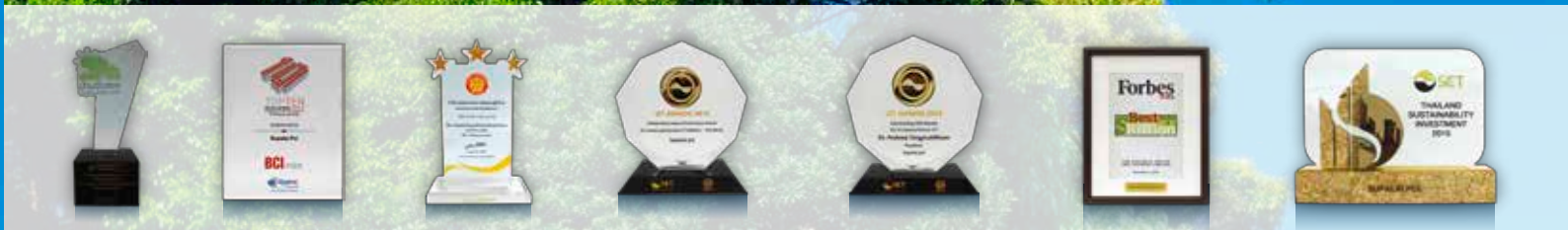




ANNUAL CSR REPORT 2015

รายงานประจำปี 2558 บริษัท ศุภาลัย จำกัด (มหาชน)
SUPALAI PUBLIC COMPANY LIMITED



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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

Supalai Grand Tower Building
1011 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 2016

April 22, 2016 at 2.30 p.m.

at Supalai Grand Tower Building

at Meeting Room, 33rd Floor,

1011 Rama III Road, Chongnonsee Subdistrict,
Yannawa District, Bangkok 10120.

Dividend Payment	: 1.00 Baht per share
Interim Dividend	: 0.50 Baht per share
The Dividend for the Second -half-year Operations	: 0.50 Baht per share
Dividend Payment Date	: 10 May 2016



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

Chairman of the Board's Statement

Dear Shareholders

In 2015, there were several factors that affected the overall real estate business, be it the condition of the domestic economy that has not recovered due to the effects of drought, the export slowdown and the financial institutions' increasing restriction on granting housing loans as well as the volatility of the global economy. In circumstances with such negative factors, there were also positive elements such as lower interest rate, stable construction costs and government's measures to reduce ownership transfer fee and the mortgage of real estate of the state sectors. As a result, the Company and its subsidiaries could sell up to Baht 23,011 million dividing into 51% of condominiums, 49% of low rise with the launch of 26 projects divided into 19 low rise projects and 7 condominium projects. Accordingly, there has been total revenues of Baht 21,523 million, a net profit of Baht 4,537 million, the gearing ratio of approximately 95% and the average rate cost of fund of 3.4% per year with the asset growth of 24% and the shareholders' equity growth of 14%. The Company continued to maintain its credit rating from international rating agency, TRIS at the level of A / Stable.

In such year, the Company has studied and invested cautiously, both in Bangkok and its vicinities and continued to extend its investment to various provinces which are the region's business hubs and tourist destinations. These are mostly low rise projects in selective provinces such as Chiang Mai, Surat Thani, Songkhla, Phuket, Nakhon Si Thammarat, Udon Thani, Khon Kaen, Ubon Ratchathani, Nakhon Ratchasima, Chonburi and Rayong. Besides domestic market, the Company jointly invested with local partners to develop residential projects abroad such as in Australia and the Philippines where the actual operational results are better than expected. The Company, therefore, plans to further expand its overseas investments in the future.

At present, the Company's Group has approximately 103 projects under its development, both in Bangkok, its vicinities and other provinces worth more than Baht 127,390 million with the backlog revenues of approximately Baht 37,879 million. Also, to support the growth of the organization at present and in the future, the Company has implemented the Enterprise Resource Planning System (ERP) or the resource management of the organization for developing working systems of all departments of the Company so as to achieve maximum efficiency and strengthen the Company as well.

Throughout the past years, the Company has proved itself a professional developer having well developed leading real estate projects with expertise in both low-rise and high-rise buildings. It is still committed in creating green design houses, that is, comfortable and modern style homes focusing on the use of every square meter with energy saving systems, such as lighting, air conditioning including the choice of materials and equipment that enable energy conservation and are environmentally friendly like autoclaved aerated concrete, tinted glass, heat insulation, LED light bulbs, water-saving toilet fixtures, vinyl roof for attic air ventilation, etc.

The design of the building based on the concept of Smart Growth derived from the location of the project that is ready to grow along with the facilities to be available in the neighborhood such as the BTS and so on. Also, there has been a development of homes in modern styles by using good and standardized construction materials, while the services must be developed both before and after delivery of goods under the international quality standard ISO 9001: 2008. Also, priority has been given to the care and development of new warm society with safety so as to be consistent with the Company's mission, that is, "to create and develop innovation for good operational results and sustainable growth".

Throughout the year 2015, the Company won many honorable awards from leading organizations which reflects fair and transparent real estate development business with sustainable growth of the organization. The awards of our pride this year are shown below.

The awards presented to the management potential of the Company comprise the "Best Under A Billion Award" given by Forbes Asia according to the profitability, continued growth rate and future business opportunities; the "Thailand Sustainability Investment Award" or "Sustainable Equity of 2015 Award" of the Stock Exchange of Thailand, which is given to listed companies with outstanding and sustainable business operations that create positive impact on the society. Also, the Company has received excellent CG scores.

The award representing Corporate Social Responsibility is for "Outstanding Business Operator with Center for Receiving Complaints and Providing Consumers with Solutions" given by the Office of Consumer Protection Board, and the Company has received this award two times consecutively.

The award representing the leading developer of quality and excellent products is the "Energy Conservation Award 2014". It is given to real estate developer who gives priority to the design of homes to conserve energy and be a good example for the society, and the "BCI Asia Top 10 developers Awards 2015", of which the Company has received five times consecutively. It is the award given to real estate developers of Thailand, who have outstanding and environmentally friendly construction works.

Last but not least, the Board of Directors of Supalai Public Company Limited would like to sincerely thank you all stakeholders for support and trust so the Company could be continually successful in business operation with security and sustainability. Please be confident that the Board of Directors will continue its commitment and dedication to supervise the Company to carefully operate its business by adhering to the principles of integrity, transparency, good governance and ethics, while fully complying with the laws in order to be a leading company with security and sustainable growth, and thereby creating good homes 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. Prakit 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 2015, 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 2015. 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 2015 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 in order to reduce possible impact to be at acceptable level. 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 secretary of the Audit Committee. 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). In 2015, there has been no transaction qualified as connected transaction or any possible transaction with conflict of interest that needs approval from the meeting of shareholders.

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, and established preventive guidelines against possible dishonest act by providing channels for complaints and clues through the Company's website and email. Besides, there has been risk assessment as well. It has also provided recommendations and reported on reviewed 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 2015

The Audit Committee has considered selecting and proposing to appoint the auditor and determine the auditing fee for the year 2015 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 the Annual General Meeting of Shareholders to further appoint EY Office Limited as auditor of the Company of 2015 and approved the appointment of Miss Waraporn Prapasirikul, a Certified Public Accountant (Thailand) No. 4579 and / or Mrs. Chonlaros Santiasvaraporn a Certified Public Accountant (Thailand) No.4523 and/or Miss Supanee Triyanantakul a Certified Public Accountant (Thailand) No.4489 to be auditors of the Company and its subsidiaries as well as the annual and quarterly auditing fee and the consolidated financial statements of 2015 in the amount of Baht 3.28 million.

(Mr. Prakit Pradipasen)

Chairman of the Audit Committee
Supalai Public Company Limited

Report of the Corporate Governance Committee

To Shareholders

The Corporate Governance Committee consists of four members in which Chairman of the Committee must be an independent member. In 2015, 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 2015 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 an opportunity for shareholders to add items on the meeting agenda, advance questions and nomination of names of candidates to be elected as directors during 1 October 2015 - 7 January 2016.
- 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 2015.
- 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 code of conduct, by sending emails to independent directors or Anti-Corruption Unit (anti-corruption@supalai.com) which shall further report directly to the independent directors.

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.
- Prepare a report on sustainable development in 2015, that is, the Company observes the Global Reporting Initiative Version 4.0 (GRI G4) in order to reflect the factors having impact on sustainable business operation of the Company in terms of economic, social and environmental aspects.
- 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 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.
- Support directors of the Company have been training in the courses organized by the Institute of Directors Association (IOD) of Thailand.
- Study tours relevant to real estate business in Thailand and overseas.

6. Social Responsibility and Sustainable Development

- The Company is committed to the development of the Company and stakeholders in all aspects for simultaneous sustainable growth by attaching importance to economic, social and governance aspects.

7. Corporate Governance

In 2015, This is the Company's reward in Corporate Governance of pride can be summarized as follows:

- Supalai Public Company Limited received "Thailand Sustainability Investment award 2015" from SET Thailand at the ceremony entitled "SET Sustainability Awards 2015". The award was given to listed companies with outstanding performance in sustainability development and enhancing the development of social enterprise.
- 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 2015 organized jointly by the Thai Institute of Directors Association, the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. for 3 consecutive years.

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.



(Assoc.Prof.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 3 directors, which is more than one half of the total number of independent members as follows:

- | | | | |
|----|----------------------|------------------|----------|
| 1. | Mr.Prakit | Pradipasen | Chairman |
| 2. | Assoc.Prof.Dr.Virach | Aphimeteetamrong | Director |
| 3. | Mrs.Ajchara | Tangmatitham | Director |

Mr.Prasob Snongjati, an independent director and Chairman of the Nomination and Compensation Committee had resigned on 8 June 2015. Therefore, the Board of Director has appointed Mr.Prakit Pradipasen nominated to be Chairman of the Nomination and Compensation Committee and Mrs.Ajchara Tangmatitham to be director of the Nomination and Compensation Committee since 8 December 2015.

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. In 2015, the Nomination and Compensation Committee held 2 meeting, and submitted the executive summary to the Board of Directors, which must be done on a continual basis. Important tasks of this Committee in 2015 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 2015, 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 2015 for another term of office, and the shareholders' meeting had approved the new directors as proposed. Also, during the year, 1 director had been selected to replace 1 director who had resigned. This had been done through the meeting of the Board of Directors as the remaining term of office is more than 2 months. The new director being appointed possesses complete qualifications pursuant to the Public Companies Act with no prohibited characteristics as prescribed in other laws enforced upon the Company. The new director also possesses expertise with no vested interest or conflict of interest with the Company. Besides, such director possesses qualifications, knowledge and ability in accordance with the business operation strategy of the Company. Details were published in this Annual Report for transparency and audit purposes.

- **Compensation**

In 2015, 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 2015. 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**

The Nomination and Compensation Committee encourages all directors to attend trainings or participate in activities to increase knowledge on relating work by using the Company's resources. Also, arrangement has 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 beneficial in defining strategy, policy and direction of the Company's business operations. Besides, the orientation has been organized for new directors, and the director's manuals have been distributed, while information beneficial to the performance of work of directors has been communicated before attending the first meeting.

- **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

- **Composition and Board Diversity**

To consider and review policy on the diversity of the Board of Directors' structure and necessary skills for selection of directors (Board Diversity) in order to be used as information in support of the selection of directors to replace directors who are completing their term of office, which must be done according to the Company's business operation strategy.

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. Prakrit Pradipasen)

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
2. Mr.Atip	Bijanonda	Director
3. Mr.Tritecha	Tangmatitham	Director
4. Mr.Punnapan	Nengpetch	Director
5. Mrs.Varunee	Lapitananuvat	Director
6. Mr.Kittipong	Sirilugtrakun	Director
7. Mr.Boonchai	Chaiananbovorn	Director
8. Mrs.Suchawadee	Suppha-asa	Director
9. Mr.Adisak	Warinsirikul	Director
10. Mr.Krid	Chancharoensuk	Director

Performance of Risk Management Committee in 2015

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 2015, 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, review and approval of the risk management plan which covers various risks, particularly strategic risk, operational risk, financial risk, credit risk, liquidity risk, compliance risk, fraud risk, information technology risk and reputational risk and so on. And the result of risk management would be proposed to the board of directors through the Audit committee.

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 2015, 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 2016, 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 2016 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 2016 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 2015-2016

Dr. Prasas Tangmatitam

Thailand's economy, growing 6.5% in 2012, entered the year 2013 facing mass demonstration against the government in the latter half of 2013, with a great drop in public investment, followed by uncertainties of business sector which resulted in a decrease in private investment. Thus, the economic expansion in 2013 went down to 2.9%. The decrease in public and private investments still went on in the first half of 2014 and spreaded to international trade almost throughout 2014. Even though Thailand then has a new government after the coup d'état in May 2014, the new government could not do much to end the stagnation. In addition, the private sector did not see any increasing certainties. Accordingly, the situation in 2014 was worse than 2013 and the economic growth rate went down to only 0.9%.

In 2015, though the general situation of private sector was not so bad, the economic expansion was still considered low. The public investment has been boosted up and become a major force in 2015. International trade has not quite recovered from 2014 yet. As such, the growth rate is still low at approximately 3%.

Thailand's economy in 2016 still places hope on public expenditure and investment. However, the proportion of public expenditure is considered a minor part in the economic system, only approximately 5%. Therefore, its contribution to economic expansion is limited. The minimum economic expansion should be approximately 4%. There is not much hope for the private sector to push for the expansion to the extent as near as 2012 and 2013. In spite of new investments from both the public and the private sectors in 2016, the actual spending would not be much. For international trade, it still cannot be expected to have any high degree of expansion. Therefore, the maximum economic expansion will be at 5% and with very little chance of reaching up to 6%.

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	3.1	(2.9)	(10.8)	(12.5)	(10.2)	0.1	(10.4)	(0.4)
	Q2	1.9	0.8	(5.1)	(7.7)	(4.3)	(0.8)	(9.3)	0.8
	Q3	(1.3)	2.5	2.6	0.9	3.2	(3.7)	(0.4)	1.0
	Q4	3.6	2.1	3.2	(0.5)	4.2	4.6	(0.7)	2.1
2014	Total	1.6	0.6	(2.6)	(4.8)	(2.0)	-	(5.4)	0.9
2015	Q1	2.4	3.3	10.7	37.8	3.6	1.0	2.3	3.0
	Q2	3.8	1.6	2.7	24.7	2.6	1.0	(0.4)	2.7
	Q3	1.0	1.7	(1.2)	15.9	(6.6)	(5.7)	(2.4)	2.9

หมายเหตุ : 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

Housing Market Condition 2015 - 2016

Dr. Prasas Tangmatitam

Jean-Baptiste Say (1767-1832), French economist, was the owner of Say's Law stipulating "Supply creates its own demand". However, the 1980 was a time when economists were at the peak of believing in the functioning of the market mechanism of supply and demand. It was also a time when economists ridiculed old theory, thinking that it was impossible and not true, because supply and demand have to function together.

The idea that supply and demand function together is not wrong, but the main point is about their functioning, whether it is demand or supply that causes an imbalance and makes them change to a new equilibrium.

Table 1 shows the number of housing units at the beginning of each year plus the number of new housing units launched or an increase of supply in each year, being the total supply of that year; and the quantity that can be sold from this total supply in that year, in terms of number of units and percentage.

The period during 2012 - 2013 was the period when real estate entrepreneurs campaigned like crazy to launch condominium housing projects, resulting in a record high of number of units and percentage of total supply sold. This is Say's Law mentioned above. Some people might doubt that such an increase in supply will cause a decrease in price or not. This is a good question, but it cannot be applied with this case. The launching of condominium projects is to create demand for downtown housing with convenient location, which is the first point. The second point is to create demand for luxury housing in business district or in classy area or demand for suburban housing with convenient transportation for traveling to work in the city. Whenever the demand can occur or really occurs, which in fact, such demand has already existed, it is just a matter whether developers will dig it up or not. Thus, the increasing supply with existing demand will certainly not cause a decrease in price.

A remark on housing market conditions as compiled from numeric data concerning housing supply and number of units sold as shown in Table 1 is that "housing market conditions are not related to politics". In 2010 and 2013, there were several outbreaks of political violence but the operation of supply and demand had been very active as mentioned above. In 2011, there was political peace and order after the situation returned to normal in 2010, but there were floods as well. Thus, the market was not in active condition, especially for condominium.

The remark about Say's Law or about demand and supply not related to politics can be said to be findings that even major real estate companies have never mentioned about.

Table 1 : Number of units sold and outstanding supplies of total housing including types of housing

(Unit)

Number of units sold and outstanding supplies of total housing					
Year	2011	2012	2013	2014	2015
Outstanding balance at year end	134,266	128,934	144,098	167,567	184,780
Total sales	81,816	107,412	116,481	90,635	90,608
Total	216,082	236,346	260,579	258,192	275,388
% sold	38%	45%	45%	36%	32.9%
Number of units sold and outstanding supplies of single detached housing					
Year	2011	2012	2013	2014	2015
Outstanding balance at year end	39,358	38,778	37,361	39,380	40,541
Total sales	15,539	13,300	14,206	12,467	10,176
Total	54,897	52,078	51,567	51,847	50,717
% sold	28%	26%	28%	24%	20.1%
Number of units sold and outstanding supplies of townhouse					
Year	2011	2012	2013	2014	2015
Outstanding balance at year end	39,707	38,617	44,639	51,144	49,181
Total sales	23,148	23,593	22,025	16,933	25,270
Total	62,855	62,210	66,664	68,077	74,457
% sold	37%	38%	33%	25%	33.9%
Number of units sold and outstanding supplies of condominium					
Year	2011	2012	2013	2014	2015
Outstanding balance at year end	43,520	40,853	51,260	63,536	97,307
Total sales	37,797	65,215	73,843	44,722	51,726
Total	81,319	106,068	125,103	108,258	149,033
% sold	46%	61%	59%	41%	34.7%

Single detached house, is something that needs to wait for the expansion of transportation system to open up the area and therefore, there is still no phenomenon that can support the creation of demand lately. For townhouse, there are patches of vacant land in the suburbs that are not very far from the city, which can be used to create demand. Therefore, the supply trend, quantity and percentage of sale, have always been quite stable. For all these, there was an exception in 2014, due to the impact purchasing power depleted by first-car policy and economic downturn from a great decrease in investment and international trade. This impact also caused insufficient purchasing power for single detached house, causing purchasers to down grade their demand to townhouses instead in 2015.

Another factor concerning horizontal housing is the rising land prices, making it impossible to develop single detached house at the price not higher than what acceptable to the prevailing purchasing power. Cost of raw land to sales revenue in the past 2 years which went up by not less than 5-10 percent points must have been a significant pressure to consumers.

Another remark from data on number of units sold and percentage of sale in 2015 is that the condominium market is shrinking in terms of both supply and demand, because consumer need has become rather saturated as a result of condominium project launching over the past 10 years. We must admit that the purchasing power for condominium not used as main living place comprises quite a number. Meanwhile, the purchasing power for using as main living place is wearing off and depleted respectively. This is a phenomenon which proves that Say's Law of "Supply creates its demand" might lead to lower price or the imbalance of demand and supply, or both. The supply absorption rate of consumers for condominium and townhouses might not be very clear because "Supply creates its demand" still exists, but for single detached house, it is quite clear.

The behaviour of housing business as explained above may be depicted in a statistical equation as follows:

$$\begin{array}{lcl} \% \text{ Sold} & = & 38.5 - 0.60 * \text{Year} + 8.00 * \text{Dummy1} - 2.60 * \text{Dummy2} \\ & & (65.1) \quad (-3.0) \quad (17.9) \quad (-3.5) \\ \text{Adj.R Squared.} & = & 0.993 \quad \quad \quad F = 197.1 \end{array}$$

The coefficient of "year" which is in minus sign meaning that the percentage points of sales from the quantity of products at the beginning of the year would decrease every year at 0.60 percentage points per year. Dummy 1 represents the impact of condominium project launches in 2012-2013, which caused "supply creates its demand" resulting in the increase of sales percentage by 8.00 percentage points, while Dummy 2 represents the economic impact in 2015 which caused the sales percent decrease by 2.60 percentage points.

Implication to housing market conditions in 2016

The number of single detached houses begins to shrink slowly in terms of both demand and supply. Meanwhile, townhouse can still go up at stable rate/quantity each year in terms of both demand and supply. Condominium is the only type of housing that still has some expansion of supply, but might also slow down significantly. In addition, the absorption capability is quite fluctuating and greatly depends on the creation of demand by entrepreneurs.

Accordingly, the launching of single detached house project must be carefully made to ensure that the cost will not be higher than the purchasing power, or in simple words, importance must be attached to margin. Townhouse project can still go on in general. For condominium project, it must be in a location that is outstanding enough to create demand. The most important thing is that in the area with poor sales rate, the launching of project should be suspended entirely, regardless of the type of housing.

Due to the aforementioned factors, the number of housing expected to be sold in 2016 should be about 90,000 units, the same as in 2015.

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 single 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 single detached houses, townhome, 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 single detached houses and townhouses were launched, they are (1) Supalai Ville Srinakarin (2) Supalai Ville Ekamai-Ramindra. At the same time, 3 big high-rise building projects were also opened, they are (1) Supalai Casa Riva on the Chao Phraya River (2) Supalai Premier Place Asoke (3) 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 single detached house project, Supalai Park Ville, was opened together with 2 condominium projects in the heart of the city, namely, (1) City Home Ratchadaphisek (2) 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. One 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 single detached houses and townhouses were launched, namely, (1) Supalai Suvarnabhumi (2) Supalai Ville Outer Ring Road - Rattanakibeth (3) Supalai Ville Sukhumvit - Srinakarin (4) Supalai Ville Kingkaew - Srinakarin and 2 condominium projects, namely, (1) Supalai Park Srinakarin (2) 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 single detached houses and townhouses were launched, namely, (1) Supalai Ville Wongsawang (2) Supalai Park Ville 2 (3) Supalai Garden Ville Outer Ring Road Pinklao - Rama V (4) Supalai Ville Outer Ring Road Pinklao - Rama V together with 4 condominium projects, namely, (1) City Home Ratchada - Pinklao (2) Supalai Premier Ratchada-Narathivas-Sathorn (3) City Home Tha Phra Intersection (4) 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 single detached houses and townhouses and 3 condominium projects, they are (1) Supalai City Home Rattanakibeth condominium project (2) Supalai City Resort Ramkhamhaeng condominium project (3) Supalai Ville Rattanakibeth - Khae Rai townhouse project (4) Supalai Ville Sukhumvit - Phraeksa single detached house project (5) Supalai Ville Tiwanon - Pathumthani townhouse project (6) Supalai Garden Ville Tiwanon-Pathumthani single detached house project in (7) Supalai City Resort condominium project in Phuket and (8) Supalai City Resort single detached house and townhouse project in Phuket.

2009

- 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.
- 11 projects were launched comprising 6 projects of single detached houses and townhouses and 5 condominium projects, they are (1) the single detached house, townhouse and duplex house project of Supalai City Hill Phuket (2) the single detached house project of Supalai Hills Phuket (3) the single detached house and townhouse project of Supalai Ville Ratchapruet - Petchakasem 48 (4) the single detached house and townhouse project of Supalai Park Ville Ramindra 23 (5) the single detached house project of Supalai Park Ville Pracha Unit 86 (6) the single 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.

