compliance with the laws governing securities and exchange, requirements of the Stock Exchange of Thailand or laws relevant to the Company's business.

8.4 Opinions about the suitability of the auditor.

8.5 Opinions about transactions with potential conflicts of interest.

8.6 Numbers of meeting of the Audit Committee and attendance by each committee member.

8.7 Opinions or remarks in whole obtained by the Audit Committee from performing duties under the charter.

8.8 Other items that should be known by its shareholders and general investors under the scope of duties and responsibilities assigned by the Board of Directors.

9. The Audit Committee has the right to attend trainings or to participate in activities in order to increase knowledge on concerning work by using the Company's resources.

- **Any Other Operations Assigned by the Board of Directors with the Audit Committee's Approval**

In performing duties, the Audit Committee is responsible directly to the Board of Directors. The Board of Directors also has responsibility for the operations of the Company to the third party.

In performing duties, if the Audit Committee has found or suspected that there are items or acts relating to 1) items with a conflict of interest, 2) dishonest acts or irregularity or major defects in an internal control system 3) breach of the Securities and Exchange Act, requirements of the Stock Exchange of Thailand or the laws relating to the business of the Company which may have a significant impact on the financial position and operational results of the Company. The Audit Committee shall report to the Board of Directors for rectification and improvement within the time deemed appropriate by the Audit Committee.

If the Board of Directors or the executives do not take any actions to ensure the rectification in time, one of the Audit Committee members may report on such item or action to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.

- **Reporting**

After each meeting of the Audit Committee, the Secretary of the meeting shall summarize the opinions and comments of the meeting and submit to the Company's Board of Directors for acknowledgment and / or for consideration.

- **Miscellaneous**

1. The Audit Committee has the authority to invite the executives, related persons or auditors to attend a meeting to provide additional explanation and information.
2. The Audit Committee may seek independent opinion from any other professional advisors as deemed necessary with the Company's expense.

3. The Audit Committee are in charge of consideration and providing opinions on the appointment, transfer, considering of merit or dismissal of the internal audit manager and executive members of the Internal Audit Department.

Interested parties could view full version of the aforementioned Charter on the Company's website www.supalai.com under Section: About Us/Sub-Committee/Audit Committee/Audit Committee Charter.

➤ **Performance of the Audit Committee**

In 2014, the Audit Committee organized 12 meetings and reported to the Board of Directors. The Audit Committee also attended meetings with the external auditor every quarter and participated in meetings with the Senior Assistant Managing Director of Finance and Accounting. The performance of the Audit Committee based on the attendance of the 12 meetings can be summarized as follows;

1. Approved the annual plan of the Audit Committee meetings and the internal audit work plan.
2. Reviewed the financial reporting system to ensure that the financial statements have been prepared in accordance with the provisions of laws and accounting standards as stipulated in the Generally Accepted Accounting Principles taking into account the accuracy and reliability of the financial statements including sufficiency in disclosure of the statements in a timely manner to benefit investors and users of the statements.
3. Reviewed the report on results of non-monetary operations so as to discuss issues or problems or raise concerns in order to provide opinion and consider management guidelines to ensure that the Company's operations are carried out in compliance with the guidelines appropriately and with transparency.
4. Reviewed the risk management taking into consideration efficiency and appropriateness in following up the progress of important risk management to ensure that the Company has a systematic assessment of significant risks.
5. Reviewed the internal control system to ensure that the Company has sufficient internal control system and risk supervision that contribute to the effectiveness of business.
6. Reviewed the compliance with business related laws to ensure the compliance with the Securities and Exchange Laws, the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission and other laws relating to the business of the Company.
7. Reviewed the related party transaction or the transaction which might contain conflict of interest to ensure that the directors, executives and employees have no transaction with significant conflict.
8. Reviewed the compliance with the anti-corruption measures to ensure that the Company has appropriate and sufficient internal control system and risk supervision according to the anti-corruption measures and the guidelines of the Private Sector Collective Action Coalition Against Corruption Council.

9. Reviewed the requirements of the Audit Committee and the Charter of the Internal Audit Department to ensure suitability and consistency with the duties and responsibilities of the Internal Audit Department as the requirements and the Charter would be used as operational guidelines and raise awareness on the importance of good corporate governance.
10. Reviewed the report on results of internal audit, the compliance with the resolutions of meetings, the operational results of the Internal Audit Department, and acknowledged the result of the operation assessment of Internal Audit Department to ensure that the internal audit is in accordance with the international standards and the Standard for the Professional Practice of Internal Auditing with increasing effectiveness. Also, the Audit Committee followed up the corrections made on significant issues in accordance with the recommendations stated in the audit result report.
11. Considered the nomination of the auditor and the auditing fee for 2014 and proposed to the Board of Directors and the shareholders for further approval.
12. Reviewed other matters as assigned by the Board of Directors such as the Director's Handbook, Handbook on Ethics and Business Code of Conduct, etc.
13. Reviewed the report of the Audit Committee of 2014 for disclosure in the Annual Report.

5.3.2 Nomination and Compensation Committee

The Board of Directors approved the establishment of the Nomination and Compensation Committee comprises the following 3 independent members as follows;

No.	Name	Position in Nomination and Compensation Committee	Position in Board of Directors
1.	Mr.Prosob Snongjati	Chairman of the Nomination and Compensation Committee	Independent Director
2.	Mr. Prakit Pradipasen	Member of the Nomination and Compensation Committee	Independent Director
3.	Dr.Virach Aphimeteetamrong	Member of the Nomination and Compensation Committee	Independent Director

The Board of Directors has adopted the Charter of the Nomination and Compensation Committee as follows;

➤ The Composition of the Committee.

1. The Nomination and Compensation Committee comprises totally of independent members.
2. The Nomination and Compensation Committee other than those in 1.1 must be non-executive members.
3. The Nomination and Compensation Committee shall comprise at least 3 members, and the Chairman of the Committee must be the senior person or the person with high level of knowledge and experiences.

➤ **Qualifications of Nomination and Compensation Committee Members.**

1. Appointed by the Board of Directors or the shareholders of the Company to be members of the Nomination and Compensation Committee.
2. There is no any other aspect preventing members from making comment freely on consideration of forms and criteria for paying Compensation to directors and Executives Management.
3. Having knowledge, ability, experiences and understanding regarding the qualifications, duties and responsibilities of the Nomination and Compensation Committee as well as the knowledge relating to corporate governance.
4. Being independent according to good governance principles and being impartial in nominating and recruiting persons qualified to fill in various positions.
5. Being able to devote sufficiently time in performing duties.

➤ **Scope of Duties and Responsibilities**

1. Establish rules and procedures for selecting persons to be appointed as directors suitable for the nature of business operations of the Company.
2. Consider, select and screen the persons qualified to be Directors of the Company, that is, the persons must have skills, experiences and specific ability relating to the business operations of the Company, and propose to the Board of Directors in order to further propose to be elected by the meeting of shareholders.
3. Consider, select and screen the qualified person to be the Chief Executive Officer and propose to the Board of Directors to consider.
4. Consider the qualifications of persons to be appointed as independent directors to be in accordance with the criteria adopted by the Company which is more strict than those adopted by the Capital Market Supervisory Board.
5. Consider and scrutinize the Compensation rate for Directors in order to propose to the Board of Director to further propose for approval by the meeting of shareholders.
6. Consider and scrutinize the Compensation rate for the Chief Executive Officer and executive management in order to propose for approval by the Board of Directors.
7. Consider and give opinions on the proposals of the Chief Executive Officer to be further proposed to the Board of Directors regarding the policies on human resources to be in accordance with the business strategy of the Company.
8. Ensure that the succession plan of important high level executive positions and list of qualified persons is reviewed from time to time.
9. Review the strategies on providing benefits and propose to the Board of Directors in order to be incentives to retain the employees with potential as well as to make suggestion to senior executives of the Company on consideration of the salary or other benefits.

10. Determine terms and conditions for employment of the Chairman of the Executive Committee including benefits and recruitment, and propose recommendations to the Board of Directors to consider the successor of the Executive Committee Chairman.
11. Consider the structure and composition of the Board of Directors by reviewing the number, qualifications and experience of the directors to be suitable with the size, category and complex of the business; also consider the compensation, and provide recommendations for the selection of persons who are eligible to be nominated as directors to be approved by the shareholders.
12. The Nomination and Compensation Committee has the authority to invite the executives or related persons to attend the meeting to provide additional explanation and information.
13. Consider the knowledge development plan for existing directors and new directors so as to be suitable and in line with the roles and duties of existing directors and those of the Board of Directors as well as developments critical to the business operations of the Company.
14. The Nomination and Compensation Committee may seek advice from experts at the expense of the Company in order to be able to perform their duties in accordance with the Charter efficiently.
15. The Audit Committee has the right to attend trainings or to participate in activities in order to increase knowledge on concerning work by using the Company's resources.
16. Perform any other duties regarding the nomination and determination of Compensation as assigned by the Board of Directors.

- **Reporting**

After each meeting of the Nomination and Compensation Committee, the secretary of the meeting shall summarize the opinions and comments of the meeting and submit to the Company's Board of Directors for acknowledgment and / or for consideration. The report on operational results of the Nomination and Compensation Committee shall be prepared to be signed by the Chairman of the Nomination and Compensation Committee and disclosed in the annual report of the Company.

- **Disclosure of Information.**

The information has been disclosed in the annual report regarding policies on recruitment, remuneration, responsibilities, the form and the amount of Compensation for the Board of Directors and the Chairman of the Executive Committee, the Managing Director and Executives Management.

- **Assessment of the Nomination and Compensation Committee.**

The Nomination and Compensation Committee shall arrange for evaluation of the performance of the Board of Directors and sub-committees in the form of the total committee and on a personal basis (self-evaluation) at least once a year and report to the Board of Directors in order to use the evaluation results to improve operational efficiency and achieve its objectives.

Interested parties could view full version of the aforementioned Charter on the Company's website www.supalai.com under Section: About the Company /Sub-Committee/ the Nomination and Compensation Committee / the Nomination and Compensation Committee.

➤ Performance of the Nomination and Compensation committee

In 2014, the Nomination and Compensation Committee conducted 2 meetings. The performance of the Nomination and Compensation Committee is summarized as follows;

1. Approved the annual meeting plan of the Nomination and Compensation committee.
2. Reviewed the requirements of the Nomination and Compensation Committee to ensure suitability and consistency with the duties and responsibilities which will be used as operational guidelines, and to raise awareness on the importance of good corporate governance.
3. Nominated new directors to be members of the Board of Directors and nomination of directors to replace the retired directors whose term of office had ended.
4. Considered the remuneration for the directors and the sub-committee members.
5. Considered the salary raise and the annual bonus for 2014.
6. Considered the results of self-appraisal of the Board of Director and the Sub-Committees of 2014 so as to be used for reviewing of performance, issues and problems or obstacles of the previous year as well as for improving the performance of the directors to increase their effectiveness in performing duties.
7. Reviewed other matters as assigned by the Board of Directors, for instance, the survey of employees' opinions of 2014.
8. Reviewed the report of the Nomination and Compensation Committee of 2014 for disclosure in the Annual Report.

5.3.3 Corporate Governance Committee

The Board of Directors approved the establishment of the Corporate Governance Committee comprises the following 5 members as follows;

No.	Name	Position in Corporate Governance Committee	Position in Board of Directors
1.	Dr.Virach Aphimeteetamrong	Chairman of the Corporate Governance Committee	Independent Director
2.	Mr.Prosob Snongjati	Member of the Corporate Governance Committee	Independent Director
3.	Mr.Prasas Tangmatitam	Member of the Corporate Governance Committee	Director
4.	Mr. Atip Bijanonda	Member of the Corporate Governance Committee	Director
5.	Mr.Tritecha Tangmatitham	Member of the Corporate Governance Committee	Director

The Board of Directors has adopted the Charter of the Corporate Governance Committee as follows;

➤ Elements of the Corporate Governance Committee

1. There is not less than one-half members of Corporate Governance Committee being independent directors.
2. The Corporate Governance Committee consists of at least three members, and the Chairman of the Corporate Governance Committee must be independent director.

➤ The Corporate Governance Committee Qualifications

1. Appointed by the Board of Directors as a member of Corporate Governance Committee.
2. There is no any other aspect preventing such member from making comment freely on corporate governance.

➤ Scope of Duties and Responsibilities

1. Prescribe importance principles and procedures of the corporate governance process that is effective and suitable for the Company.
2. Oversee the works performed by the directors and the management to ensure compliance with the good corporate governance of the regulatory agencies, i.e. the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.
3. Provide to the Good Corporate Governance Task Force the Company's policy on good corporate governance.
4. Develop and announce excellent corporate governance principles.
5. Lay down policy and support the annual self assessment of internal corporate governance standards.

6. Develop and prepare supervision plan to ensure the implementation of the announced corporate governance principles.
7. Review on consistency basis the good corporate governance principle of the Company, compared with international practice and recommendations of regulatory agencies or relevant agencies given to the Board.
8. Review the Board's Manual to ensure its continuing suitability for the Company's business while submitting the Board Charter as well as the charters for all committees appointed by the Company.
9. Provide recommendations relating to business ethics and code of conduct for directors, executives and employees.
10. Review the Corporate Governance Policy Manual to ensure its continuing suitability for the Company's business.
11. Review the Company's values as well as public announcements in regard to Good Corporate Governance.
12. Encourage the dissemination of good corporate governance culture for understanding by the executives and employees of every level and with real practice.
13. Review and report to the Board of Directors regarding good corporate governance of the Company and provide opinions on practical guidelines and recommendations for improvement as deemed appropriate.
14. Supervise and ensure that good corporate governance principles are implemented.
15. Provide advice to the task force for preparation in receiving rating for good corporate governance by external central unit not less than 1 time in every 3-year period.
16. Arrange in place a system to receive complaints from interest persons in the case concerning corporate governance and business ethics and code of conduct for directors, executives and employees.
17. The Corporate Governance Committee has the power to invite concerned parties or persons deemed appropriate to attend the meeting or to give explanation on related matters.
18. The Corporate Governance Committee has the duties and responsibilities to report its duties or any other assigned duties to the Board of Directors at least once a year.
19. The Corporate Governance Committee may request for advice from specialists in order to be able to efficiently perform its duties according to the Charter with the expenses paid by the Company.
20. The Corporate Governance Committee has the right to attend trainings or to participate in activities in order to increase knowledge on concerning work by using the Company's resources.

- Reporting

After each meeting of the Corporate Governance Committee, the secretary of the meeting shall summarize the opinions and comments of the meeting and submit to the Company's Board of Directors for acknowledgement and / or consideration within the date of the next Board meeting.

➤ Performance of the Corporate Governance Committee

In 2014, the Corporate Governance Committee organized 1 meeting. The performance of the Corporate Governance Committee is summarized as follows.

1. Reviewed the requirements of the Corporate Governance Committee to ensure the suitability and consistency with the duties and responsibilities so as to be used as operational guidelines and to raise awareness on the importance of good corporate governance.
2. Considered and approved the Handbook on Corporate Governance Policy and the Director's Handbook.
3. Reviewed ethics and business code of conduct of the directors, executives and the employees.
4. Supervised the organization of non-executive directors' meetings without participation of the management in order that the independent directors can discuss various problems freely.
5. Acknowledged the compliance with the assessment criteria for good corporate governance of 2014.
6. Acknowledged the survey result of the Corporate Governance of Thai Listed Companies (CGR) 2014 and the rating result of the ASEAN CG Scorecard 2014 and the receipt of SET AWARD 2014.
7. Acknowledged the compliance with recommendations of CG project of the Stock Exchange of Thailand and the progress of the implementation of good corporate governance such as CG Day activities, the motto for the good corporate governance and the newsletters to communicate the matter of good corporate governance with the employees.
8. Reviewed the report of 2014 of the Corporate Governance Committee for disclosure in the Annual Report.

5.3.4 Risk Management Committee

The Board of Directors approved the establishment of the Risk Management Committee comprises the following 10 members as follows;

No.	Name	Position in Risk Management Committee	Position in Board of Directors
1.	Mr. Anant Gatepithaya	Chairman of the Risk Management Committee	Independent Directors
2.	Mr. Atip Bijanonda	Member of the Risk Management Committee	Director
3.	Mr. Tritecha Tangmatitham	Member of the Risk Management Committee	Director

No.	Name	Position in Risk Management Committee	Position in Board of Directors
4.	Mr.Krid Chancharoensuk	Member of the Risk Management Committee	Director
5.	Mr.Punnapan Nengpetch	Member of the Risk Management Committee	-
6.	Mrs.Varunee Lapitananuvat	Member of the Risk Management Committee	-
7.	Mr.Kittipong Sirilugtrakun	Member of the Risk Management Committee	-
8.	Mr.Boonchai Chaiananbovorn	Member of the Risk Management Committee	-
9.	Mrs.Suchawadee Suppha-asa	Member of the Risk Management Committee	-
10.	Mr. Adisak Warinsirikul	Member of the Risk Management Committee	-

The Board of Directors has adopted the Charter of the Risk Management Committee as follows:

➤ **Composition of Risk Management Committee**

1. The Risk Management Committee shall be appointed by the Board of Directors and composes of the Management Committee and at least 1 independent director.
2. The independent director shall be the Chairman of the Risk Management Committee.

➤ **Qualifications of Risk Management Committee Members**

1. Appointed by the Board of Directors to be the Risk Management Committee members.
2. There is no any other aspect preventing members from making comment freely on consideration of risk.
3. The Risk Management Committee who are qualified according to 1 - 2 may be assigned by the Board of Directors to make decision on the operations of the Company's subsidiaries, associated companies or juristic persons which may have a conflict. The decision could be made in the form of tribunal.

➤ **Scope of Duties and Responsibilities**

1. Lay down the rules, policies and process of risk assessment and management with impacts on the Company.
2. Establish the internal control system that covers all aspects, whether they be finance and accounting, operations, legal matters, anti-corruption, or regulatory compliance. This includes verification, monitoring, evaluation and reporting of results to the Board of Directors.
3. Assess, analyze risks, arrange priority of risks, define risk management guideline and strategy to make the risks at acceptable level within proper costs on a quarterly basis.