2010

- 14 projects were launched comprising 10 projects of single detached houses and townhouses and 4 condominium projects, they are (1) the single detached house and duplex house project of Supalai Ville Phaholyothin-Chantharubeksa (2) the single detached house and duplex house project of Supalai Ville Saimai-Wacharapol (3) the single detached house project of Supalai Park Ville-Ramindra 5 (4) the single detached house project of Supalai Garden Ville Phuket (5) the single detached house and duplex house project of Supalai Garden Ville Changwattana - Laksi (6) the single detached house project of Supalai Garden Ville Chiangmai (7) the single 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 single 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 single detached houses and 4 condominium projects, they are (1) the single detached house project of Supalai Montara Pinklao-Bhuddhamondhol Sai 1 (2) the single detached house and duplex house project of Supalai Ville Ringroad-Lamlukka Klong 3 (3) the townhome project of Novo Ville Ringroad-Lamlukka Klong 3 (4) the single detached house project of Supalai Park Ville Romklao-Suvarnabhumi (5) the single 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 single detached houses and 7 condominium projects, they are (1) the single detached house project of Supalai Park Ville Sriracha (2) the single detached house project of Supalai Garden Ville Suvarnabhumi (3) the townhome project of Novo Ville Ringroad-Lamlukka Klong 5 (4) the single detached house and duplex house project of Supalai Ville Sri Samarn-Pathumthani (5) the single detached house and duplex house project of Supalai Ville Ratchapruk-Bangbuatong (6) the townhome project of Novo Ville Phahonyothin 52 (7) the single detached house project of Garden Ville Ringroad-Lamlukka Klong 5 (8) the single detached house project of Garden Ville Airport (9) the single detached house project of Park Ville Changpuak (10) the single 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 single detached houses and townhome and 7 condominium projects, they are (1) the single detached house project of Supalai Ville Onnut - Suanluang (2) the single detached house project of Supalai Ville Ringroad - Rama 2 (3) the townhome project of Supalai Ville Thepprasit 8 (4) the single detached house project of Supalai Moda (5) the single detached house

project of Supalai Garden Ville Bangsaen (6) the single detached house project of Supalai Essence (7) the single 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 single detached houses and townhome and 9 condominium projects, they are (1) the singledetached house, new series house and townhouses project of Supalai Bella Outer Ring Road - Rama II (2) the single detached house, new series house and townhouses 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 single detached house project of Supalai Garden Ville Srinakarin - Bangna (5) the single detached house project of Supalai Garden Ville Krungthepkritha - Motorway (6) the townhome project of Supalai Novo Ville Lamlukka Klong 2 (7) the single 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 single detached house and new series house project of Supalai Ville Outer Ring - Bangyai (10) the single detached house and new Series house project of Supalai Ville Bangkok - Pathumthani

(11) new series house and townhouses project of Supalai Ville Rangsit Klong 2 (12) the single detached house new series house and townhouses project of Supalai Bella Rangsit Klong 2 (13) the single detached house project of Supalai Garden Ville Outer Ring Road - San Kam Phaeng Chiangmai (14) the single house project of Supalai Moda Ubonratchathani (15) the single detached house, new series house Ville project of Supalai Ubonratchathani (16) the single detached house project of Supalai Park Ville Rayong (17) the single detached house project of Supalai Garden Ville Udonthani (18) the single detached house, duplex house and townhouses (19) the single detached house and townhouses project of Supalai Ville Phuket (20) the single 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

2015

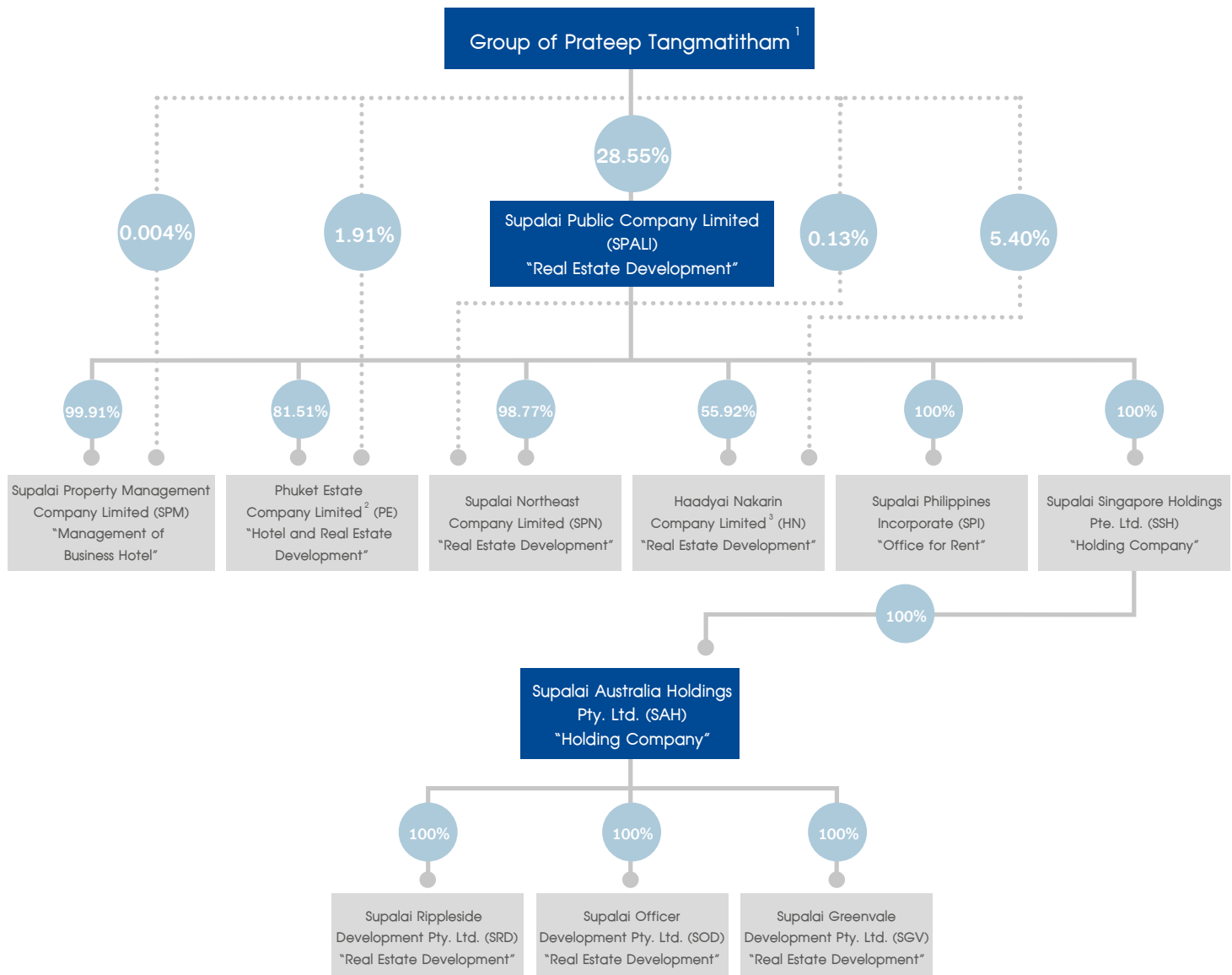
- TRIS Rating affirms the company rating and the current senior unsecured debenture ratings of Supalai Public Company Limited (SPALI) at "A". The ratings reflect SPALI'S proven track record in the residential property development industry in Thailand, well-known brand name in the middle-income segment, and strong financial position.
- 18 projects were launched comprising 11 projects of single detached houses, new series house and townhome and 7 condominium projects, they are (1) the single detached house and duplex house project of Supalai Ville Chonburi (2) the single detached house, new series house and townhome project of Supalai Pride Bangna - Ring Road (3) the townhome project of Supalai Bella Kingkaeo - Srinakarin (4) the single detached house project of Supalai Prima Villa Phutthamonthon Sai 3 (5) the single detached house project of Supalai Prima Villa Phaholyothin 50 (6) the townhome project of

Supalai Primo Nakorn In - Rama 5 (7) the single detached house, new series house and townhome project of Supalai Bella Outer Ring - Lamlukka Klong 4 (8) the single detached house and new series house project of Supalai Garden Ville Prachauthit - Suksawat (9) the townhome project of Supalai Novo Ville Suranaree (10) the single detached house, duplex house and townhome project of Supalai Ville Chotana - Ruamchoke (11) the single detached house, duplex house and townhome project of Supalai Ville Suratthani (12) the condominium project of Supalai City Resort Chaeng Watthana (13) the condominium project of Supalai Elite @ Surawong (14) the condominium project of Supalai Loft @ Talat Phlu Station (15) the condominium project of Supalai Lite @ Ratchada - Narathivas - Sathorn (16) the condominium project of Supalai Loft @ Khaerai Station (17) the condominium project of Supalai Riva Grande (18) the condominium project of Supalai Lagoon Condo

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: single detached houses, duplex houses, townhome 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 2015



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 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 10 subsidiaries and associated companies 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.

During the year 2015, Supalai Public Company Limited has acquired more shares from M.K. Real Estate Development Plc. which was partly hold by Haadyai Nakarin co.,Ltd. The Company, therefore, hold more shares at 55.92%

(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 and 2015, the Company invested in 18,681,359 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 and 2015, Supalai Singapore Holdings Pte. Ltd., a subsidiary of the Company invested in 7,080,100 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 and 2015, 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 and 2015, Supalai Australia Holdings Pty. Ltd., invested in 4,500,100 ordinary shares, or 100% of Supala Officer Development Pty. Ltd., a company incorporated in Australia as part of investment scheme in various companies.

(10) Supalai Greenvale Development Pty. Ltd. (“SGV”)

During 2015, Supalai Australia Holdings Pty. Ltd., invested in 7,187,600 ordinary shares, or 100% of Supalai Greenvale 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 single 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 Prima Villa

Product Type	:	Single Detached House
Price Range	:	6.0 - 16.0 Million Baht
Target Customers	:	Upper high income group, age over 30 years old, income 150,000 baht/family/month



Supalai Montara Pinklao-Phutthamonthon Sai 1

Product Type	:	Single Detached House
Price Range	:	8.0 - 16.0 Million Baht
Target Customers	:	Upper high income group, age over 36 years old, income 150,000 baht/family/month



Supalai Park Ville

Product Type	:	Single Detached House
Price Range	:	3.5 - 5.5 Million Baht
Target Customers	:	Upper medium income group, age over 30 years old, income 70,000 baht/family/month



Supalai Garden Ville

Product Type	:	Single Detached House
Price Range	:	2.8 - 4.5 Million Baht
Target Customers	:	Upper medium income group, age over 30 years old, income 50,000 baht/family/month



Supalai Viile

Product Type	:	Single Detached House, New Series House and Townhome
Price Range	:	1.8 - 5.5 Million Baht
Target Customers	:	Upper medium income group, age over 24 years old, income 35,000 baht/family/month



Supalai Primo

Product Type	:	Townhome
Price Range	:	2.4 - 5.0 Million Baht
Target Customers	:	Upper medium income group, age over 25 years old, income 40,000 baht/family/month



Supalai Pride

Product Type	:	Townhome , New Series House and Single Detached House
Price Range	:	2.4 - 6.0 Million Baht
Target Customers	:	Upper medium income group, age over 25 years old, income 40,000 baht/family/month



Supalai Bella

Product Type	:	Townhome, New Series House and Single Detached House
Price Range	:	1.6 - 5.0 Million Baht
Target Customers	:	Upper medium income group, age over 25 years old, income 30,000 baht/family/month



Novo Ville

Product Type	:	Townhome
Price Range	:	1.2 - 2.7 Million Baht
Target Customers	:	Upper medium income group, age over 25 years old, income 15,000 baht/family/month



Palm Spring Grand Ville

Product Type	:	Single Detached House, Old Series House and New Series House
Price Range	:	4.7 - 11.0 Million Baht
Target Customers	:	Upper medium income group, age over 30 years old, income 55,000 baht/family/month



Palm Spring

Product Type	:	Single Detached House, New Series House, Duplex House and Townhome
Price Range	:	2.9 - 7.0 Million Baht
Target Customers	:	Upper medium income group, age over 26 years old, income 35,000 baht/family/month



Supalai Royal River

Product Type	:	Single Detached House
Price Range	:	2.2 - 6.7 Million Baht
Target Customers	:	Upper medium income group, age over 30 years old, income 45,000 baht/family/month



Essence

Product Type	:	Single Detached House and Commercial building
Price Range	:	4.4 - 5.7 Million Baht
Target Customers	:	Upper medium income group, age over 30 years old, foreigners, income 80,000 baht/family/month

Moda



Product Type	:	Single Detached House Modern style and Duplex House
Price Range	:	3.7 - 5.9 Million Baht
Target Customers	:	Upper medium income group, age over 30 years old, foreigners, income 50,000 baht/family/month



Lagoon

Product Type	:	Single Detached House, Townhome Modern style
Price Range	:	2.5 - 8.0 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 Prima Riva

Product Type	:	Condominium
Price Range	:	5.1 - 18.9 Million Baht
Target Customers	:	Upper medium income group, age over 30 years old, income 50,000 baht/family/month



Supalai Riva Grande

Product Type	:	Condominium
Price Range	:	4.0 - 25.0 Million Baht
Target Customers	:	Upper medium income group, age over 28 years old, income 60,000 baht/family/month



Supalai Elite @ Surawong

Product Type	:	Condominium
Price Range	:	5.0 - 19.0 Million Baht
Target Customers	:	Upper medium income group, age over 28 years old, income 100,000 baht/family/month



Supalai Elite @ Phaya Thai

Product Type	:	Condominium
Price Range	:	18.5 Million Baht
Target Customers	:	Upper medium income group, age over 28 years old, income 100,000 baht/family/month



Supalai Wellington

Product Type	:	Condominium
Price Range	:	3.4 - 20.0 Million Baht
Target Customers	:	Upper medium income group, age over 30 years old, income 60,000 baht/family/month



Supalai Wellington II

Product Type	:	Condominium
Price Range	:	2.7 - 5.7 Million Baht
Target Customers	:	Upper medium income group, age over 28 years old, income 50,000 baht/family/month



Supalai Lite @ Ratchada - Narathivas - Sathorn

Product Type	:	Condominium
Price Range	:	2.5 - 11.8 Million Baht
Target Customers	:	Upper medium income group, age over 28 years old, income 50,000 baht/family/month



Supalai Veranda Ratchavipha - Prachachuen

Product Type	:	Condominium
Price Range	:	1.6 - 8.7 Million Baht
Target Customers	:	Upper medium income group, age over 25 years old, income 50,000 baht/family/month



Supalai Veranda Rattanathibeth

Product Type	:	Condominium
Price Range	:	1.6 - 6.3 Million Baht
Target Customers	:	Upper medium income group, age over 25 years old, income 28,000 baht/family/month



Supalai Loft Chaeng Wattana

Product Type	:	Condominium
Price Range	:	2.2 - 4.6 Million Baht
Target Customers	:	Upper medium income group, age over 25 years old, income 30,000 baht/family/month



Supalai Loft @ Khaerai Station

Product Type	:	Condominium
Price Range	:	1.7 - 4.3 Million Baht
Target Customers	:	Upper medium income group, age over 28 years old, income 45,000 baht/family/month



Supalai Loft @ Talat Phlu Station

Product Type	:	Condominium
Price Range	:	2.2 - 9.9 Million Baht
Target Customers	:	Upper medium income group, age over 27 years old, income 28,000 baht/family/month



Supalai Vista @ Tiwanon Intersection

Product Type	:	Condominium
Price Range	:	1.6 - 4.5 Million Baht
Target Customers	:	Upper medium income group, age over 25 years old, income 28,000 baht/family/month



Supalai Vista @ Pakkred Intersection

Product Type	:	Condominium
Price Range	:	2.7 - 4.6 Million Baht
Target Customers	:	Upper medium income group, age over 27 years old, income 28,000 baht/family/month



Supalai Vista @ Sri Racha-Laemchabang Port Intersection

Product Type	:	Condominium
Price Range	:	1.4 - 4.3 Million Baht
Target Customers	:	Upper medium income group, age over 27 years old, income 40,000 baht/family/month



Supalai Vista Phuket

Product Type	:	Condominium
Price Range	:	1.3 - 3.4 Million Baht
Target Customers	:	Upper medium income group, age over 30 years old, income 30,000 baht/family/month



Supalai Park Srinakarin

Product Type	:	Condominium
Price Range	:	1.39 Million Baht
Target Customers	:	Upper medium income group, age over 25 years old, income 28,000 baht/family/month



Supalai Park @ Downtown Phuket

Product Type	:	Condominium
Price Range	:	2.4 Million Baht
Target Customers	:	Upper medium income group, age over 30 years old, income 50,000 baht/family/month



Supalai Park @ Phuket City

Product Type	:	Condominium
Price Range	:	1.4 - 3.6 Million Baht
Target Customers	:	Upper medium income group, age over 30 years old, income 50,000 baht/family/month



Supalai Cute Ratchayothin – Phaholyothin 34

Product Type	:	Condominium
Price Range	:	2.0 – 3.1 Million Baht
Target Customers	:	Upper medium income group, age over 25 years old, income 28,000 baht/family/month



Supalai City Resort Chaeng Watthana

Product Type	:	Condominium
Price Range	:	1.8 – 3.0 Million Baht
Target Customers	:	Upper medium income group, age over 27 years old, income 28,000 baht/family/month



Supalai City Resort Phra Nang Klao Station - Chao Phraya

Product Type	:	Condominium
Price Range	:	1.7 – 4.7 Million Baht
Target Customers	:	Upper medium income group, age over 25 years old, income 25,000 baht/family/month



Supalai City Resort @ Rayong

Product Type	:	Condominium
Price Range	:	1.8 – 3.4 Million Baht
Target Customers	:	Upper medium income group, age over 30 years old, income 30,000 baht/family/month



Supalai City Home @ Srinakarin

Product Type	:	Condominium
Price Range	:	0.96 Million Baht
Target Customers	:	Upper medium income group, age over 25 years old, income 18,000 baht/family/month



Supalai Monte @ Viang Chiang Mai

Product Type	:	Condominium
Price Range	:	1.6 - 8.2 Million Baht
Target Customers	:	Upper medium income group, age over 25 years old, income 25,000 baht/family/month



Supalai Monte II

Product Type	:	Condominium
Price Range	:	1.9 - 4.6 Million Baht
Target Customers	:	Upper medium income group, age over 25 years old, income 25,000 baht/family/month



Supalai Mare @ Pattaya

Product Type	:	Condominium
Price Range	:	1.4 - 4.9 Million Baht
Target Customers	:	Upper medium income group, age over 27 years old, income 40,000 baht/family/month



Supalai Lagoon Condo

Product Type	:	Condominium
Price Range	:	1.0 - 1.2 Million Baht
Target Customers	:	Upper medium income group, age over 24 years old, income 18,000 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.

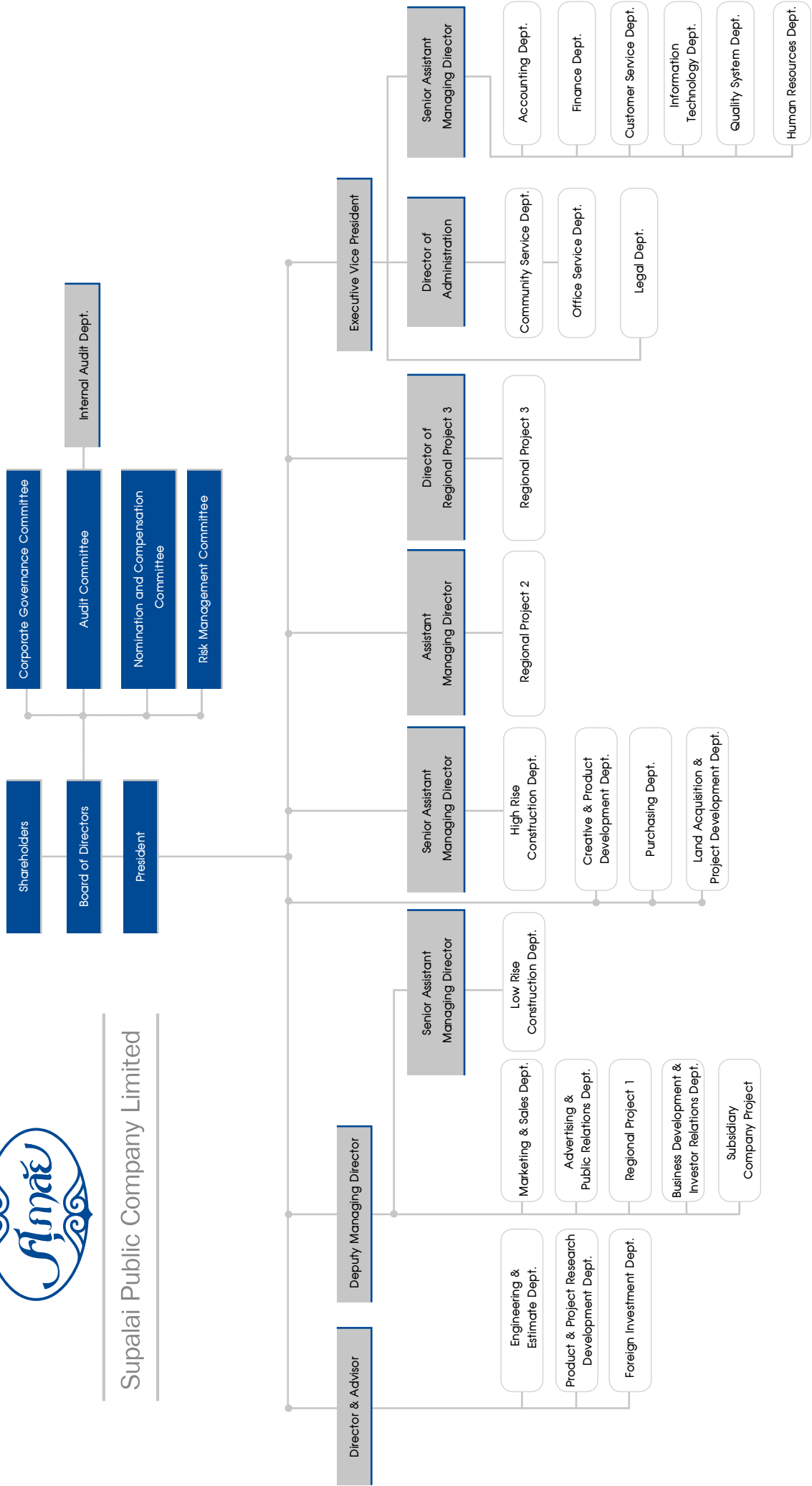
C. Hotel and Resort Business

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

Advisory of the board

12. Dr.Sahas	Bunditkul ***
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Remark

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

** Mr.Prasob Srongjati, an independent director and Chairman of the Nomination and Compensation Committee had resigned on 8 June 2015. Therefore, the Board of Director No.10/2015 held on 13 October 2015 has appointed Assoc.Prof.Dr.Somjai Phagaphasvivat nominated to be Independent Director replace for Mr.Prasob Srongjati had resigned since 13 October 2015.

*** The Board of Director No.11/2015 held on 10 November 2015 has appointed Dr.Sahas Bunditkul nominated to be Advisory to the board of Director since 10 November 2015

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 | Chairman of the Audit Committee |
| 2. Mr.Anant | Gatepithaya | Director of the Audit Committee |
| 3. Assist.Prof.Aswin | Bijayayodhin | Director of the Audit Committee |

Secretary

Ms.Toophong

Hirunyanulak

Nomination and Compensation Committee



- | | | |
|----|---------------------------------------|---|
| 1. | Mr.Prakit Pradipasen* | Chairman of the Nomination and Compensation Committee |
| 2. | Assoc.Prof.Dr.Virach Aphimeteetamrong | Director of the Nomination and Compensation Committee |
| 3. | Mrs.Ajchara Tangmatitham* | Director of the Nomination and Compensation Committee |

Secretary

Mrs.Varunee Lapitananuvat

Remark * Mr.Prasob Shongjati, an independent director and Chairman of the Nomination and Compensation Committee had resigned on 8 June 2015. Therefore, the Board of Director No.10/2015 held on 13 October 2015 has appointed Mr.Prakit Pradipasen nominated to be Chairman of the Nomination and Compensation Committee and appointed Mrs.Ajchara Tangmatitham nominated to be Director of the Nomination and Compensation Committee since December 8, 2015.

Corporate Governance Committee



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

Secretary

Mrs.Varunee	Lapitananuvat
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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.Punnapan	Nengpetch	Director of Risk Management Committee
5. Mrs.Varunee	Lapitananuvat	Director of Risk Management Committee
6. Mr.Kittipong	Sirilugtrakun	Director of Risk Management Committee
7. Mr.Boonchai	Chaiananbovorn	Director of Risk Management Committee
8. Mrs.Suchawadee	Suppha-asa	Director of Risk Management Committee
9. Mr.Adisak	Warinsirikul	Director of Risk Management Committee
10. Mr.Krid	Chancharoensuk	Director of Risk Management Committee

Secretary

Ms.Toophong Hirunyanulak

Executive Committee



- | | | | |
|----|-------------|--------------|--------------------------|
| 1. | Dr.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.	Dr.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.	Mr.Adisak	Warinsirikul	Director of Regional Project 3
9.	Mrs.Suchawadee	Suppha-asa	Director of Administration

Board of Directors



Dr. Prateep Tangmatitham

Age 67 years
Chairman of the Board,
Chief Executive Officer

Date of Appointment : 26 June 1989

Length of Service (as at 22 April 2016) :
26 years 10 months

Education

- Hons. PH.D.Sc. (Innovative Real Estate Development) Thammasat University
- M.Arch. (Hons.) (Housing) University of Illinois at Urbana-Champaign USA
- B.Arch. (Hons.) Chulalongkorn University

Training

- 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
- 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 :
 - Course Seminar Anti-Corruption : Thailand's 3rd National Conference on Collective Action Against Corruption Class 2/2012
 - RCP : The Role of Chairman Program Class 9/2003
 - DCP : Director's Certification Program Class 17/2002

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

2015 - Present Chairman of Supalai Greenvale Development PTY.LTD

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 Director 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

2015 - Present Vice President of TEO AUN Association of Thailand

2012 - Present President of University of Illinois Alumni Association Thailand Chapter

2011 - Present Vice President of King Prajadhipok's Institute Association

2000 - Present Honorary President of Thai Condominium Association

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2015) :

- Held personally 404,576,644 shares, 23.57%
- Held by spouse or minor children 90,188,200 shares, 5.25%

Family Relationship among Directors and Executives

- Mrs. Ajchara Tangmatitham's husband and is a father of Mr. Tritecha Tangmatitham and is an older brother of Mr. Prasas Tangmatitham

Illegal record in the last 10 years

- Nil

Number of meetings attended / total

- The Board of Directors 12/12



Mrs. Ajchara Tangmatitham

Age 67 years

Executive Vice President,
Director of the Board,
Director of the Nomination and
Compensation Committee

Date of Appointment : 26 June 1989

Length of Service (as at 22 April 2016) :
26 years 10 months

Education

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

Training

Thai Institute of Directors :

- DCP : Certification Program class 30/2003
- CSP : Company Secretary Program class 1/2002

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 (Ordinary shares) (as at 31 December 2015) :

- Held personally 90,188,200 shares, 5.25 %
- Held by spouse or minor children 404,576,644 shares, 23.57%

Family Relationship among Directors and Executives

- Dr. Prateep Tangmatitham's wife and is a mother of
Mr. Trithecha Tangmatitham

Illegal record in the last 10 years

- Nil

Number of meetings attended / total

- The Board of Directors 12/12
- The Nomination and Compensation Committee 1/1



Mr. Tritеча Tangmatitham

Age 37 years
Deputy Managing Director,
Director of the Board,
Director of the Corporate
Governance Committee,
Director of the Risk
Management Committee

Date of Appointment : 21 April 2009

Length of Service (as at 22 April 2016) :

7 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 : Directors Certification Program Class 120/2009

Present Position

Directorship(s) in Listed Company

2009 - 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

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2015) :

- Held personally 150,000 shares, 0.01%
- Held by spouse or minor children (Nil)

Family Relationship among Directors and Executives

- Son of Dr. Prateep Tangmatitham and Mrs. Ajchara Tangmatitham.

Illegal record in the last 10 years

- Nil

Number of meetings attended / total

- The Board of Directors 12/12
- The Corporate Governance Committee 1/1
- The Risk Management Committee 1/1

Date of Appointment : 25 April 2001

Length of Service (as at 22 April 2016) :
15 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 :
 - Course Seminar R-CAC : Thailand's 4th National Conference on Collective Action Against Class 1/2013
 - RCP : The Role of Chairman Program class 15/2007
 - DAP : Director Accreditation Program class 1/2003

Present Position

Director (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 |
|----------------|---|



Mr.Prakit Pradipasen

Age 73 years
Independent Director,
Chairman of the Audit Committee,
Chairman of the Nomination and
Compensation Committee

Former Last 5 years

Directorship(s) in Listed Company

- | | |
|------------|---|
| 1993 -2012 | Independent Director and Chairman of the Audit Committee Bata Shoe of Thailand Public Company Limited |
|------------|---|

Directorship(s) in Other Company

- | | |
|-------------|---|
| 2004 - 2011 | Chairman of the Board of Thai Sugar Millers Corporation Limited |
|-------------|---|

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 (Ordinary shares) (as at 31 December 2015) :

- Held personally 900,000 shares, 0.05 %
- Held by spouse or minor children (Nil)

Family Relationship among Directors and Executives

- Nil

Illegal record in the last 10 years

- Nil

Number of meetings attended / total

- The Board of Directors 11/12
- The Audit Committee 10/12
- The Nomination and Compensation Committee 2/2



Assoc.Prof.Dr.Virach Aphimeteetamrong

Age 73 years

Independent Director, Chairman of
the Corporate Governance Committee,
Director of the Nomination and
Compensation Committee

Date of Appointment : 5 October 1992

Length of Service (as at 22 April 2016) :
23 years 6 months

Education

- Ph.D (Finance) University of Illinois at Urbana - Champaign USA
- 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 :
 - Course Seminar R-CF : Chairman Forum 2015
"Chairman Role in Building Independence across the Board" Class 1/2015
 - ACEP : Anti-Corruption for Executive Program class 4/2012
 - DAP : Director Accreditation Program class 2/2003

Present Position

Directorship(s) in Listed Companies

- 2015 - Present Independent Director of Asia Plus Group Holdings Public Company Limited
- 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
- 1995 - Present Independent Director of Metro Systems Corporation Public Company Limited
- 1990 - Present Independent Director and Chairman of the Corporate Governance Committee of Supalai Public Company Limited

Directorship(s) in Other Companies

- 2004 - Present Independent Director of Asia Plus Securities Company Limited
- 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 (Ordinary shares) (as at 31 December 2015) :

- Held personally 2,431,466 shares, 0.14%
- Held by spouse or minor children (Nil)

Family Relationship among Directors and Executives

- Nil

Illegal record in the last 10 years

- Nil

Number of meetings attended / total

- The Board of Directors 11/12
- The Corporate Governance Committee 1/1
- The Nomination and Compensation Committee 2/2

Date of Appointment : 22 January 2001

Length of Service (as at 22 April 2016) :

15 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 :
 - RCL : Risk Management Program for Corporate Leaders Class 1/2015
 - Course Seminar : Director Forum 2/2015 : Building better board through effective Independent Director
 - Course Seminar C-Conference : "Thailand's 5th National Conference on Collective Action Against Corruption" Class 1/2014
 - AACP : Advanced Audit Committee Program Class 17/2014
 - RMP : Risk Management Committee Program 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 : 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 : DBT : "The Governance Role of the Board in the Preparation and Response to Unforeseen Crisis and the Oversight of (Foreign) Subsidiaries" Class 1/2013
 - HRP : How to Develop a Risk Management class 2/2012
 - QFR : Improving the Quality of Financial Reporting Class 1/2006
 - DAP : Director Accreditation Program Class 7/2004
 - ACP : Audit Committee Program Class 2/2004
 - DCP : Directors Certification Program Class 17/2002

Present Position

Director (s) in Listed Companies

- 2008 - Present Independent Director and Director of the Audit Committee of Zeer Property Public Company Limited
- 2007 - Present Independent Director and Director of the Audit Committee of Raja Ferry Port Public Company Limited



Mr. Anant Gatepithaya

Age 64 years

Independent Director, Director of the Audit Committee, Chairman of the Risk Management Committee

- 2007 - Present Independent Director, Director of the Audit Committee and Chairman of the Risk Management Committee of Hydrotek Public Company Limited
- 2004 - Present Independent Director, Director of the Audit Committee and Chairman of the Risk Management Committee of Fortune Parts Industry Public Company Limited
- 2003 - Present Independent Director, Director of the Audit Committee and Chairman of the Risk Management Committee of CMO Public Company Limited
- 2001 - Present Independent Director, Director of the Audit Committee and Chairman of the Risk Management Committee of Supalai Public Company Limited

Directorship(s) in Other Company

- 2000 - Present Chairman of The Brilliant Solution Company Limited

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2015) :

- Held personally (Nil)
- Held by spouse or minor children (Nil)

Family Relationship among Directors and Executives

- Nil

Illegal record in the last 10 years

- Nil

Number of meetings attended / total

- The Board of Directors 12/12
- The Audit Committee 12/12
- The Risk Management Committee 1/1



Assist.Prof.Aswin Bijayayodhin

Age 75 years
Independent Director,
Director of the Audit Committee

Date of Appointment : 10 May 2011

Length of Service (as at 22 April 2016) :
4 years 11 months

Education

- Master of Architecture, University of Illinois, USA
- Bachelor of Architecture (Honor), Chulalongkorn University

Training

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

Present Position

Director (s) in Listed Company

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

Directorship(s) in Others

2013 - Present Vice President of Alumni Association of Illinois University

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

2005 - Present Advisory of "Board of Trade of Thailand" on Real Estate Business Development

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

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 Kiag Kay

2011 - 2013 Director 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 Projects, National Housing Authority, Transport & Communication Hub-Phahon Yothin, Development Raja-Dam-Noen Avenue Project

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2015) :

- Held personally (Nil)
- Held by spouse or minor children (Nil)

Family Relationship among Directors and Executives

- Nil

Illegal record in the last 10 years

- Nil

Number of meetings attended / total

- The Board of Directors 11/12
- The Audit Committee 11/12

Date of Appointment : 13 October 2015

Length of Service (as at 22 April 2016) :

6 months

Education

- Doctorado de Estado, Facultad de Ciencia Politica, Universidad Complutense de Madrid, Spain
- Diplome d'Etudes Superieures, (Economic Integration), Universite de Nancy, France
- Licenciatura, Facultad de Ciencia Politica Economica, Universidad Complutense de Madrid, Spain
- Bachelor of Arts, Chulalongkorn University

Training

- Thai Institute of Directors :
 - DAP : Director Accreditation Program Class 34/2005

Present Position

Directorship(s) in Listed Companies

2015 - Present	Independent Director of Supalai Public Company Limited
2009 - Present	Independent Director and director of the Audit Committee of Thanachart Bank Public Company Limited
2004 - Present	Chairman of the Board of SEAFCO Public Company Limited
1997 - Present	Independent Director and Chairman of the Audit Committee of Lee Feed Mill Public Company Limited
1997 - Present	Director and Chairman of the Audit Committee of Thai Hua Rubber Public Company Limited
1993 - Present	Independent Director and Chairman of the Audit Committee of Amarin Printing and Publishing Public Company Limited

Directorship(s) in Other Company

1997 - Present	Director and Chairman of the Audit Committee of Krungthep Thanakom Company Limited
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Assoc.Prof.Dr.Somjai Phagaphasvivat

Age 69 years

Independent Director

Former Last 5 years

Directorship(s) in Listed Company

2010 - 2011	Independent Director and Director of the Audit Committee of Siam City Bank Public Company Limited
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Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2015) :

- Held personally (Nil)
- Held by spouse or minor children (Nil)

Family Relationship among Directors and Executives

- Nil

Illegal record in the last 10 years

- Nil

Number of meetings attended / total

- The Board of Directors 2/2



Mr. Atip Bijanonda

Age 57 years
 Director of the Board,
 Director of the Corporate
 Governance Committee,
 Director of the Risk
 Management Committee

Date of Appointment : 2 March 1992

Length of Service (as at 22 April 2016) :
 24 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 :
 - DAP : Director Accreditation Program Class 8/2004
 - DCP : Directors Certification Program Class 24/2002
- Certificate Course in Top Executive Program in Commerce and Trade (TEPCoT), Class 8

Present Position

Directorship(s) in Listed Company

1992 - Present Director of the Board, Director of the Corporate Governance Committee and Director of the Risk Management Committee of Supalai Public Company Limited

Directorship(s) in Related Companies

2015 - Present Director of Supalai Greenvale Development PTY.LTD
 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

Present Position

2013 - Present President of Housing Business Association
 2004 - Present Honorary President of Thai Condominium Association
 2010 - Present Director of Board of Trade of Thailand
 2008 - Present Chairman of the Committee on Trade Associations Group of Construction and Real Estate Business Design and Construction Board of Trade of Thailand
 2015 - Present Chairman of the Committee on Business of Real Estate Development of the Thai Chamber of Commerce
 2015 - Present Subcommittee of Central Subdivision Board Department of land
 2015 - Present Director of Thai Listed Companies Association
 2004 - Present Board of Real Estate Information Center of the Government Housing Bank (GHB.)
 2016 - Present Director of Physical Planning Reform Committee of National Reform Steering Assembly (NRSA)

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 (Ordinary shares) (as at 31 December 2015) :

- Held personally 5,334,140 shares, 0.31%
- Held by spouse or minor children (Nil)

Family Relationship among Directors and Executives

- Nil

Illegal record in the last 10 years

- Nil

Number of meetings attended / total

- The Board of Directors 10/12
- The Corporate Governance Committee 1/1
- The Risk Management Committee 1/1

Date of Appointment : 25 April 2001

Length of Service (as at 22 April 2016) :

15 years

Education

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

Training

- Thai Institute of Directors :
 - 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
 - SFE : Successful Formulation & Execution the Strategy class 14/2012
 - DCP : Director's Certification Program class 36/2003
 - DCP Diploma : Directors Certification Program Diploma Class 11/2003

Present Position

Directorship(s) in Listed Company

2001 - Present Director of Supalai Public Company Limited

Directorship(s) in Related Companies

2015 - Present Director of Supalai Greenvale Development PTY.LTD

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

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2015) :

- Held personally (Nil)



Mr.Prasas Tangmatitam

Age 65 years

Director of the Board, Director of the Corporate Governance Committee

- Held by spouse or minor children (Nil)

Family Relationship among Directors and Executives

- Younger brother of Dr.Prateep Tangmatitham

Illegal record in the last 10 years

- Nil

Number of meetings attended / total

- The Board of Directors 12/12
- The Corporate Governance Committee 1/1



Mr. Krid Chancharoensuk

Age 45 years
 Director of the Board,
 Director of the Risk Management
 Committee

Date of Appointment : 22 April 2014

Length of Service (as at 22 April 2016) :
 2 years

Education

Bachelor of Laws, Ramkhamhaeng University

Training

- Thai Institute of Directors:
 - RCL : Risk Management Program for Corporate Leaders Class 1/2015
 - Course Seminar : Act against Corruption the Board of Director should know 4/2015
 - DCP : Directors Certification Program Class 193/2014

Present Position

Directorship(s) in Listed Company

2014 - Present Director of Supalai Public Company Limited

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2015) :

- Held personally (Nil)
- Held by spouse or minor children (Nil)

Family Relationship among Directors and Executives

- Nil

Illegal record in the last 10 years

- Nil

Number of meetings attended / total

- The Board of Directors 12/12
- The Risk Management Committee 1/1



Dr.Sahas Bunditkul

Age 65 years

Advisor of the Board of Director

Date of Appointment : 14 November 2015

Length of Service (as at 22 April 2016) :
5 months

Education

- PhD (Mechanical engineering) University of Michigan, USA (1978)
- MBA, the University of Leeds, England (1984)
- Master of Mechanical engineering, Chulalongkorn University (1973)
- Bachelor of Mechanical engineering (Honors), Chulalongkorn University(1971)

Training

- Certificate in Business Administration, England
- Certificate Course in Top Executive Program in Bhumipalung Phandin, Chulalongkorn University, Class 1
- Certificate Course in Top Executive Program in Energy Literacy for the world, Thailand Energy Academy, Class 2
- Certificate Course in Top Executive Program in Commerce and Trade (TEPCoT), Class 5
- Advanced Security Management Program (ASMP), Class 2
- Certificate Course in Top Executive Program, Capital Market Academy, Class 7
- Thai Institute of Directors (IOD) :
 - Directors Certification Program (DCP) Class 54/2006
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives, King Prajadhipok's Institute, Class 5
- Graduate Degree Course in The State, Private Sector and Political Sectors, Class 1, National Defense College (NDC.2546)

Present Position

Directorship(s) in Other

- 2015 - Present Director of the Board of Trustees, Vidyasirimedhi Institute of Science and Technology (VISTEC)
- 2013 - Present Chairman of Executive Committee and Director of Board of Trustees, Asian Institute of Technology (AIT)

Former Last 5 years :

Directorship(s) in Other

- 2012 - 2015 Executive Director of National Research Council of Thailand (NRCT)

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2015) :

- Held personally (Nil)
- Held by spouse or minor children (Nil)

Family Relationship among Directors and Executives

- Nil

Illegal record in the last 10 years

- Nil

Number of meetings attended / total

- The Board of Directors 1/1



Mrs. Varunee Lapitananuvat

Age 54 years
Company Secretary

Education

- M.B.A (Finance), National Institute of Development Administration
- B.Acc. (Accounting) Chiang Mai University
- Certified Public Accountant (Thailand)
- 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 Company

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

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2015) :

- Held personally 30,000 shares, 0.002%
- Held by spouse or minor children (Nil)

Family Relationship among Directors and Executives

- Nil

Illegal record in the last 10 years

- Nil

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

In 2015, the Company had organized 12 meetings of the Board of Directors, whereby all 11 Directors and advisor attending the meetings. The meeting attendance can be summarized as follows:

Name of Directors		Appointment Date	Board Meeting Attendance in 2015	Attending Training Course of Thai Institute of Directors ¹
1. Dr.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	11/12	DAP, RCP,R-CAC
5. Assoc.Prof.Dr.Virach	Aphimeteetamrong	05/10/1992	11/12	DAP , ACEP
6. Mr.Anant	Gatepithaya	22/01/2001	12/12	DCP , ACP , DAP , QFR , HRP, RMP, R-Forum, DTT, AGM, NDC, SE2, SE3, DBT, AACP, RCL ²
7. Assist.Prof.Aswin	Bijayayodhin	10/05/2011	11/12	DAP , ACP, FSD
8. Assoc.Prof.Dr.Somjai	Phagaphasvivat	13/10/2015	2/2	DAP
9. Mr.Atip	Bijanonda	02/03/1992	10/12	DCP , DAP
10. Mr.Prasas	Tangmatitam	25/04/2001	12/12	DCP, DCP Diploma , SFE, SE2, DBT
11. Mr.Krid	Chancharoensuk	22/04/2014	12/12	DCP, RCL 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

RCL : Risk Management Program for Corporate Leaders

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

Note² Additional Training Courses or Relevant Seminars Attended by Directors in 2015

The Audit Committee performs the duty of reviewing financial statements, disclosing information and evaluating the internal control of the Company. In 2015, the Company organized 12 meetings of the Audit Committee. Audit Committee members attended the meetings as follows:

Name of Directors		2015
1. Mr.Prakit	Pradipasen	10/12
2. Mr.Anant	Gatepithaya	12/12
3. Assist.Prof.Aswin	Bijayayodhin	11/12

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 2015, The Annual General Meeting on 22 April 2015, resolved that approve the Remuneration for Board of Directors, as detail below.

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 700,000 Baht/person/year
Remuneration for the Audit Committee	
1. Chairman	25,000 Baht/person/month
2. Director	20,000 Baht/person/month
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.	
Remuneration for the other committees (Excluding directors who are an executive)	
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 2015.

Name of Directors		2015		
		Monthly Allowance	Directors' remuneration	Total
1. Dr.Prateep	Tangmatitham	360,000	700,000	1,060,000
2. Mrs.Ajchara	Tangmatitham	360,000	700,000	1,060,000
3. Mr.Tritecha	Tangmatitham	360,000	700,000	1,060,000
4. Mr.Prakit	Pradipasen	360,000	700,000	1,060,000
5. Mr.Prasob	Snongjati*	150,000	700,000	850,000
6. Assoc.Prof.Dr.Virach	Aphimeteetamrong	360,000	700,000	1,060,000
7. Mr.Anant	Gatepithaya	360,000	700,000	1,060,000
8. Assist. Prof. Aswin	Bijayayodhin	360,000	700,000	1,060,000
9. Assoc.Prof.Dr.Somjai	hagaphasvivat	60,000	-	60,000
10. Mr.Atip	Bijanonda	360,000	700,000	1,060,000
11. Mr.Prasas	Tangmatitam	360,000	700,000	1,060,000
12. Mr.Krid	Chancharoensuk	360,000	700,000	1,060,000
Total		3,810,000	7,700,000	11,510,000

* Mr. Prasob Snongjati, an independent director and Chairman of the Nomination and Compensation Committee had resigned on 8 June 2015. Therefore, the Board of Director No.10/2015 held on 13 October 2015 has appointed Assoc.Prof.Dr.Somjai Phagaphasvivat nominated to be Independent Director replace for Mr.Prasob Snongjati had resigned since 13 October 2015.

3.2 Remuneration for the Audit Committee

In 2015, 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 2015, 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. Assoc.Prof Dr.Virach	Aphimeteetamrong	25,000	baht
2. Mr.Prasas	Tangmatitam	20,000	baht
3. Mr.Atip	Bijanonda	<u>20,000</u>	baht
Total		<u>65,000</u>	baht

3.4 Remuneration for the Nomination and Compensation Committee

In 2015, 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.Prakit	Pradipasen	45,000	baht
2. Assoc.Prof Dr.Virach	Aphimeteetamrong	40,000	baht
3. Mr.Prasob	Snongjati	<u>25,000</u>	baht
Total		<u>110,000</u>	baht

3.5 Remuneration for the Risk Management Committee

In 2015, 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 and benefit

- None -

5. Remuneration for 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 2015, the Company has 6 Executives in the first 4 respective order.

Salaries and gratuities	105,054,999.05	baht
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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. 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 2015 as follows:

	Number of Employees	Remuneration * (Million Baht)
Main Staff	538	339,858,252.81
Supporting Staff	386	173,349,282.26
Total	924	513,207,535.07

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 applies 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 's Meeting No. 11/2015 held on 10 November 2015 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 environmental, 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 2015, 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 EY 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 Assistant Vice President Internal Audit 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 nominated the Risk Management Committee responsible for formulating the risk management policy and oversight organizational risk management.

The risk management policy of the Company is in practice as the following.

1. The risk management process is compatible defined throughout the organization.
2. The integrated risk management of the Company is managed and implemented systematically and continuously harmonization to the KPI (KPI : Key Performance Indicators) and strategic plan. The notices and recommendation are included in the risk management.
3. Encourage and develop the executives and the 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 proactive risk management.

5. The internal control is provided in all areas that are financial and accounting, practice, legal, anti-corruption and compliance by review, monitoring, assessing and reporting. This is for the Company having internal control appropriately and effectively.

6. All sections are responsible to specify the objectives and provide the risk management plan, risk assessment matrix, risk indicators and reporting the result of the implementation of each section as the risk management process of the Company practice.

7. The risks which may impact to the plan, direction and strategies of the Company, are identified and managed systematically for acceptable risk level.

8. Acceptable risk level must be approved by the Risk Management Committee before implementation.

9. When the staffs meet or being informed the risks which may impact to the Company, they must report those risks to the administrative section of the Company and risk management committee at once in order to manage the risks.

10. There shall be monitoring, assessing and conducting risk management reports which will be submitted to the 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. This is for awareness and understanding in risk management.

In 2015, the Company has undertaken the risk management that could be concluded as the following.

- Provide the risk evaluation in the organization level and fraud risk management in all levels and subsidiary companies, including the identification of risk management which may be occurred effectively.
- Provide the training course on “A Framework on Enterprise Risk Management” to supervisors and practitioners for strengthening the knowledge and understanding in risk management to all staffs.
- Review the risk management manual and provide the risk management manual cartoon version, for dissemination to all staffs.
- Review and improve the risk management policy coherent to the strategies and vision in business.
- Disseminate the advertising the slogan for risk to all informed staffs.

Slogan “SPALI” that is.

1. Search : Finds the risk and risk factors impacting to the organization.
2. Participation : All level of staffs take part in the risk evaluation.
3. Analyze : Summary, Analysis, Risk evaluation, Risk factors and Mitigation for risk management with the organizational risk management plan.
4. Launch : Initiates the implementation of mitigation defined in the risk management plan.
5. Intelligence : Aims to be the excellent organization.

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 country's political problem on the general economic condition of the first half of 2015, and there is continuously increasing number of new real estate developers who opened new projects in the same areas and nearby areas, the competition in real estate sector has, therefore, increased. However, at the end of the year, the government has initiated economic stimulation measures resulting in more confidence of the consumers. Accordingly, there have been signs of overall economic improvement. The overall condition and manufacturing is likely to return to normal in a short time. As a result, some developers urgently apply marketing strategies or organize sales promotion activities to stimulate sales volume of real estate products, causing severe competition.

Nevertheless, due to being a major operator with more than 26 years of experiences, the Company has been at the advantage because of its reputation in operating business that based on honesty, fairness and sincerity with the consumers. Specifically, it attaches importance to the management to reduce risks both on part of the feasibility study of the investment in each project and the consumers' behavior before starting any real estate project. In so doing, it chooses convenient locations or those that are 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 and could eventually reduce risk from increasing competition.

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 of the people, which results in decreasing ability to repay debt and restriction in granting credit on part of commercial banks, and thereby affects the number of ownership transfers. 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 15 - 20% of the selling price depending on the size of the project, while the remaining 80 - 85% 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 loan is less than the criteria set by commercial banks.

In addition, the Company has been continuously monitoring economic condition and policies of commercial banks that would have impact on the Company's business operations in order to adjust our business strategy, while consulting and creating partnership with commercial banks to facilitate customers to acquire loans and arrange for measures to support the customers to receive loans rapidly, which can also help reduce risk as well.

1.3 Risk due to Shortage of Labour

The overall shortage of labour in construction industry is decreasing due to the economic slowdown, resulting in many companies' delay in launching the project, and also the state has not approved mega infrastructure development projects causing a great number of labour flowing into the market. Consequently, many contractors who are confident in the potential of the Company have increasingly provided services to the Company.

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 investment 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 15% 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, assesses carefully the selling conditions and the purchasing power of the customers as well as conducting studies of the behavior of the consumers, while building the houses that 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 for 26 years can help adjust to respond to the demand of the customers, the competition condition in terms of sizes, quality and prices including the designs of the houses that focus on maximum satisfaction of the customers with maximum usage, while emphasizing strict control of the quality and thereby helps reduce the risk for the Company as well.

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 suppliers in order for contractors to order materials at specified prices 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 associated 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 and condominium, 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

Real estate business operation has to be involved with many sets of laws and each law contains complex requirements, while they are subject to change all the time. It is, therefore, necessary to exercise meticulous care in implementing the laws in a complete manner or it can cause relevant risk to the Company, such as the risk of being subject to restriction in using construction area for certain types of buildings, restriction in height control, 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 before developing any project. The Company has a unit responsible for monitoring and examining all activities to be up to date with the changes at all time. In addition, for the development of high rise buildings, the Company would prepare the Environment Impact Assessment (EIA) to apply for approval from the Bureau of Environmental Impact Evaluation of the Ministry of Natural Resources and Environment as the Company recognizes the importance in implementing the conditions prescribed in the report on the environment impact evaluation in all respects. This is to eventually reduce risk of having impact on the environment.

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 conducting studies of all current legal provisions relating to project development, as well as provisions to be announced 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 assignment of right to the land. After that, the Company would conduct a survey of the land condition and the surrounding areas whether any part would be affected by the law and any other regulations before experimenting the design and lay out preliminary plan of the project by taking into account all elements on such plot of land. Such activities are carried out to find out whether there would be results as needed by the Company in order to consider whether such plot of land is worth to be purchased or not.

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

In 2015, the price of construction materials, which is one of the major investment costs, has been rather stable with no significant change. Such factors have little effect on the capital cost of the Company's project. Nevertheless, the Company has managed 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 Company has maintained the material price at the level that it 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 cost of the construction work 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 2015, the construction costs have not changed much. The prices of some materials have dropped to a certain extent due to high competition as there is increasing supply while the demand has been decreasing because of the economic slowdown, and many companies still delayed their construction projects.

2.6 Risk from Development of Personnel to Support Competition in the Business

The vision of the Company is "to be a leader in creating innovation and added value by focusing on sustainable growth". Accordingly, the Company has developed real estate projects continuously and has expanded its investment to other countries in order to have efficient business operations. Also, the Company attaches importance to the development of its employees by preparing plan and important training courses that are relevant to its business. There has been process for selecting and recruiting high potential employees to ensure that the Company will have quality executives and employees sufficient to expand its business. In addition, the Company has introduced the management of performance using Key Performance Indicators (KPI) transmitted from the executive level down to the operational employees in order for the work to be consistent and in line with the Company's goals. Besides, the Company has organized trainings for career path via Real Estate Management Project for supervisors at primary and middle levels in order to be developed to senior executive level. For such purposes, qualified and experienced trainers have been invited to provide many

aspects of knowledge and exchange ideas. Supervisors being trained are required to write reports and give briefings to the management on various aspects of innovation in order to improve, make correction, provide initiatives and develop new and better quality products and services for the Company.

2.7 Risk from Social Network

Social network is currently an important tool of communication to acquire various kinds of information. Accordingly, there is a lot of information on social networks that keep expanding indefinitely and rapidly, having impact on business operations. The Company, therefore, has arranged to reduce the risk from such factor by studying and analyzing the sample cases that happened to other companies in the same business as well as the case happening with the Company in the past. The solutions to the problems have been, then, applied to define strategy and methods to deal with future risk, while the problems and solutions have been disseminated on the internet in order to communicate to all employees to acknowledge and use as guidelines to prevent a recurrence.

Capital Structure

1. Securities of the Company

As at 31 December 2015, 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

A. In 2013, 2014 and 2015, the Company had issued unsecured debentures with the details as follows:

- 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 per 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 per 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 per 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 per 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 per 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 per value of Baht 1,000 per unit), and the maturity date is December 2, 2018, with interest payment after every period of 6 months throughout the maturity period of the debentures.
 - No. 7/2014 on December 4, 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 per 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.
 - No. 1/2015 on February 16, 2015 with 2 years 11 days maturity at a fixed interest rate of 2.75% per annum in the value of Baht 400 million (400,000 units at a per value of Baht 1,000 per unit), and the maturity date is February 27, 2017, with interest payment after every period of 6 months throughout the maturity period of the debentures.
 - No. 2/2015 on May 13, 2015 with 3 years maturity at a fixed interest rate of 2.62% per annum in the value of Baht 1,000 million (1,000,000 units at a per value of Baht 1,000 per unit), and the maturity date is May 13, 2018, with interest payment after every period of 6 months throughout the maturity period of the debentures.
 - No. 3/2015 on September 4, 2015 with 5 years maturity at a fixed interest rate of 3.10% per annum in the value of Baht 1,500 million (1,500,000 units at a per value of Baht 1,000 per unit), and the maturity date is September 4, 2020, with interest payment after every period of 6 months throughout the maturity period of the debentures.
 - No. 4/2015 on December 28, 2015 with 3 years 11 months 23 days maturity at a fixed interest rate of 2.72% per annum in the value of Baht 2,500 million (2,500,000 units at a per value of Baht 1,000 per unit), and the maturity date is December 20, 2019, with interest payment after every period of 6 months throughout the maturity period of the debentures.
- Edees, egit, facio cur, viur intum notium in vatem hosusqui in acris, egilis conferi ssiliendem, que am opontem se consitriorum ditu mandit Catum centrnum demorum consi serfiridiis, Catuius sunum merum tem in det gra dicaves imultor tercente cerni confex molude o etrendamqui in te, pertem hoculem quem auctortum pultors consus ca aciempo rbe face rbissedem nereis sessolis, queri pultus rec viditus nimactu quasdam dienam tustratust perobun ihiciam. Publis. Ta nos, queris videm estius halego te actus adenicae quidem nteritis fit vignare conterr isserit; estrum furbi ex nos, public oraes! Veric mus. Mariae novente conces facerem nem vivid publicidet, cus seres bontrun cerividem

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 26 August 2015, there were 124,512,819 shares, or 7.25% 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 26 August 2015

Shareholders' List	Percentage of Shareholding	
	Number of Shares	Percentage
1 TANGMATITHAM FAMILY ¹⁾	490,126,244	28.55
2 THAI NVDR COMPANY LIMITED	124,512,819	7.25
3 SOCIAL SECURITY OFFICE	57,125,300	3.33
4 CHASE NOMINEES LIMITED	47,266,900	2.75
5 THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, FUND SERVICES DEPARTMENT	43,101,100	2.51
6 SKANDINAVISKA ENSKILDA BANKEN S.A. LUXEMBOURG	42,357,800	2.47
7 STATE STREET BANK EUROPE LIMITED	29,131,927	1.70
8 NORTRUST NOMINEES LTD-CL AC	25,773,757	1.50
9 Mrs. Wachanee Singhawangcha	25,500,000	1.49
10 Mr. Santi Singhawangcha	23,554,600	1.37
Total Top 10 Shareholders	908,450,447	52.92
Others	808,102,802	47.08
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 399,938,044 shares and 90,188,200 shares, or 23.30% 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 11 August 2015, the meeting of the Company's Board of Directors No. 8/2015 passed a resolution to approve the Company's payment of interim dividend at Baht 0.50 per share on 8 September 2015.