4. Monitor and assess the risk management results and report the risk management results to the Executive Committee and the Audit Committee including Credit Risk, Operation Risk, Strategic Risk, Liquidity Risk and other risk aspects such as Legal risk, Risk of Fraud and Corruption and Regulatory Risk.
5. Consider the risk management policy of the Company so that it covers credit risk, operation risk, strategic risk, liquidity risk , corruption risk and other risks like regulatory risk.
6. Consider and review the risk management guidelines and tools for efficiency and proper to the nature and size of risk each of transactions conducted by the Company while also providing comments and suggestions on key issues regarding the risk management of the Company.
7. Consider and review the risk limits and corrective measures in the event where it is not within the risk limits.
8. Monitor the risk assessment results under both normal situation and stress testing.
9. Assess the likelihood risks for new products or new transactions, as well as to define preventive measures.
10. The Risk Management Committee is empowered to invite executives or those concerned to attend meeting for further clarification.
11. The Risk Management Committee may, at the Company's expense, ask for advice from specialists to enable efficient performing of duty under the charter.
12. Organize activities or operational processes to create knowledge and understanding of risk management. This includes the provision of trainings on risk management guidelines for both executives and employees.
13. Facilitate communications and trainings for high-level employees concerned regarding their responsibilities for each risk factor. Such communications include those about the risk management policy and practices from executives to employees, and vice versa.
14. Produce a risk management manual to be distributed to employees.
15. Establish a risk management plan (Risk Map) and consider the relationship between risks and the impact among units of the Company.
16. Approve risk mapping by taking into account the relationship between risks and the impact toward each unit of the Company.
17. Review risk management of the Company.
18. Arrange for people in the Company to take a knowledge test regarding the risk management policy and structure as well as their responsibilities toward such matters.
19. Members of the Risk Management Committee are entitled to attend trainings and activities to increase their knowledge in related fields using resources of the Company.

- Reporting

After each meeting of the Risk Management Committee, the secretary of the meeting shall summarize the opinions and comments of the meeting and submit to the Company's Board of Directors for acknowledgement and / or consideration.

- Performance of Risk Management Committee

In 2014, the Risk Management Committee organized 1 meeting. The performance of the Risk Management Committee is summarized as follows;

1. Reviewed the requirements of the Risk Management Committee to ensure the suitability and consistency with the duties and responsibilities so as to be used as operational guidelines and to raise awareness on the importance of good corporate governance.
2. Considered and approved the Handbook for Risk Management.
3. Considered and reviewed the risk factors of 2014.
4. Acknowledged the result of risk assessment of the organization, the result of risk assessment on anti-corruption of 2014.
5. Considered the risk management plan for 2015.
6. Considered the report of the Risk Management Committee of 2014 for disclosure in the Annual Report.

5.4 Executive Committee

The duties and responsibilities of the Executive Committee

- 1) Establish guidelines and strategies as well as overseeing the operations of the Company to be most efficient and effective.
- 2) Oversee and follow up the performance of the Company to ensure compliance with the approved business plan.
- 3) Review the operational results from time to time in order to find quick solutions to achieve business targets.
- 4) Evaluate and screen large scale investment project and annual budget before submitting for consideration by the Board of Directors.
- 5) Set up the organizational structure and carry out efficient management covering the recruitment, trainings, employment and termination of employment of employees, executives and Executive Management.
- 6) Provide advice to the Board of Directors for making decisions on important matters, and perform any other duties as assigned by the Board of Directors of the Company.
- 7) Act as a representative and operate on behalf of the Company with the third parties.
- 8) Has the power to consider and approve the payment for investment and purchase of land in the amount not more than Baht 200 million per transaction.

Furthermore, 2 members of the Executive Committee have the power to consider and approve the purchase of land not more than Baht 100 million per transaction. The exceeding amount of Baht 100 million but not more than Baht 200 million can be approved by the Executive Committee, and each member of this Committee has the power to approve the purchase of construction materials in the amount not more than Baht 500,000.

The above-mentioned authorization of power to members of the Executive Committee must not be in such a manner as to be able to approve the transaction of interest of oneself or other persons who may have conflict or conflict of interest with the Company or its subsidiaries unless it is a normal business operation of the Company, and has been approved by the meeting of the Board of Directors, in which attended by independent Directors and the scope of consideration has already been clearly outlined. Also, such authorization must be in compliance with the criteria of the Office of the Securities and Exchange Commission and the Regulations of the Stock Exchange of Thailand or as prescribed by other government agencies.

5.5 Management Committee

The Management Committee comprises the Chief Executive Officer, Executive Vice President, Deputy Managing Director, Executive Director, Senior Assistant Managing Director, Assistant Managing Director and Director of Department Administration.

- The duties and responsibilities of the Management Committee

Finance

- Sign on the payable checks or order payments from the bank account.
- Consider and approve the purchase/redemption/renewal of promissory notes, bills of exchange and other financial instruments issued by financial institutions.
- Consider and approve the reduction of debt in normal trading/according to contracts.
- Consider and approve the transfer of money between banks.

Customer Service

- Consider and approve the postponement of convey and approve the termination of contracts.

Legal Affairs

- Consider and approve the purchase of land/development of land and applying for permission from government agencies.
- Negotiate, consider documentary contracts relating to normal operations of the Company, and provide advice and recommendations on such matter in order to be considered, scrutinized and concluded by the Board of Directors or the Executive Committee and/or responsible persons.

Personnel

- Consider and determine the beginning wage rates.
- Consider and approve the wage rates, adjustment of positions, salaries during the year, scholarship and welfare.
- Consider and approve the employment, appointment, relocation, suspension from work, removal, dismissal, resignation, termination of employment.
- Consider and approve the promotion at the levels lower than the Director of the Department.

Advertisement and Public Relations

- Consider and approve the expenses for advertisement to be actually incurred as approved of the budget by the Board of Directors.
- Consider and approve the sales-marketing plan and issue selling regulations.

Management of the Operations

- Implement the policies, directions, strategies and management structures of the Company to be efficient and effective.
- Operate according to the business plan and budget approved by the Executive Committee with integrity, honesty and care in order to best maintain the benefits of the Company and the shareholders.
- Supervise general management as specified in the regulations of the Company.
- Follow up and ensure that the operations of the Company are in accordance with the policies, the business plan and the allocated budget.
- Exercise other powers necessary for the operations of the Company as assigned by the meeting of the Board of Directors and/or the Executive Committee.
- Communicate with the outside stakeholders of the organization as needed and according to the authorized powers.

The above-mentioned authorization of power to members of the Management Committee must not be in such a manner as to be able to approve the transaction of interest of oneself or other persons who may have conflict or conflict of interest with the Company or its subsidiaries unless it is a normal business operation of the Company, and has been approved by the meeting of the Board of Directors, in which attended by independent Directors and the scope of consideration has already been clearly outlined. Also, such authorization must be in compliance with the criteria of the Office of the Securities and Exchange Commission and the Regulations of the Stock Exchange of Thailand or as prescribed by other government agencies.

5.6 Efficiency Evaluation of the Board Meetings

The Company has organized efficiency evaluation of every Board meeting on a yearly basis. In 2014, there were 12 Board meetings. The criteria used for efficiency evaluation of the Board meetings consists of the following 10 items:

1. Notifying the meeting at least 7 days before the date of the meeting.
2. Receiving documents in full along with letter of invitation.
3. Beginning on time with time control.
4. Appropriateness and clear details of each agenda.
5. Participation of Directors.
6. Format of presentation made by the management.
7. Taking into consideration the benefits of stakeholders.
8. Summary of clear resolutions of the meeting.
9. Control and management of conflicts by the Chairman in the meeting.
10. Attendees rate.

Efficiency Evaluation Criteria of the Board Meetings

Received Score (%)	Rate
90 - 100	Excellent
80 - 89	Very good
70 - 79	Quite good
60 - 69	Moderate
Less than 60	To be improved

From the full score of 100%, the average efficiency evaluation of the Board meeting in 2014 was 96.89%, an excellent outcome.

5.7 History of Illegal Acts, or Dishonesty, or Corporate Governance, or Ethical Offences or Labor

The Company has assigned Internal Audit Department to be its Compliance Unit to perform the duties in supervising the operations, whereby during 2014,

- The Company and the Board of Directors including the management did not commit serious offenses. There was no record of violating the rules and regulations of the Office of the Securities Exchange Commission and the Stock Exchange of Thailand.
- None of them had been convicted of a criminal offense or being subject to criminal prosecution or being adjudged to be bankrupt or placed under receivership.
- There was no record of the transactions that may cause the conflict of interest with the Company during the past year.
- There was no record of criminal offenses against properties in bad faith or against ethical conduct.

- There was no resignation of the executives due to the issue of corporate governance.
- there was no dispute concerning the reputation of the Company in a negative manner caused by the supervision failure of the Board of Directors. In addition, there was no significant labor dispute during the past 5 years.

5.8 Leadership and Visions

The Board of Directors has set a vision of being “Leader in innovation and value-added creation”, with a mission to “create and develop innovation for good operating results and sustainable growth”. Therefore, every kind of housing (single house, twin house, townhouse, and condominium) had been developed for the purpose of risk diversification and creating of growth potential. The Company had also developed energy-saving homes, paying attention to details in range of utilization, activity area placement, as well as materials and home-style designs. Furthermore, it was well aware that the energy and natural resources have been under depletion, it had, therefore, applied both science and art for home design and construction with energy efficiency and maximum benefits to the residents for customer satisfaction, whereby the Board of Directors has reviewed and granted approval to the visions and mission every year in order for the executives and the employees to set the goals in the same direction.

5.9 Conflict of Interest

The Company abides by the policy on conflict of interest, and requires that all of directors, executives and employees are not allowed to utilize information available from their positions for personal gains. To make business decision, the maximum benefit of customers and shareholders must be taken into account, and not to let personal reason or family members to influence the decision that will be a deviation from the above principles. The directors, executives or employees with interests in such transactions must not take any part in the approval. The Company had completely disclosed related party transaction in its Annual Report (Form 56-2) and Annual Registration Statement (Form 56-1). Furthermore, the Company forbids its executives and employees from undertaking or participating in any business that is in competition with the Company’s business, regardless of whether such directors, executives and employees will receive either direct or indirect interests. It is clearly indicated in the Company’s Code of Conduct and Corporate Governance Policy. However, to conduct related party transaction or transactions with conflict of interest, the Board of Directors has laid as a policy that they must be considered and approved by the Board before proceeding. In addition, the information on details of transactions, transaction value, reasons and the need must be disclosed in the annual registration statement and annual report as per the rules of the Stock Exchange of Thailand and the office of the Securities and Exchange Commission. The meeting must also be attended by the Audit Committee to ensure that the related party transaction are conducted fairly, reasonably, and with proper pricing policy, taking into consideration the maximum benefit of the Company. All of this the Company’s policy is on the website of The Company (www.supalai.com) both Thai and English.

- Conflict of Interest

The Board of Directors requires that the directors, executives and all employees write report on conflict of interest with the Company, which is deemed the Company's internal control process. The Audit Committee and the Internal Audit Department shall supervise and manage the conflict of interest, and the results of conflict of interest audit are as follows:

Section 89/12 of the Securities and Exchange Act (No. 4) B.E. 2551 (2008) stipulates that the directors, executives or related persons can carry out the transaction with the company or its subsidiaries only after such transaction has been approved by the meeting of shareholders of the company except when such transaction is qualified according to the following characteristics:

"The transaction is a trading agreement with the characteristics that reasonable person would do with party to the agreement in general in the same circumstances with trading leverage without the influence of the person in the position of director, executive or related person, as the case may be. Also, it must be the trading agreement approved by the board of directors or according to the basis which has already been approved by the board of directors."

In 2014, there have been related party transaction worth Baht 104 million, which is more than the requirement according to the Notification of the Capital Market Supervisory Board No. TorJor. 4/2552(2009), which has set out the definition of business relationship as the trading transaction of 3% or more of the net tangible assets of the applicant for permission or from Baht 20 million or more, depending on whichever amount is lower. During the previous years, the trading transactions between the 2 companies were reported to the Board of Directors' meeting on a quarterly basis every year.

As a matter of fact, the Board of Directors is of the opinion that the business relationship between Supalai PCL (Purchaser of Construction Materials) and Diamond Building Products PCL (Supplier of Construction Materials), of which Mr. Prakrit Pradipasen is the Chairman of the Board of Directors, consists of normal trading transactions of Diamond Building Products PCL in its business operations of more than 3% of the net tangible assets, or more than Baht 20 million or more, depending on whichever amount is lower, with Supalai PCL.

Such relationship has not impacted the performance of duty and provision of independent opinion by Mr. Prakrit Pradipasen who is also an independent director and Chairman of the Audit Committee of Supalai PCL according to Section 89/7 and Section 281/2 of the Securities and Exchange Act (No. 4) B.E. 2551 (2008) due to the following reasons:

- 1) Trading items which are the purchases made by Supalai PCL from Diamond Building Products PCL have no material impact on the income amount of Diamond Building Products PCL.
- 2) The price of goods, payment conditions and other trading conditions of transactions made with Supalai PCL by Diamond Building Products PCL have been the same as those made with other customers of Diamond Building Products PCL.
- 3) The procurement of construction materials of Supalai PCL has been made through transparent process, and comparison of prices and quality has been made without being subject to Mr. Prakrit Pradiasen's influence, whatsoever.

The Board of Directors of the Company, therefore, resolved that Mr. Prakit Pradipasen continue to be an independent director and Chairman of the Audit Committee of the Company.

Furthermore, in 2014, the Company required all directors, executives and employees to prepare report on conflicts of interest, whereby no significant conflict has been found.

5.10 Management Philosophy

For a quality society of “Supalai People”, the Company stands firm in creating quality residence, incessant product development, society development for safety, development of professional good service, for Customers’ maximum satisfaction, by adhering to the management philosophy;

S : SUPERIORITY

P : PROFITABILITY

- Customers : Profit in the form of money or gains from life
- Employees : Good income and welfare, happy with work
- Contractors : Participate in business with satisfaction and fairness / Trading Partners
- Society : Gain benefits from the Company’s Project Development
- Shareholders : Receive dividends and value added shareholding

L : LONGEVITY

5.11 Check and Balance by Non-Executive Directors

The Company has a proper number of Directors, that is, 11 Directors. The Company’s Board of Directors comprises;

- 4 Executive Directors
- 2 Non-executive Director
- 5 Independent Directors

The Independent Directors comprises a half of all Directors. Among these, there are 7 Directors with finance and accounting knowledge. During the Board of Directors’ meetings, every Director performs the supervisory duty by taking into consideration maximum benefits of the shareholders.

5.12 Meeting of the Non-Executive Directors, Independent Directors

The Company promotes and supports the development of its management and operating systems by allowing its non-executive, Independent Directors to conduct meeting among themselves as deemed appropriate, without any executive Directors or the management in the meeting, in order to discuss various problems relating to business management of the Company or other interesting matters of benefits to the Company and all parties of stakeholders because they can express opinions freely and creatively in various points of views. In 2014, there was 1 meeting of non-executive Directors held on 15th May 2014.

There have been 5 non executives Directors, Independent comprising:

- | | |
|------------------------|------------------|
| 1. Mr.Prasob | Snongjati |
| 2. Mr.Prakit | Pradipasen |
| 3. Dr.Virach | Aphimeteetamrong |
| 4. Mr.Anant | Gatepithaya |
| 5. Assist. Prof. Aswin | Bijayayodhin |

5.13 Integration or Segregation of Positions

The Company has combined the positions of Chairman and Chief Executive Officer for the purposes of management efficiency and cost-saving. However, all resolutions passed in every meeting must be by a majority of votes. The Chairman shall vote only in case of a tie of votes. For an important issue, a resolution must be passed by a unanimous vote from every Director attending the meeting. In case of dissent by any Director, such agenda shall not be deemed approved by the Board of Directors. In the event where the Chairman has interest in a certain issue, he/she shall abstain from voting.

5.14 Holding Position of Director in Other Companies by Chief Executive Office of the Executive Committee and the Deputy Managing Director

The Company complies with a policy on restriction of number of director positions in other companies that the CEO and the Deputy Managing Director can take. Such policy has been publicized on the Company's Website, www.supalai.com. If the CEO and the Deputy Managing Director take too many director positions in other companies may affect the performance of duties for the Company. The Company's Board of Directors has, therefore, established the policy on holding of position of director in other companies by the Chief Executive Office of the Executive Committee and the Deputy Managing Director for maximum benefit of the Company in order for them to devote more time to perform their duties effectively follows:

1. The Chief Executive Office of the Executive Committee and the Deputy Managing Director can hold positions in Supalai Public Company Limited and its subsidiaries and associated companies.
2. To be a director in other companies, of which the business is similar to or competitive with the business of the Company, a request must be submitted for opinion of the Audit Committee prior to submission for approval by the Board of Directors and the shareholders respectively before being appointed to such position.
3. The holding of position of director in any organization other than specified in Clauses 1 and 2, which when combined is more than 5 places, must be approved by the Board of Directors' meeting before being appointed to such position.

In 2014, the President and the Deputy Managing Director of the Company strictly complied with the policy on the limitation of directorship in other companies (for details, please see Section: Board of Directors)

5.15 Remuneration for Directors and Executives

Remuneration for Directors

The Company has the policy on criteria for proposing to shareholders to consider remuneration of directors, which shall be considered and scrutinized by the Nomination and Compensation Committee consideration the same industrial sector, which shall then propose to the Board of Directors to further propose for approval by the meeting of shareholders.

Remuneration Policy for Directors

The Company has the criteria for providing remuneration to the Board of Directors and Sub Committees clearly and transparent, which shall be considered the same industrial sector and business expansion. It's believed that such remuneration could attract, retain and motivate the directors to perform their roles and carry out their responsibilities to accomplish the Company's goals efficiently.

Remuneration for Executive Management

The Company has adopted the policy and criteria in providing remuneration to the executives by assigning the Nomination and Compensation committee to assess the performance of the executive management by considering and screening the remuneration, such as the President and the executives at the level of assistant managing directors and above by determining the remuneration to be consistent with the operational results of the Company and the performance of each executive to be further proposes to the Board of Directors for approval.

5.16 Orientation for New Directors

The Company is well aware of the importance of duty performing of new directors, it has, therefore, defined guideline regarding preparation for duty performing of directors to enable new directors to know the Company's expectations of their roles, duties, responsibilities, policies, businesses and corporate governance practice. These include to enable them understand about the Company's business and operation, as well as to visit its business units for being prepared to perform the duty of director promptly follows:

1. Coordinate in providing of the Company's data in legal area and others to the Board of Directors.
2. Submit "Directors Guidebook" to new directors, the guidebook contains the Company's information and relevant crucial laws which will be useful for members of the Board of Directors. The Company Secretary is responsible for coordinating to deliver this guidebook to the Board of Directors. Contents of the guidebook are as follows.
 - 1) Articles of Association of the Compan.
 - 2) Objectives of the Company.
 - 3) Affidavit of the Company.
 - 4) Public Limited Companies Act.
 - 5) Securities and Exchange Act.

- 6) Guidebook for Directors of Listed Companies
- 7) Charter of the Board of Directors and Charter for Sub-Committees.
- 8) Business Ethics of the Board of Directors.
- 9) Guidebook for good corporate governance, and other policies of the Company.

3. Arrange meetings with the Chairman, Board of Directors, committees and executives to make them informed of the Company's business operation for using as their principles in performing duty. The presentation is made as a whole picture and in details under the following topics:

- The Company's vision mission and goals
- Strategy and Management structure
- Management structure
- Operating data and Company's activities
- Roles, duties and responsibilities of directors
- Good corporate governance policy
- Summary profiles of other directors and executives
- Qualifications and remuneration of directors

In 2014, the Board of Directors assigned the Company Secretary to hand over "Director's Handbook" to newly appointed directors on 6 May 2014. The Company also organized an orientation course for the new directors on topics relevant to the Company such as the Company's business, operational plans, goals, visions and mission, structure of the Company and shareholding, managing operation, roles and duties as well as responsibilities of the Board of Directors, philosophy and ethics as well as business code of conduct of directors, executives and the employees, good corporate governance, corporate social responsibility, the corporate governance policy. The Company also arranged various project site visits for the directors.

5.17 Succession Plan

The Company complies with a policy on succession plan, deeming as a part of the manpower placement strategy and a subtask of human resource planning strategy which determines appropriate and fair remuneration and fringe benefits for its personnel to retain them to grow in a long-term basis together with the Company. The Company has a proper and transparent plan to recruit personnel into important positions at all managerial levels to ensure that the Company has a professional management team. The Company also prepares personnel who possesses suitable qualifications, knowledge and adequate abilities to be eligible to replace the executives and high level executives in case of their resignation, retirement, completion of the term of office or inability to perform duties for whatever reason. This is to ensure smooth and effective transitional operations under those positions and to reduce the risk of lacking the successors. Accordingly, the Company has assigned the Nomination and compensation committee to prepare position succession plan of the President, Managing Director and executives of

the Company in order to propose to the Board of Directors for consideration. For the recruitment and selection of persons to serve management positions of the Company, the Nomination and compensation committee has monitored the succession plan covering the following positions.

1. Chief Executive Officer / Managing Director Level

In the event that the positions of the Chief Executive Officer of the Executive Committee and the Managing Director are vacant or the individual in such positions cannot perform their duties, the Company has an arrangement whereby executives in a closely comparable level or their deputy shall act on their behalf until the selection process for the qualified replacements is completed. The criteria for such selection shall be based upon suitable qualifications as prescribed by the Company, as well as other qualities such as business vision, knowledge, proficiency, and experience, that well suit the Company's corporate culture. The Company's Nomination and Compensation Committee shall be responsible for the selection process and submit their final choice to the Company's Board of Directors for approval and further appointment.

2. Executive Level

In the event that the management positions at the level of department manager and above are vacant or the individual in such positions cannot perform their duties, the Company shall have the selected successor of the position proposed to the Board of Directors of the Company. The succession planning of the executive position level is as follows.

- 1) Analyse business condition of the Company in term of its strateg, policy, investment and expansion plans.
- 2) Evaluate the readiness of manpower to be consistent with the Company's strategy in both short term and long term.
- 3) Create plan making the availability of manpower by developing or recruiting employees to replace those resigning from the Company.
- 4) Create Recruitment Plan and arrange for Employee Training and Development in advance by providing training courses for development to prepare the employees, junior and middle level executives to advance further to junior, middle and high executive positions respectively prior to retirement or early retirement of the employees.
- 5) Define competencies, which refers to the knowledge, skills, personality and desirable attitude of the employees in certain positions and establish the Individual Development Plan.
- 6) Select, evaluate and assess the performance to determine the potential of employees' suitability.
- 7) Use tool to test and evaluate the employees to analyze their potential.
- 8) Select successors based on the assessment and analysis of the employees' potential and performance. The employees shall be notified in advance in order to prepare

for the handover and learning of the new responsibilities, while a successor shall also be determined.

- 9) Develop and evaluate employees who are expected to be successors whether they can be developed and have performance as expected. If it is contrary to the expectation, the change of successors can be done.

All of this the company's policy is on the website of the company (www.supalai.com) both Thai and English.

5.18 Related Party transaction

The Company complies with a policy on related party transaction, regulations, process for consideration and approval of transactions as well as disclosure of information in accordance with the regulations and Notifications of the Committee of the Stock Exchange of Thailand Re Disclosure of Information and Operations of Listed Companies Concerning Related party transaction B.E. 2546 (2003) All of this the company's policy is on the website of the company (www.supalai.com) both Thai and English.

5.19 Risk Management

The Company complies with a policy on risk management has set up the process for risk management covering the risk in terms of strategy, credit, liquidity, law, anti — corruption, business operations, policy, financial policy, the external events in order to manage risk in a systematic manner. This will reduce the risk factors that affect the success of the Company to be at an acceptable level and consistent with the strategic plan of the Company, which cover:

- causes of risks affecting the Company in financial and non-financial aspects, and provide a review of the risks every time there is a change of various factors affecting the capital fund of the Company;
- categories of risks and determine the risk appetite to be used as a basis for responding to the risks of the Company;
- assessment of risks by adding measures for risk assessment to achieve greater accuracy in terms of both quantitative and / or qualitative aspects;
- management of risks and monitoring each category of risk according to the priority by arranging for monitoring of risks on a quarterly basis;

All of this the company's policy is on the website of the company (www.supalai.com) both Thai and English.

5.20 Performance Assessment of the Committee

The Board of Directors has appraised annual performance of the Committees once a year, whereby the appraisal form is in accordance with the principles of good corporate governance of the Company and the scope of authorities and duties of the Committees. Accordingly, the emphasis is

placed on the use of results of the assessment to review the work product, problems or obstacles during the previous year as well as the improvement of performance of the Committees. The objective is to increase efficiency of the Committees' performance and to be used as reference in preparing CG Rating. In 2014, the appraisal was done in 2 characteristics, they are, 1) the assessment of the whole Committee; 2) the assessment made on an individual basis (self- assessment). The assessment forms were divided into 5 categories consisting of 1) assessment form for the whole Board of Directors; 2) assessment form for the Board's individual member (self-assessment); 3) assessment form for performance of the whole Audit Committee; 4) assessment form for performance of individual member of the Audit Committee (self- assessment) and 5) assessment form for performance of the whole Sub-Committee. There is an assessment process and criteria for calculation of results in percentage as follows:

Assessment Process for the Whole Committee and Each Individual Member

Every year, the Company Secretary shall send such 5 assessment forms to all members of the Committees in order for them to assessment the annual performance on concerned matters. After having completed the assessment form, each Committee member shall submit such form to the Company Secretary in order to compile the score of each member and summarize the analysis results of the assessment I of the Committees' annual performance. The report shall then be made to the Board of Directors in the following meeting of the Board of Directors, and in 2014, the report was made to the Board of Directors' meeting on 13 January 2015. The assessment results in percentage are as follows:

Level of Score	Rate
More than 85 %	Excellence
More than 75 %	Very Good
More than 65 %	Good
More than 50 %	Fair
Less than 50 %	To be improved

The assessment can be summarized as follows;

1. **Assessment Form for Performance of the Whole Board of Directors** consists of 5 items as follows: performance of the Board of Directors, structure of the Board of Directors, practical guidelines of the Board of Directors, preparation and conducting of the Board of Directors' meetings and qualifications of directors.

In summary, the average score of the assessment of the whole Board of Directors according to all 5 items resulted in an excellent score of 95%

2. **Assessment Form for Individual Member of the Board of Directors (Self- Assessment)** consists of 6 items as follows: 1) Responsibility for their own acts and decision-making with accountability; 2) Responsibility for performing duties with sufficient capability and effectiveness; 3) treating stakeholders equally and fairly with accountability; 4) having accountable operational transparency and disclosure of information; 5) having vision in creating value added business in the long run and 6) having ethics and business ethical conduct.

In summary, the assessment of members of the Board of Directors on an individual basis according to 6 items resulted in a excellent score of 94%.

3. Assessment Form for Performance of the Audit Committee (the Whole Committee) consists of 13 items as follows: 1) Performing of duties of the whole Audit Committee; 2) Auditing financial statements; 3) Working with the auditors; 4) Auditing the disclosure of information in other reports; 5) Auditing the internal control and risk management; 6) Internal control units; 7) General matters; 8) Implementation of Section 89/25 of the Securities and Exchange Act; 9) Selection, nomination and offering of remuneration the auditor; 10) Meetings with the auditors; 11) Consideration of related party transaction or other transactions which might have conflict of interest; 12) Report of the Audit Committee and 13) Charter of the Audit Committee.

In summary, the assessment of performance of the whole Board of Directors according to all 13 items resulted in an excellent score of 93%.

4. Assessment Form for Performance of the Audit Committee's Members on an Individual Basis (Self- Assessment) consists of 12 items as follows: 1) Knowledge, ability relating to the Company's business; 2) Specific expertise; 3) Powers and duties, independence and fairness; 4) Devotion of time in working and attending the meetings; 5) Performance of other tasks assigned by the Board of Directors with the approval of the Audit Committee; 6) Review of financial reports of the Company to ensure sufficient and correct disclosure; 7) Review to ensure that the Company has suitable internal control and internal audit systems; 8) Review to ensure that the Company comply with the Securities and Exchange Act, requirements or laws relating to the business of the Company; 9) Review to ensure that anti-corruption measures are complied with; and carrying out risk assessment and reporting to the Board of Directors for acknowledgement; 10) Considering, selecting and nominating an independent person to be the auditor of the Company; 11) Considering related party transaction or transactions that may have conflict of interest to ensure compliance with the laws and regulations of the Stock Exchange of Thailand and 12) Disclosure of operational results and providing comments in the Audit Committee's report in a complete manner.

In summary, the assessment of members of the Audit Committee on an individual basis according to all 12 items resulted in an excellent score of 94%.

5. Assessment Form for Performance of the Sub-Committees (of the Whole Committee) consists 5 items as follows: 1) Performance of the Committee; 2) Structure of the Committee; 3) Practical guidelines of the Committee; 4) Preparing and conducting the meetings of the Committee and 5) Qualifications of Committee members.

In summary, the assessment of 3 Sub-Committees according to all 5 items resulted in the following average scores:

- The Nomination and Compensation Committee got an very good score of 85%.
- The Board of Governance got an excellent score of 87%.
- The Risk Management Committee got a very good score of 81%.

5.21 Performance Assessment of the Chief Executive Officer

The Board of Directors shall consider the operational results of the Company according to the KPI approved by the Board of Directors' meeting. Afterwards, the Nomination and Compensation Committee (all are independent directors) shall consider the performance of the President of the Company taking into consideration the Company's operational results and scores on the performance of the President. The Nomination and the Compensation committee shall then consider endorsing the remuneration for the President to be compatible with the operational results and the actual performance of the President to be proposed to the Board of Directors for approval. The performance assessment of the President must be held once a year using the assessment criteria as follows:

1. The management in accordance with the mission, visions, strategies, business goals and annual business plan of the Company. The assessment will be made in 3 aspects, namely,
 - finance, such as selling and administrative expenses.
 - business portfolio including presales, sales, gross profit margin, operating profit margin and the rate of return for equities.
 - internal management such as awards for corporate governance, inventory management, satisfaction of customers and the transfer of ownership to customers.
2. Development of human resources and establishment of the corporate culture for sustainable business growth.
3. Development, promotion and strengthening the corporate culture.
4. Supervision and management of business to be in accordance with the principles of good corporate governance.
5. Operation and management according to policies relevant to shareholders, Board of Directors, applicable laws and regulations of the Stock Exchange of Thailand.
6. Internal management to reduce the risk of dishonest act and corruption.

5.22 Development and Knowledge Accumulation for Directors and Executives

The Board of Directors seriously supports and promotes the knowledge development for every director for their efficiency in duty performing. It's the Company's policy to encourage its directors, executives and those supporting the secretarial works to attend seminars and training courses of Thai Institute of Directors (IOD), The Stock Exchange of Thailand, or other independent institutions, ranging from the development in part of the duties and responsibilities of directors, or new management concept, so that every director will continue to develop and improve their works, as well as to apply the knowledge properly for further benefit to the Company. (See to Board of Director)

In 2014, there were 3 directors attending the training course relating to performing of duties of the directors (please see details in Section on: Board of Directors' Meetings, Attendance of Training Courses, Seminars of the Directors).

5.23 Monitoring of Insider Trading

The Company complies with a policy on inside information in order to prevent inside information abuse by the directors, executives or employees for personal gains or for the gains of their associates as prescribed in the Ethics and Code of Conduct, the Director's Handbook and the Handbook on Corporate Governance Policy. The policy on the use of inside information has been publicized on the Company's website (www.supalai.com) to ensure that the policy has been acknowledged and complied with. The details are as follows:

- The directors, executives and employees shall not use inside information of the Company or business trading partners of the Company, that they know from performing duties, to purchase or sell or offer to purchase or sell, or persuade others to purchase or sell or offer to purchase or sell securities of the Company or those of the Company's trading partners for personal gains or for the gains of others or to operate business in competition with the Company or to do related businesses although the Company may not lose any benefits. They shall also strictly comply with related laws.
- Directors, executives and employees of the Company shall keep confidentiality of inside information under one's responsibility and shall not disclose such information to the public or other personnel of the Company who has no involvement.
- The Company protects inside information that is not yet disclosed to the public by giving limited access to related and necessary parties only. Security system is also provided to protect computerized systems and information. Personnel in charge shall insist that all parties involved must strictly comply with the rules.
- A disclosure of information shall be made by authorized persons only. General personnel are not obliged to disclose the information. When asked to reveal information that they do not have authority to disclose, refer a question to the person in charge in order to provide accurate information and in the same direction.
- Other than publicly available information, the Company considers all other information as inside information for directors, executives and employees to use under the duties and responsibilities as assigned.
- Directors, executives and employees are due to take responsibility on data protection and shall not exploit the inside information for personal gains even after resigning from the Company.
- The Company's directors and executives including their spouses and children who are minors as well as related persons are required to submit the list of their securities holding and report on changes of the list to the Office of the Securities and Exchange Commission within 3 days from the date of purchase, selling, transferring or receiving the transfer of the securities. This is to comply with Section 59 of the Securities and Exchange Act. The

directors and executives are also prohibited from buying and selling of the Company's securities during the period of one month prior to disclosure of financial statements to the public.

- The Company requires that the directors and executives report on the change of securities holding to the Office of the Securities and Exchange Commission and submit the copy of the report to the Company Secretary on the same day they submit the report to the Office of the Securities and Exchange Commission.
- The Company requires that the directors and executives who know essential inside information that has influence on securities price must not buy or sell the Company's securities for one month prior to the disclosure of financial statement to the public and they shall not disclose such essential information to other people.
- The Company supports a campaign to use inside information via the Company's communication channel, especially during major events such as an issuance of shares or debentures for capital increase.
- Anyone who discloses information without consent of the Company and causes damage to the Company shall be subject to penalty according to the law.

However, during 30 days before the disclosure of the financial statements, the Company Secretary shall notify in writing the directors, executives and related departments who know about inside information requesting them not to disclose inside information to outsiders or unrelated persons. In 2014, the Board of Directors and the executives strictly complied with the rules. Thus, there was no case of violation or failure to comply with the rules regarding securities trading by using the inside information.

5.24 The Internal Audit

The Board of Directors has established the Internal Audit Department within the Company. Also, to facilitate the Internal Audit Department to be independent from the management, the Board of Directors has ordered that the Internal Audit Department report to the Audit Committee in order for the Board of Directors to be able to follow up the Company's operations efficiently. The Internal Audit Department has set objectives, main engagement, scope of operations, powers and duties, and responsibilities in writing in the Internal Audit Charter approved by the Chairman of the Internal Audit Committee.

In the previously year, the Internal Audit Department was able to carry out the duties and responsibilities in accordance with the Internal Audit Charter completely, independently and in compliance with the Code of Conduct and commitment of the Internal Audit Department as summarized as follows:

1. Development to Add Value to Audit Work

- Focus has been placed on assurance and consulting services with independence and equity to add value and improve the operations of the Company, ensure the governing of the operations. Arrangements have also been provided for risk management and good internal control so as to achieve the operational objectives of the Company.

- Prepare an annual risk-based audit plan according to the strategic direction of the Company and important risks that impact the operation of the Company; carry out the operations in accordance with the Standard for the Professional Practice of Internal Auditing which includes the laws, regulations and regulations relating to the Company (Compliance Audit).
- Focus on the Proactive and Preventive Audit.
- Arrange for monitoring of implementation of the recommendations generated from the auditing.

2. Development of Internal Auditors

Arrange a test according to Standard for the Professional Practice of Internal Auditing and encourage internal auditors to develop themselves by pursuing a certificate for professional auditors or other professions relevant to internal auditing; also promote further education in other professions related to the business of the Company.