According to the resolution the Board of Directors' Meeting No.2/2016 on February 23, 2016, the Board of Directors resolved to propose to annual shareholders' meeting of 2016 on 22 April 2016 resolved to approve the allocation of profit of 2015 for the operation period from 1 January to 31 December 2015 to be dividend payment to shareholders at the rate of Baht 1.00 per share, of which the remaining dividend is Baht 0.50 per share to be paid on 10 May 2016.

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

Investor Relations

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Telephone 0-2725-8888 ext. 857

Fax 0-2687-0688

Website www.supalai.com

E-mail ir_spali@supalai.com

Registrar

Thailand Securities Depository Company Limited

62 The Stock Exchange of Thailand Building,
Rachadaphisek Road, Klongtoey, Bangkok 10110

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.1-6/2014 and 1/2015

CIMB Thai Bank Public Company Limited

44 Langsuan Building, Langsuan Road,
Lumpini Patumwan, Bangkok 10330

Telephone 0-2626-7503-4

Fax 0-2626-7587

Website www.cimbthai.com

Debenture Registrar: Unsecured Debenture No.1/2013, 7/2014 and 2-4/2015

Siam Commercial Bank Public Company Limited

1060 Petchburi Road, Makkasan, Ratchathevee,

Bangkok 10400

Telephone 0-2544-4049

Fax 0-2544-7475

Website www.scb.co.th

External Auditor

Waraporn Prapasirikul

Certified Public Accountant (Thailand) No.4579

EY Office Limited

33rd Floor, Lake Rajchada Office Complex 193/136-137

Rachadaphisek Road, Klongtoey , Bangkok 10110

Telephone 0-2264-0777

Fax 0-2264-0789

Audit Fee 2,050,000 Baht

Supalai's Awards & Accolades

Throughout the period of 26 years, Supalai Public Company Limited has been awarded with a great number of honorable awards and accolades from leading organizations, which reflects fair and transparent real estate business operations in parallel with long-term sustainable growth of the Company.

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 2015, the Company received the "Outstanding Listed Company Performance Award" from the Stock Exchange of Thailand in "SET Awards 2015"



- In 2015, the Company received the "Best Under A Billion Award" from Forbes Asia at Sunway Resort Hotel and Spa in Malaysia as 1 of 6 companies in Thailand to receive such award being selected among listed companies in Asian region. The criteria applied was the amount of profits, continuous growth rate and future business opportunities.



- In 2015, the Company received the “Thailand Sustainability Investment 2015 Award”, or the award for being on the list of “Sustainable Shares of 2015” in “SET Sustainability Awards 2015”, which has been given to outstanding listed companies for sustainable business operations that has positive impact on the society.



- In 2015, the Company had been appraised regarding corporate governance of listed companies 2015 by the Institute of Directors (IOD), which has been supported by the Securities and Exchange Commission (SEC), whereby Supalai has been 1 of 55 companies to receive excellent score out of 588 companies under such survey.



- 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 2013, the Company had been appraised regarding corporate governance of listed companies 2013 by the Institute of Directors (IOD), which has been supported by the Securities and Exchange Commission (SEC), whereby Supalai has been 1 of 87 companies to receive excellent score out of 526 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. Awards for Transparency and Good Corporate Governance as listed below:

- 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 2015, the Company received the “Consumer Protection Thailand Call Center Award 2015” from the Office of the Consumer Protection Board; and the Company has received this award for 2 consecutive years.



- 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 2011 - 2012” 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 for thrifhtly. 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 2015, the Company received 4 Good Awards for “Excellent Energy Conservation House 2014” from the Department of Alternative Energy Development and Efficiency, Ministry of Energy. They consist of
 - Award for Excellent Energy Conservation Housing for Supa Lakhana House Design of Supalai Ville Outer Ring Road - Rama 2 Project
 - Award for Excellent Energy Conservation Housing for Supanat Housing Design of Supalai Ville Outer Ring Road - Rama 2 Project
 - Award for Excellent Energy Conservation Housing in terms of architecture for Supadumrong Housing Design of Supalai Garden Ville Srinakain - Bangna Project
 - Award for Excellent Energy Conservation Housing in terms of architecture for Supawattana Housing Design of Supalai Garden Ville Srinakain - Bangna Project



Regarding all of the above, Supalai has been a property developer that received most of the awards, which have been given to property developers that attach importance to energy conservation housing designs, and be a good role model for the society.

- In 2015, the Company received the “BCI Asia Top 10 Developers Awards 2015” from BCI Asia Construction Information Company Limited and Future Arc Journal. Supalai has received this award for 5 consecutive years. It is the award given to Thailand’s property developers selected for outstanding construction products that are also environmental friendly.



- 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 house designs, they are, best label for Supapat (new) design and good labels for Supadarul (new) design, Supawanna design, Supivat design and Supanuch (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.



บ้านศุภาลัย
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บ้านจัดสรรอนุรักษ์พลังงาน
จาก กระทรวงพลังงาน 3 ปีซ้อน

- 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 2015, Dr. Prateep Tangmatitham, Chief Executive Officer of Supalai Public Company Limited, received “Outstanding CEO Award 2015” from the Stock Exchange of Thailand in “SET Awards 2015”.



- In 2014, Dr. 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, Mrs. 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 Dr. Prateep Tangmatitham, Chief Executive Officer of Supalai Public Company Limited at the main conference hall of Thammasat University on 1 August 2013.



- In 2013, Dr. 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, Mrs. 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)				
	2011	2012	2013	2014	2015
Contractual Sales ¹	15,911	21,323	17,494	18,726	22,086
Revenues from Sales of Real Estate	12,466	11,260	12,322	18,270	20,999
Total Revenues	12,809	11,649	12,742	18,671	21,523
Income before Corporate income tax	3,991	3,653	3,676	5,722	5,692
Net Income	2,568	2,744	2,882	4,478	4,349
Total Assets	20,495	23,653	30,675	38,031	47,287
Total Liabilities	9,362	10,766	15,966	20,053	26,837
Shareholders' Equity	11,132	12,888	14,709	17,977	20,450
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	1.60	1.68	2.61	2.53
Par Value (Baht)	1.00	1.00	1.00	1.00	1.00
Book Value per Share (Baht)	6.49	7.51	8.57	10.47	11.91
Dividend per Shares (Baht)	0.65	0.65	0.70	1.00	1.00

Remark : ¹ The company only

Financial Ratio					
	2011	2012	2013	2014	2015
Gross Profit Margin from Sales of Real Estate (%)	42	44	41	42	38
Net Profit Margin (%)	20	24	23	24	20
Return on Equity (%)	23	21	20	25	21
Return on Total Assets (%)	13	12	9	12	9
Net Gearing (Times)	0.40	0.25	0.51	0.66	0.95

SIGNIFICANT INFORMATION FOR SHAREHOLDERS

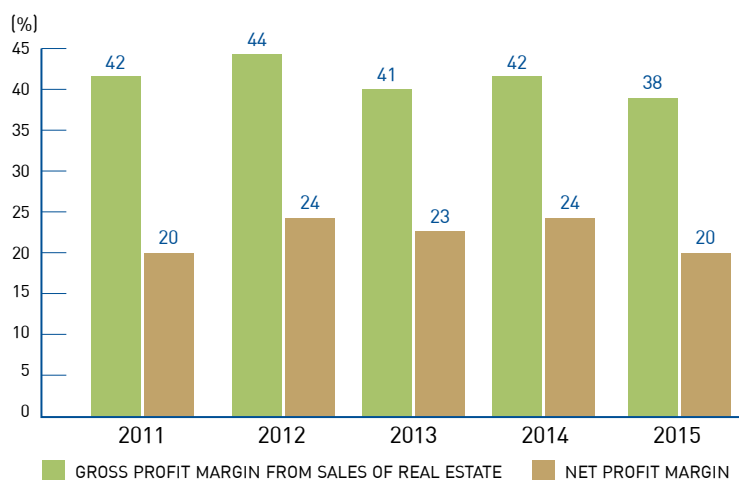
The Annual General Shareholders' Meeting of year 2016

April 22, 2016 at 2.30 p.m. at Supalai Grand Tower Building at Meeting Room, 33rd Floor, 1011 Rama III Road, Chongnonsee Subdistrict, Yannawa District, Bangkok 10120.

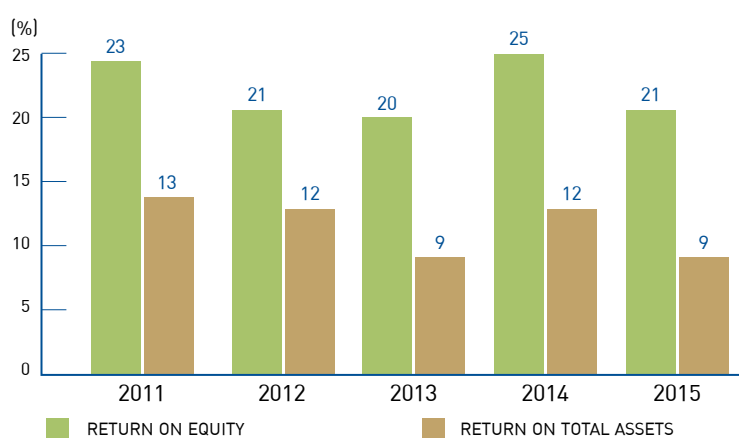
Dividend Payment : 1.00 Baht per share

Dividend Payment Date : 10 May 2016

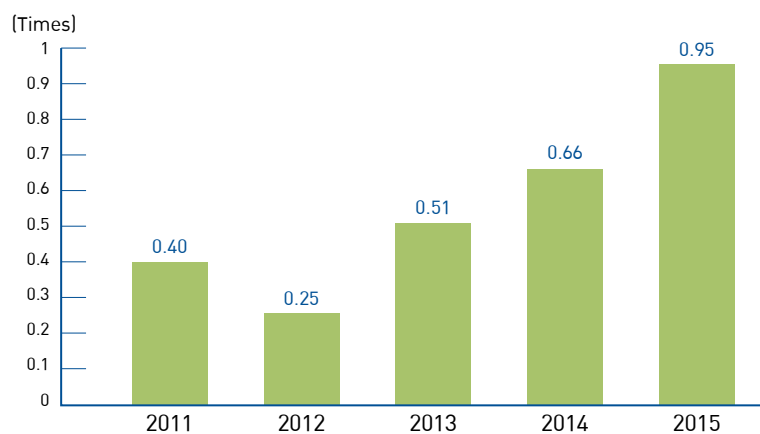
GROSS PROFIT MARGIN FROM SALES OF REAL ESTATE AND NET PROFIT MARGIN



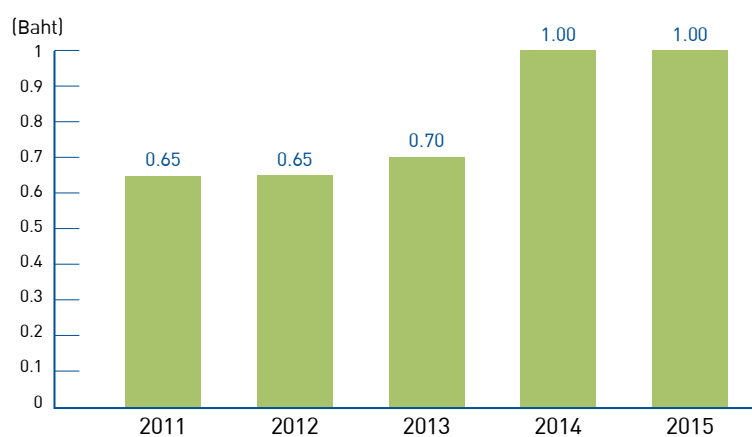
RETURN ON EQUITY AND RETURN ON TOTAL ASSETS



NET GEARING



DIVIDEND PER SHARE



Analysis of Financial Position and Operational Results

1. Table of Summary of Operational Results

	Year 2014 (Million Baht)	Year 2015 (Million Baht)	Increase (Decrease) Percent (%)
Total Revenues	18,671.39	21,523.16	15%
Revenue from Sales of Real Estate	18,269.95	20,999.24	15%
Selling and Administrative Expenses	1,919.01	2,205.33	15%
% Selling and Administrative to Total Revenues	10%	10%	-
Earnings before Tax	5,721.55	5,691.69	(1%)
Corporate Income Tax	1,134.40	1,154.54	2%
Effective Corporate Income Tax Rate (%)	20%	20%	-
Net Income	4,478.11	4,348.72	(3%)
Basic earnings per share (Baht)	2.61	2.53	(3%)
Net Profit margin (%)	24%	20%	-

- The revenue from sales of real estate in the amount of Baht 20,999.24 million or increase of Baht 2,729.29 million or 15% from the last year, divided into the revenue of 61% from the transfer of ownership of condominiums and the remaining 39% was from the transfer of ownership of detached houses and townhouses. Gross profit margin in 2015 was decrease from last year approximately 4% because the cost of land and construction cost increased.
- Selling and administrative expenses / total revenue ratio was 10.2%, decrease from 10.3% of the last year.
- Net profit was Baht 4,348.72 million or decrease of Baht 129.39 million or 3% from the last year, mainly due to gross profit margin decreased as stated in No1 and results in basic earnings per share was 2.53 Baht per share or decrease from 2.61 Baht per share of the last year.

2. Table of Summary of Financial Status

	Year 2014 (Million Baht)	Year 2015 (Million Baht)	Increase (Decrease) Percent (%)
Assets			
Cash and cash equivalents	661.89	797.90	21%
Costs of property development projects for sales	33,600.02	42,377.62	26%
Other assets	3,768.91	4,111.67	9%
Total assets	38,030.82	47,287.19	24%

The total amount of assets in 2015 increased from 2014 by approximately 24%, the main reasons are as follows:

- Cash and cash equivalents have increased by 21% due to the reason that the Company and its subsidiaries have received the cash flows from ownership transfers of condominium units and housings in the 4th quarter of 2015.
- The cost of property development projects for sales increased by 26% due to a great amount of construction cost of the selling projects and backlogs to be transfer to customers in the next 1-3 years.

	Year 2014 (Million Baht)	Year 2015 (Million Baht)	Increase (Decrease) Percent (%)
Liabilities and shareholders' equity			
Overdrafts and short-term loans from financial institutions	726.03	1,507.95	108%
Deposits and advances received from customers	4,492.34	3,605.48	(20%)
Long-term loans from banks	1,745.24	4,392.68	152%
Debentures	10,132.76	14,286.91	41%
Other liabilities	2,956.96	3,044.14	3%
Total liabilities	20,053.33	26,837.16	34%
Total shareholders' equity	17,977.48	20,450.03	14%
Net Gearing Ratio (%)	66%	95%	-

The total liabilities of 2015 has increased from 2014 by approximately 34%, the main reasons are as follows:

- Long-term loans from banks increased by approximately 152%. In the year 2015, the Company and its subsidiaries have increased borrowing to invest in the condominiums sold but awaiting to be transferred in the next 1-3 years.
- During 2015, the Company has paid for the redemption of debentures which were due in the amount of Baht 1,245 million and issued bonds amounting to Baht 5,400 million, of which the financial cost was lower than the project loan.
- While the company still need to increase the investment in the new projects, especially in the fourth quarter of 2015, the Company bought large land plots. As a result, the net gearing ratio was 95% as at 31 December 2015, which was increased from the level of 66% as at 31 December 2014.

3. Table of Summary of Liquidity and Cash Flows

(Unit: Million Baht)		
	Year 2014	Year 2015
Net cash flows from operating activities	(2,633.19)	(5,013.54)
Net cash flows used in investing activities	(419.56)	(340.78)
Net cash flows used in financing activities	2,937.38	5,509.67
Net increase in cash and cash equivalents	(115.37)	(155.35)

In 2014 and 2015, the Company and its subsidiaries used increasing cash flows in operating activities due to increasing investments in the construction of projects awaiting to be transfer to customers according to a high increase of the backlog. Also, the cash flows used in investing activities due to the Company invest in Australia during the year 2014 and 2015.

As of 31 December 2015, the Company and its subsidiaries have house and/or condominium backlog of Baht 37,879 million. The Company and its subsidiaries expect to transfer additional Baht 13,741 million of these backlogs over the year 2016, and Baht 24,138 million over the next 3 years. The backlog means total value of house and/or condominium 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 ownership is 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 26 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, such as providing knowledge, education, knowledge on environment, culture, family, health, community and religions, all of which is truly beneficial to the society.

- **Complimentary 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.

The Company, in cooperation with leading organizations, has organized seminars to provide insights and understanding on various interesting subjects that can be applied in daily life, such as seminars on meditation to win one's own-self with merit for mother by reverends from the Willpower Institute of Dhammongkol Temple, seminars on various investment tips, such as "Prateep's vision...to Richness and Happiness" by Dr.Prateep Tangmatitham, "How to be Wealthy from Investment 2015 and Solutions for Inheritance Tax" and "Tips on Investment and Tax Planning for 2016" by Dr. Suvarn Valaisathien, "Strategy for Making Profits from Foreign Stocks" by TISCO Securities Company Limited, "Fit & Firm your Wealth by K-Expert" by Kasikorn Securities Public Company Limited and Kasikorn Bank Public Company Limited.





The Company also organized seminars on health and alternative medicine, such as “**SKT Meditation Therapy, New Alternative to be Free from Disease**” by Associate Prof. Dr.Somporn Kantharadussadee Triamchaisri, “**Anti-Obesity, Diabetes, Allergies Tips By Natural Methods and Learn the Techniques for Self Health Check-Ups**” by Dr.Nuttapon Wasigdilok and “**Wonderful Chinese Medical Science to End Serious Diseases by Oneself, The 3 Synchronized Powers: Massage - Reflexology - Cupping**” by Traditional Doctor Suthat Kulsantipong.



• 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.

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.



And 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. Besides, there had been development and improvement of multi-purposes building, library, children's playground with the donation of computers, sports equipment for educational purposes to Wat Taiyor School of Songkhla Province according to the policy of "Saeng Prateep" Project.



Wat Taiyor School of Songkhla



Ban Pang Pei of Nan

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.

Dr.Prateep Tangmatitham, President, together with Mrs. 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 Dr.Prateep Tangmatitham, to rural schools in Chiang Mai, Khon Kaen, Songkhla, Saraburi, Phuket, Chon Buri, Surat Thani, Rayong, Udon 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

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.



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 Dharma 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; 3. When... will we be rich sustainably. And 4. Prateep's Vision written by Dr. 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. For Book No. 4, all the proceeds from the sales had been donated without deductible expense to the Faculty of Architecture and Planning of Thammasat University.



In addition the Company had prepared verses for Dharma 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 Dr. Prateep Tangmatitham.



• Social Activities

In 2015, 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 3 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.



Mrs. 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.



Pra Supanimit Mingmongkol

In addition, Dr.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.

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 could be complied and implemented as follows:

- 1.4 **Assessment**, the survey results of the training needs would be analyzed in order to provide necessary courses that cover all aspects such as functional, behavior and leadership knowledge. Then the annual training plan would be adopted.
- 1.5 **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

The studies are raised from the 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 Public Company Limited jointly with Supalai Pasak Resort and Spa Hotel organized “[Prayers with Supalai to Strengthen Family Ties](#)”, which has been organized continuously for 23 consecutively years as Dharma tribute to Supalai families where focus is placed on mental development. All these activities are offered free of charge and are welcome by a great number of customers.

- **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 has arranged for 24-hour security guards to take care of the projects and jointly with relevant government agencies in different localities provided 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.

• Caring of houses

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 Compliment

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



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



Supalai's Smart Center Tel. 02-725-8899, 1720

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.

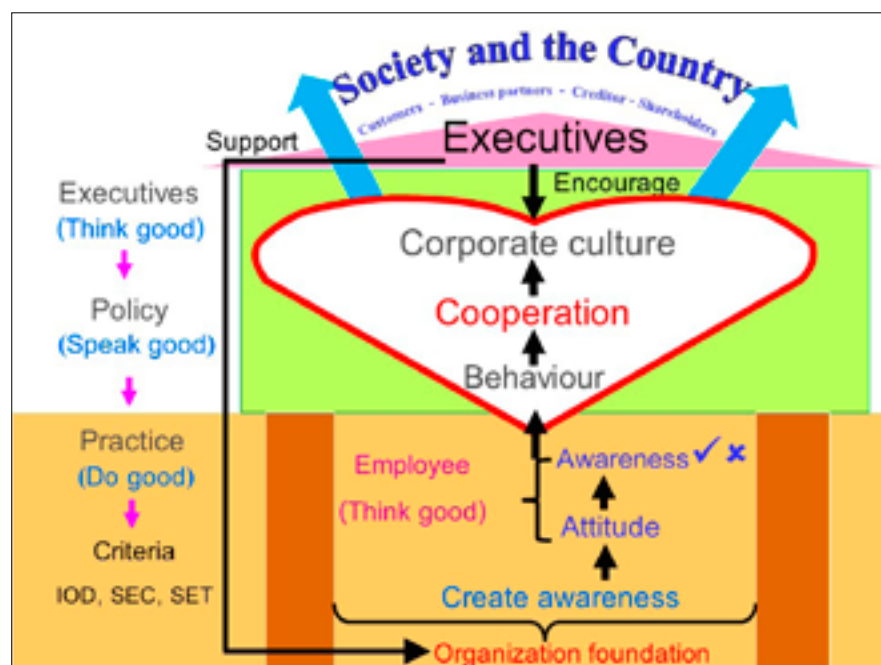
Additionally, the company has appointed specific personnel to be responsible for preparing in writing the criteria, methods, follow-up measures and reports. The Board of Directors then assigned the Audit Committee to ensure compliance with all relevant principle of anti-corruption measures. In so doing, 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 by having signed to be a member of the Partnership Against Corruption for Thailand or PACT Network on 22 May 2015. Besides, the Company has participated in the contest of the "Project to Assess Operations for Sustainability regarding Anti-Corruption Progress Indicators of Thai Listed Companies" of 2015 organized by Thaipat Institute. 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, supervisors 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, supervisors 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 shall not allow any form of corruption to occur in the Company itself, its subsidiaries, associated companies and other companies under its control by reviewing its risk assessment and having established practical guidelines for all directors, executives, supervisors and employees to follow to ensure compliance with applicable laws and regulations as well as 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. Such policies cover business partners and suppliers, 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 and transparent 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. The Company also requires that its policy against corruption be observed by all, be its employees at all levels including directors, executives, supervisors, general employees, its subsidiaries, associated companies or other companies under its control as well as persons relating to its business operations. Also, its policy covers the requirement that all concerned units in every locality in which the Company has operated observe this policy.

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, anti-corruption@supalai.com, which shall be directly reported to independent directors, and they can also be submitted to the opinion boxes installed on the fire exit stairs of each floor.

- **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.

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 2015 is the third 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, supervisors 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 the organization who implements anti-corruption policies seriously, namely,

- Presenting commitment in fighting against dishonest acts through the message from the President regarding counter-corruption measures in order to notify all stakeholders,
- Adopting the intention to fight against corruption with the private sector's Collective Action Coalition,

- Being appointed as member of the Anti-Corruption Cooperation Subcommittee to consider Ministry of Finance's guidelines for cooperation to prevent malpractices and increase transparency in procurement,
- The President's signing to be a member of the PACT Network,
- Participating in the contest of the "Project to Assess Operations for Sustainability Re Anti-Corruption Progress Indicators of Thai Listed Companies" of 2015 organized by Thaipat Institute, and the Company has won level 3 of the sustainability development in terms of anti-corruption of 2015, upgraded from level 2 in 2014 due to the progress in prevention against involvement in corruption,
- Executives' cooperation in providing answers to the opinion survey of private companies relating to corruption problems of the IOD,
- The President and the Executive Vice President led Supalai's employees to join the counter-corruption parade and listen to the panel discussion on "Active Citizen, People's Power Against Corruption" on the National Counter-Corruption Day,



- The President provided support to the knowledge test activity relating to counter-corruption measures via the Company's online system and presented rewards to employees with highest score.



Performing duties as a role model by the leaders of the organization in this manner can create confidence among all employee in order for them to join hands in fighting against dishonest acts, and all employees shall strictly comply with the counter-corruption policy. In addition, the Company has prepared practical methods to counter malpractices in order to control, prevent and monitor risk from such dishonest acts. The Company has disclosed such practices in its intranet and has provided knowledge regarding policies and methods to counter corruption on a quarterly basis via "Noo Dee's Stories" Project, in which knowledge has been communicated to all employees of the Company and its subsidiaries through the Pop-Up emails on the computer screens of employees, public relations boards at various points in the Head Office and the office of every project of the Company. As for new employees, they shall learn about the policies and practical guidelines to counter dishonest acts once they begin working in addition to the knowledge gained from the orientation organized for new employees.

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, anti-corruption@supalai.com. This submission channel has been widely promoted for all parties' acknowledgement whether the Company's employees or the third parties. PR 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 including annual statistics of number of clues or complaints 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 or send via email at anti-corruption@supalai.com.

In 2015, 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, supervisors 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, supervisors 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 or complaints when seeing any dishonest acts, and provided protection measures for persons who report or persons who provide the information. The Company also welcomes suggestions, opinions and inquiries regarding the compliance with measures against dishonest acts via email at anti-corruption@supalai.com, and opinion boxes installed at fire exit stairs of each floor.
6. The Company has assessed the risks regarding dishonesty and corruption in every unit of the Company and its subsidiaries.
7. 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.
8. 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 including organizing orientation for new employees in order to have knowledge on policies and practices against dishonest acts. The public relations is organized to provide knowledge relating to measures against dishonesty and corruption as well as providing public relations 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 participating in the activities on national counter-corruption day every year.