3. Internal Audit Charter

The Internal Audit Charter has been established as guidelines for operating personnel of the Company at all levels to understand lines of command, objectives, scope of work and responsibilities of the Internal Audit Department, and liabilities of audited units by taking into consideration the importance of the good corporate governance as an important tool in supervising and managing the operations, and to ensure that there be correct standards and trustworthiness by maintaining pure and fair standards according to prescribed practical professional dignity of internal auditing.

3.1 Objectives

The Internal Audit Department has been established with the aim to build confidence to the executives in controlling, supervising and giving advice and to provide useful information for their decision making regarding the improvement of the Company's operations.

3.2 Line of command

The Internal Audit Department is an independent unit reporting directly to the Audit Committee.

- 1) The Manager of the Internal Audit Department is the top senior personnel of the Department and report directly to the Audit Committee.
- 2) The Manager of the Internal Audit Department shall propose the Risk — Based Audit Plan to the Audit Committee.
- 3) The Manager of the Internal Audit Department directly reports the result of the audit to the Audit Committee, and the Audit Committee must report every audit result to the Board of Directors accordingly.

3.3 Main Engagement

- 1) Provide advice and information relating to the audit, assess risk management and internal control including standards of operations, generally accepted accounting principles, policies, laws, rules, regulations for enhancing efficiency and effectiveness in governing process to add value and ensure the creditability of the financial information system and the operations of internal departments.
- 2) Be committed to practice to enhance their own knowledge and also the organization's on the internal audit and various technical matters relating to the provision of advice and suggestions to build confidence in operating work.

3.4 Scope of Operations

- 1) The Scope of Operations of the Internal Audit Department includes providing advice and information regarding the audit, operations, assessment and improvement of risk management, internal control, generally accepted accounting principles, policies, rules, regulations and laws as well as supervising process and all relating procedures to the departments in the organization to add value and improve the operations of the audited units as well as relevant units to achieve the set goals and objectives.
- 2) The performing of any other non-audit tasks must always be approved by the Audit Committee.

3.5 Powers and duties

- 1) The Internal Audit Department is independent in auditing the operations of all departments within the organization.
- 2) Internal Audit Department can have access to personnel, information, documents and assets of the employees in connection with the audit except for information on salary of the personnel in the Company.
- 3) Internal Audit Department has no powers and duties to set out any policies, operation methods and the internal control system or make amendment of the internal control system. Such duties shall be the responsibilities of other concerned executives. The duty of the Internal Auditor is to provide advice only.
- 4) The Internal Audit Department shall carry out the audit in accordance with the International Standard for the Professional Practice of Internal Auditing.
- 5) Internal Audit Department has the right to attend training courses or participating in activities to increase their relevant knowledge by using the resources of the Company.

3.6 Duties and responsibilities

- 1) Verify the accuracy and reliability of data and figures by using techniques and generally accepted auditing methods. The quantities for auditing will be determined as deemed necessary and as appropriate taking into account the efficiency of the internal control system and the importance of the matter to be audited including analysis / evaluation of the management and operations of the audited unit by considering the priority for auditing. Also, with regard to time spent in the operation, significant risks shall be taken into consideration.
- 2) Audit the operational activities to ensure the compliance with policies, laws, regulations, orders including the segregation of tasks, maintenance of properties and the use of all resources taking into account the efficiency and effectiveness of the operations.
- 3) Evaluate performances / report on results of the audit and provide recommendations for improvement of the performances of the audited unit to be more efficient, effective and cost-savings in accordance with the internal control framework of COSO (COSO Framework: The Committee of Sponsoring Organizations of the Treadway Commission), an international organization that systematically disseminates methods and concepts of the internal control system; and report the adequacy and effectiveness of anti-corruption measures to the Audit Committee.
- 4) Monitor and evaluate the implementation of the jointly discussed conclusions to ensure the audited units have improved the operations as discussed.
- 5) Coordinate with persons involved to facilitate the audit to achieve the goals and to be efficient.
- 6) Assess risks in all processes of the Company relating to measures against corruption and provide appropriate risk management procedures.
- 7) Audit the compliance with measures, practical principles and the internal control relating to anti-corruption measures for all tasks assigned including financial and accounting internal controls and record-keeping to ensure that control relating to prevention on corruption is in place.
- 8) Perform other auditing work as assigned by the Audit Committee.

4. Details on the Chief of the Internal Audit Department

The meeting of the Board of Directors No. 8/2008 held on 8 September 2008 resolved to appoint Ms. Thoupthong Hirunyanulak as the Chief of Internal Audit while holding the position of Senior Manager of Internal Audit Department since 18 August 2008. Ms. Thoupthong Hirunyanulak has possessed qualifications and experience in the internal audit and had attended training courses relevant to the internal audit such as international standards in internal audit, development of auditing, fraud audit,

assessment of internal control and risk assessment according to the COSO ERM. Thus, Ms. Thoupthong Hirunyanulak has been considered suitable for the position to perform duties as assigned appropriately and sufficiently. The roles and responsibilities of Ms Thoupthong Hirunyanulak are as follows:

- 1) Perform duties as “Internal Auditor” responsible for assignments in accordance with the Audit Committee Charter approved by the Audit Committee
- 2) Act as the “Secretary of the Audit Committee” by organizing meetings, preparing meeting document and taking note of the minutes of the Audit Committee meetings.

5.25 Company’s operation supervision

The Company recognizes the importance of compliance with regulations, one of the important mechanisms contributing to correct and prudent working procedures of the Company, which support the Company to be able to implement its strategic plans, achieve the goal. The Company also comply with the rules and regulations, articles of association and regulations of concerned agencies The following departments have been assigned to be responsible for such tasks;

- The Company Secretary is responsible to ensure that the operations of the Company are in compliance with rules and regulations for listed companies including regulations of the Company and articles of association as well as being center for compiling and keeping abreast of information on external rules and regulations concerned. The Company Secretary shall also act as communication center to provide knowledge and advice on external rules and regulations for listed companies.
- Legal Affair Department is responsible for supervising legal affairs relating to the Company’s business and providing knowledge for the internal departments on various issues in order for the business operations to be handled correctly in accordance with laws of external agencies.
- The Internal Audit Department is responsible for assessment of the efficiency and adequacy of the internal control system. It must also audit and ensure the compliance with rules and regulations of the Company.

The Quality System Department has the duty to establish operational guidelines in the procedure, work instruction and other concerned documents for all employees to use as a manual for operations including a process of problem analysis to contribute to the solution and improvement of the operational system to ensure the management system of planning, designing, construction, sales and community management are appropriate with extensive coverage, and also ensure that the implementation of the quality system is in accordance with the requirements of international standard ISO 9001: 2008.

5.26 Auditing Fee

The Company and its subsidiaries paid auditing fee to EY Office Limited as the auditor for the year 2014 as well as related individuals or businesses concerning the auditors and the audit firm in the last fiscal year in a total amount of Baht 3,200,000 Baht.

Neither the auditor firm nor the auditor has relationship nor any interest with the Company / executives / major shareholders or persons related to such persons. The auditor is independent and qualified to be auditor of the Company and has also been approved by the Office of the Securities and Exchange Commission.

- Auditing Fee for the Year 2014

- 1) The auditing fee for consolidated financial statement and separate financial statement totaling 1,970,000 Baht
- 2) An annual and quarterly auditing fee for four subsidiaries of the Company and the consolidated financial statements is Baht 1,230,000 Baht.

Total audit fees of Supalai Public Company Limited and its subsidiaries 3,200,000 Baht

- Non-audit fee

- None -

5.27 Compliance with Good Corporate Governance Principles in Other Matters

The Board of Directors of Supalai Public Company Limited is well aware of the importance of corporate governance and social responsibility as it is confident that good governance will contribute to the following;

1. Strengthening a good management system with transparency and accountability, which can enhance the Company's potential to compete in the short and long terms for sustainable business growth and eliminating conflicts of interest that may arise.
2. Creating confidence among investors, both in the country and abroad as well as financial institutions, business partners, all stakeholders through clear and transparent communication on an equal basis and adding value to shareholders in the long run by significantly taking into consideration all kinds of stakeholders.
3. Being a tool to measure the operations of the Company and examine all operations to improve their efficiency.

Therefore, the Company's Handbook on Corporate Governance Policy and Ethics and Code of Conduct has been complied with by directors, executives and the employees, whereby the directors and executives have acted as good role models and oversee and encourage all employees to comply with the Code of Conduct and create working atmosphere favorable to the compliance with

the guidelines specified in the Handbook. At the same time, the Company is committed to prevent violation of the Code of Conduct; and in case of negligence and violation of such Code of Conduct, disciplinary penalties set forth by the Human Resources Department of the Company will be imposed. There has been communications and public relations to promote understanding of the practices of the Code of Conduct among the management and employees, while the monitoring of the compliance with guidelines of the Code of Conduct has been carried out. Detailed information for stakeholders can be found on the Company's website. (www.supalai.com).

- **Motto for Good Corporate Governance**

The Company has adopted a motto for good corporate governance under the concept of "Supalai GREAT" to promote an approach of working together in the same direction, and to strengthen the good organizational culture, which comprised of:

Good Corporate Governance Motto

G : (Good)	To think good , speak good and do good is the foundation of positive thinking, which can be applied to work and to solve problems. This also helps reduce conflicts while enhancing smooth and successful interpersonal communication.
R : (Responsibility)	Act consciously. Operate business with determination and dedication with all our ability. Always learn to enhance capabilities.
E : (Equitable Treatment& Ethics)	Treat all relevant parties equally. Adhere to moral standards and conduct business with fairness. Give priority to all stakeholders. Treat stakeholders equally regardless of gender, age, race, nationality, religion, belief, and political opinion.
A : (Accountability)	Fulfill duties with utmost attention. Be consciously aware of and carry out our tasks cautiously. Bravely accept the consequences of our actions. Adhere to and abide by applicable laws, rules and regulations.
T : (Transparency)	Operate business with transparency, disclosure of information and accountability. Be determined to conduct business with honest intention. All pieces of evidence and references can be traceable and accountable.

- Supervision of the subsidiaries' operations

The Company has set out a policy in supervising the operations of its subsidiaries, by selecting the directors of the Company who have relevant knowledge, skills, qualifications and experience in line with the type of the businesses of the subsidiaries to be the competent directors who have controlling powers over the subsidiaries as approved by the Board of Directors. In the event that the subsidiaries have important issues such as increase or decrease of capital, dissolution of the subsidiaries or associated companies, they shall always seek prior approval from the Board of Directors. Moreover, the supervision shall ensure that the operations of the subsidiaries and associated companies are transparent. Therefore, their auditors must be from the same auditing company that provides services to the Company in order for the auditors to audit business transactions and seek appropriate and sufficient evidence to express opinions on consolidated financial statements. In the past, the Board of Directors resolved to approve the appointment of directors with scope of powers, duties and responsibilities as follows;

1. Supervise to ensure that the directors, executives and the employees comply with the Code of Conduct, any of the policies in accordance with the principles of good corporate governance and other policies relating to anti-corruption, which are the same rules as applied by the Company.
2. Control to ensure that there are complete and correct operations on data storage, accounting recording as well as regulations established in regard to the related party transaction, the acquisition or disposition of assets, or major transactions of the subsidiaries and also ensure that the preparation of financial statements is based on the same accounting policies used by the Company in order that the financial statements of the subsidiaries can be included in the consolidated financial statements properly and in a timely manner.
3. The Board of Directors assigns the Internal Audit Department to review the performance of subsidiaries by using the Risk Based Approach depending on each case to ensure that the subsidiaries have appropriate and sufficient internal controls systems. The Internal Audit Depart shall then report to the Audit Committee to further propose their opinions to the Board of Directors.
4. Arrange for the reports on the operations and the financial Statement of the Subsidiaries Company to be proposed to the Board of Directors for acknowledgment on a monthly basis.

INVESTOR RELATIONS

Supalai Public Company Limited has listed its shares on the Stock Exchange of Thailand since November 1993 and set up the Investor Relations Department to be a center for disclosure of important information to the investors and supervise the financial report process to present the operational results and income outlook as well as the Company's future development projects to both local shareholders and foreign shareholders on an equitable, regular and complete basis. Shareholders can contact the Company's Investor Relations Department directly or at www.supalai.com, which always provides updated information in both Thai and English.

The Company has presented its operational results to analysts and investors regularly in the form of activities, such as "Analyst Meeting" and participated in "Opportunity Day" with the Stock Exchange of Thailand on a quarterly basis as well as the roadshows and conferences organized by various institutions both inside and outside Thailand. In addition, the Company has continually conducted in the "Company Visit" and "Conference Call" with institution investors.

For any further information, please contact the Investor Relations Department, Supalai Public Company Limited at 0-2725-8888 ext. 851 or email: ir_spali@supalai.com or www.supalai.com.



Quality System

Supalai Public Company Limited has currently operated under the ISO 9001 : 2008 standard. It has implemented the quality management system in accordance with international standard requirements by prioritizing all processes namely planning, controlling, monitoring, data analysis leading to the process of having better operational improvement continuously. The Company has also the commitment to develop its goods and services on a continual basis for the benefits of the consumers and to be in line with the provisions of the laws, professional standards and agreements made with the customers as announced in the Company's intention stated in the policies on quality which has been communicated to all employees to strictly comply with, that is, "Supalai Public Company Limited places emphasis on continual development of "Quality" in the systems of planning, designing, construction, sales and community service according to the laws, professional standards and written agreements made with the customers."

Over the past 25 years, the Company has focused its business targets on stable and sustainable growth; that are profit growth, strong competitiveness, and social legitimacy. The marked difference in the Company management is the implementation of ISO 9001 Quality Management System as its key management tool, taking the Company towards world-class standard. Standard operating procedure has been set to standardize the performance of every employee and every unit to enable on time delivery of quality output to customers. The Company's houses and condominium units undergo quality auditing in every process. In addition, for confidence in product quality, the Company has given to every customer a certificate of guarantee for house or condominium unit.

Quality Objectives

Supalai has received the ISO 9001 certification since 2002 up to the present. Throughout the period for more than 12 years, the Company has constantly developed its working system in order to satisfy the demand and bring to the customers maximum satisfaction. Such ISO 9001 certification covers the plan layout, designing, construction, sales as well as after-sale services for both the housing and condominium projects. Results of the Company's application for certification, details are as follows:

1 May 2002, the Company received ISO 9001 : 1994 certification from the Engineering Institute of Thailand, the Certification Body Office (EIT-CBO) under the Royal Patronage and the Energy & Environmental Accredited Quality Assessment (EAQA) for its housing development projects, whereby the Company has established the quality policies, quality objectives, quality manual, procedures and work instruction in accordance with the ISO 9001:1994 requirements.

1 March 2003, the Company received ISO 9001 : 2000 certification from the Engineering Institute of Thailand, the Certification Body Office (EIT-CBO) under the Royal Patronage and the Energy & Environmental Accredited Quality Assessment (EAQA).

15 August 2007, the Company had extended the certification of ISO 9001 : 2000 to cover “Condominium Projects”, resulting in the Company being the first and only company in Thailand which has received ISO 9001 : 2000 certification for both the housing and condominium projects covering the plan layout, designing, construction, sales and after-sale services.

26 March 2010, the Company received ISO 9001:2008 certification from Bureau Veritas Certification (Thailand) Ltd. (BVC).

On 25 December 2013, the Company has been awarded as the 1st runner up of the award in “BV Symbol of Confidence in International Standard” Project from Bureau Veritas Certification (Thailand) Company Limited. Such award is an indication of importance of the implementation of ISO 9001: 2008, of which the certification logo has been used correctly with beauty and creativity, while being well communicated to the customers and interested people.

The ISO 9001: 2008 version is an important management tool that enables the Company to enter into more universal standards and processes for continual and sustainable development. The employees’ participation in working as a team has also contributed to the creation of operation standards in order to work in a more systematic ways by including operational steps in the procedures, work instructions, operation regulations and other concerned documents in order to be manuals for all employees. There have been reviews of the procedures and work process from time to time to ensure that the operational management system is still suitable with sufficient coverage in order to achieve maximum efficiency when implemented.

In operating under ISO 9001 : 2008, the Company has applied 8 principles of quality management as guidelines for organizing its systems. Such principles are as follows:

- Customer-Focused Organization
- Leadership
- Involvement of People
- Process Approach
- System Approach to Management
- Continual Improvement
- Factual Approach to Decision Making
- Mutually Beneficial Supplier Relationship

There has also been process for analyzing problems to find accurate solutions and prevention with the tools that will lead to improvement and development of working system continually in various matters, such as

1. Establishing Key Performance Indicators (KPIs) All units need to have the performance measurement to reflect the efficiency and effectiveness of their operations and to create impetus for the development of job performance according to the goals. There is the measurement process of plan layout, designing, construction, sales and after-sale services.

The Company has also reviewed the indicators and targets of all processes periodically to be in line with current practice and to achieve maximum efficiency and effectiveness, focusing on the measurement principle of “A customer is the most important visitor”, applying to both internal and external customers in order to continuously improve quality and service standard of the Company. The key indicators that were improved are such as;

- Measurement of customers’ satisfaction in various aspects such as after-sale-services, repair services, project management, provision of information and speedy services, etc., in order to use as indicators by concerned departments and for assessing the customers’ satisfaction with the quality of homes, condominium units and the employees’ service; this will help the Company to know the needs and expectations of customers and the Company further carry out improvement and development on a continual basis.
- Measurement of process of complaint reception in order that every unit to provide customer with responses and resolutions in a timely manner and much faster. The Company has also taken the complaints from clients for analysis and established guidelines to prevent recurrence. Such responses and problem solving have been monitored by the management continuously as the Company has set up the procedures and notified every employee to strictly comply with.
- Measurement of homes and units delivery to customers by quality evaluation and the delivery time which is on schedule agreed upon with the customers.
- Measurement of process for internal customers among each other which emphasizes the input, the process and the output by controlling the operation to be consistent with the set targets in order to ensure that such work would bring about quality input for subsequent process.
- etc.