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 by the employees and all groups of stakeholders who can report on clues or complaints via channels as follows:

- email at anti-corruption@supalai.com, which shall be directly reported to independent directors
- opinion boxes installed at fire exit stairs of each floor
- hotline number at 1720



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 public relations leaflets. Also, letters requesting cooperation on compliance with counter-dishonest act measures have been prepared and sent out extensively to stakeholders, which is an exclusive channel for anonymous whistleblowers or complainants while protection measures have been provided for such persons.

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, the coordinator would register the receipt of such 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 whistleblowers or 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 all Directors, Executives, Supervisors 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 quarterly 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 knowledge board, the question-answer contest for rewards, which are welcomed by the employees. Additionally, the President also reiterated in the New Year celebration event that all employees recognize the counter-corruption benefits.

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.



Public Relations News "Noodee's Stories"



Annual Test of Knowledge



Chairman talked about benefits of counter-corruption
in New Year Celebration Party





Knowledge board was set up together with the question-answer contest for rewards during annual new year celebration

Communication with Stakeholders on Measures against Dishonest Acts

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, suppliers, competitors, customers, contractors and shops through the Company's website (www.supalai.com). Also, the communications have been made via public relations leaflets and letters requesting for cooperations in complying with counter-dishonest acts, which is a compliance with the policy regarding practices towards customers and suppliers relating to the Company's treatment towards customers and suppliers without demanding dishonest benefits. Additionally, there has been risk management regarding malpractices, whereby the executive of each department has issued letters to sub-contractors, suppliers to establish channels for whistleblowers via the Company's email, anti-corruption@supalai.com. This has been done to send the message to stakeholders to acknowledge policies and guidelines to prevent malpractices in the Company, to acknowledge the channels for whistleblowers and to establish participation of stakeholders in order to achieve the commitment to prevent malpractices and the objective of the Company as has been set out.

Only the employees of the Company are aware of practical guidelines against dishonest acts, however, the Company has arranged for communications with those who are interested in working with the Company in both the job application forms and the interview of the applicants regarding attitude on counter corruption.



Dissemination via Company's Website



Dissemination via Company's Website



Public Relations Brochure



Public Relations Brochure

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 for consideration respectively. In 2015, the Board of Directors has reviewed the counter-corruption policy and the policy regarding whistleblowers or lodging of complaints to be in line with the criteria of the "Project to Assess Sustainability of Thai Listed Companies" of Thaipat Institute as it has been approved by the resolution of the meeting of the Board of Directors No.10/2015 held on 13 October 2015.

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 already provided opinions on the operations, sufficiency of operations and effectiveness of operations according to anti-corruption measures in the meeting of the Audit Committee No. 10/2015 held on 13 October 2015. Also, in 2015, 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 2015, 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

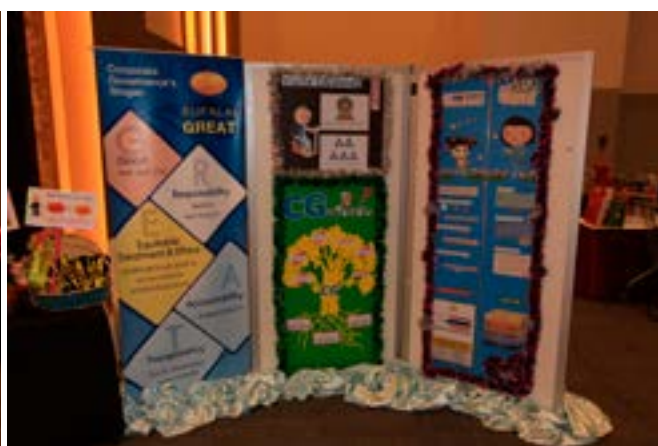
In 2015, the Board of Directors set out the “Corporate Governance Policy Handbook” approved in writing by the Board of Directors. The handbook encompasses details on the implementation of good corporate governance guidelines, authorities of the Board of Directors, as well as the practice guideline for the management and internal control system. Furthermore, the Board has arranged for the review on the part of the “Code of Conduct of directors, executives and employees” to be conducted on an annual basis. In this year, the Board added topics of oversight, monitoring for compliance with the Code of Conduct, examples of practical 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” 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

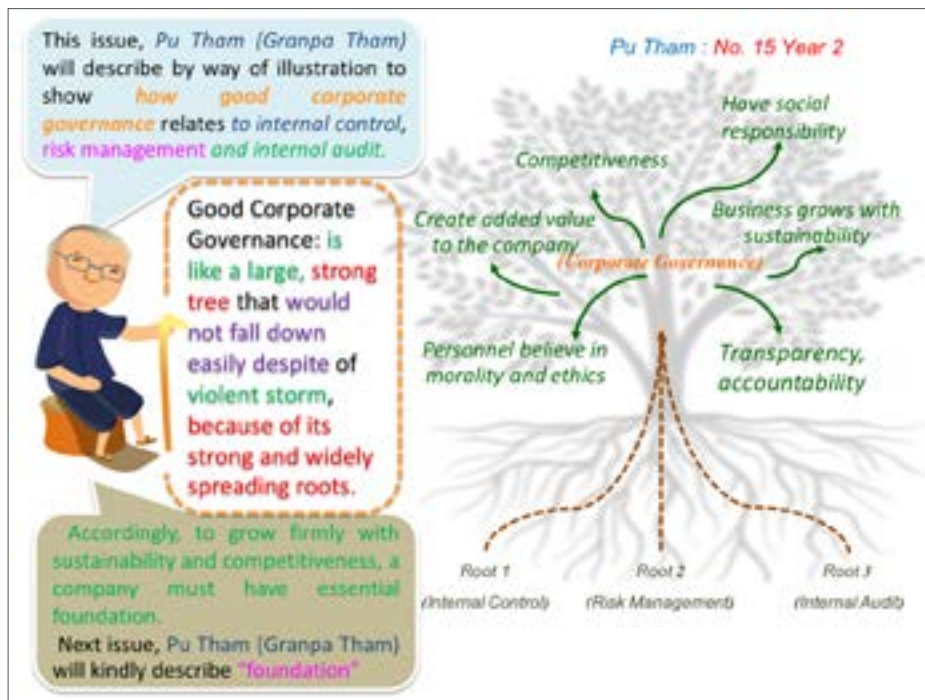
The Company has implemented a guideline for encouraging, supervising and follow up the directors, executives and employees to comply with Code of Conduct.

Promoting compliance with the Code of Conduct

- Prepare the Business Code of Conduct and disseminate to directors, executives and employees via its Intranet system, company website for their information, as well as to hand out CD to new employees.
- Provide knowledge regarding compliance with the Code of Conduct in the orientation of new employees.
- Organize CG Day event to put in knowledge and raise awareness for compliance with the Code of Conduct.



- Prepare E-News to disseminate information in respect of business code of conduct and good corporate governance, using Pu-Tham as the character.



Preventing incident and behavior that might be unethical

- Directors, executives and employees of Supalai Public Company Limited and its subsidiaries have to study and understand the Handbook on Code of Conduct and sign their names as a commitment.
- The Board of Directors has appointed the Corporate Governance Committee, with the scope of responsibilities and duties clearly defined.
- Organize the meeting of the Corporate Governance Committee at least once a year in order to report the result of compliance with the Code of Conduct.

Listening to the opinions, both positive and negative

- Arrange channels for opinion listening, two-way communication via Email : Pu-tham@supalai.com
- Analyze initially the suggestions received for submitting to the Corporate Governance Committee and the Board of Directors for instruction.

Monitoring and Evaluation

- Arrange a test through E-Learning Program once a year to measure knowledge and understanding of employees regarding compliance with the Code of Conduct and report results to the Corporate Governance Committee and the Board of Directors for information and consideration.
- Take the topic under the testing result of which most employees gave wrong answer for communicating through E-news and CG Day.

The Code of Conduct 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. 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 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 2015 as follows.

- Supalai Public Company Limited received “Thailand Sustainability Investment award 2015” from SET Thailand at the ceremony entitled “SET Sustainability Awards 2015”. The award was given to listed companies with outstanding performance in sustainability development and enhancing the development of social enterprise.
- The Company was 1 of 55 companies that received the score “Excellence” (surveyed from a total of 588 listed companies). The Company achieved the score “Excellence” from the year 2013 to 2015 consecutively.

- The Company was 1 of 128 companies that received the score 100% full marks or the “Excellence” level from the AGM Quality Assessment from 2013-2015 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 2015, 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 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 declaration of ownership in shares, 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 or to authorize the proxy to attend the 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 2015 at the rate of 71 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 2015, 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 2015 to 7 January 2016 in order for shareholders to nominate persons to be elected as directors, propose agendas and inquire about the Company. During such period of time, none of shareholders had made any proposal or nomination.

1.3 Right to Attend Shareholders' Meetings

• Shareholders' Ordinary Meeting

The shareholders had been informed of the 2016 shareholders' meeting in advance since 1 October 2015 to enable them to plan for the 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 1 October 2015 until 7 January 2016, 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 and certified public accountant would attend the meeting and be ready to answer questions.

In 2015, the Company organized the annual ordinary meeting on 22 April 2015 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 Krungsri Bank (on the right), then do not continue on the bridge but go on normal road, Supalai Grand Tower is on the left. (take the bus number 205)
- 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. (take the bus number 205)
- 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.
- Take BTS
 - » Get off at Asok Station, take the bus number 136 (Mo Chit Mai - Khlong Toei) to the terminal at Khlong Toei, and take the bus number 205 (Khlong Toei - The Mall Tha Phra) to Supalai Grand Tower, which is on the right hand side.
 - » Get off at Talad Phlu Station, take the bus number 205 (The Mall Tha Phra - Khlong Toei) to Supalai Grand Tower, which is on the left hand side.
- Take MRT
 - » Get off at Sirikit Convention Center Station, take the bus number 205 (Khlong Toei - The Mall Tha Phra) to Supalai Grand Tower, which is on the right hand side.

• 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, both in Thai and English. 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 clearly.

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 as prescribed by the Ministry of Commerce 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 2015.

- **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 electronic and barcode technologies for the Annual General Meeting (AGM), e-Registration, 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.

The Company encourages its shareholders to use voting ballots for every agenda by preparing voting ballots separately for each agenda to enable shareholders to cast their votes as deemed appropriate. The voting ballots would be collected in the meeting room.

Before the meeting begins, the chairman would assign the Company Secretary to 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 shareholders who attend the meeting after the beginning time are entitled to exercise their voting rights or to cast their votes for the agenda during consideration and not yet voted, and 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 2015, the Company organized only one ordinary meeting which was the 2015 Annual General Meeting of shareholders held on 22 April 2015 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 12 persons, had attended the meeting by the concerted as follows:

1. Dr.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. Assoc.Prof.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. Aswin	Bijayayodhin	Independent Director
9. Mr.Atip	Bijanonda	Director
10. Mr.Prasas	Tangmatitam	Director
11. Mr.Krid	Chancharoensuk	Director
12. Mrs.Varunee	Lapitananuvat	Senior Assistant Managing Director of Finance and Accounting and Company Secretary

Remark : Mr. Prasop Sanongchart resigned from the position of Independent Director and Chairman of the Nomination and Remuneration Committee, taking effect as from 8 June 2015.

Furthermore, the Company had invited two persons, namely Miss Krongkaew Limkittikul and Mr.Thanrawe Pattarawinit are 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 2015, the Company organized the annual ordinary meeting on 22 April 2015, of which 11 directors (the total number of directors is 11) and 1,602 shareholders attending the meeting. There were totaling 1,084,270,502 shares or 63.17 percent of all outstanding shares (the total paid-up shares of the Company are

1,716,553,249 shares), comprising 220 shareholders who attended the meeting themselves with total shares of 556,569,558 shares, amounting to 34.42 percent of all outstanding shares, and 1,382 proxies with total shares of 527,700,944 shares, amounting to 30.74 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 all the sold 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, Mr.Somboon Arukmonkol and Mr.Prasert Srimanasuwan were requested to observe the vote counting at the counting point. In addition, the voting ballots signed by the above witnesses were kept for later examination. 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 2015 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), the SET's Board of Governors and relevant agencies within 14 days from the date of the meeting, which was on 30 April 2015 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 accurately and in a comprehensive manner. Each agenda contains important information, comprising explanation of the voting procedures, 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, including the list of directors, with names and positions provided, attending the meeting, of which in 2015, all of them had attended. 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 2015, the Company disseminated the minutes of the shareholders' meeting on 30 April 2015.

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 2015 (Record Date) on 9 March 2016 and collected the names in accordance with Section 225 of the Securities and Exchange Act. The book closing date is 10 March 2016 with the dividend payment being scheduled to take place on 6 May, 2016 (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 business size, business environment and economic condition in whole, overall performance that reflects and connects with the results of operations, as well as comparing with remuneration of those in the same industry at competitive and reasonable level. 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 names of auditors proposed, the companies to which they belong, experience and capabilities, independence issue, 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 a 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 total process 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 2015, 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 2015, 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. In addition, the Board of Directors and the executives have to report on their holding of the Company's securities when first being appointed and shall report on the change of their securities holding, which shall include the securities holding of their spouses and children who are minors as well as all relating persons. They shall also report on their holding of securities to the Board of Directors on a quarterly basis.

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 names, relationship of connected persons, 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.

In 2015, there was not connected transactions, which has violated and/or has not complied with the rules and regulation of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission, and the Company has no business group structure that has connected transactions in the form that might have conflict of interest.

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 2016, 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, 2015 to January 7, 2016 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 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. In addition, the Company supports the eradication of child labor in its operations and business contact, while taking into account child protection and safety in business place, and use safety products for children.

The wages are managed to be comparable to those of other companies in the same business. Organizational structures are changed and updated in order to operate business 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 with 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 2015, the Company employs 3 handicapped employees and provides financial support pursuant to the Persons with Disabilities Empowerment Act B.E. 2550 (2007).
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 down payment, and the buyers subsequently, notify the Company that they have suffered for some reasons and request the Company to have a refund of such down payment. 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 neighbor, 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 was 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 26 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.
- In 2014 and 2015, the Company received the award for “Outstanding Business Operator with Center for Receiving Matters and Solving Problems for Consumers” from the Office of the Consumer Protection Board and the ISO Certifying Institute. This is the 2nd consecutive year that the Company has received this award.

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 attaches importance to the attention to and care for all groups of stakeholders both inside and outside the Company including the responsibility to the society and the environment. Accordingly, the stakeholders have been divided into 9 groups, namely, employees, customers, suppliers, shareholders, community and society, environment, economy, government agencies and competitors, whereby the criteria on connection has been taken into consideration.

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. employees, customers, Suppliers, shareholders, communities and society, environment and competitors.
- 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, Suppliers 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
Employees	Take care of remuneration, welfare and knowledge development; treat employees fairly and equally under human rights principles.
Customers	Build quality home in accordance with construction standards.
Suppliers	- Treat trading partners in strict compliance with agreed contracts and conditions. - Receive facilitation in various areas, e.g. support for credit acquiring, transfer of payment to account on due date, etc.
Shareholders	Taking into consideration maximum returns, placing emphasis on equality between major shareholders and small shareholders.
Community and Society	Oversee construction with noise/dust impact, affecting neighboring communities.
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.
Competitors	Treat business competitors fairly and not to destroy competitors by using various tricks.

Analysis of Economic, Social and Environmental Trends and Changes

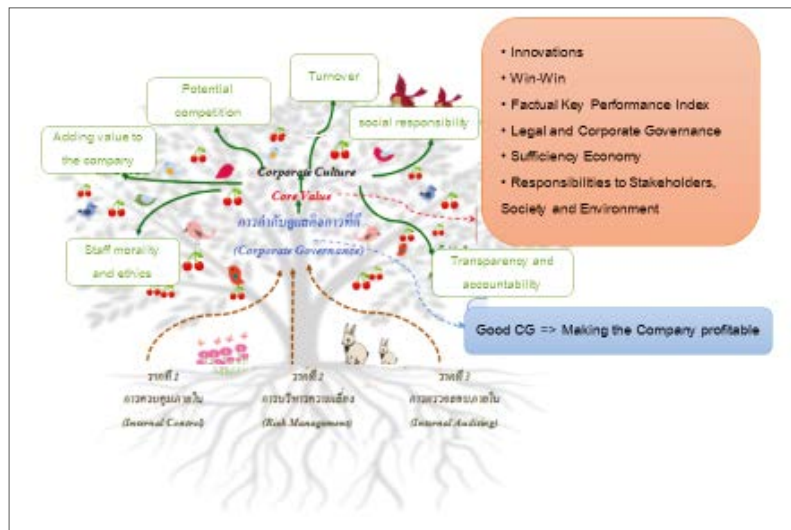
The Company has used data from analysis of economic, social and environmental trends and changes in considering the matters that are important to the Company's operations which may affect the stakeholders. Furthermore, it has also used data from risk analysis with significant economic, social and environmental 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 2015 under the topic of General Economic Conditions, Social Responsibility, Personnel Development, and Community Care.

Its economic, 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 economic, 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 business operation. It has also given chance

for the community and society to play a part in its operations, created shared value between the business and the society, as well as having laid down guidelines and conduct operations towards sustainability. Thus, it is in line with the sustainability development plan in developing business towards Creating Shared Value.



CG in substance

The Company's Board of Directors and executives have created good business operational results in sustainable and reliable manners, by focusing on real practices.

CSR in process

The Company conducts daily business by ensuring that there be sustainable development, and motivating stakeholders to act accordingly.

Anti-corruption in practice

The Company is a model for having real action plan at all levels and creating anti-corruption culture in Thai business sector.

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 to create sustainable development 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) 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 in various forms as well as the provision of innovation and new technologies to support their work as rewards to all employees. 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 2015, are as follows.

Unit: Persons

Employee Level	Male	Female
Executives	6	3
Supervisors	90	66
Operating	398	367
Staff	69	107
Total	563	543

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, 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. Dr.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 2015, 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, 930 scholarships have been awarded to employees' children with good school-record, totaling Baht 2,218,500.
 - 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 2015, 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)	27.33
Average numbers of training hours classified by sex	
Female	28.50
Male	26.16
Average numbers of training hours classified according to employee level	
Executive level	33.21
Employee level	21.45

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 and 20 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 2016 as "Motto of Supalai People, Clean and tidy, Friendly, Courteous, Sincere, Service minded".

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:

- It has received the BCI Asia Top 10 Developers Award and Certificate 2015 from BCI Asia Construction Information Limited and Future Arc Journal. Supalai has received this award for 5 consecutive years already, that is, from 2011-2015 for being selected due to outstanding construction work which is friendly to the environment, suppliers, shareholders, community and society, environment, economy, government agencies and competitors.
- 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) Suppliers

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 0-275-8888 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

D) 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.

E) 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 2015, the seminars conducted were, “Wonders of Chinese Medicine, 3 Combined Forces - Massage - Acupressure - Cupping, How to Invest to be Rich 2015, Solutions to all Problems regarding Inheritance Tax, Strategy to Make Profit from Foreign Stocks, Tips to Prevent Obesity, Diabetic and Allergies by Natural Methods.
- **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 National 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 2015, the Company has jointly improved multi-purpose building, library and children’s playground as well as donating computers and sports equipment for educational purposes to Wat Taiyor School of Muang District of Songkhla 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 “Rural 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.
- **Regarding Health activities**, the Company invited team of physicians and nurses from leading hospitals to provide free medical check-up to families of Supalai's customers and the general public. It also organized a blood donation at its head office every year. In addition, the Company provided health knowledge on interesting topics in the form of seminars on health and alternative medicine as well, which was open for Supalai families and the general public.
- **Community development activities**, such as the donation of land for use as public way in Phuket Province, 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 various projects, 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. In 2015, the Company donated 8.5 million baht to improve the stupa of Wat Caenork of Muang District, Nonthaburi Province.
- **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.

F) 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 publicized 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 the information on sustainable development in accordance with the Corporate Governance Report of Thai Listed Companies (CGR) 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 2015, 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 2015, the statistics of accident, sickness, and absence from work are as follows:

Summary statistics of accidents, sickness, and absence from work for 2015

Details	Male	Female
Employees injured from accident (person)	4	2
Numbers of days taken for sick leave (day)	34	6
Numbers of employees on sick leave (person)	2	2
Numbers of days of absence without leave (day)	-	-
Numbers of employees absent without leave (person)	-	-

G) Economy of the Country

The Company places emphasis on economic operations on a sustainable basis in order to promote the economic and social systems of the country to be simultaneously grow in the future, 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 projects in neglected and untied land to be housing or condominium projects has supported the development of public utility systems, such as electricity and water tap systems as well as drainage systems and access roads, resulting in the population in the area benefiting from the projects and have better livelihood with more circulating money in the community from new business. It helps create new business, new jobs and occupation, such as laundry shops, convenient stores, gardening and hairdressing shops, 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, and helps the customers reduce their expenses as well. The awards received by the Company are as follows:
 - 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.
 - In 2015, the Company received “**Excellent Energy-Saving Housing Project Award**” at good level for Supa-Lakkana House Design of Supalai Ville Ring Road-Rama 2 Project, Architectural Design for Supa Nat House Design of Supalai Ville Ring Road-Rama 2 Project, Supa Dumrong House Design of Supalai Garden Ville Srinakarin-Bang Na Project and Supa Wattana House Design of Supalai Garden Ville Srinakarin-Bang Na Project from the Department of Alternative Energy Development and Efficiency of the 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 in order for them to have access to quality houses at suitable price.

h) Government Agencies

The Company has complied with the laws while operating according to international standards 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, child labor, 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.

The Company has established channels of communications for stakeholders to communicate and provide suggestions and information beneficial to the Company's business operation, or to directly submit complaints to the Audit Committee in case of malpractices. Such information or complaints shall be kept confidential in order to protect informants or whistleblowers and maintain confidentiality of the complainants as the access to this kind of information would be restricted to only responsible persons to examine the complaint issues, and only independent directors shall consider, give instructions and report to the Board of Directors. Such channels consist of Supalai Smart Center, tel: 1720 and 02-725-8899 "You call, We care", or the Company's website: www.supalai.com or the opinion boxes at the projects. In 2014, the Company received Consumer Protection Thailand Call Center Award 2014 from the Office of the Consumer Protection Board, and in 2015, it has received such award for the 2nd consecutive year.

i) 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 publicized on the website of the Company (www.supalai.com).

Chapter 4: Information Disclosure and Transparency

The Company has a policy to disclose the information to the investors and all groups of stakeholders equally 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. This disclosure will allow in order that the shareholders and all groups of stakeholders to be able to 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 access to the accurate 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 doesn't 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 on Shareholding Structure of Group".

4.2 Disclosure of attendance of each director at Board of Directors' meetings

In 2015, 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		Directors' meetings for the Year 2015					Director Positions during the year
		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)	
1. Dr.Prateep	Tangmatitham	12/12	-	-	-	-	
2. Mrs.Ajchara	Tangmatitham	12/12	-	-	-	-	
3. Mr.Tritecha	Tangmatitham	12/12	1/1	-	-	1/1	
4. Mr.Prakit	Pradipasen	11/12	-	10/12	2/2	-	
5. Assoc.Prof.Dr.Virach	Aphimeteetamrong	11/12	-	-	2/2	1/1	
6. Mr.Anant	Gatepithaya	12/12	1/1	12/12	-	-	
7. Assist.Prof.Aswin	Bijayayodhin	11/12	-	11/12	-	-	
8. Assoc.Prof.Dr.Somjai	Phagaphasvivat	2/2	-	-	-	-	13 October 2015 Replace Mr.Prasob Snongjati
9. Mr.Atip	Bijanonda	10/12	1/1	-	-	1/1	
10. Mr.Prasas	Tangmatitam	12/12	-	-	-	1/1	
11. Mr.Krid	Chancharoensuk	12/12	1/1	-	-	-	

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 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 2015, 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 the first 4 directors and senior executives 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 2015

Name		Number of Share			
		As of 31 December 2014	Acquired during year 2014	Disposed during year 2014	As of 31 December 2015
1. Dr.Prateep	Tangmatitham	393,816,044	10,760,600	-	404,576,644
	Spouse and Underage Children	90,188,200	-	-	90,188,200
2. Mrs.Ajchara	Tangmatitham	90,188,200	-	-	90,188,200
	Spouse and Underage Children	393,816,044	10,760,600	-	404,576,644
3. Mr.Tritecha	Tangmatitham	-	150,000	-	150,000
	Spouse and Underage Children	-	-	-	-
4. Mr.Prakit	Pradipasen	-	900,000	-	900,000
	Spouse and Underage Children	-	-	-	-
5. Assoc.Prof.Dr.Virach	Aphimeteetamrong	2,431,466	-	-	2,431,466
	Spouse and Underage Children	-	-	-	-
6. Mr.Anant	Gatepithaya	-	-	-	-
	Spouse and Underage Children	-	-	-	-
7. Assist. Prof. Aswin	Bijayayodhin	-	-	-	-
	Spouse and Underage Children	-	-	-	-
8. Assoc.Prof.Dr.Somjai	Phagaphasvivat	-	-	-	-
	Spouse and Underage Children	-	-	-	-

Name		Number of Share			
		As of 31 December 2014	Acquired during year 2014	Disposed during year 2014	As of 31 December 2015
9. Mr.Atip	Bijanonda	5,334,140	-	-	5,334,140
	Spouse and Underage Children	-	-	-	-
10. Mr.Prasas	Tangmatitam	-	-	-	-
	Spouse and Underage Children	-	-	-	-
11. Mr.Krid	Chancharoensuk	-	-	-	-
	Spouse and Underage Children	-	-	-	-
12. Mr.Punnapan	Nengpetch	759,733	-	-	759,733
	Spouse and Underage Children	-	-	-	-
13. Mrs.Varunee	Lapitananuvat	10,000	20,000	-	30,000
	Spouse and Underage Children	-	-	-	-
14. Mr.Kitipong	Sirilugtrakun	360,000	-	(360,000)	-
	Spouse and Underage Children	157,373	360,000	-	517,373

4.4 Report on Vested Interest

Supalai Public Company Limited has committed to comply with the policy on Vested Interest, by setting 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 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 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 date when 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 when the information has been 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 been required to submit the report in accordance with 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 when 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).

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 2015, 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. 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 so the shareholders can 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 Investor Relations unit not only to communicate with the general investors, securities analysts, shareholders, being a center for disclosing important information, to the investors, but also 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 overestimation.
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](http://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, organization 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 them 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 2015 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.

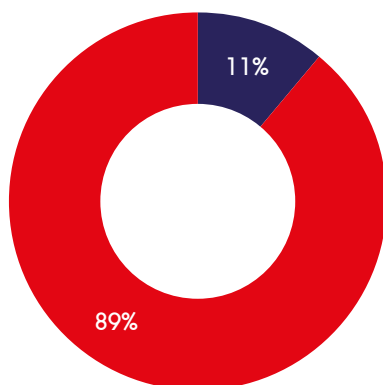
4.9 Market Share

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 2015 as summarized below;

- For the group of low rise projects, the Company has a market share of approximately 11%
- For the group of high rise projects, the Company has a market share of approximately 6%

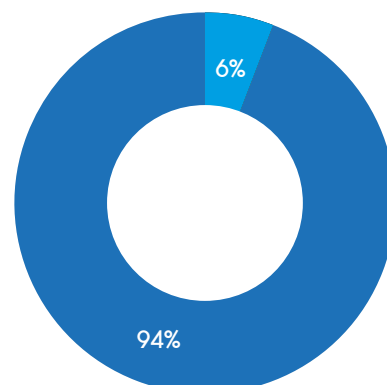
The Company's total market share amounts to approximately 5% of the entire shares achieved by the group of listed companies on the Stock Exchange of Thailand, details of which are illustrated below:

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



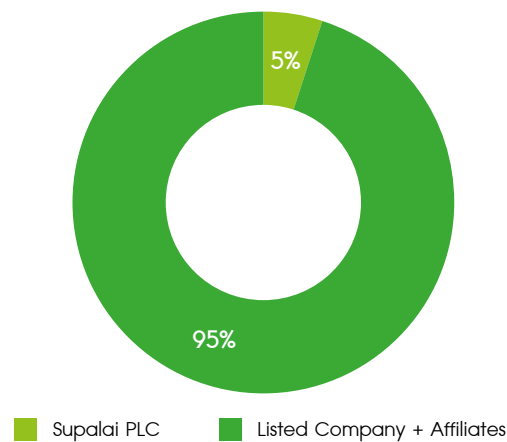
■ Supalai PLC ■ Listed Company + Affiliates

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



■ Supalai PLC ■ Listed Company + Affiliates

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 : AREA

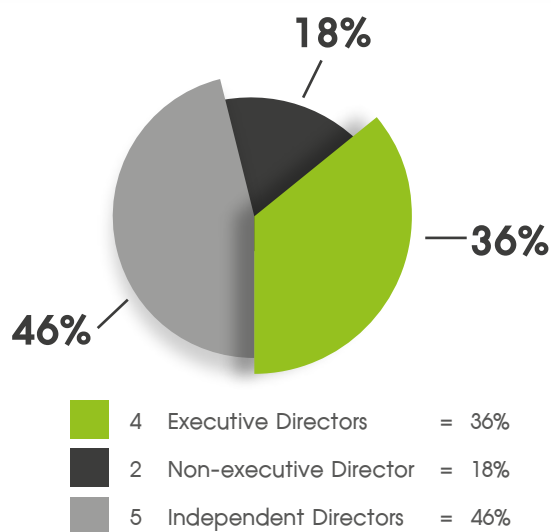
Chapter 5 : Board of Directors' Responsibilities

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 and 1 advisory of the board. The election of directors was in accordance with the resolution of the shareholders' meeting under the rules and procedures prescribed by law, comprising;

Composition of the Board of Directors



Note : 1 advisory of the board

The Authorized Directors to sign on behalf of the Company are Dr. 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 to consist of persons with knowledge, ability, experience and various types of expertise in accordance with the business strategy of the Company including the merit and ethical conduct with good attitude towards the organization, leadership, far-sighted vision and dedication of sufficient time to work regardless of gender, nationality, religion, professional skill and other specific expertise. 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, 1 advisory of the board, 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 2 non-executive directors, totally 7 directors with working 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 Law or Accounting 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. The Company secretary's related duties are 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 inside 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. Oversea other matters relating to the Board of Directors, the management and the shareholders.
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, no vested interest and not being 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. Have never 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. Have never 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. Have never 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. Have never 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, and ensure that directors comply with good corporate governance and business ethical conduct of the Company.
3. Give a casting vote in the event of a tie of vote in the Board of Directors' meetings.
4. Encourage directors to discuss, make enquiries and express opinions on various issues during the meetings.
5. Promote constructive relationship both among directors, and between the Board of Directors and the management.

The duties and responsibilities of the President

1. Manage and operate the business of the Company according to the strategic directions and policies approved by the Board of Directors according to the scope 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. In addition, shall 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 focusing on creating long-term value for shareholders, building the competitiveness and providing 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 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, strategies and policy of the Company, consider and review such vision, mission strategies, policy 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.
- Consider, appoint and determine duties and responsibilities of the Executive and Management Committee clearly.
- Consider and appoint sub-committees to perform duties according to the responsibilities of the Board of Directors, and set out clear scope of duties of sub-committees.
- Consider, set out and make changes of the names of directors having authority to sign and bind the Company.
- Prepare reports on responsibilities of the Board of Directors regarding the financial statements by presenting together with the reports of the auditors in the annual report, which shall cover important matters in accordance with the policy on best practices for directors of listed companies on the Stock Exchange of Thailand.

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.**

3. Self assessment

The Board held a self - assessment at least 1 time per year by the Nomination and Compensation Committee.

4. The appointment of a person qualified to act as Company secretar

- **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 small shareholders to nominate the names of suitable persons 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 corresponding to the business operation strategy of the Company, which is 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, their stake or conflict of interest with the Company in case of re-appointment for another term of office by taking into account the performance of duties while serving their terms, their provision of beneficial recommendations, opinions and participation in various activities 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 stricter than those adopted by the Capital Market Supervisory Board.
6. Prepare the list of names already considered and screened by the Nomination and Remuneration 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 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.

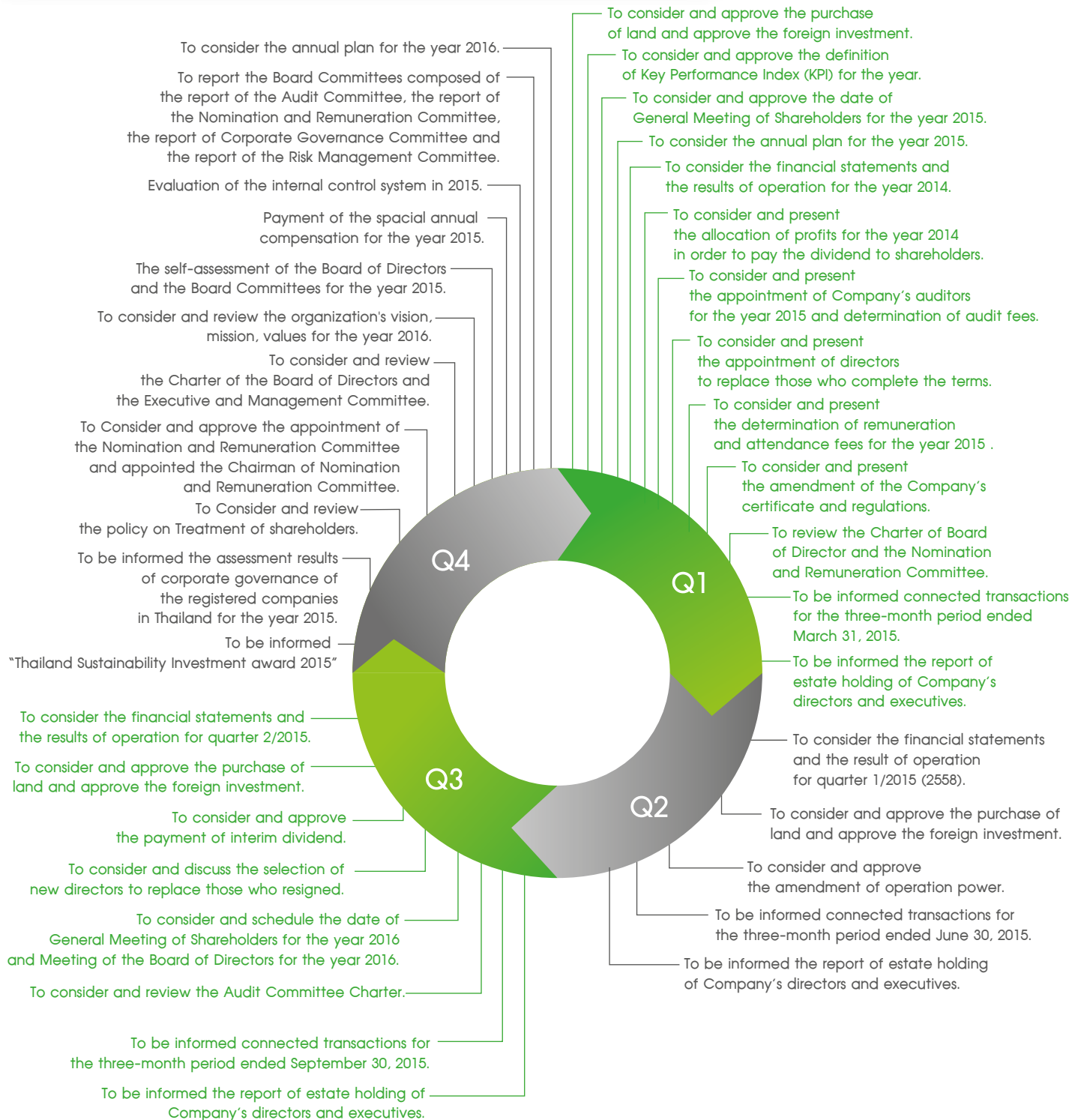
1. The Company has adopted a policy which states that if in any agenda of the meeting, any director has an interest which may be in conflict with the interest of the Company, the Company Secretary shall not forward the meeting agenda concerned to him or her. Consequently, the director who has such an 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 2015, the Company organized 12 meetings of the Board of Directors. The performance of the Board of Directors is summarized as follows:

Performance of Duties of the Board of Directors in 2015



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	Attendance at Board of Director' Meeting
1	Mr. Prakit Pradipasen	Chairman of the Audit Committee	Independent Director	10/12
2	Mr. Anant Gatepithaya	Member of the Audit Committee	Independent Director	12/12
3	Assist.Prof. Aswin Bijayayodhin	Member of the Audit Committee	Independent Director	11/12

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 Baht 2 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.

» 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.
10. To review and amend the Audit Committee Charter and Propose to the Board of Director for approval.

- **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**

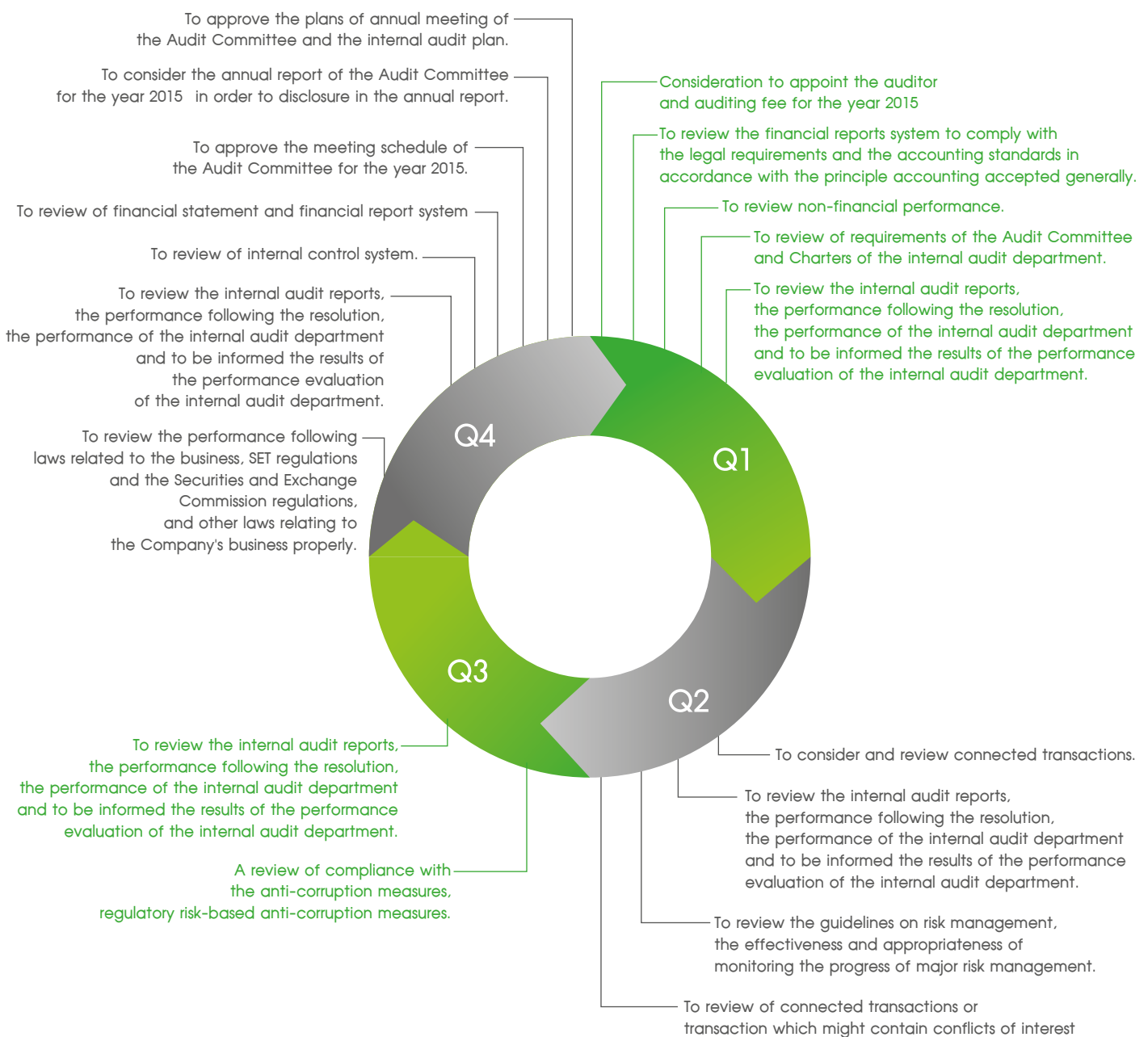
1. The Audit Committee has the authority to invite the executives, related persons or auditors to attend a meeting to provide additional explanation and information.
2. The Audit Committee may seek independent opinion from any other professional advisors as deemed necessary with the Company's expense.
3. The Audit Committee are in charge of consideration and providing opinions on the appointment, transfer, considering of merit or dismissal of the head internal audit 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 / Board of Director / Sub-Committee / Audit Committee / Audit Committee Charter.

» Performance of the Audit Committee

In 2015, 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:

Performance of Duties of the Audit Committee in 2015



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	Attendance at Nomination and Compensation Committee's Meeting
1	Mr. Prakit Pradipasen*	Chairman of the Nomination and Compensation Committee	Independent Director	2/2
2	Assoc.Prof.Dr.Virach Aphimeteetamrong	Member of the Nomination and Compensation Committee	Independent Director	2/2
3	Mrs.Ajchara Tangmatitham*	Member of the Nomination and Compensation Committee	Director	1/1

* Mr. Prasob Snongjati, an independent director and Chairman of the Nomination and Compensation Committee had resigned on 8 June 2015. Therefore, the Board of Director has appointed Mr. Prakit Pradipasen nominated to be Chairman of the Nomination and Compensation Committee and Mrs. Ajchara Tangmatitham to be director of the Nomination and Compensation Committee since 8 December 2015.

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, which is more than one half of the total number of independent members.
2. 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. To review policies on the Board of Directors' Diversity to the business operation strategy of the Company.
16. To review and amend the Nomination and Compensation Committee Charter and propose to the Board of Director for approval.
17. 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.
18. 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

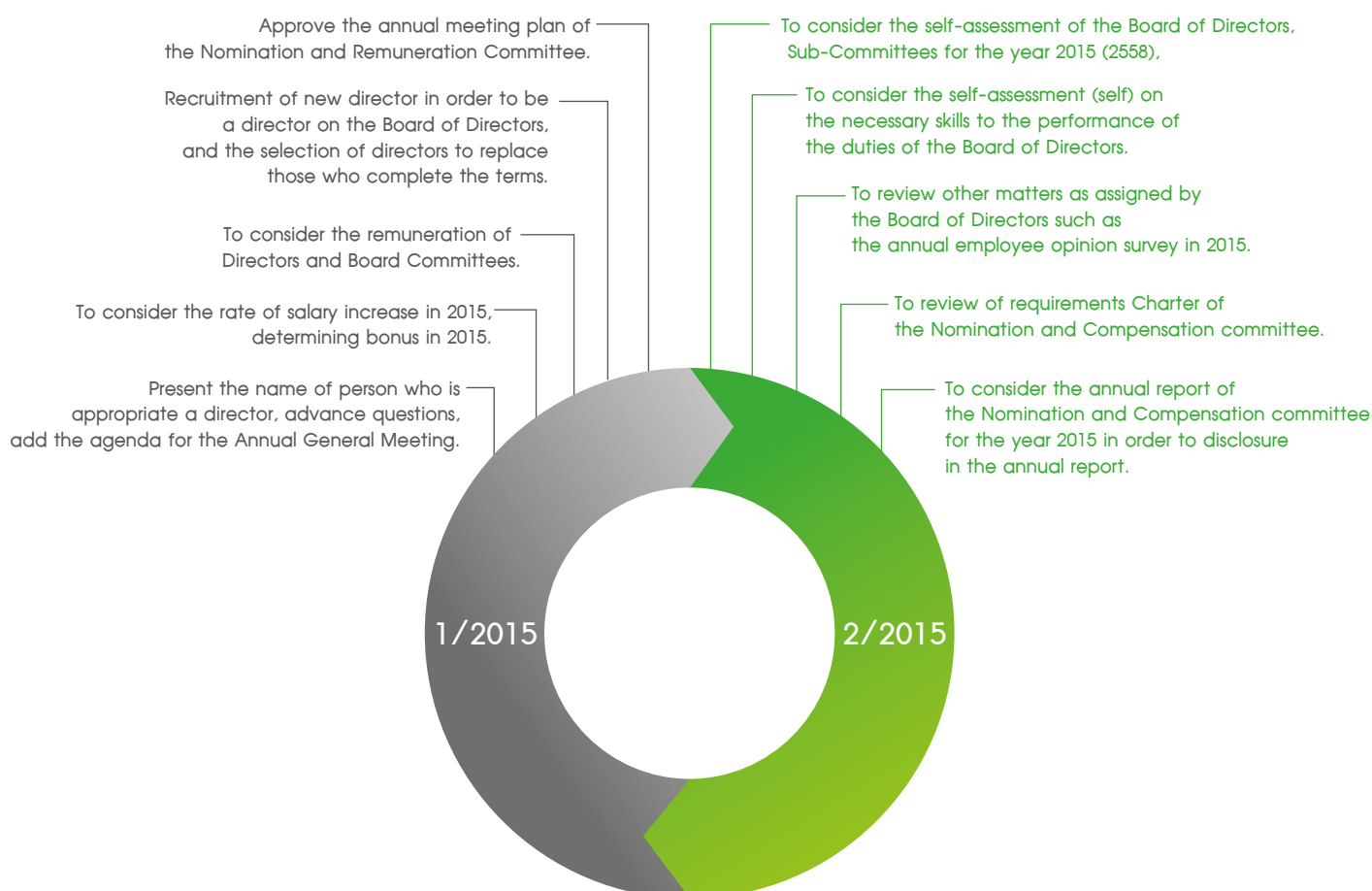
The Nomination and Compensation Committee shall arrange for evaluation of the performance of the Board of Directors and sub-committees in the form of the total committee and on a personal basis (self-evaluation) at least once a year and report to the Board of Directors in order to use the evaluation 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 / Board of Director / Sub-Committee / the Nomination and Compensation Committee / the Nomination and Compensation Committee.

• Performance of the Nomination and Compensation committee

In 2015, the Nomination and Compensation Committee conducted 2 meetings. The performance of the Nomination and Compensation Committee is summarized as follows;

Performance of Duties of the Nomination and Compensation committee in 2015



5.3.3 Corporate Governance Committee

The Board of Directors approved the establishment of the Corporate Governance Committee comprises the following 4 members as follows;

No.	Name	Position in Corporate Governance Committee	Position in Board of Directors	Attendance at Nomination and Compensation Committee's Meeting
1.	Assoc.Prof.Dr.Virach Aphimeteetamrong	Chairman of the Corporate Governance Committee	Independent Director	1/1
2.	Mr.Prasas Tangmatitam	Member of the Corporate Governance Committee	Director	1/1
3.	Mr.Tritecha Tangmatitham	Member of the Corporate Governance Committee	Director	1/1
4.	Mr.Atip Bijanonda	Member of the Corporate Governance Committee	Director	1/1

The Board of Directors has adopted the Charter of the Corporate Governance Committee as follows;

- **Elements of the Corporate Governance Committee**
 1. 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.
21. To review and amend the Corporate Governance Committee Charter and propose to the Board of Director for approval.
22. To oversight and recommend corporate social responsibility (CSR) activities.

- **Reporting**

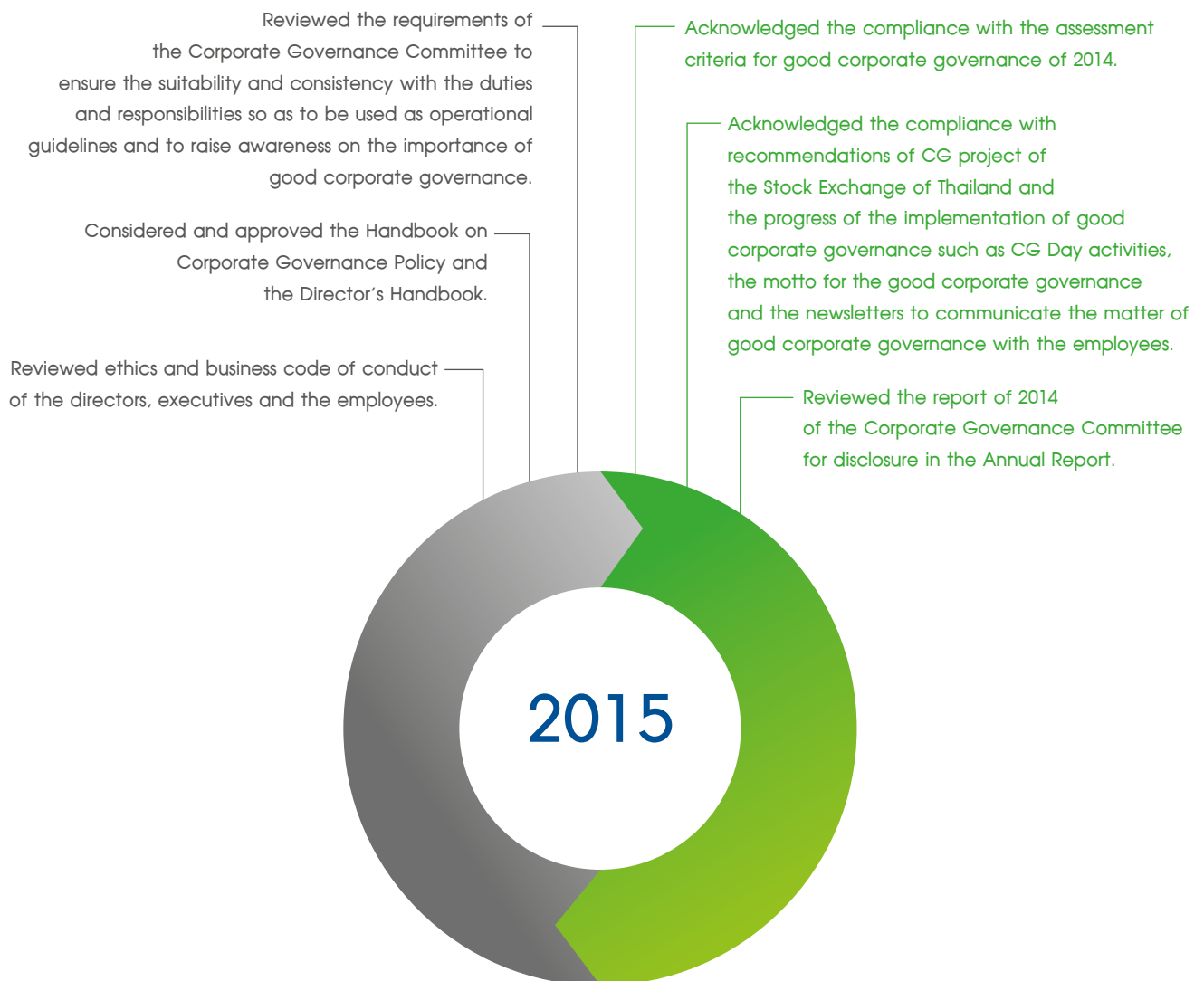
After each meeting of the Corporate Governance Committee, the secretary of the meeting shall summarize the opinions and comments of the meeting and submit to the Company's Board of Directors for acknowledgement and / or consideration within the date of the next Board meeting.

Interested parties could view full version of the aforementioned Charter on the Company's website www.supalai.com under Section: About the Company / Board of Director / Sub-Committee / the Corporate Governance Committee / the Corporate Governance Committee.

- **Performance of the Corporate Governance Committee**

In 2015, the Corporate Governance Committee organized 1 meeting. The performance of the Corporate Governance Committee is summarized as follows.

Performance of Duties of the Corporate Governance committee in 2015



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

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. To specify the policy and guidelines for risk management relating to the business operations of the Company appropriately and effectively.
2. To specify, review and approve the risk management plan which covers the major risk categories such as Strategy Risk, Operation Risk, Financial Risks, Credit Risk, Liquidity Risk, Compliance Risk, Technology Risk, Corruption Risk and Risk impacting the Company's reputation, etc.
3. To follow up and assess the degree of risk to be in a reasonable level.
4. 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.
5. To 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.
6. To consider and review the risk limits and corrective measures in the event where it is not within the risk limits.
7. The Risk Management Committee is empowered to invite executives or those concerned to attend meeting for further clarification.
8. The Risk Management Committee may, at the Company's expense, ask for advice from specialists to enable efficient performing of duty under the charter.
9. 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.

10. To consider and approve produce a risk management manual to be distributed to employees.
11. To approve risk mapping by taking into account the relationship between risks and the impact toward each unit of the Company.
12. 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.
13. 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.
14. Perform any other duties as assigned by the Board of Directors.

- **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.

Interested parties could view full version of the aforementioned Charter on the Company's website www.supalai.com under Section: About the Company / Board of Director / Sub-Committee / the Risk Management Committee / the risk Management Committee.

- **Performance of Risk Management Committee**

In 2015, the Risk Management Committee organized 1 meeting. The performance of the Risk Management Committee is summarized as follows:

Performance of Duties of the Risk Management committee in 2015



5.4 Executive Committee

The duties and responsibilities of the Executive Committee

- 1) Establish guidelines, goals, strategies, operation plan, annual budget and the various kinds of management powers of the Company to be further submitted for approval by the Board of Directors.
- 2) Oversight the management and operations of the Company to be efficient with maximum effectiveness, 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.
- 9) The Executive and Management 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.