2. Every unit is required to improve the effectiveness of ISO 9001 on a continual basis as a result of the following operations:

- Analyzing information and monitoring the operation;
- Measuring operational results by using KPIs;
- Reviewing of information and measuring customers’ satisfaction;
- The improvement and development of working system according to recommendations from the monitoring of ISO 9001 : 2008 system by both the system certifying body and the Company’s internal quality auditor;
- Providing that there be a review of the system and the management process in the procedures, work instructions, operation regulations and concerned documents from time to time to ensure that the management system is still suitable with sufficient coverage, while improvement and development have been carried out continuously.
- etc.

3. The application of competency in the organization to establish the relationship among the levels of skill, knowledge, ability, expertise and suitability of each working position as well as emphasizing the promotion and incentives for working, specifically the emphasis on employee development plan.

4. The establishment of selection criteria for employment, operation control and evaluation of the outside contractors covering all processes of employment of the Company. To ensure that the external contractors employed by the Company are qualified according to the Company's requirements.

5. Control and monitor the operation closely by high ranking executives in various forms such as

- Monitoring system ISO 9001 : 2008 by the certifying body;
- Internal quality system audits by internal quality auditors appointed by the Company; (Internal Quality Audit / IQA)
- Reporting on the operational results and KPIs, etc.

6. The Company has appointed employees from various departments to be internal quality auditors of ISO 9001. The employees therefore have participated in the monitoring of operations of other departments on a continual basis to ensure confidence of the executives and customers that each step of operation is in line with the requirements of ISO 9001 : 2008 standards and the operational procedures established by the Company. Furthermore, from monitoring, the internal quality auditors of the Company would provide recommendations and guidelines for continual improvement and development of various departments' working systems. Accordingly, the auditors and the persons being monitored can learn about each other and understand better the working process of each department, which are considered internal customers and thereby enhancing the internal coordination to be more efficient.

Furthermore, the Company has laid down a policy of attaching importance to every customer by installing a property sign "A customer is the most important visitor on our premises," of Mahatma Gandhi" at every estate project, as a guideline to be followed by every employee and to provide good service to customers who are deemed the Company's most important persons.

Furthermore, in response to customer needs, the Company has provided customers with several channels of communication with the Company, regardless of whether they will be comments, suggestions, and complaints on goods and services. Also, top executives of the Company have paid close attention to every process and regularly visited various projects to gain an insight into problems, leading to solutions or preventive measures on an expedited basis. Such actions taken by the Company are aimed for the continuous development of its goods and services in order to satisfy the demand and maximum satisfaction of the customers.

Connected Transactions

Connected Transactions in 2014

Related Company	Relationship	Description of Transaction	Transaction Value (Million Baht)	Opinion of Audit Committee/Need and Reasonableness
			2014	
1. Durafloor Company Limited <u>Type of Business</u> Selling wall paper and Durafloor tiles	It has 1 joint Director with SPALI, Mr. Prateep Tangmatitham.	<u>Purchases of Construction Materials</u> SPALI purchases wall paper and durafloor tiles of certain types specified by SPALI.	88.7	Such transaction is of the same nature of trading agreement which persons of ordinary prudence would do with general trading partners in the same circumstances at the normal prices and conditions offered by sellers to general customers with trade negotiation power, without influence as Directors, Executives or related persons.
		<u>Trade Account Payables</u> Trade account payables arising from purchases of wall paper and durafloor tiles of certain types specified by SPALI.	17.6	
2. Diamond Building Products Public Company Limited <u>Type of Business</u> Selling roof tiles	It has 1 joint Director with SPALI, Mr. Prakrit Pradiprasen	<u>Purchases of Construction Materials</u> SPALI purchases the roof tiles of certain types specified by SPALI.	103.6	Such transaction is under the same nature of trading agreement which persons of ordinary prudence would do with general trading partners in the same circumstances at the normal prices and conditions offered by sellers to general customers with trade negotiation power, without influence as Director, Executive or related person.
		<u>Trade account payables</u> It is trade account payables arising from the purchases of roof tiles of certain types specified by SPALI.	30.5	

Remark : SPALI: Supalai Public Company Limited

Measures or Procedures for Approval of Connected Transactions

According to Section 89/12 of the Securities and Exchange Act (No. 4) B.E. 2551 (2008), “Executive Directors or other related persons can carry out the transactions with a company or its subsidiaries only when such transaction has been authorized by the meeting of shareholders except when the transaction is a trading agreement in the manner any person of ordinary prudence shall conduct with their business partner under the same circumstances, with the power to negotiate the business as authorized by the company’s board of directors, or according to the principles approved by the company’s board of directors.”

As per the above requirement, the Company’s Board of Directors has therefore specified that the Company and its subsidiaries wishing to carry out any transaction with any executive director or related person, such transaction must be in accordance with the general trading conditions or a transaction under trading agreement in the same manner as the person of ordinary prudence would do with general contracting partners under the same circumstances, and according to the negotiating power, without the influence such person has in the position of director, executive or related person, as the case may be, under reasonable condition and accountability that can be examined and shall not cause a transfer of interest. Besides, such transaction must be considered by the Company’s Board of Directors. Furthermore, the Company shall make a summary report every time there is a transaction worth more than 20 million baht to be presented to the meeting of the Company’s Board of Directors.

The Company’s Board of Directors has prescribed the policies, procedures and consideration and approval process of the transaction as well as disclosing of information in accordance with the regulations prescribed by the government regulatory agency. That is, the Company or its subsidiaries can carry out a transaction with persons who may have conflict of interest only when approved by the Audit Committee or the Independent Directors, and have been approved by the Company’s Board of Directors and/ or the meeting of shareholders prior to the transaction according to the amount of the transaction prescribed by the Stock Exchange of Thailand. However, for the transaction in which the Directors or persons who may have conflict of interest, vested interest, or may have other conflicts of interest with the Company, such Directors or persons shall not have the right to vote in that matter. For such purposes, the transaction shall not be conducted in such a manner of authorization which allows the authorized person to have the power in any other way to approve the transaction with interest of such authorized person or person with interest or conflict of interest with the Company or its subsidiaries.

Policy or Future Trend for Connected Transactions

The Company has a policy to continue the current connected transactions in the future under a good corporate governance by prescribing conditions in compliance with normal characteristics of business operations and market prices comparable to the prices paid by third parties. The Company includes the Audit Committee in considering the suitability of the prices and the reasonableness of the connected transactions.

As for future connected transactions, the Company's Board of Directors will comply with the laws governing securities and the securities market as well as regulations, notifications, orders or requirements of the Office of the Securities and Exchange Commission, the Capital Supervision Committee and the Stock Exchange of Thailand, as well as following the requirements on disclosure of information on connected transactions and the acquisition or selling of important assets of the Company or its subsidiaries.

If there is a connected transaction of the Company or its subsidiaries with persons who may have conflict of interest, vested interest, or may have conflict of interest in the future, the Company will require the Audit Committee's opinion on the need and appropriateness of such transaction. In the case where the Audit Committee has no expertise in considering the connected transaction which may be incurred, the Company will request the independent experts or the Company's auditor to give opinion on such connected transaction in support of the decision making of the Company's Board of Directors or its shareholders, as the case may be. The Company shall disclose connected transactions in the notes to the financial statements audited by the Company's auditor.

Regarding the provision of financial assistance to its subsidiaries in the future, the Company shall consider their financial position, business operational results and ability in making repayment. In providing financial support to such subsidiaries, the Company shall take into consideration the advantages and disadvantages whether or not such subsidiaries can continue their business operations without the Company's assistance. Furthermore, in providing assistance, the Company shall take into consideration its position as a major shareholder and the power to control the management to be in line with the Company's objectives. The Company shall not, however, provide financial support to other companies which are not the Company's subsidiaries.

REPORT ON THE BOARD OF DIRECTOR'S RESPONSIBILITY FOR FINANCIAL REPORT

The Board of Directors is responsible for financial statements of Supalai Public Company Limited and the consolidated financial statements of Supalai Public Company Limited and its subsidiaries including the information technology regarding financial matters appear in the annual report. The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543., whereby appropriate accounting policies have been utilized and implemented on a continual basis with careful discretion and best practice for the forecast. Also, important information has been sufficiently disclosed in the notes to financial statements in order to be transparent and beneficial to shareholders and general investors.

The Board of Director has provided suitable and efficient internal control system to reasonably assure that the accounting information is correct, complete, adequate and timely in order to maintain the property and prevent dishonest act or adverse act in material matters. It has also appointed the Audit Committee comprising independent directors who perform supervisory duties and review accounting policies and quality of financial reports, internal control system and the internal audit procedures to be efficient. The opinions of the Audit Committee on the above-mentioned matters are as appear in the report of the Audit Committee as presented in the annual report.

The financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries have been audited by the auditor of the Company, which was EY Office Limited. For the audit, the Board of Directors has provided information and documents in order for the auditor to be able to perform the auditing work and express opinions according to the accounting standards. Such opinions of the auditor appear without qualifying in the report of the auditor as presented in the annual report.

The Board of Directors is of the opinion that the overall internal control system of the Company has maintained an effective internal control at an adequate and appropriate level of protection and created reasonable confidence that the financial statements of Supalai Public Company Limited and the consolidated financial statements of Supalai Public Company Limited and its subsidiaries for the year ended 31 December 2014 are reliable in all material respects and have been prepared in accordance with Thai Financial Reporting standards and relevant laws and regulations



(Mr. Prateep Tangmatitham)

Chairman of the Board of Director

Independent Auditor's Report

To the Shareholders of Supalai Public Company Limited

I have audited the accompanying consolidated financial statements of Supalai Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2014, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Supalai Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai 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 Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 judgement, 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 financial statements referred to above present fairly, in all material respects, the financial position of Supalai Public Company Limited and its subsidiaries and of Supalai Public Company Limited as at 31 December 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Waraporn Prapasirikul

Certified Public Accountant (Thailand) No. 4579

EY Office Limited

Bangkok: 25 February 2015

Supalai Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Assets					
Current assets					
Cash and cash equivalents	7	661,886,269	791,712,557	509,390,387	713,215,969
Trade and other receivables		8,009,786	10,075,347	-	-
Short-term loans to subsidiaries					
and interest receivables	6	-	-	421,204,878	366,751,027
Current portion of long-term loan to subsidiary company and interest receivable	6	-	-	108,645,000	65,394,000
Advance to subsidiary company	6	-	-	3,438,270	3,424,124
Costs of property development projects for sales	8	33,600,019,212	26,462,891,330	31,024,960,473	24,471,578,684
Deposits for land purchase		344,826,248	226,328,620	332,131,423	211,028,789
Advance payment for construction materials		284,441,005	320,682,376	284,441,005	320,682,376
Other current assets		304,969,176	268,585,632	146,112,025	113,547,925
Total current assets		35,204,151,696	28,080,275,862	32,830,323,461	26,265,622,894
Non-current assets					
Long-term loan to subsidiary company, net of current portion	6	-	-	466,865,909	489,169,039
Investments in subsidiaries	9	-	-	1,270,675,234	1,018,422,684
Investments in joint ventures	10	231,673,059	-	-	-
Other long-term investments	11	1,646,195	1,825,975	1,646,195	1,825,975
Investment properties	12	1,662,418,126	1,716,424,494	804,762,872	834,439,114
Property, building and equipment	13	513,710,743	385,536,240	336,343,405	201,190,598
Deferred tax assets	21	342,679,182	422,773,314	295,515,114	380,510,849
Other non-current assets		74,537,490	68,577,539	72,895,653	66,846,769
Total non-current assets		2,826,664,795	2,595,137,562	3,248,704,382	2,992,405,028
Total assets		38,030,816,491	30,675,413,424	36,079,027,843	29,258,027,922

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

Statement of financial position (continued)

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Liabilities and shareholders' equity					
Current liabilities					
Overdrafts and short-term loans from					
financial institutions	14	726,027,962	700,289,627	725,907,880	700,289,627
Trade and other payables	15	1,629,436,330	1,977,332,092	1,529,620,292	1,859,081,441
Retention guarantees		468,409,687	308,961,936	425,555,659	287,436,916
Deposits and advances received from					
customers		4,492,344,961	4,568,827,353	4,235,155,286	4,292,896,628
Current portion of long-term loans from					
banks	16	389,568,086	2,227,034,180	302,603,000	2,227,034,180
Current portion of debentures	17	1,244,911,009	1,699,091,387	1,244,911,009	1,699,091,387
Income tax payable		576,524,679	490,305,272	547,589,705	457,732,881
Provision for liabilities arising from legal					
cases	27.3	41,157,000	41,157,000	41,157,000	41,157,000
Other current liabilities		163,863,909	150,705,585	136,377,904	133,008,739
Total current liabilities		9,732,243,623	12,163,704,432	9,188,877,735	11,697,728,799
Non-current liabilities					
Long-term loans from director		330,000	330,000	-	-
Long-term loans from banks, net of					
current portion	16	1,355,671,914	992,076,830	1,120,217,000	992,076,830
Debentures, net of current portion	17	8,887,847,752	2,741,442,892	8,887,847,752	2,741,442,892
Provision for long-term employee					
benefits	18	72,805,037	64,360,273	64,172,900	56,857,991
Other non-current liabilities		4,434,902	4,738,071	3,412,458	3,434,636
Total non-current liabilities		10,321,089,605	3,802,948,066	10,075,650,110	3,793,812,349
Total liabilities		20,053,333,228	15,966,652,498	19,264,527,845	15,491,541,148

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

Supalai Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Shareholders' equity					
Share capital					
Registered					
1,770,000,000 ordinary shares of					
Baht 1 each		1,770,000,000	1,770,000,000	1,770,000,000	1,770,000,000
Issued and fully paid-up					
1,716,553,249 ordinary shares of					
Baht 1 each		1,716,553,249	1,716,553,249	1,716,553,249	1,716,553,249
Paid-in capital					
Share premium		219,417,172	219,417,172	219,417,172	219,417,172
Treasury share premium		453,211,503	453,211,503	391,745,272	391,745,272
Retained earnings					
Appropriated-statutory reserve	19	177,000,000	177,000,000	177,000,000	177,000,000
Unappropriated		14,854,942,214	11,664,175,072	14,309,883,565	11,261,910,301
Other components of shareholders' equity		4,528,485	21,224,366	(99,260)	(139,220)
Equity attributable to owners of the Company		17,425,652,623	14,251,581,362	16,814,499,998	13,766,486,774
Non-controlling interests of the subsidiaries		551,830,640	457,179,564	-	-
Total shareholders' equity		17,977,483,263	14,708,760,926	16,814,499,998	13,766,486,774
Total liabilities and shareholders' equity		38,030,816,491	30,675,413,424	36,079,027,843	29,258,027,922

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

Income Statement

For the year ended 31 December 2014

(Unit: Baht)

		Consolidated financial		Separate financial	
		statements		statements	
	Note	2014	2013	2014	2013
Revenues					
Revenue from sales of real estate		18,269,948,655	12,322,345,619	17,159,709,488	11,495,954,237
Revenue from rental and services		321,315,838	292,962,696	104,208,280	98,331,493
Other income		80,124,857	126,698,242	120,527,470	147,769,239
Total revenues		18,671,389,350	12,742,006,557	17,384,445,238	11,742,054,969
Expenses					
Cost of real estate sales		10,648,871,921	7,327,871,670	9,996,051,034	6,821,042,207
Cost of rental and services		196,129,228	162,582,707	63,725,562	64,940,182
Selling expenses		1,144,639,363	816,906,177	1,091,807,960	774,660,910
Administrative expenses		774,369,905	672,912,723	639,744,133	555,360,999
Total expenses		12,764,010,417	8,980,273,277	11,791,328,689	8,216,004,298
Profit before finance cost and					
income tax expenses		5,907,378,933	3,761,733,280	5,593,116,549	3,526,050,671
Finance cost		(185,825,283)	(85,256,057)	(185,295,508)	(84,513,609)
Profit before income tax expenses		5,721,553,650	3,676,477,223	5,407,821,041	3,441,537,062
Income tax expenses	21	(1,134,398,858)	(726,069,259)	(1,072,506,669)	(673,231,399)
Profit for the year		4,587,154,792	2,950,407,964	4,335,314,372	2,768,305,663
Profit attributable to:					
Equity holders of the Company		4,478,108,250	2,882,211,851	4,335,314,372	2,768,305,663
Non-controlling interests of the					
subsidiaries		109,046,542	68,196,113		
		4,587,154,792	2,950,407,964		
Earnings per share	23				
Basic earnings per share					
Profit attributable to equity holders of					
the Company		2.61	1.68	2.53	1.61

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

Supalai Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Profit for the year		4,587,154,792	2,950,407,964	4,335,314,372	2,768,305,663
Other comprehensive income:					
Exchange differences on translation of financial statements in foreign currency		(16,735,841)	21,363,586	-	-
Gain (loss) on change in value of available-for-sale investments		49,950	(1,964,737)	49,950	(1,964,737)
Income tax effect	21	(9,990)	392,947	(9,990)	392,947
Other comprehensive income for the year, net of tax		(16,695,881)	19,791,796	39,960	(1,571,790)
Total comprehensive income for the year, net of tax		<u>4,570,458,911</u>	<u>2,970,199,760</u>	<u>4,335,354,332</u>	<u>2,766,733,873</u>
Total comprehensive income attributable to:					
Equity holders of the Company		4,461,412,369	2,902,003,647	<u>4,335,354,332</u>	<u>2,766,733,873</u>
Non-controlling interests of the subsidiaries		<u>109,046,542</u>	<u>68,196,113</u>		
		<u>4,570,458,911</u>	<u>2,970,199,760</u>		