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 2015, 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 2015 was 96.67%, 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 2015,

- 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 2015, there have been related party transaction worth Baht 99 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, Chairman of the Audit Committee and Chairman of the Nomination and Compensation 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. Prakrit Pradipasen continue to be an independent director, Chairman of the Audit Committee and Chairman of the Nomination and Compensation Committee of the Company.

Furthermore, in 2015, 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)

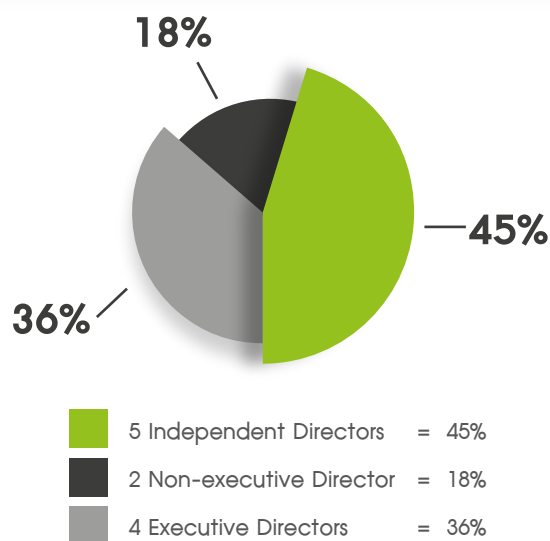
- Customers : Profit in the form of money or gains from life
- Employees : Good income and welfare, happy with work
- Contractors : Participate in business with satisfaction and fairness / Trading Partners
- Society : Gain benefits from the Company’s Project Development
- Shareholders : Receive dividends 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;

Check and Balance by Non-Executive Directors



The Independent Directors comprises a half of all Directors. Among these, there are 6 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 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.

5.13 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 2015, 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).

5.14 Remuneration for Directors and Executives

Remuneration of Directors

1. The Company specified the policy on rules of presentation and consideration for remuneration of directors to create the incentives of assigned performance to achieve goals effectively. The Nomination and Remuneration Committee are assigned to consider the remuneration rates of committee carefully, scrutinize the suitability of various reasons thoroughly, compare and refer by the same business including consideration from the expanding business, where shall be presented to the Board of Directors and the meeting of shareholder.
2. The Company shall not pay any money or other property to directors unless the remuneration is paid as the rights and benefits habitually as being the Company's director.
3. The remuneration of directors shall be paid accordance with the resolutions of the shareholders' meeting which comprise a vote not less than two in third of the total votes of shareholders who join the meeting.

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 of Chief Executive Officer

The company specified a remuneration policy of the Chief Executive Officer, which the Board of Directors are assigned to consider the results of the Company's operation based on indicator (KPI: Key performance Indicator) approved by the meeting of Board of Directors, thereafter the Nomination and Remuneration Committee will consider the results of performance and remuneration of the Chief Executive Officer to comply with the result of performance based on indicators.

There are the criteria for evaluating performance of the Chief Executive Officer which administrate under the mission, vision, strategy of the company, business goals and annual business plans. It is comprised of three measurements following;

1. Finance
2. Business portfolio
3. Internal management

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 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.

5.15 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 Company.
 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 polices 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 2015, the Board of Directors assigned the Company Secretary to hand over "Director's Handbook" to newly appointed directors and Advisory of the board on 10 November and 8 December 2015 respectively. 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.

5.16 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.

5.17 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.

5.18 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.

5.19 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 2015, 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 10 categories consisting of

- 1) Assessment form for performance of the whole Board of Directors;
- 2) Assessment form for performance of the whole Audit Committee;
- 3) Assessment form for performance of the whole Corporate Governance Committee;
- 4) Assessment form for performance of the whole Risk Management Committee;
- 5) Assessment form for performance of the whole Nomination and Compensation Committee;
- 6) Assessment form for the Board's individual member (self-assessment);
- 7) Assessment form for performance of individual member of the Audit Committee (self-assessment)
- 8) Assessment form for performance of individual member of the Corporate Governance Committee (self-assessment)
- 9) Assessment form for performance of individual member of the Risk Management Committee (self-assessment)
- 10) Assessment form for performance of individual member of the Nomination and Compensation Committee (self-assessment)

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 10 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 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 23 February 2015. The assessment results in percentage are as follows:

Level of Score	Rate
More than 85 %	Excellent
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 6 items as follows :

1) Structure and Qualification of the Board of Directors; 2) Duties and responsibilities of the Board of Directors; 3) Performance of the Board of Directors; 4) Board of Directors' Meetings; 5) Relations with management department; 6) Self Development of the Board of Directors and Executive;

In summary, the average score of the assessment of the whole Board of Directors according to all 6 items resulted in a Very Good score of 82%.

2. **Assessment Form for Individual Member of the Board of Directors (Self- Assessment)** consists of 8 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 ethics and business ethical conduct; 6) Performance under the principle honesty; 7) Performance on the principle carefulness and 8) Having vision in creating value added business in the long run.

In summary, the assessment of members of the Board of Directors on an individual basis according to 8 items resulted in an excellent score of 96%.

3. **Assessment Form for Performance of the Audit Committee (the Whole Committee)** consists of 5 items as follows: 1) Structure and Qualification of the Audit Committee; 2) Duties and responsibilities of the Audit Committee; 3) Performance of the Audit Committee; 4) Audit Committee's Meetings; 5) Self Development of the Audit Committee;

In summary, the assessment of performance of the whole Audit Committee according to all 5 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 15 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) To attend trainings or to participate in activities in order to increase knowledge in duty and role of Audit committee; 6) Performance of other tasks assigned by the Board of Directors with

the approval of the Audit Committee; 7) To review of financial and non-financial reports of the Company to ensure sufficient and correct disclosure; 8) To review effectiveness and suitability on Risk Management; 9) To review to ensure that the Company has suitable internal control and internal audit systems; 10) To review to ensure that the Company comply with the Securities and Exchange Act, requirements or laws relating to the business of the Company; 11) To 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; 12) To review to ensure that anti-corruption measures are complied with; and carrying out risk assessment and reporting to the Board of Directors for acknowledgement; 13) To review Audit Committee Charter and Internal Audit Charter; 14) To considering, selecting and nominating an independent person to be the auditor of the Company; 15) 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 15 items resulted in an excellent score of 94%.

5. Assessment Form for Performance of the Corporate Governance (the Whole Committee)

consists 5 items as follows: 1) Structure and Qualification of the Corporate Governance Committee; 2) Duties and responsibilities of the Corporate Governance Committee; 3) Performance of the Corporate Governance Committee; 4) Corporate Governance Committee's Meetings; 5) Self Development of the Corporate Governance Committee;

In summary, the assessment of performance of the whole Corporate Governance according to all 5 items resulted in a very good score of 83%.

6. Assessment Form for Performance of the Corporate Governance Committee's Members on an Individual Basis (Self- Assessment) consists of 10 items as follows: 1) Knowledge, ability relating to the Company's business; 2) Specific expertise; 3) Showing the opinions in supporting or protesting the recommendation on matters that are important to the business; 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 Corporate Governance Committee; 6) There is the regulatory performance of the Directors and management department including review guidelines on the principles of good corporate governance of the Company according to the principles of good corporate governance of external regulatory agencies; 7) To verify the corporate governance policy and review practicality guidelines and the principles of corporate governance in practices to be continued and appropriate with the business of the Company; 8) To review the business ethics and morality of directors, board and staff including the announcement of statement on good corporate governance of the Company prior to the public; 9) To review, give opinions and recommendations to improve on the good corporate governance of the Company to be effective in practices; 10) To reports on the activities of corporate governance committee or other duties which the Board of Directors assigned to the committee.

In summary, the assessment of members of the Corporate Governance Committee on an individual basis according to all 10 items resulted in an excellent score of 100%.

7. **Assessment Form for Performance of the Risk Management (the Whole Committee)** consists 5 items as follows: 1) Structure and Qualification of the Risk Management Committee; 2) Duties and responsibilities of the Risk Management Committee; 3) Performance of the Risk Management Committee; 4) Risk Management Committee's Meetings; 5) Self Development of the Risk Management Committee;

In summary, the assessment of performance of the whole Risk Management according to all 5 items resulted in a fair score of 56%.

8. **Assessment Form for Performance of the Risk Management Committee's Members on an Individual Basis (Self- Assessment)** consists of 10 items as follows: 1) Having moral, neutrality, making decisions with information and logic, adhering to the operation by the principles and standards professionally; 2) Devotion of time in working and attending the meetings; 3) Performance of other tasks assigned by the Board of Directors with the approval of the Risk Management Committee; 4) To consider and give approval to provide the risk management manual which shall be published to employees to acknowledge, including consideration to approve the Risk Map providing by recognizing the relationship of risk and the impact on other departments within the Company. 5) Knowledge, ability, experience and Specific relating to the Company's business; 6) Showing the opinions in supporting or protesting the recommendation on matters that are important to the business; 7) To provide a communication, activity or process of operation to create awareness on the risk management with providing a training of the guidelines on risk management, and providing a cognitive test for employee on the policy, structure and responsibility in risk management; 8) To specify the policies and recommend the guidelines on risk management relating to the business operations of the Company appropriately and effectively. 9) To specify, review and approve the risk management plan which covers the major risk categories such as Strategy Risk, Operation Risk, Financial Risks, Credit Risk, Liquidity Risk, Compliance Risk, Corruption Risk and Risk impacting the Company's reputation, and monitor and evaluate the level of risk to an appropriate level; 10) To 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.

In summary, the assessment of members of the Risk Management Committee on an individual basis according to all 10 items resulted in an excellent score of 90%.

9. **Assessment Form for Performance of the Nomination and Compensation (the Whole Committee)** consists 5 items as follows: 1) Structure and Qualification of the Nomination and Compensation Committee; 2) Duties and responsibilities of the Nomination and Compensation Committee; 3) Performance of the Nomination and Compensation Committee; 4) Nomination and Compensation Committee's Meetings; 5) Self Development of the Nomination and Compensation Committee;

In summary, the assessment of performance of the whole Nomination and Compensation according to all 5 items resulted in an excellent score of 86%.

10. Assessment Form for Performance of the Nomination and Compensation Committee's Members on an Individual Basis (Self- Assessment) consists of 11 items as follows: 1) Having moral, neutrality, making decisions with information and logic, adhering to the operation by the principles and standards professionally; 2) Showing the opinions in supporting or protesting the recommendation on matters that are important to the business; 3) Devotion of time in working and attending the meetings; 4) Performance of other tasks assigned by the Board of Directors with the approval of the Nomination and Compensation Committee; 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) Knowledge, ability, experience and Specific relating to the Company's business; 8) Consider, select and screen the persons qualified to be Directors of the Company and propose to the Board of Directors in order to further propose to be elected by the meeting of shareholders; 9) 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; 10) To consider the rewards including a recommendation for any salary and benefits presented the Board of Directors. 11) To review a portion, number and an experience of Board of Directors and ensure that the succession plan of important high level executive positions and list of qualified persons is reviewed from time to time.

In summary, the assessment of members of the Nomination and Compensation Committee on an individual basis according to all 11 items resulted in an excellent score of 96%.

5.20 Performance Assessment of the Chief Executive Officer

The company specified a remuneration policy of the Chief Executive Officer, which the Board of Directors are assigned to consider the results of the Company's operation based on indicator (KPI: Key performance Indicator) approved by the meeting of Board of Directors, thereafter the Nomination and Remuneration Committee will consider the results of performance and consider both the short and long-term remuneration of the Chief Executive Officer to comply with the result of performance based on indicators.

There are the criteria for evaluating performance of the Chief Executive Officer which administrate under the mission, vision, strategy of the company, business goals and annual business plans. It is comprised of three measurements following;

1. Finance
2. Business portfolio
3. Internal management

5.21 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 2015, there were 2 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).

5.22 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 2015, 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.

5.23 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 2015, 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

- 1) The Internal Audit Department is an independent unit reporting directly to the Audit Committee.
- 2) The head of Internal Audit Department is the top senior personnel of the Department and report directly to the Audit Committee.
- 3) The head of Internal Audit Department shall propose the Risk - Based Audit Plan to the Audit Committee.
- 4) The head of 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.
- 6) In case of the internal audit performance on any matters or any other performance of the internal audit is necessary to rely on the expertise of specialists, the head of Internal Audit shall present the Audit Committee and the Board of Directors respectively in order to be considered for an invitation or engaged specialists.

3.6 Duties and responsibilities

- 1) To prepare the annual audit plan to the Audit Committee for approval and shall comply with the annual audit plan.
- 2) To review the internal audit charter at least once a year, so that it is consistent with the scope of responsibilities for the operations of the Company and shall be approved by the Audit Committee.
- 3) 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.

- 4) Audit the connected transaction or 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.
- 5) 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.
- 6) Monitor and evaluate the implementation of the jointly discussed conclusions to ensure the audited units have improved the operations as discussed.
- 7) Coordinate with persons involved to facilitate the audit to achieve the goals and to be efficient.
- 8) Assess risks in all processes of the Company relating to measures against corruption and provide appropriate risk management procedures.
- 9) 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.
- 10) To receive corruption complaints and search additional information as assigned by the Audit Committee or the Senior Executive used supporting the consideration.
- 11) 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.Thouphthong Hirunyanulak as the Chief of Internal Audit while holding the position of head of Internal Audit Department since 18 August 2008. Ms. Thouphthong 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.Thouphthong Hirunyanulak has been considered suitable for the position to perform duties as assigned appropriately and sufficiently. The roles and responsibilities of Ms.Thouphthong 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.

5.24 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.

5.25 Auditing Fee

The Company and its subsidiaries paid auditing fee to EY Office Limited as the auditor for the year 2015 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 3,280,000 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 2015**

- 1) The auditing fee for consolidated financial statement and separate financial statement totaling 2,050,000 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 3,280,000 Baht.

- **Non-audit fee**

- None -

5.26 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. 857 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 26 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 13 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 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. 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 point that needs to be improved and the needs include expectations of customers for 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 and qualification 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 2015

Related Company	Relationship	Description of Transaction	Transaction Value (Million Baht)	Opinion of Audit Committee/ Need and Reasonableness
			2015	
1. Durafloor Company Limited <u>Type of Business</u> Selling wall paper and Durafloor tiles	- It has 1 joint Director with SPALI, Dr. Prateep Tangmatitham.	<u>Purchases of Construction Materials</u> SPALI purchases wall paper and durafloor tiles of certain types specified by SPALI. <u>Trade Account Payables</u> Trade account payables arising from purchases of wall paper and durafloor tiles of certain types specified by SPALI.	85.7 26.0	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 tradenegotiation power, without influence as Directors, Executives or related persons.
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. <u>Trade Account Payables</u> It is trade account payables arising from the purchases of roof tiles of certain types specified by SPALI.	94.5 18.6	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 tradenegotiation power, without influence as Directors, Executives or related persons

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 2015 are reliable in all material respects and have been prepared in accordance with Thai Financial Reporting standards and relevant laws and regulations.



(Dr. Prateep Tangmatitham)

Chairman of the Board of Director
Supalai Public Company Limited



SUPALAI PUBLIC COMPANY LIMITED

Financial of Statement •
Note to Consolidated Statement •



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 2015, 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 2015, 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: 23 February 2016

Statement of Financial Position

Supalai Public Company Limited and its subsidiaries
As at 31 December 2015

(Unit : Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Assets					
Current assets					
Cash and cash equivalents	7	797,897,245	661,886,269	612,768,588	509,390,387
Trade and other receivables		10,981,363	8,009,786	-	-
Short-term loans to subsidiaries					
and interest receivables	6	-	-	234,207,896	421,204,878
Current portion of long-term loan to					
subsidiary company and interest receivable	6	-	-	158,655,000	108,645,000
Advance to subsidiary company	6	-	-	3,764,202	3,438,270
Costs of property development projects for sales	8	42,377,624,184	33,600,019,212	39,930,874,724	31,024,960,473
Deposits for land purchase		147,475,320	344,826,248	147,475,320	332,131,423
Advance payment for construction materials		362,583,158	284,441,005	353,632,736	284,441,005
Other current assets		306,586,935	304,969,176	180,694,486	146,112,025
Total current assets		44,003,148,205	35,204,151,696	41,622,072,952	32,830,323,461
Non-current assets					
Long-term loan to subsidiary company, net					
of current portion	6	-	-	465,603,461	466,865,909
Investments in subsidiaries	9	-	-	1,651,294,232	1,270,675,234
Investments in joint ventures	10	440,822,374	231,673,059	-	-
Other long-term investments	11	1,576,130	1,646,195	1,576,130	1,646,195
Investment properties	12	2,159,242,629	1,662,418,126	892,681,363	804,762,872
Property, building and equipment	13	426,452,684	513,710,743	249,878,710	336,343,405
Deferred tax assets	21	204,239,803	342,679,182	171,942,208	295,515,114
Other non-current assets		51,712,111	74,537,490	49,888,473	72,895,653
Total non-current assets		3,284,045,731	2,826,664,795	3,482,864,577	3,248,704,382
Total assets		47,287,193,936	38,030,816,491	45,104,937,529	36,079,027,843

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

Statement of Financial Position

Supalai Public Company Limited and its subsidiaries
As at 31 December 2015

(Unit : Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	14	1,507,946,060	726,027,962	1,507,577,203	725,907,880
Trade and other payables	15	1,734,433,812	1,629,436,330	1,620,047,242	1,529,620,292
Retention guarantees		547,996,527	468,409,687	492,291,031	425,555,659
Deposits and advances received from customers		3,605,482,306	4,492,344,961	3,475,428,003	4,235,155,286
Current portion of long-term loans from banks	16	1,154,015,875	389,568,086	839,032,600	302,603,000
Current portion of debentures	17	1,199,612,191	1,244,911,009	1,199,612,191	1,244,911,009
Income tax payable		430,589,168	576,524,679	412,488,587	547,589,705
Provision for liabilities arising from legal cases	27.3	41,157,000	41,157,000	41,157,000	41,157,000
Other current liabilities		189,538,650	163,863,909	161,959,198	136,377,904
Total current liabilities		10,410,771,589	9,732,243,623	9,749,593,055	9,188,877,735
Non-current liabilities					
Long-term loans from director		330,000	330,000	-	-
Long-term loans from banks, net of current portion	16	3,238,662,840	1,355,671,914	2,991,667,400	1,120,217,000
Debentures, net of current portion	17	13,087,301,241	8,887,847,752	13,087,301,241	8,887,847,752
Provision for long-term employee benefits	18	90,305,905	72,805,037	78,740,576	64,172,900
Other non-current liabilities		9,792,085	4,434,902	9,179,283	3,412,458
Total non-current liabilities		16,426,392,071	10,321,089,605	16,166,888,500	10,075,650,110
Total liabilities		26,837,163,660	20,053,333,228	25,916,481,555	19,264,527,845

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

Statement of Financial Position

Supalai Public Company Limited and its subsidiaries
As at 31 December 2015

(Unit : Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
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		17,223,391,414	14,854,942,214	16,683,895,593	14,309,883,565
Other components of shareholders' equity		41,880,436	4,528,485	(155,312)	(99,260)
Equity attributable to owners of the Company		19,831,453,774	17,425,652,623	19,188,455,974	16,814,499,998
Non-controlling interests of the subsidiaries		618,576,502	551,830,640	-	-
Total shareholders' equity		20,450,030,276	17,977,483,263	19,188,455,974	16,814,499,998
Total liabilities and shareholders' equity		47,287,193,936	38,030,816,491	45,104,937,529	36,079,027,843

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

Income Statement

Supalai Public Company Limited and its subsidiaries
For the year ended 31 December 2015

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Revenues					
Revenue from sales of real estate		20,999,243,869	18,269,948,655	19,402,673,043	17,159,709,488
Revenue from rental and services		364,815,300	321,315,838	120,759,668	104,208,280
Other income		159,105,747	80,124,857	286,341,535	120,527,470
Total revenues		<u>21,523,164,916</u>	<u>18,671,389,350</u>	<u>19,809,774,246</u>	<u>17,384,445,238</u>
Expenses					
Cost of real estate sales		13,107,892,263	10,648,871,921	12,195,928,687	9,996,051,034
Cost of rental and services		224,089,658	196,129,228	74,806,250	63,725,562
Selling expenses		1,263,946,002	1,144,639,363	1,181,055,221	1,091,807,960
Administrative expenses		941,391,402	774,369,905	779,679,900	639,744,133
Reversal allowance for loss on investments in subsidiary company		-	-	(97,911,287)	-
Total expenses		<u>15,537,319,325</u>	<u>12,764,010,417</u>	<u>14,133,558,771</u>	<u>11,791,328,689</u>
Profit before share of loss from investments in joint ventures, finance cost and income tax expenses		5,985,845,591	5,907,378,933	5,676,215,475	5,593,116,549
Share of loss from investments in joint ventures	10	(17,135,456)	-	-	-
Profit before finance cost and income tax expenses		5,968,710,135	5,907,378,933	5,676,215,475	5,593,116,549
Finance cost		(277,020,092)	(185,825,283)	(272,755,670)	(185,295,508)
Profit before income tax expenses		5,691,690,043	5,721,553,650	5,403,459,805	5,407,821,041
Income tax expenses	21	(1,154,540,722)	(1,134,398,858)	(1,050,143,159)	(1,072,506,669)
Profit for the year		<u>4,537,149,321</u>	<u>4,587,154,792</u>	<u>4,353,316,646</u>	<u>4,335,314,372</u>
Profit attributable to:					
Equity holders of the Company		4,348,724,869	4,478,108,250	<u>4,353,316,646</u>	<u>4,335,314,372</u>
Non-controlling interests of the subsidiaries		188,424,452	109,046,542		
		<u>4,537,149,321</u>	<u>4,587,154,792</u>		
Earnings per share	23				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>2.53</u>	<u>2.61</u>	<u>2.54</u>	<u>2.53</u>

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

Statement of Comprehensive Income

Supalai Public Company Limited and its subsidiaries
For the year ended 31 December 2015

		(Unit : Baht)			
Note	Consolidated financial statements		Separate financial statements		
	2015	2014	2015	2014	
Profit for the year	<u>4,537,149,321</u>	<u>4,587,154,792</u>	<u>4,353,316,646</u>	<u>4,335,314,372</u>	
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency	9,605,898	(16,735,841)	-	-	
Gain (loss) on change in value of available-for-sale investments	(70,065)	49,950	(70,065)	49,950	
Less: Income tax effect	<u>21 14,013</u>	<u>(9,990)</u>	<u>14,013</u>	<u>(9,990)</u>	
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	<u>9,549,846</u>	<u>(16,695,881)</u>	<u>(56,052)</u>	<u>39,960</u>	
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss	<u>18 (8,300,332)</u>	<u>-</u>	<u>(6,603,460)</u>	<u>-</u>	
Less: Income tax effect	<u>21 1,660,066</u>	<u>-</u>	<u>1,320,692</u>	<u>-</u>	
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	<u>(6,640,266)</u>	<u>-</u>	<u>(5,282,768)</u>	<u>-</u>	
Other comprehensive income for the year	<u>2,909,580</u>	<u>(16,695,881)</u>	<u>(5,338,820)</u>	<u>39,960</u>	
Total comprehensive income for the year	<u><u>4,540,058,901</u></u>	<u><u>4,570,458,911</u></u>	<u><u>4,347,977,826</u></u>	<u><u>4,335,354,332</u></u>	
Total comprehensive income attributable to:					
Equity holders of the Company	<u>4,352,020,896</u>	<u>4,461,412,369</u>	<u>4,347,977,826</u>	<u>4,335,354,332</u>	
Non-controlling interests of the subsidiaries	<u>188,038,005</u>	<u>109,046,542</u>			
	<u><u>4,540,058,901</u></u>	<u><u>4,570,458,911</u></u>			

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

Statement of Changes in Shareholders' Equity (Continued)

Supalai Public Company Limited and its subsidiaries
For the year ended 31 December 2015

(Unit : Baht)

	Separate financial statements						
	Issued and fully paid-up share capital	Share premium	Treasury share premium	Retained earnings		Other components of equity	Total shareholders' equity
				Appropriated	Unappropriated	Other comprehensive income Deficit on changes in value of available-for-sale investments	
Balance as at 1 January 2014	1,716,553,249	219,417,172	391,745,272	177,000,000	11,261,910,301	(139,220)	13,766,486,774
Profit for the year	-	-	-	-	4,335,314,372	-	4,335,314,372
Other comprehensive income for the year	-	-	-	-	-	39,960	39,960
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
Balance as at 1 January 2015	1,716,553,249	219,417,172	391,745,272	177,000,000	14,309,883,565	(99,260)	16,814,499,998
Profit for the year	-	-	-	-	4,353,316,646	-	4,353,316,646
Other comprehensive income for the year	-	-	-	-	(5,282,768)	(56,052)	(5,338,820)
Total comprehensive income for the year	-	-	-	-	4,348,033,878	(56,052)	4,347,977,826
Dividend paid (Note 26)	-	-	-	-	(1,974,021,850)	-	(1,974,021,850)
Balance as at 31 December 2015	1,716,553,249	219,417,172	391,745,272	177,000,000	16,683,895,593	(155,312)	19,188,455,974

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

Cash Flow Statement

Supalai Public Company Limited and its subsidiaries
For the year ended 31 December 2015

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from operating activities				
Profit before tax	5,691,690,043	5,721,553,650	5,403,459,805	5,407,821,041
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation	127,265,223	112,291,194	62,140,457	53,149,225
Share of loss from investments in joint ventures	17,135,456	-	-	-
Loss on diminution in other long-term investments	-	500,000	-	500,000
Loss (gain) on sales of building and equipment	723,356	(495,256)	(89,767)	723,931
Unrealised loss (gain) on exchange	-	-	(25,724,492)	1,485,428
Reversal of allowance for loss on diminution in project value	(21,116,666)	(887,729)	(126,818)	(887,729)
Reversal of allowance for loss on investments in subsidiary company	-	-	(97,911,287)	-
Reversal of allowance for impairment loss on land building and equipment	(3,429,804)	-	-	-
Amortisation of issuance cost of debentures	5,206,269	3,943,806	5,206,269	3,943,806
Provision for long-term employee benefits	9,200,536	8,444,764	7,964,216	7,314,909
Dividend income	(39,000)	-	(109,135,408)	(14,329,535)
Interest income	(815,141)	(625,197)	(36,512,049)	(41,607,375)
Interest expenses	268,301,259	179,938,433	264,400,771	177,783,094
Profit from operating activities before changes in operating assets and liabilities	6,094,121,531	6,024,663,665	5,473,671,697	5,595,896,795
Operating assets decrease (increase)				
Trade and other receivables	(2,971,577)	2,065,561	-	-
Costs of property development projects for sales	(8,882,401,441)	(6,868,149,429)	(8,650,675,413)	(6,286,746,966)
Other current assets	117,591,015	(118,639,802)	80,821,606	(117,425,362)
Other non-current assets	22,825,379	(5,959,951)	23,007,181	(6,048,884)
Operating liabilities increase (decrease)				
Trade and other payables	101,386,267	(347,895,762)	86,715,875	(329,461,149)
Deposits and advances received from customers	(886,862,655)	(76,482,392)	(759,727,283)	(57,741,342)
Other current liabilities	105,150,368	145,748,354	92,316,665	114,852,856
Other non-current liabilities	5,357,183	(303,169)	5,766,825	(22,178)
Cash flows used in operating activities	(3,325,803,930)	(1,244,952,925)	(3,648,102,847)	(1,086,696,230)
Cash paid for interest expenses	(527,372,765)	(420,141,442)	(514,558,145)	(415,865,143)
Cash paid for corporate income tax	(1,160,362,775)	(968,095,308)	(1,060,336,666)	(897,664,100)
Net cash flows used in operating activities	(5,013,539,470)	(2,633,189,675)	(5,222,997,658)	(2,400,225,473)