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

Supalai Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements											
	Equity attributable to shareholders of the Company						Other components of equity					
							Other comprehensive income					
							Exchange differences on translation of financial statements in foreign currency	Surplus (deficit) on changes in value of investments, net	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Treasury share premium	Retained earnings	Appropriated	Unappropriated						
Balance as at 31 December 2012	1,716,553,249	219,417,172	453,211,503	-	177,000,000	9,897,501,372	-	1,432,570	1,432,570	12,465,115,866	422,572,871	12,887,688,737
Profit for the year	-	-	-	2,882,211,851	-	2,882,211,851	-	-	-	2,882,211,851	68,196,113	2,950,407,964
Other comprehensive income for the year	-	-	-	-	-	-	21,363,586	(1,571,790)	19,791,796	19,791,796	-	19,791,796
Total comprehensive income for the year	-	-	-	-	-	-	21,363,586	(1,571,790)	19,791,796	2,902,003,647	68,196,113	2,970,199,760
Dividend paid (Note 26)	-	-	-	(1,115,538,151)	-	-	-	-	-	(1,115,538,151)	-	(1,115,538,151)
Subsidiary company paid dividend to non-controlling interest of the subsidiary company	-	-	-	-	-	-	-	-	-	-	(33,589,420)	(33,589,420)
Balance as at 31 December 2013	1,716,553,249	219,417,172	453,211,503	11,664,175,072	177,000,000	11,664,175,072	21,363,586	(139,220)	21,224,366	14,251,581,362	457,179,564	14,708,760,926
Balance as at 31 December 2013	1,716,553,249	219,417,172	453,211,503	11,664,175,072	177,000,000	11,664,175,072	21,363,586	(139,220)	21,224,366	14,251,581,362	457,179,564	14,708,760,926
Profit for the year	-	-	-	4,478,108,250	-	4,478,108,250	-	-	-	4,478,108,250	109,046,542	4,587,154,792
Other comprehensive income for the year	-	-	-	(16,735,841)	-	-	(16,735,841)	39,960	(16,695,881)	(16,695,881)	-	(16,695,881)
Total comprehensive income for the year	-	-	-	-	-	-	(16,735,841)	39,960	(16,695,881)	-	-	-
Dividend paid (Note 26)	-	-	-	4,478,108,250	-	4,478,108,250	(16,735,841)	39,960	(16,695,881)	4,461,412,369	109,046,542	4,570,458,911
Subsidiary company paid dividend to non-controlling interest of the subsidiary company	-	-	-	(1,287,341,108)	-	(1,287,341,108)	-	-	-	(1,287,341,108)	-	(1,287,341,108)
Balance as at 31 December 2014	1,716,553,249	219,417,172	453,211,503	14,854,942,214	177,000,000	14,854,942,214	4,627,745	(99,260)	4,528,485	17,495,652,623	551,830,640	17,977,483,263

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

Supalai Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2014

(Unit: Baht)

Separate financial statements

	Other components of equity						
	Issued and fully paid-up share capital	Share premium	Treasury share premium	Retained earnings		Surplus (deficit) on changes in value of investments, net	Total shareholders' equity
				Appropriated	Unappropriated		
Balance as at 31 December 2012	1,716,553,249	219,417,172	391,745,272	177,000,000	9,609,142,789	1,432,570	12,115,291,052
Total comprehensive income for the year	-	-	-	-	2,768,305,663	(1,571,790)	2,766,733,873
Dividend paid (Note 26)	-	-	-	-	(1,115,538,151)	-	(1,115,538,151)
Balance as at 31 December 2013	1,716,553,249	219,417,172	391,745,272	177,000,000	11,261,910,301	(139,220)	13,766,486,774
Balance as at 31 December 2013	1,716,553,249	219,417,172	391,745,272	177,000,000	11,261,910,301	(139,220)	13,766,486,774
Total comprehensive income for the year	-	-	-	-	4,335,314,372	39,960	4,335,354,332
Dividend paid (Note 26)	-	-	-	-	(1,287,341,108)	-	(1,287,341,108)
Balance as at 31 December 2014	1,716,553,249	219,417,172	391,745,272	177,000,000	14,309,883,565	(99,260)	16,814,499,998

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

Cash flow statement

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit before tax	5,721,553,650	3,676,477,223	5,407,821,041	3,441,537,062
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	112,291,194	94,375,300	53,149,225	56,331,870
Loss on diminution in other long-term investments	500,000	-	500,000	-
Gain on sales of other long-term investments	-	(2,512,240)	-	(2,512,240)
Gain on sales of investment properties	-	(24,526,534)	-	-
Loss (gain) on sales of building and equipment	(495,256)	(1,935,706)	723,931	(1,906,765)
Unrealised loss (gain) on exchange	-	-	1,485,428	(4,301,496)
Reversal of allowance for loss on diminution in project value	(887,729)	(126,818)	(887,729)	(126,818)
Amortisation of issuance cost of debentures	3,943,806	3,106,134	3,943,806	3,106,134
Provision for long-term employee benefits	8,444,764	17,947,650	7,314,909	16,152,408
Dividend income	-	(73,000)	(14,329,535)	(33,508,581)
Interest income	(625,197)	(15,264,728)	(41,607,375)	(41,850,777)
Interest expenses	179,938,433	78,689,820	177,783,094	78,435,249
Profit from operating activities before changes in operating assets and liabilities	6,024,663,665	3,826,157,101	5,595,896,795	3,511,356,046
Operating assets decrease (increase)				
Trade and other receivables	2,065,561	3,905,415	-	6,990,567
Costs of property development projects for sales	(6,868,149,429)	(7,351,294,435)	(6,286,746,966)	(6,771,771,624)
Other current assets	(118,639,802)	56,994,286	(117,425,362)	181,378,997
Other non-current assets	(5,959,951)	(25,155,920)	(6,048,884)	(25,053,091)
Operating liabilities increase (decrease)				
Trade and other payables	(347,895,762)	954,204,209	(329,461,149)	900,886,056
Deposits and advances received from customers	(76,482,392)	1,183,999,382	(57,741,342)	1,079,510,786
Other current liabilities	145,748,354	149,365,424	114,852,856	146,030,366
Other non-current liabilities	(303,169)	4,436,491	(22,178)	3,133,056
Cash flows used in operating activities	(1,244,952,925)	(1,197,388,047)	(1,086,696,230)	(967,538,841)
Cash paid for interest expenses	(420,141,442)	(293,154,173)	(415,865,143)	(292,899,602)
Cash paid for corporate income tax	(968,095,308)	(931,858,301)	(897,664,100)	(873,586,797)
Cash paid for long-term employee benefits	-	(90,000)	-	-
Net cash flows used in operating activities	(2,633,189,675)	(2,422,490,521)	(2,400,225,473)	(2,134,025,240)

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

Supalai Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial		Separate financial	
	statements		statements	
	2014	2013	2014	2013
Cash flows from investing activities				
Interest income	625,197	15,264,728	19,306,080	28,535,622
Increase in investment in subsidiaries	-	-	(252,252,550)	(432,327,496)
Increase in investment in joint ventures	(231,943,329)	-	-	-
Decrease (increase) in other investment	-	6,022,240	(270,270)	6,022,240
Increase in short-term loan to subsidiaries	-	-	(54,600,000)	(21,500,000)
Increase in long-term loan to subsidiary company	-	-	-	(537,015,557)
Dividend received	-	73,000	14,329,535	33,508,581
Acquisitions of investment properties	(21,608,551)	(865,541,521)	(264,872)	(2,253,913)
Acquisitions of building and equipment	(168,651,871)	(30,498,417)	(159,311,413)	(19,014,185)
Proceeds from sales of investment properties	-	30,000,000	-	-
Proceeds from sales of building and equipment	2,021,477	2,127,423	226,564	2,084,920
Net cash flows use in investing activities	(419,557,077)	(842,552,547)	(432,836,926)	(941,959,788)
Cash flows from financing activities				
Increase in overdrafts and short-term loans				
from financial institutions	24,708,342	698,469,149	24,588,260	698,469,149
Cash receipt from long-term loans	17,728,889,380	9,019,551,000	17,238,169,380	9,019,551,000
Repayment of long-term loans	(19,202,760,390)	(5,800,441,352)	(19,034,460,390)	(5,800,441,352)
Proceed from issuance of debentures	7,388,280,675	1,497,157,714	7,388,280,675	1,497,157,714
Cash paid for settlement of debentures	(1,700,000,000)	(2,400,000,000)	(1,700,000,000)	(2,400,000,000)
Dividend paid	(1,287,341,108)	(1,115,538,151)	(1,287,341,108)	(1,115,538,151)
Subsidiary company paid dividend for non-controlling interest of the subsidiary company	(14,395,466)	(33,589,420)	-	-
Net cash flows from financing activities	2,937,381,433	1,865,608,940	2,629,236,817	1,899,198,360
Translation adjustments	(14,460,969)	21,363,586	-	-
Net decrease in cash and cash equivalents	(129,826,288)	(1,378,070,542)	(203,825,582)	(1,176,786,668)
Cash and cash equivalents at beginning of year	791,712,557	2,169,783,099	713,215,969	1,890,002,637
Cash and cash equivalents at end of year	661,886,269	791,712,557	509,390,387	713,215,969

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

Notes to consolidated financial statements

For the year ended 31 December 2014

1. General information

Supalai Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in property development. The registered office of the Company is at 1011 Supalai Grand Tower, Rama 3 Road, Chongnonsri, Yannawa, Bangkok.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Supalai Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Shareholding percentage	
			<u>2014</u> (Percent)	<u>2013</u> (Percent)
<u>Investment in subsidiaries</u>				
Supalai Northeast Company Limited	Property development	Thailand	99	99
Phuket Estate Company Limited	Hotel and Property development	Thailand	82	82
Haadyai Nakarin Company Limited	Property development	Thailand	50	50
Supalai Property Management Company Limited	Hotel and Management	Thailand	100	100
Supalai Philippines Incorporate	Office building rental	Philippines	100	100
Supalai Singapore Holdings Pte Ltd	Holdings company	Singapore	100	-
Supalai Australia Holdings Pty Ltd (100% held by Supalai Singapore Holdings Pte Ltd)	Holdings company	Australia	100	-
Supalai Rippleside Development Pty Ltd (100% held by Supalai Australia Holdings Pty Ltd)	Holdings company	Australia	100	-

Company's name	Nature of business	Country of incorporation	Shareholding percentage	
			2014 (Percent)	2013 (Percent)
Supalai Officer Development Pty Ltd (100% held by Supalai Australia Holdings Pty Ltd)	Holdings company	Australia	100	-

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

The Company has control over Haadyai Nakarin Company Limited because the directors of the Company are also directors and shareholders of such company, and will support the Company in exercising control over this company. The financial statements of this company are therefore consolidated.

- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements, which present investments in subsidiaries under the cost method, have been prepared solely for the benefit of the public.

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Financial reporting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue

TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to

users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

(b) Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company and its subsidiaries believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

At present, the Company and its subsidiaries immediately recognise actuarial gains and losses in profit or loss in the period in which they occur. The assessment of the management of the Company and its subsidiaries is that when the revised standard is applied in 2015 and the method of recognizing those gains and losses is changed to immediately recognise them in other comprehensive income, there will be no impact to provision for long-term employee benefit liabilities and retained earnings in the financial statements.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 Consolidated and Separate Financial Statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiaries believes that the standards will not have any significant impact on the Company's and its subsidiaries' financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 Interests in Joint Ventures. This standard requires an entity to account for an investment in a jointly controlled entity that meets the definition of a joint venture using the equity

method, while TAS 31 allows the entity to apply either the proportionate consolidation method or the equity method to account for such an investment.

The management of the Company's and its subsidiaries believes that this standard will not have any impact on the Company's and its subsidiaries' financial statements as the Company and its subsidiaries have already applied the equity method to an investment in a jointly controlled entity.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company's and its subsidiaries' financial statements.

4. Significant accounting policies

4.1 Revenue recognition

a) Revenue from sales of real estate

Revenues from sales of land, land and houses and condominium units are recognised in full when ownership is transferred. Sales are thus recognised as revenue in full when the construction works are completed and the ownership has been transferred to buyers after all payments have been received from the buyers.

b) Revenue from rental and services

Rental income is recognised as revenue over on straight-line basis the period of the lease. Service revenue is recognised when services have been rendered taking into account the stage of completion.

c) Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

d) Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cost of real estate sales

In determining the costs of land, land and houses and condominium units sold, the total development costs are attributed to units sold on the basis of the salable area.

4.3 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.4 Trade and other receivables

Trade and other receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

4.5 Property development projects for sale

Property development projects for sale are stated at the lower of cost and net realisable value. Cost comprises cost of land, design fees, utilities, construction costs, and directly related finance cost and expenses.

The Company and its subsidiaries recognise loss on diminution in project value (if any) in profit or loss.

4.6 Investments

a) Investments in unit trusts are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.

The fair value of unit trusts is determined from their net asset value.

b) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).

c) Investment in joint ventures are accounted for in the consolidated financial statements using the equity method.

d) Investments in subsidiaries and joint ventures are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any).

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.7 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to the initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of building and office building for rent is calculated by reference to their costs on the straight-line basis over estimated useful lives of 5, 20 and 30 years. Depreciation is included in determining income.

No depreciation is provided on land and land held for development.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.8 Property, building and equipment / Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of building and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings	20, 30 years
Building improvements and structures	5, 20 years
Machinery and equipment	5 years
Furniture, fixtures and office equipment	3, 5 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land and land improvements and building under construction.

An item of property, building and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.10 Computer software

Computer software is initially recognised at cost. Following the initial recognition, computer software is carried at cost less any accumulated amortisation and allowance for loss on impairment of assets (if any).

Computer software is amortised on a systematic basis over the economic useful life of 10 years and tested for impairment whenever there is an indication that the computer software may be impaired. The amortisation period and the amortisation method of such computer software are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

4.11 Unamortised costs relating to the issuance of the debentures

Expenses incurred in connection with the debentures issued are capitalised and shown as a deduction from such debentures in the statements of financial position and amortised to interest expenses using the effective interest rate over the term of the debentures.

4.12 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Company and its subsidiaries.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company and its subsidiaries that gives them significant influence over the Company and its subsidiaries, key management personnel, directors and officers with authority in the planning and direction of the operations of the Company and its subsidiaries.

4.13 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements of each entity are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.14 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, building and equipment and other assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is

recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss and a reversal of allowance for impairment loss are recognised in profit or loss.

4.15 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in profit or loss.

The defined benefits liability comprises the present value of the defined benefit obligation less unrecognised past service cost and unrecognised actuarial gain or losses.

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company and its subsidiaries elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, retrospectively as though the Company and its subsidiaries initially recorded these employee benefit expenses.

4.16 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.17 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

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

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses they carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets 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 utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures and actual results could differ. Significant judgements and estimates are as follows:

Allowance for loss on diminution in costs of property development project for sales and investment properties

The Company and its subsidiaries treat costs of property development project for sales and investment properties as impaired when the management judges that there has been a significant or prolonged decline in their fair value below their costs. The management uses judgment to estimate project impairment based on the appraisal report from an independent appraiser.

Impairment loss of investments

The Company and its subsidiaries treat investments in subsidiaries in the separate financial statements, available-for-sale investments and other investments as impaired when the management judges that

there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment.

Property, building and equipment / Depreciation

In determining depreciation of building and equipment, the management of the Company and its subsidiaries is required to make estimates of the useful lives and residual values of the building and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, building and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying cost. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Classification of long-term loans

In classifying the current portion of long-term loans from banks, the management of the Company and its subsidiaries has used judgement to estimate collateral redemptions and loan settlement in accordance with the terms and conditions stipulated in the loan agreements.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The Company has contingent liabilities as a result of litigation. The Company’s management has used judgment to assess of the results of the litigation and has set aside provision for liabilities arising as a result of these cases, based on the opinion of its legal department.

6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with individuals and related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, its subsidiaries and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		Transfer Pricing Policy
	financial statements		financial statements		
	2014	2013	2014	2013	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Rental income	-	-	1	1	Contract price
Interest income	-	-	41	30	4.5 - 4.9 percent per annum (2013: 4.0-5.0 percent per annum)
Building management fee	-	-	3	3	Contract price
<u>Transactions with related parties</u>					
Purchases of construction material	197	111	192	111	Close of price purchase from third parties

As at 31 December 2014 and 2013, the balances of the accounts between the Company, its subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
<u>Advance to subsidiary company</u>				
(eliminated from the consolidated financial statements)				
Supalai Philippines Incorporate	-	-	3,438	3,424
<u>Trade and other payable - related parties (Note 15)</u>				
<u>Related parties (Common director)</u>				
Duraflor Co., Ltd.	18,525	22,954	17,581	22,790
Diamond Building Products Public Co., Ltd.	31,276	14,033	30,485	13,841
Total	49,801	36,987	48,066	36,631

Short-term loans to subsidiaries and interest receivables

As at 31 December 2014 and 2013, the balances of loans and interest receivables between the Company and its subsidiaries and the movements are as follows:

(Unit: Thousand Baht)

	Separate financial statements			
	31 December		31 December	
	2013	Increase	Decrease	2014
<u>Short-term loans to subsidiaries parties and interest receivables</u>				
Supalai Northeast Co., Ltd.	327,224	348,945	(572,943)	103,226
Phuket Estate Co., Ltd.	39,527	1,147	(22,670)	18,004
Haddyai Nakarin Co., Ltd.	-	368,083	(68,108)	299,975
Total	<u>366,751</u>	<u>718,175</u>	<u>(663,721)</u>	<u>421,205</u>

Long-term loan to subsidiary company and interest receivable

(Unit: Thousand Baht)

	Separate financial statements	
	2014	2013
Supalai Philippines Incorporate		
Long-term loan to subsidiary company and interest receivable	575,511	554,563
<u>Less Current portion and interest receivable</u>	<u>(108,645)</u>	<u>(65,394)</u>
Long-term loan to subsidiary company , net of current portion	<u>466,866</u>	<u>489,169</u>

Movements in the long-term loan to subsidiary company and interest receivable account during the year ended 31 December 2014 are summarised below.

(Unit: Thousand Baht)

	Separate financial statements			
	31 December		Unrealised	31 December
	2013	Increase	losses on	2014
			exchange	
Supalai Philippines Incorporate	<u>554,563</u>	<u>25,105</u>	<u>(2,658)</u>	<u>(1,499)</u>
				<u>575,511</u>

Long-term loan to Supalai Philippines Incorporate is to be repaid the loan principal and interest per annum and minimum payment for each year is PHP 60 million. The loan carries interest at cost of borrowing rate plus 0.5% per annum. The loan is repayable within 5 years from the date of loan agreement.

Directors and management's benefits

During the years ended 31 December 2014 and 2013, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Short-term employee benefits	178,035	146,277	149,656	128,815
Post-employment benefits	3,243	2,676	2,806	2,235
Total	181,278	148,953	152,462	131,050

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Cash	199,711	326,375	198,959	323,147
Bank deposits	462,175	465,338	310,431	390,069
Total	661,886	791,713	509,390	713,216

8. Costs of property development projects for sales

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Land	838,371	713,050	772,314	655,014
Land and construction under development	27,154,905	23,916,589	24,922,018	22,000,175
Land and construction developed	5,647,333	1,874,730	5,335,618	1,822,268
Total	33,640,609	26,504,369	31,029,950	24,477,457
Less: Allowance for loss on diminution in project value	(40,590)	(41,478)	(4,990)	(5,878)
Costs of property development projects for sales, net	33,600,019	26,462,891	31,024,960	24,471,579

During the years, the Company and its subsidiaries included borrowing costs in cost of property development projects for sales. These were determined by applying a capitalisation rates which are the weighted average of the financial charges on total borrowings during the years as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Borrowing costs included in cost of project development for sales (Million Baht)	277	200	270	200
Capitalisation rate (Percent)	3.86 - 4.88	3.10 - 5.25	3.86 - 4.88	3.10 - 5.25

The Company and its subsidiaries have mortgaged the following project land and construction thereon with banks as collateral for overdrafts, loans, bank guarantees and to aval promissory notes.

(Unit: Million Baht))

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Net book values	15,951	16,981	14,931	16,304

9. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht))

Company's name	Paid up capital		Shareholding percentage		Cost		Dividend received during the year	
	2014	2013	2014	2013	2014	2013	2014	2013
	(Million Baht)	(Million Baht)	(Percent)	(Percent)				
Supalai Northeast Co., Ltd.	335	335	99	99	331,325	331,325	-	-
Phuket Estate Co., Ltd.	307	307	82	82	255,334	255,334	-	-
Haadyai Nakarin Co., Ltd.	192	192	50	50	105,370	105,370	14,329	33,436
Supalai Property Management Co., Ltd.	25	25	100	100	24,977	24,977	-	-
Supalai Philippines Incorporate	600	600	100	100	432,328	432,328	-	-
	(Million PHP)							
Supalai Singapore Holdings Pte Ltd	10	-	100	-	252,252	-	-	-
	(Million SGD))							
Total					1,401,586	1,149,334	14,329	33,436
Less: Allowance for impairment loss of investments					(130,911)	(130,911)		
Investments in subsidiaries, net					1,270,675	1,018,423		

On 14 October 2014, a meeting of the Company's Board of Directors passed a resolution approving the establishment of the subsidiaries in overseas. The details of each subsidiary are follow:

Company's name	Nature of business	Country of incorporation	Number of ordinary shares	Paid up capital	Register date
			(Shares)		
Supalai Singapore Holdings Pte Ltd	Holdings company	Singapore	9,955,356	9,955,356 (SGD)	8 October 2014
Supalai Australia Holdings Pty Ltd	Holdings company	Australia	3,605,100	3,605,100 (AUD)	9 October 2014
Supalai Rippleside Development Pty Ltd	Holdings company	Australia	5,750,100	5,750,100 (AUD)	9 October 2014
Supalai Officer Development Pty Ltd	Holdings company	Australia	3,250,100	3,250,100 (AUD)	9 October 2014

10. Investments in joint ventures

Investments in joint ventures represent investments in entities which are jointly controlled by the subsidiaries and other companies. Details of these investments are as follows:

(Unit: Thousand Baht)

Jointly controlled entities	Nature of business	Consolidated financial statements					
		Shareholding		Cost		Carrying amounts based on	
		percentage				equity method	
		2014	2013	2014	2013	2014	2013
		(%)	(%)				
The Satterley Officer Joint Venture	Property development	25	-	87,122	-	87,122	-
The Rippleside Development Joint Venture	Property development	50	-	144,551	-	144,551	-
Total				231,673	-	231,673	-

On 14 October 2014, the meeting of the Company's Board of Director passed a resolution to approve the investment of Supalai Officer Development Pty Ltd in The Satterley Officer Joint Venture, incorporate in Australia, with shareholding percentage of 25%.

On 14 October 2014, the meeting of the Company's Board of Director passed a resolution to approve the investment of Supalai Rippleside Development Pty Ltd in The Rippleside Development Joint Venture, incorporate in Australia, with shareholding percentage of 50%.

11. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Shareholding	2014	2013	Shareholding	2014	2013
	percentage			percentage		
	(Percent)			(Percent)		
Investments in unit trusts						
Unit trusts in mutual funds		500	500		500	500
Unrealised loss on changes in value of investments		(124)	(174)		(124)	(174)
Fair value		376	326		376	326
Investments in other companies						
Samakki Cement Co., Ltd.	0.54	2,270	2,000	0.54	2,270	2,000
Southern Hill Co., Ltd.	0.22	1,500	1,500	-	-	-
Total		3,770	3,500		2,270	2,000
Less Allowance for impairment loss of investments		(2,500)	(2,000)		(1,000)	(500)
Investments in other companies, net		1,270	1,500		1,270	1,500
Other long-term investments, net		1,646	1,826		1,646	1,826

12. Investment properties

The net book value of investment properties as at 31 December 2014 and 2013 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		
	Land, building		
	Land held for development	and office building for rent	Total
31 December 2014			
Cost	7,981	1,972,802	1,980,783
Less Accumulated depreciation	-	(318,365)	(318,365)
Net book value	7,981	1,654,437	1,662,418
31 December 2013			
Cost	7,981	1,955,124	1,963,105
Less Accumulated depreciation	-	(246,681)	(246,681)
Net book value	7,981	1,708,443	1,716,424

(Unit: Thousand Baht)

	Separate financial statements		
	Land, building		
	Land held for development	and office building for rent	Total
31 December 2014			
Cost	7,981	1,080,128	1,088,109
Less Accumulated depreciation	-	(283,346)	(283,346)
Net book value	7,981	796,782	804,763
31 December 2013			
Cost	7,981	1,081,459	1,089,440
Less Accumulated depreciation	-	(255,001)	(255,001)
Net book value	7,981	826,458	834,439

A reconciliation of the net book value of investment properties for the years 2014 and 2013 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Net book value at beginning of year	1,716,424	831,014	834,439	785,180
Acquisition of assets	21,609	865,542	265	2,254
Transfer from costs of property				
development projects for sales	-	76,905	-	76,905
Transfer during the year	(1,596)	-	(1,596)	-
Disposals - net book value	-	(5,474)	-	-
Depreciation charged	(71,744)	(51,563)	(28,345)	(29,900)
Translation adjustment	(2,275)	-	-	-
Net book value at end of year	1,662,418	1,716,424	804,763	834,439

The fair value of the investment properties as at 31 December 2014 and 2013 is stated below.

(Unit: Thousand Baht))

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Land held for development	13,500	13,500	13,500	13,500
Land, building and office building for rent	2,995,493	3,047,725	1,608,355	1,607,200

The fair value of the above investment properties has been determined based on valuation performed by an accredited independent valuer. The fair values of the land held for development and land for rent have been determined based on market prices, while that of the office building for rent has been determined using the income approach. The main assumptions used in the valuation include yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates.

The Company and its subsidiary have mortgaged the following investment properties as collateral for overdrafts and bank guarantees.

(Unit: Million Baht))

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Net book values	30	22	8	-

13. Property, building and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Land and land improvement	Building improvements and structures	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Building under construction	Total
Cost:							
31 December 2012	90,114	335,554	136,869	56,284	121,298	66,726	806,845
Additions	-	679	2,269	5,420	8,848	10,905	30,498
Disposals/write-offs	-	-	(429)	(932)	(2,934)	(7,787)	(12,082)
Transfers	-	(4,476)	4,476	-	-	-	-
Transfer from costs of property development projects for sales	13,051	-	-	-	-	-	13,051
31 December 2013	103,165	331,757	143,185	60,772	127,212	69,844	838,312
Accumulated depreciation:							
31 December 2012	-	99,922	126,043	46,661	87,301	50,126	410,053
Depreciation for the year	-	13,936	5,119	3,495	12,912	7,350	42,812
Depreciation on disposals/write-offs	-	-	(429)	(823)	(2,851)	(7,787)	(11,890)
31 December 2013	-	113,858	130,733	49,333	97,362	49,689	440,975
Allowance for impairment loss:							
31 December 2012	11,801	-	-	-	-	-	11,801
31 December 2013	11,801	-	-	-	-	-	11,801
Net book value:							
31 December 2012	78,313	235,632	10,826	9,623	33,997	16,600	384,991
31 December 2013	91,364	217,899	12,452	11,439	29,850	20,155	385,536
Depreciation for the year							
							42,812

(Unit: Thousand Baht)

Consolidated financial statements

	Land and land improvement	Building improvements and structures	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Building under construction	Total
Cost:							
31 December 2013	103,165	331,757	143,185	60,772	127,212	69,844	838,312
Additions	-	24	32,048	7,055	19,046	3,771	168,652
Disposals/write-offs	(251)	(449)	(1,082)	(1,523)	(2,230)	(2,059)	(7,594)
Transfers	-	(271)	-	-	-	1,867	1,596
31 December 2014	102,914	331,061	174,151	66,304	144,028	71,556	1,000,966
Accumulated depreciation:							
31 December 2013	-	113,858	130,733	49,333	97,362	49,689	440,975
Depreciation for the year	-	13,418	3,655	4,102	13,317	6,055	40,547
Depreciation on disposals/write-offs	-	(129)	(1,072)	(848)	(2,159)	(1,860)	(6,068)
31 December 2014	-	127,147	133,316	52,587	108,520	53,884	475,454
Allowance for impairment loss:							
31 December 2013	11,801	-	-	-	-	-	11,801
31 December 2014	11,801	-	-	-	-	-	11,801
Net book value:							
31 December 2013	91,364	217,899	12,452	11,439	29,850	20,155	385,536
31 December 2014	91,113	203,914	40,835	13,717	35,508	17,672	513,711
Depreciation for the year							
2014 (Baht 11 million included in cost of rental and services, and the balance in administrative expenses)							40,547

(Unit: Thousand Baht)

Consolidated financial statements

	Land and land improvement	Building improvements and structures	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Building under construction	Total
Cost:							
31 December 2012	30,890	151,462	9,674	90,963	53,188	-	374,655
Additions	-	271	1,035	7,003	7,071	2,377	19,014
Disposals/write-offs	-	-	(845)	(2,918)	(7,787)	-	(11,979)
Transfer from costs of property development projects for sales	13,051	-	-	-	-	-	13,051
31 December 2013	43,941	151,733	9,864	95,048	52,472	2,377	394,741
Accumulated depreciation:							
31 December 2012	-	35,007	6,478	61,043	40,241	-	170,549
Depreciation for the year	-	5,357	1,017	11,095	5,683	-	26,432
Depreciation on disposals/ write-offs	-	-	(750)	(2,836)	(7,787)	-	(11,802)
31 December 2013	-	40,364	6,745	69,302	38,137	-	185,179
Allowance for impairment loss:							
31 December 2012	8,371	-	-	-	-	-	8,371
31 December 2013	8,371	-	-	-	-	-	8,371
Net book value:							
31 December 2012	22,519	116,455	3,196	29,920	12,947	-	195,735
31 December 2013	35,570	111,369	3,119	25,746	14,335	2,377	201,191
Depreciation for the year							
2013 (Baht 1 million included in cost of rental and services, and the balance in administrative expenses)							26,432

(Unit: Thousand Baht)

	Separate financial statements					
	Land and land improvement	Building improvements and structures	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Building under construction
		Building				Total
Cost:						
31 December 2013	43,941	151,733	9,864	95,048	52,472	394,741
Additions	-	-	1,732	16,177	3,101	159,311
Disposals/write-offs	-	(1,082)	(1,436)	(1,898)	(776)	(5,192)
Transfers	-	(271)	-	-	-	1,596
31 December 2014	43,941	151,462	10,160	109,327	54,797	550,456
Accumulated depreciation:						
31 December 2013	-	40,364	6,745	69,302	38,137	185,179
Depreciation for the year	-	5,357	1,040	11,545	4,346	24,804
Depreciation on disposals/ write-offs	-	-	(767)	(1,825)	(576)	(4,241)
31 December 2014	-	45,721	7,018	79,022	41,907	205,742
Allowance for impairment loss:						
31 December 2013	8,371	-	-	-	-	8,371
31 December 2014	8,371	-	-	-	-	8,371
Net book value:						
31 December 2013	35,570	111,369	3,119	25,746	14,335	201,191
31 December 2014	35,570	105,741	3,142	30,305	12,890	336,343
Depreciation for the year						
2014 (Baht 1 million included in cost of rental and services, and the balance in administrative expenses)						24,804

As at 31 December 2014 and 2013, certain items of building and equipment items of the Company and its subsidiaries have been fully depreciated but are still in use, which are summarised below.

(Unit: Million Baht))

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss	239	245	100	93

The Company and its subsidiaries have mortgaged the following property and building with banks as security for overdrafts.

(Unit: Million Baht))

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Net book values	4	4	2	2

14. Overdrafts and short-term loans from financial institutions

(Unit: Thousand Baht))

	Interest rate as reference to/ based on (Percent per annum)	Consolidated		Separate	
		financial statements		financial statements	
		2014	2013	2014	2013
Overdrafts	MOR	34,589	9,880	34,469	9,880
Bills of exchange	2.57 - 3.02	691,439	690,409	691,439	690,409
Total		726,028	700,289	725,908	700,289

The Company and its subsidiaries have mortgaged parts of their project land and construction, property, building and equipment and investment properties thereon with banks to secure the overdrafts.

15. Trade and other payables

(Unit: Thousand Baht))

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Trade payables				
Related parties (Note 6)	49,801	36,987	48,066	36,631
Unrelated parties	1,272,448	1,716,703	1,210,336	1,622,638
Accrued expenses	307,187	223,642	271,218	199,812
Total trade and other payables	1,629,436	1,977,332	1,529,620	1,859,081

16. Long-term loans from banks

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Loans from banks	1,745,240	3,219,111	1,422,820	3,219,111
<u>Less</u> Current portion	(389,568)	(2,227,034)	(302,603)	(2,227,034)
Long-term loans, net	1,355,672	992,077	1,120,217	992,077

Movements in the long-term loan account during the years ended 31 December 2014 and 2013 were summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Balance at beginning of year	3,219,111	1	3,219,111	1
Add: Additional borrowings	17,728,889	9,019,551	17,238,169	9,019,551
Less: Repayment	(19,202,760)	(5,800,441)	(19,034,460)	(5,800,441)
Balance at end of year	1,745,240	3,219,111	1,422,820	3,219,111

These loans carry interest based on MLR. Repayment is to be made each time a plot of land or a condominium unit is redeemed from mortgage at 70 percent of the selling price, and not less than the amount stipulated by the banks.

The loans of the Company and its subsidiaries were secured by the mortgage of the Company's project land, including most present and future structures thereon.

The loan agreements contain covenants as specific in the agreements and restrictions on the Company and its subsidiaries imposed by the lenders, related to such matters as dividend payment, reduction of share capital, merger or consolidation with any other corporations, and the maintenance of a certain debt to equity ratio and debt service coverage ratios.

The long-term credit facilities of the Company and its subsidiaries which have not yet been drawn down were as follows.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Long-term credit facilities which have not yet been drawn down	20,636	15,376	19,775	15,024

17. Debentures

Consolidated financial statements / Separate financial statements										(Unit: Thousand Baht)
31 December 2014										31 December 2013
Debenture	Term	Date of issue	Maturity date	Par value per unit (Baht)	Interest rate (Percent per annum)	Interest payment condition	31 December 2014		31 December 2013	
							Current portion	Long-term portion	Current portion	Long-term portion
4/2010	5 years	16 July 2010	16 July 2015	1,000	3.73	Interest is repayable in semi-annual installments, starting from January 2011 to July 2015.	500,000	-	500,000	500,000
5/2010	3 years 6 months	23 July 2010	23 July 2014	1,000	3.50	Interest is repayable in semi-annual installments, starting from January 2011 to January 2014.	-	-	500,000	500,000
7/2010	5 years	29 October 2010	29 October 2015	1,000	3.73	Interest is repayable in semi-annual installments, starting from April 2011 to October 2015.	745,000	-	745,000	745,000
1/2012	2 years 6 months	26 April 2012	26 October 2014	1,000	4.31	Interest is repayable in semi-annual installments, starting from October 2012 to October 2014.	-	-	700,000	700,000
2/2012	2 years 6 months	25 May 2012	25 November 2014	1,000	4.30	Interest is repayable in semi-annual installments, starting from November 2012 to November 2014.	-	-	500,000	500,000
1/2013	3 years	3 May 2013	3 May 2013	1,000	3.68	Interest is repayable in semi-annual installments, starting from November 2013 to May 2016.	-	1,000,000	1,000,000	1,000,000
1/2013	5 years	3 May 2013	3 May 2018	1,000	4.12	Interest is repayable in semi-annual installments, starting from November 2013 to May 2018.	-	500,000	500,000	500,000
1/2014	3 years	28 February 2014	28 February 2017	1,000	3.95	Interest is repayable in semi-annual installments, starting from August 2014 to February 2017.	-	2,300,000	2,300,000	-

The debentures agreement contain covenants as specific in the agreements and restrictions on the Company, related to such matters as dividend payment and the maintenance of a certain debt to equity ratio.

The debentures agreement contain covenants as specific in the agreements and restrictions on the Company, related to such matters as dividend payment and the maintenance of a certain debt to equity ratio.

18. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Company and its subsidiaries, was as follows:

(Unit: Thousand Baht))

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Defined benefit obligation at beginning of year	64,360	46,502	56,858	40,706
Current service cost	5,870	3,713	5,041	3,093
Interest cost	2,575	1,809	2,274	1,587
Benefit paid	-	(90)	-	-
Actuarial loss	-	12,853	-	11,472
Past service cost	-	(427)	-	-
Defined benefit obligation at end of year	72,805	64,360	64,173	56,858

Long-term employee benefit expenses included in the profit or loss consist of the following:

(Unit: Thousand Baht))

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Current service cost	5,870	3,713	5,041	3,093
Interest cost	2,575	1,809	2,274	1,587
Actuarial loss recognised during the year	-	12,853	-	11,472
Past service cost	-	(427)	-	-
Total expenses recognised in profit or loss	8,445	17,948	7,315	16,152
Line items in profit or loss under which such expenses are included				
Cost of sales and cost of rental and services	2,379	1,405	1,860	1,130
Selling and administrative expenses	6,066	16,543	5,455	15,022

Key actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	4	4	4	4
Future salary increase rate	5 - 7	5 - 7	7	7
Staff turnover rate	5 - 40	5 - 40	5 - 40	5 - 40
(depending on age of employee))				

The amounts of defined benefit obligation and experience adjustments for the current year and the past four years are as follows:

(Unit: Thousand Baht)

	Defined benefit obligation		Experience adjustments on the obligations	
	Consolidated	Separate	Consolidated	Separate
	financial statements	financial statements	financial statements	financial statements
Year 2014	72,805	64,173	-	-
Year 2013	64,360	56,858	10,651	10,013
Year 2012	46,502	40,706	-	-
Year 2011	41,355	36,350	-	-
Year 2010	36,624	32,345	-	-

19. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

20. Expenses by nature

Significant expenses classified by nature are as follow:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Purchase of land and payment of				
construction during the year	17,786	14,786	16,549	13,699
Changes in cost of property development				
project for sales	(7,137)	(7,458)	(6,553)	(6,878)
Salaries and other benefits	471	403	364	315
Depreciation	112	94	53	56
Advertising and promotion expenses	405	320	396	309
Transfer fee and specific business tax	737	497	696	466

21. Income tax

Income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Current income tax:				
Current income tax charge	1,054,353	824,311	987,529	763,600
Adjustment in respect of income tax of				
previous year	(38)	(284)	(8)	(284)
Deferred tax:				
Relating to origination and reversal of				
temporary differences	80,084	(97,958)	84,986	(90,085)
Income tax expense reported in income statement	<u>1,134,399</u>	<u>726,069</u>	<u>1,072,507</u>	<u>673,231</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2014 and 2013 are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Deferred tax on gain (loss) from the change				
in value of available-for-sale investments	10	(393)	10	(393)

The reconciliation between accounting profit and income tax expenses is shown below.

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Accounting profit before tax	<u>5,721,554</u>	<u>3,676,477</u>	<u>5,407,821</u>	<u>3,441,537</u>
Applicable tax rate	17%, 20% and 30%	20% and 30%	20%	20%
Accounting profit before tax multiplied by				
income tax rate	1,141,289	734,092	1,081,564	688,307
Adjustment in respect of income tax of				
previous year	(38)	(284)	(8)	(284)
Effects of:				
Additional taxable income	749	847	749	847
Tax-exempt income	(6,813)	(15)	(9,679)	(6,702)
Additional deductible expenses	(635)	(759)	(635)	(747)
Non-deductible expenses	(1,087)	1,082	(1,238)	876
Others	934	(8,894)	1,754	(9,066)
Total	<u>(6,852)</u>	<u>(7,739)</u>	<u>(9,049)</u>	<u>(14,792)</u>
Income tax expenses reported in income	<u>1,134,399</u>	<u>726,069</u>	<u>1,072,507</u>	<u>673,231</u>
statement				

As of 31 December 2014 and 2013, the components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Deferred tax assets (liabilities)				
Allowance for loss on diminution in project value	8,118	8,296	998	1,176
Allowance for impairment loss of land deposits	10,000	10,000	10,000	10,000
Unearned revenues	286,546	373,204	267,438	352,408
Provision for liabilities arising from legal cases	8,231	8,231	8,231	8,231
Provision for long-term employee benefits	14,561	12,872	12,835	11,372
Loss brought forward	15,639	9,275	-	-
Others	(3,687)	(2,376)	(3,987)	(2,676)
Effect on elimination of intercompany transactions	3,271	3,271	-	-
Total	342,679	422,773	295,515	380,511

As at 31 December 2014 a subsidiary has unused tax losses totaling Baht 27 million (2013: Baht 90 million). No deferred tax assets have been recognised on these amounts as the subsidiary believes future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

22. Promotional privileges

The Company has received promotional privileges from the Board of Investment for the residential housing project for lower and middle income consumers. Subject to certain imposed conditions, the privileges include exemptions from corporate income tax for period of 5 years.

Promotion certificate no.	BOI promotion date	Maximum exemption from corporate income tax
		(Million Baht)
1840(2)/2552	5 October 2009	6.6
1957(2)/2552	6 November 2009	49.3
1970(2)/2553	22 June 2010	154.1
1050(2)/2554	7 October 2010	8.0
2396(2)/2554	9 June 2011	7.9

During 2014, revenue from the promoted activities amounted to Baht 207 million (2013: Baht 249 million).

23. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

24. Segment information

Operation segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decision about the allocation of resources to the segment and assess its performance.

Transfer prices between business segments are as set out in Note 6 to the financial statements.

The following table present revenue, profit and total assets information regarding the Company's and its subsidiaries' operating segments for the years ended 31 December 2014 and 2013, respectively.

(Unit: Million Baht)

	Real estate business		Hotel business and management		Elimination of inter-segment revenue		Consolidation	
	2014	2013	2014	2013	2014	2013	2014	2013
Revenues from external customers	18,469	12,491	122	124	-	-	18,591	12,615
Inter-segment revenues	1	1	3	3	(4)	(4)	-	-
Total revenues	18,470	12,492	125	127	(4)	(4)	18,591	12,615
Segment income	5,819	3,624	8	10	-	-	5,827	3,634
Unallocated income and expenses:								
Other income							80	127
Finance cost							(186)	(85)
Income tax expenses							(1,134)	(726)
Non-controlling interests of the subsidiaries							(109)	(68)
Profit for the year							4,478	2,882

(Unit: Million Baht)

	Real estate business		Hotel business and management		Elimination of inter-segment revenue		Consolidation	
	2014	2013	2014	2013	2014	2013	2014	2013
Investment properties	1,693	1,748	-	-	(31)	(32)	1,662	1,716
Property, building and equipment	341	206	143	149	30	31	514	386
Other assets	38,547	30,439	81	83	(2,773)	(1,949)	35,855	28,573
Total assets	40,581	32,393	224	232	(2,774)	(1,950)	38,031	30,675

Geographical information

Revenue from external customers is based on locations of the customers.

	(Unit: Million Baht)	
	2014	2013
Revenue from external customers		
Thailand	18,529	12,584
Philippines	62	31
Total	18,591	12,615
Non - Current assets (Other than deferred tax assets)		
Thailand	1,456	1,331
Philippines	796	841
Australia	232	-
Total	2,484	2,172

Major customers

For the years 2014 and 2013, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

25. Provident fund

The Company and its employees have jointly established a provident fund in accordance with Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at rates of 3 - 10 percent (2013: 2 - 10 percent) of basic salary. The fund, which is managed by Kasikorn Asset Management, will be paid to employees upon termination in accordance with the fund rules. During the year 2014, the Company contributed Baht 13 million (2013: Baht 8 million) to the fund.

26. Dividends

Dividends	Approved by	Dated	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2013	Annual General Meeting of the shareholders	22 April 2014	686,615	0.40
Interim dividends for 2014	Board of Directors' meeting	13 August 2014	600,726	0.35
Total for 2014			1,287,341	0.75
Final dividends for 2012	Annual General Meeting of the shareholders	22 April 2013	600,577	0.35
Interim dividends for 2012	Board of Directors' meeting	13 August 2013	514,961	0.30
Total for 2013			1,115,538	0.65

27. Commitments and contingent liabilities

27.1 Capital commitments

As at 31 December 2014 and 2013, the Company and its subsidiaries had outstanding commitments as followings:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Project construction contracts	6,026	6,801	5,564	6,452
Land purchase contracts	3,083	2,601	2,988	2,529

27.2 Guarantees

As at 31 December 2014 and 2013, there were the following outstanding bank guarantees issued by the banks in respect of certain performance bonds required in the normal course of business by the Company and its subsidiaries.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Guarantee utility usage	780	643	713	548
Guarantee trade creditors	23	23	23	23
Guarantee purchasing of land	38	38	38	38
	841	704	774	609

27.3 Litigation

- The Company has been sued for a total of approximately Baht 161 million in various cases, in respect of breach of contract, cancellation of contract, refund claims and damage claims. Most of the cases are currently being heard by the Court of Appeals and the Supreme Court. The Company has set aside provision of Baht 41 million for liabilities arising as a result of these cases, based on the opinions of their legal department.
- During 2006, the Company entered into a Baht 550 million contract to purchase and to sell land with a company and paid a deposit amounting to Baht 50 million to that company for the purchase. Subsequently, the Company learned that some parts of the land are in an area earmarked for expressway construction, and as a result of the loss of this area, the Company would be unable to develop the land as planned. The Company therefore cancelled the contract and requested the refund of the deposit and payment of damages. During 2007, the seller sued the Company for breach of contract and to compel the Company to accept the transfer of land ownership and pay a total of Baht 500 million plus damages. However, the Company took steps to countersue for refund deposit and

damages. During 2008, the Civil Court ruled that the seller cannot compel the Company to accept the transfer of the title to the land and to pay the remaining sum to purchase the land, and the Company is not entitled to ask for the return of the deposit. Therefore, the Company recorded impairment loss on deposit for purchase of land amounting to Baht 50 million. The Company filed an appeal against the judgement of the Civil Court, and in 2012, the Appeal Court issued the same judgement as the Civil Court. The Company has filed a petition against the Court's decision, and it is currently being heard by the Supreme Court.

28. Financial instruments

28.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise the following:

<u>Financial assets</u>	<u>Financial liabilities</u>
- Cash and cash equivalents	- Overdrafts and short-term loans from financial institutions
- Trade and other receivables	- Trade and other payables
- Short-term loans to subsidiaries	- Debentures
- Long-term loans to subsidiary company	- Long-term loans from director
	- Long-term loans from banks

The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the statement of financial position.

Interest rate risk

The exposure of the Company and its subsidiaries to interest rate risk relates primarily to its cash at banks, bank overdrafts, debentures and long-term borrowings. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities as at 31 December 2014 and 2013 classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements

31 December 2014

	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate per annum (Percent)
	within 1 year	within 2 - 5 years				
Financial assets						
Cash and cash equivalents	-	-	399	263	662	0.10 - 1.80
Trade and other receivables	-	-	-	8	8	-
	-	-	399	271	670	
Financial liabilities						
Overdrafts and short-term loans						Rate reference to
from financial institutions	691	-	35	-	726	MOR and 2.75
Long-term loan from banks	-	-	1,745	-	1,745	Rate reference to MLR
Trade and other payables	-	-	-	1,629	1,629	-
Debentures	1,245	8,888	-	-	10,133	3.25 - 4.12
	1,936	8,888	1,780	1,629	14,233	

(Unit: Million Baht)

Consolidated financial statements

31 December 2013

	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate per annum (Percent)
	within 1 year	within 2 - 5 years				
Financial assets						
Cash and cash equivalents	-	-	470	322	792	0.13 - 0.60
Trade and other receivables	-	-	-	10	10	-
	-	-	470	332	802	
Financial liabilities						
Overdrafts and short-term loans						Rate reference to
from financial institutions	-	-	700	-	700	MOR and 3.02
Long-term loan from banks	-	-	3,219	-	3,219	Rate reference to MLR
Trade and other payables	-	-	-	1,977	1,977	-
Debentures	1,699	2,741	-	-	4,440	3.50 - 4.31
	1,699	2,741	3,919	1,977	10,336	

(Unit: Million Baht)

Separate financial statements

31 December 2014

	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate per annum (Percent)
	within 1 year	within 2 - 5 years				
Financial assets						
Cash and cash equivalents	-	-	242	267	509	0.37 - 0.50
Short-term loans to subsidiaries	-	-	421	-	421	4.01 - 4.90
Long-term loan to subsidiary company	-	-	576	-	576	4.51 - 4.90
	-	-	1,239	267	1,506	
Financial liabilities						
Overdrafts and short-term loans						Rate reference to
from financial institutions	691	-	35	-	726	and 2.57
Long-term loans from banks	-	-	1,423	-	1,423	Rate reference to MLR
Trade and other payables	-	-	-	1,530	1,530	-
Debentures	1,245	8,888	-	-	10,133	3.25 - 4.12
	1,936	8,888	1,458	1,530	13,812	

(Unit: Million Baht)

Separate financial statements

31 December 2013

	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate per annum (Percent)
	within 1 year	within 2 - 5 years				
Financial assets						
Cash and cash equivalents	-	-	395	318	713	0.50 - 0.60
Short-term loans to subsidiaries	367	-	-	-	367	4.00 - 5.00
Short-term loans to subsidiary company	555	-	-	-	555	4.40 - 5.00
	922	-	395	318	1,635	
Financial liabilities						
Overdrafts and short-term loans	-	-	700	-	700	Rate reference to
from financial institutions						MOR and 3.02
Long-term loans from banks	-	-	3,219	-	3,219	Rate reference to MLR
Trade and other payables	-	-	-	1,859	1,859	-
Debentures	1,699	2,741	-	-	4,440	3.50 - 4.31
	1,699	2,741	3,919	1,859	10,218	

28.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amount presented in statement of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

The methods and assumptions used by the Company and its subsidiaries in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash at banks, accounts receivable, accounts payable and short-term loans, their carrying amounts in the statement of financial position approximate their fair value.
- b) For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximate their fair value.
- c) For fixed rate debentures, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.

29. Capital management

The primary objective of the Company and its subsidiaries' capital management is to ensure that they have an appropriate financial structure and preserves the ability to continue their businesses and maximize shareholder value.

As at 31 December 2014 and 2013, the Group's debt-to-equity ratio, was summarised below.

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Debt-to-equity ratio	1.12:1	1.09:1	1.15:1	1.13:1

30. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2015.

Supalai Quality Projects



Supalai Wellington

Supalai Wellington II

Supalai Elite @ Phaya Thai

Supalai Veranda
Ratchavipha-Prachachuen

Supalai Veranda
Rattanaibeth

Supalai Loft
Chaeng Watthana

Supalai Cute
Ratchayothin – Phaholyothin 34



Supalai Vista
@ Tiwanon Intersection

Supalai Vista
@ Pakkred Intersection

Supalai Park Srinakarin

Supalai City Resort
Phra Nang Klao Station-Chao Phraya

City Home @ Srinakarin

Supalai Grand Tower

Supalai Montara
Pinklao - Phutthamonthon Sai 1



Supalai Suanluang

Supalai Orchid Park
Outer Ring Road - Rama II

Supalai Park Ville
Romklao - Suvarnabhumi

Supalai Park Ville
Ramindra 23

Supalai Park Ville
Outer Ring - Ratchaphruek

Supalai Garden Ville
Suvarnabhumi

Supalai Garden Ville Outer Ring
Road Pinklao - Rama V



Supalai Garden Ville
Changwattana - Laksi

Supalai Garden Ville
Outer Ring - Lam Lukka Klong 3

Supalai Garden Ville
Outer Ring - Lam Lukka Klong 5

Supalai Garden Ville
Tiwanon - Pathumthani

Supalai Garden Ville
Srinakarin-Bangna

Supalai Garden Ville
New Krungthepkritha-Motorway

Supalai Ville
Outer Ring Road Pinklao-Nakhonin



Supalai Ville
Ratchaphruek - Bang Bua Thong

Supalai Ville
Srinakarin - Kingkeaw

Supalai Ville
Phahonyothin 52

Supalai Ville
Outer Ring-Bangyai

Supalai Ville
Bangkok-Pathumthani

Supalai Ville
Rangsit Klong 2

Supalai Ville
Outer Ring - Lam Lukka Klong 3



Supalai Ville
Outer Ring - Lum Lukka Klong 5

Supalai Ville
Sri Samam - Pathumthani

Supalai Ville
Onnuj-Suan Luang

Supalai Ville
Outer Ring Road - Rama II

Supalai Bella
Outer Ring Road - Rama II

Supalai Bella
Outer Ring Road Pinklao - Rama V

Supalai Bella
Rangsit Klong 2



Novo Ville
Outer Ring-Bangyai

Novo Ville
Lam Lukka Klong 2

Novo Ville
Outer Ring - Lam Lukka Klong 5

Novo Ville
Bangkok - Pathumthani

Supalai Mare @ Pattaya

Supalai Vista @ Sri Racha-
Laemchabang Port Intersection

Supalai Park Ville Sriracha



Supalai Garden Ville Bangsaen

Supalai Ville Theprasit 8

Supalai City Resort @ Rayong

Supalai Park Ville Rayong

Supalai Vista Phuket

Supalai Park @ Downtown Phuket

Supalai Park @ Phuket City



Supalai Lagoon Phuket

Supalai Garden Ville Phuket

Supalai Ville Phuket

Supalai Essence Phuket

Supalai Monte @ Vang Chiangmai

Supalai Monte II Chiangmai

Supalai Park Ville
Chaugpuak Chiangmai



Supalai Garden Ville Outer Ring
Road - San Kam Phaeng Chiangmai

Supalai Moda Chiangmai

Supalai Garden Ville Surathani

Supalai Park Ville
Nittayo Udomthani

Supalai Garden Ville
Udomthani

Supalai Ville
Mitraparp - Banchan Udomthani

Supalai Ville Ubonratchathani



Supalai Moda
Ubonratchathani

Supalai Royal River

Supalai Park Ville
Srichan Khonkaen

Supalai Moda Airport Khonkaen

Novo Ville Airport Khonkaen

Asean City Resort

City Resort Pasawang Phaetkaseam



Palm Spring Grand Ville

Palm Springs 7

Palm Springs 9

Supalai Pasak Resort Hotel
& Spa, Saraburi

Supalai Resort & Spa Phuket





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