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

Cash Flow Statement (Continued)

Supalai Public Company Limited and its subsidiaries
For the year ended 31 December 2015

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from investing activities				
Interest income	815,141	625,197	13,258,894	19,306,080
Increase in investment in subsidiaries	-	-	(282,707,712)	(252,252,550)
Increase in investments in joint ventures	(231,168,412)	(231,943,329)	-	-
Increase in other investment	-	-	-	(270,270)
Decrease (increase) in short-term loan to subsidiaries	-	-	186,950,000	(54,600,000)
Dividend received	39,000	-	109,135,408	14,329,535
Acquisitions of investment properties	(57,974,841)	(21,608,551)	(24,423,443)	(264,872)
Acquisitions of building and equipment	(52,843,122)	(168,651,871)	(39,362,399)	(159,311,413)
Proceeds from sales of building and equipment	349,542	2,021,477	281,356	226,564
Net cash flows used in investing activities	<u>(340,782,692)</u>	<u>(419,557,077)</u>	<u>(36,867,896)</u>	<u>(432,836,926)</u>
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans				
from financial institutions	780,685,977	24,708,342	780,437,203	24,588,260
Cash receipt from long-term loans	17,055,500,000	17,728,889,380	16,337,700,000	17,238,169,380
Repayment of long-term loans	(14,408,061,285)	(19,202,760,390)	(13,929,820,000)	(19,034,460,390)
Proceed from issuance of debentures	5,393,948,402	7,388,280,675	5,393,948,402	7,388,280,675
Cash paid for settlement of debentures	(1,245,000,000)	(1,700,000,000)	(1,245,000,000)	(1,700,000,000)
Dividend paid	(1,974,021,850)	(1,287,341,108)	(1,974,021,850)	(1,287,341,108)
Cash paid for investments in subsidiary	(58,896,942)	-	-	-
Subsidiaries paid dividend for non-controlling				
interest of the subsidiaries	(34,481,883)	(14,395,466)	-	-
Net cash flows from financing activities	<u>5,509,672,419</u>	<u>2,937,381,433</u>	<u>5,363,243,755</u>	<u>2,629,236,817</u>
Translation adjustments	<u>(19,339,281)</u>	<u>(14,460,969)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	136,010,976	(129,826,288)	103,378,201	(203,825,582)
Cash and cash equivalents at beginning of year	661,886,269	791,712,557	509,390,387	713,215,969
Cash and cash equivalents at end of year	<u>797,897,245</u>	<u>661,886,269</u>	<u>612,768,588</u>	<u>509,390,387</u>

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

Note to Consolidated Statement

Supalai Public Company Limited and its subsidiaries
For the year ended 31 December 2015

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 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>2015</u> (Percent)	<u>2014</u> (Percent)
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	56	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	100
Supalai Australia Holdings Pty Ltd (100% held by Supalai Singapore Holdings Pte. Ltd.)	Holdings company	Australia	100	100
Supalai Rippleside Development Pty Ltd (100% held by Supalai Australia Holdings Pty Ltd)	Holdings company	Australia	100	100
Supalai Officer Development Pty Ltd (100% held by Supalai Australia Holdings Pty Ltd)	Holdings company	Australia	100	100
Supalai Greenvale Development Pty Ltd (100% held by Supalai Australia Holdings Pty Ltd)	Holdings company	Australia	100	-

- b) The Company is deemed to have control over an investee or subsidiaries 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.
- c) 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.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

- e) 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.
- f) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- g) 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 present investments in subsidiaries under the cost method.

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 year

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which 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 standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

The Company and its subsidiaries have changed the recognition of actuarial gains and losses in the current period from a gradual recognition in profit or loss to an immediate recognition in other comprehensive income and adjusted the current period's transactions. This change in the accounting policy does not have any impact on the Company's and its subsidiaries' financial statements.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated 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 investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any 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 investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

This standard does not have any impact on the financial statements since the Company and its subsidiaries already apply the equity method to account for the investment in a joint venture.

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 on 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 measurement. 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 effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

(b) Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The management of the Company and its subsidiaries believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

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.

e) 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 available-for-sale 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.
- 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) Investments in joint ventures are accounted for in the consolidated financial statements using the equity method.
- d) Investments in subsidiaries 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 of the investment properties 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 other comprehensive income.

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.

4.18 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

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 costs 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		
	financial statements		financial statements		Transfer pricing policy
	2015	2014	2015	2014	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Rental income	-	-	1	1	Contract price
Interest income	-	-	36	41	3.8 - 4.8 percent per annum (2014: 4.5 - 4.9 percent per annum)
Building management fee	-	-	3	3	Contract price
<u>Transactions with related parties</u>					
Purchases of construction material	193	197	184	192	Close to the purchase price from third parties

As at 31 December 2015 and 2014, the balances of the accounts between the Company, its subsidiaries and those related parties are as follows:

(Unit : Thousand Baht)

Consolidated financial statements		Separate financial statements	
2015	2014	2015	2014

Advance to subsidiary company

(eliminated from the consolidated financial statements)

Supalai Philippines Incorporate	-	-	3,764	3,438
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Trade and other payable - related parties (Note 15)

Related parties (Common director)

Durafloor Co., Ltd.	27,488	18,525	25,999	17,581
Diamond Building Products Public Co., Ltd.	19,016	31,276	18,579	30,485
Total	46,504	49,801	44,578	48,066

Short-term loans to subsidiaries and interest receivables

As at 31 December 2015 and 2014, 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 2014	Increase Decrease	31 December 2015
Supalai Northeast Co., Ltd.	103,226	405,064 (274,082)	234,208
Phuket Estate Co., Ltd.	18,004	367 (18,371)	-
Haadyai Nakarin Co., Ltd.	299,975	2,297 (302,272)	-
Total	421,205	407,728 (594,725)	234,208

Long-term loan to subsidiary company and interest receivable

(Unit : Thousand Baht)

	Separate financial statements	
	<u>2015</u>	<u>2014</u>
Supalai Philippines Incorporate		
Long-term loan to subsidiary company and interest receivable	624,258	575,511
<u>Less</u> Current portion and interest receivable	<u>(158,655)</u>	<u>(108,645)</u>
Long-term loan to subsidiary company, net of current portion	<u>465,603</u>	<u>466,866</u>

Movements in the long-term loan to subsidiary company and interest receivable account during the year ended 31 December 2015 are summarised below.

(Unit : Thousand Baht)

	Separate financial statements			
	31 December	Increase	Unrealised gain	31 December
	<u>2014</u>		<u>on exchange</u>	<u>2015</u>
Supalai Philippines Incorporate	<u>575,511</u>	<u>23,349</u>	<u>25,398</u>	<u>624,258</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 maximum cost of borrowing rate from commercial bank. The loan is repayable within 5 years from the date of loan agreement.

Directors and management's benefits

During the years ended 31 December 2015 and 2014, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Short-term employee benefits	185,369	178,035	138,444	149,656
Post-employment benefits	<u>3,514</u>	<u>3,243</u>	<u>3,035</u>	<u>2,806</u>
Total	<u>188,883</u>	<u>181,278</u>	<u>141,479</u>	<u>152,462</u>

7. Cash and cash equivalents

(Unit : Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash	309,992	199,711	301,834	198,959
Bank deposits	487,905	462,175	310,935	310,431
Total	<u>797,897</u>	<u>661,886</u>	<u>612,769</u>	<u>509,390</u>

8. Costs of property development projects for sales

(Unit : Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	3,905,180	838,371	3,791,945	772,314
Land and construction under development	34,302,720	27,154,905	32,320,342	24,922,018
Land and construction developed	<u>4,189,198</u>	<u>5,647,333</u>	<u>3,823,451</u>	<u>5,335,618</u>
Total	42,397,098	33,640,609	39,935,738	31,029,950
<u>Less</u> Allowance for loss on diminution in project value	<u>(19,474)</u>	<u>(40,590)</u>	<u>(4,863)</u>	<u>(4,990)</u>
Costs of property development projects for sales, net	<u>42,377,624</u>	<u>33,600,019</u>	<u>39,930,875</u>	<u>31,024,960</u>

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	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Borrowing costs included in cost of project development for sales (Million Baht)	269	277	260	270
Capitalisation rate (Percent)	2.8 - 4.8	3.9 - 4.9	2.8 - 4.8	3.9 - 4.9

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 avail promissory notes.

(Unit : Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Net book values	24,446	15,951	22,962	14,931

9. Investments in subsidiaries

9.1 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	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(Million Baht)	(Million Baht)	(Percent)	(Percent)				
Supalai Northeast Co., Ltd.	335	335	99	99	331,325	331,325	66,265	-
Phuket Estate Co., Ltd.	307	307	82	82	255,334	255,334	-	-
Haadyai Nakarin Co., Ltd.	192	192	56	50	164,267	105,370	42,831	14,330
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 Holding Pte. Ltd.	18	10	100	100	476,063	252,252	-	-
	(Million SGD)							
Total					1,684,294	1,401,586	109,096	14,330
<u>Less</u> Allowance for impairment loss of investments					(33,000)	(130,911)		
Investments in subsidiaries, net					1,651,294	1,270,675		

9.1 On 11 August 2015, a meeting of the Company's Board of Directors passed a resolution approving the following.

- a) Approve the establishment Supalai Greenvale Development Pty Ltd in Australia, consisting 7,187,500 ordinary shares, with a par value of AUD 1 each. The Company has additional investment in Supalai Singapore Holdings Pte. Ltd. of Baht 188 million to investing in all ordinary shares of this company.
- b) Approve the purchase of 1,154,842 ordinary shares of Haadyai Nakarin Co., Ltd. from unrelated parties, at Baht 51 per share, or for a total of Baht 59 million. As a result, the Company's shareholding in that company increased from 50 percent to 56 percent. The Company recorded the difference between the net book value of the investment and the purchasing price, amounting to Baht 28 million, under the caption of "Surplus on change in shareholding of subsidiary" in other components of equity.
- c) Approve the additional investments in Supalai Singapore Holdings Pte. Ltd. of Baht 33 million to investing in the joint ventures in Australia.

9.2 Details of investments in subsidiary that have material non-controlling interests

(Unit : Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2015	2014	2015	2014	2015	2014	2015	2014
	(Percent)	(Percent)						
Haadyai Nakarin Company Limited	44	50	597	540	184	107	34	14

9.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling

Summarised information about financial position

(Unit : Million Baht)

	Haadyai Nakarin Company Limited	
	2015	2014
Current assets	1,292	1,723
Non-current assets	522	115
Current liabilities	454	702
Non-current liabilities	4	75

Summarised information about comprehensive income

(Unit : Million Baht)

	For the year ended 31 December	
	Haadyai Nakarin Company Limited	
	2015	2014
Revenue	1,402	733
Profit	372	213
Other comprehensive income	(1)	-
Total comprehensive income	371	213

Summarised information about cash flow

(Unit : Million Baht)

	For the year ended 31 December	
	Haadyai Nakarin Company Limited	
	2015	2014
Cash flow from (used in) operating activities	277	(335)
Cash flow used in investing activities	(34)	(23)
Cash flow from (used in) financing activities	(276)	394
Net increase (decrease) in cash and cash equivalents	(33)	36

10. Investments in joint ventures

10.1 Details of 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)

Joint ventures	Nature of business	Consolidated financial statements					
		Shareholding percentage		Cost		Carrying amounts based on equity method	
		2015 (Percent)	2014 (Percent)	2015	2014	2015	2014
The Satterley Officer Joint Venture	Property development	25	25	119,976	87,122	115,604	87,122
The Rippleside Development Joint Venture	Property development	50	50	153,952	144,551	143,869	144,551
The Satterley Greenvale Joint Venture	Property development	25	-	188,913	-	186,233	-
Translation adjustment				-	-	(4,884)	-
Total				462,841	231,673	440,822	231,673

On 11 August 2015, the meeting of the Company's Board of Director passed a resolution to approve the investment of Supalai Greenvate Development Pty Ltd in The Satterley Greenvate Joint Venture, incorporate in Australia, with shareholding percentage of 25 percent.

10.2 Share of loss

During the periods, the Company has recognised its share of loss from investments in joint ventures in the consolidated financial statements as follows:

(Unit : Thousand Baht)

Joint ventures	Consolidated financial statements	
	Share of loss from investments in joint ventures during the year	
	2015	2014
The Satterley Officer Joint Venture	(4,372)	-
The Rippleside Development Joint Venture	(10,083)	-
The Satterley Greenvale Joint Venture	(2,680)	-
Total	(17,135)	-

10.3 Summarised financial information about material joint ventures

Summarised information about financial position

(Unit : Million Baht)

	The Satterley Officer Joint Venture		The Rippleside Development Joint Venture		The Satterley Greenvale Development Joint Venture	
	2015	2014	2015	2014	2015	2014
Current assets	1,485	1,460	308	280	2,464	-
Non-current assets	4	-	-	-	-	-
Current liabilities	(960)	(1,121)	(26)	-	(1,483)	-
Other non-current liabilities	(74)	-	-	-	(236)	-
Net assets	455	339	282	280	745	-
Shareholding percentage (%)	25	25	50	50	25	-
Carrying amounts of joint ventures based on equity method	114	87	141	145	186	-

Summarised information about comprehensive income

(Unit : Million Baht)

	For the year ended 31 December					
	The Satterley Officer		The Rippleside		The Satterley	
	Joint Venture		Development		Greenvale Development	
	Joint Venture		Joint Venture		Joint Venture	
	2015	2014	2015	2014	2015	2014
Revenue	250	-	-	-	-	-
Losses	(17)	-	(20)	-	(11)	-
Other comprehensive income	(7)	-	(6)	-	-	-
Total comprehensive income	(24)	-	(36)	-	(11)	-

11. Other long-term investments

(Unit : Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Shareholding			Shareholding		
	percentage	2015	2014	percentage	2015	2014
	(Percent)			(Percent)		
Investments in unit trusts						
Unit trusts in mutual funds		500	500		500	500
Unrealised loss on changes in value of investments		(194)	(124)		(194)	(124)
Fair value		306	376		306	376
Investments in other companies						
Samakki Cement Co., Ltd.	0.54	2,270	2,270	0.54	2,270	2,270
Southern Hill Co., Ltd.	0.22	1,500	1,500	-	-	-
Total		3,770	3,770		2,270	2,270
<u>Less</u> Allowance for impairment loss of investments		(2,500)	(2,500)		(1,000)	(1,000)
Investments in other companies, net		1,270	1,270		1,270	1,270
Other long-term investments, net		1,576	1,646		1,576	1,646

12. Investment properties

The net book value of investment properties as at 31 December 2015 and 2014 is presented below.

(Unit : Thousand Baht)

	Consolidated financial statements		
	Land held for development	Land, building and office building for rent	Total
31 December 2015			
Cost	7,981	2,557,072	2,565,053
<u>Less</u> Accumulated depreciation	-	(405,810)	(405,810)
Net book value	7,981	2,151,262	2,159,243
31 December 2014			
Cost	7,981	1,972,802	1,980,783
<u>Less</u> Accumulated depreciation	-	(318,365)	(318,365)
Net book value	7,981	1,654,437	1,662,418

(Unit : Thousand Baht)

	Separate financial statements		
	Land held for development	Land, building and office building for rent	Total
31 December 2015			
Cost	7,981	1,199,383	1,207,364
<u>Less</u> Accumulated depreciation	-	(314,683)	(314,683)
Net book value	7,981	884,700	892,681
31 December 2014			
Cost	7,981	1,080,128	1,088,109
<u>Less</u> Accumulated depreciation	-	(283,346)	(283,346)
Net book value	7,981	796,782	804,763

A reconciliation of the net book value of investment properties for the years 2015 and 2014 is presented below.

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Net book value at beginning of year	1,662,418	1,716,424	804,763	834,439
Acquisition of assets during the year	57,975	21,609	24,423	265
Transfer from costs of property development projects for sales, net book value	389,841	-	-	-
Transfer from property, building and equipment, net book value	94,832	-	94,832	-
Transfer during the year	-	(1,596)	-	(1,596)
Depreciation charged	(79,652)	(71,744)	(31,337)	(28,345)
Translation adjustment	33,829	(2,275)	-	-
Net book value at end of year	2,159,243	1,662,418	892,681	804,763

The fair value of the investment properties as at 31 December 2015 and 2014 is stated below.

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Land held for development	13,500	13,500	13,500	13,500
Land, building and office building for rent	3,706,534	2,995,493	1,578,607	1,608,355

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 which is the fair value measurement level 3 based on the fair value hierarchy. Key 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	
	2015	2014	2015	2014
Net book values	24	30	8	8

(Unit: Thousand Baht)

Consolidated financial statements								
	Land and land improvement	Building	Building improvements and structures	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Building under construction	Total
Cost:								
31 December 2014	102,914	331,061	174,151	66,304	144,028	71,556	110,952	1,000,966
Additions	-	2,489	10,443	3,370	21,024	15,517	-	52,843
Disposals/write-offs	(843)	-	(71)	(1,032)	(7,476)	(882)	-	(10,304)
Transfers	-	16,093	27	-	-	-	(16,120)	-
Transfer to investment properties	-	-	(5,025)	-	-	-	(94,832)	(99,857)
Transfer to costs of property development projects for sales	-	-	-	-	(21)	-	-	(21)
31 December 2015	102,071	349,643	179,525	68,642	157,555	86,191	-	943,627
Accumulated depreciation:								
31 December 2014	-	127,147	133,316	52,587	108,520	53,884	-	475,454
Depreciation for the year	-	13,582	6,362	4,600	15,573	7,496	-	47,613
Depreciation on disposals/write-offs	-	-	(71)	(989)	(7,289)	(882)	-	(9,231)
Transfer to investment properties	-	-	(5,025)	-	-	-	-	(5,025)
Transfer to costs of property development projects for sales	-	-	-	-	(8)	-	-	(8)
31 December 2015	-	140,729	134,582	56,198	116,796	60,498	-	508,803
Allowance for impairment loss:								
31 December 2014	11,801	-	-	-	-	-	-	11,801
Decrease during the year	(3,430)	-	-	-	-	-	-	(3,430)
31 December 2015	8,371	-	-	-	-	-	-	8,371
Net book value:								
31 December 2014	91,113	203,914	40,835	13,717	35,508	17,672	110,952	513,711
31 December 2015	93,700	208,914	44,943	12,444	40,759	25,693	-	426,453
Depreciation for the year								
2015 (Baht 11 million included in cost of rental and services, and the balance in administrative expenses)								47,613

(Unit : Thousand Baht)

	Separate financial statements					
	Land and land improvement	Building	Building improvements and structures	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles
						Building under construction
						Total
Cost:						
1 January 2014	43,941	151,733	39,306	9,864	95,048	52,472
Additions	-	-	31,593	1,732	16,177	3,101
Disposals/write-offs	-	-	(1,082)	(1,436)	(1,898)	(776)
Transfers	-	(271)	-	-	-	-
31 December 2014	43,941	151,462	69,817	10,160	109,327	54,797
Accumulated depreciation:						
1 January 2014	-	40,364	30,631	6,745	69,302	38,137
Depreciation for the year	-	5,357	2,516	1,040	11,545	4,346
Depreciation on disposals/ write-offs	-	-	(1,073)	(767)	(1,825)	(576)
31 December 2014	-	45,721	32,074	7,018	79,022	41,907
Allowance for impairment loss:						
1 January 2014	8,371	-	-	-	-	-
31 December 2014	8,371	-	-	-	-	-
Net book value:						
1 January 2014	35,570	111,369	8,675	3,119	25,746	14,335
31 December 2014	35,570	105,741	37,743	3,142	30,305	12,890
Depreciation for the year						
2014 (Baht 1 million included in cost of rental and services, and the balance in administrative expenses)						
						24,804

	Separate financial statements					
	Land and land improvement	Building improvements and structures	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Building under construction
Cost:						Total
31 December 2014	43,941	151,462	69,817	109,327	54,797	550,456
Additions	-	2,294	4,195	18,232	13,662	39,362
Disposals/write-offs	-	(71)	(229)	(6,719)	(7)	(7,026)
Transfers	-	16,093	27	-	-	-
Transfer to investment properties	-	-	-	-	-	(94,832)
31 December 2015	43,941	169,849	73,968	120,840	68,452	487,960
Accumulated depreciation:						
31 December 2014	-	45,721	32,074	79,022	41,907	205,742
Depreciation for the year	-	5,840	4,845	13,517	5,485	30,804
Depreciation on disposals/ write-offs	-	-	(71)	(6,533)	(8)	(6,836)
31 December 2015	-	51,561	36,848	86,006	47,384	229,710
Allowance for impairment loss:						
31 December 2014	8,371	-	-	-	-	8,371
31 December 2015	8,371	-	-	-	-	8,371
Net book value:						
31 December 2014	35,570	105,741	37,743	30,305	12,890	336,343
31 December 2015	35,570	118,288	37,120	34,834	21,068	249,879
Depreciation for the year						
2015 (Bart 2 million included in cost of rental and services, and the balance in administrative expenses)						30,804

2015 (Baht 2 million included in cost of rental and services, and the balance in administrative expenses)

As at 31 December 2015 and 2014, certain items of building and equipment items of the Company and its subsidiaries were fully depreciated but are still in use, which are summarised below.

	(Unit : Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss	313	298	118	100

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	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Net book values	4	4	2	2

14. Bank overdrafts and short-term loans from financial institutions

		(Unit : Thousand Baht)			
	Interest rate as reference to/ based on	Consolidated		Separate	
		financial statements		financial statements	
		<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(Percent per annum)				
Bank overdrafts	MOR	15,275	34,589	14,906	34,469
Bills of exchange	1.69 - 2.57	1,492,671	691,439	1,492,671	691,439
Total		<u>1,507,946</u>	<u>726,028</u>	<u>1,507,577</u>	<u>725,908</u>

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 financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Trade payables				
Related parties (Note 6)	46,504	49,801	44,578	48,066
Unrelated parties	1,353,825	1,272,448	1,295,825	1,210,336
Accrued expenses	334,105	307,187	279,644	271,218
Total trade and other payables	<u>1,734,434</u>	<u>1,629,436</u>	<u>1,620,047</u>	<u>1,529,620</u>

16. Long-term loans from banks

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Long-term loans from banks	4,392,679	1,745,240	3,830,700	1,422,820
<u>Less</u> Current portion	<u>(1,154,016)</u>	<u>(389,568)</u>	<u>(839,033)</u>	<u>(302,603)</u>
Long-term loans from banks, net	<u>3,238,663</u>	<u>1,355,672</u>	<u>2,991,667</u>	<u>1,120,217</u>

Movements in the long-term loan account during the years ended 31 December 2015 and 2014 were summarised below.

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Balance at beginning of year	1,745,240	3,219,111	1,422,820	3,219,111
<u>Add</u> Additional borrowings	<u>17,055,500</u>	<u>17,728,889</u>	<u>16,337,700</u>	<u>17,238,169</u>
<u>Less</u> Repayment	<u>(14,408,061)</u>	<u>(19,202,760)</u>	<u>(13,929,820)</u>	<u>(19,034,460)</u>
Balance at end of year	<u>4,392,679</u>	<u>1,745,240</u>	<u>3,830,700</u>	<u>1,422,820</u>

These loans carry interest based on MLR, MMR or BIBOR. 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 project land of the Company and its subsidiaries, 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 and the maintenance of a certain debt to equity ratio.

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 financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Long-term credit facilities which have not yet been drawn down	25,774	20,636	25,284	19,775

17. Debentures

(Unit : Thousand Baht)									
Consolidated financial statements / Separate financial statements									

[illegible]

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, was as follows:

(Unit : Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Provision for long-term employee benefits at beginning of year	72,805	64,360	64,173	56,858
Included in profit and loss:				
Current service cost	6,293	5,870	5,397	5,041
Interest cost	2,908	2,575	2,567	2,274
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	417	-	-	-
Financial assumptions changes	11,921	-	10,733	-
Experience adjustments	(4,038)	-	(4,129)	-
Provision for long-term employee benefits at end of year	<u>90,306</u>	<u>72,805</u>	<u>78,741</u>	<u>64,173</u>

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

(Unit : Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cost of sales and cost of rental and services	2,600	2,379	2,035	1,860
Selling and administrative expenses	6,601	6,066	5,929	5,455
Total expenses recognised in profit or loss	<u>9,201</u>	<u>8,445</u>	<u>7,964</u>	<u>7,315</u>

The Company and its subsidiaries expect to pay Baht 2 million of long-term employee benefits during the next year (Separate financial statements: Baht 1 million).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 10 years (Separate financial statements: 10 years) (2014: 8 years, separate financial statements: 8 years).

Significant actuarial assumptions are summarised below:

	Consolidated financial statements		Separate financial statements	
	<u>2015</u> (Percent per annum)	<u>2014</u> (Percent per annum)	<u>2015</u> (Percent per annum)	<u>2014</u> (Percent per annum)
Discount rate	3	4	3	4
Salary increase rate	5 - 7	5 - 7	7	7
Turnover rate (depending on age of employee)	0 - 40	0 - 40	0 - 40	0 - 40

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below:

(Unit : Million Baht)

	Consolidated financial statements		Separate financial statements	
	Increase 0.5 percent	Decrease 0.5 percent	Increase 0.5 percent	Decrease 0.5 percent
Discount rate	(4)	5	(4)	4
Salary increase rate	5	(4)	4	(4)

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 financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Purchase of land and payment of construction during the year	21,886	17,786	21,102	16,549
Changes in cost of property development project for sales	(8,778)	(7,137)	(8,906)	(6,553)
Salaries and other benefits	532	471	400	364
Depreciation	127	112	62	53
Advertising and promotion expenses	453	405	434	396
Transfer fee and specific business tax	809	737	746	696

21. Income tax

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current income tax:				
Current income tax charge	1,014,866	1,054,353	925,674	987,529
Adjustment in respect of income tax of previous year	(439)	(38)	(439)	(8)
Deferred tax:				
Relating to origination and reversal of temporary differences	140,114	80,084	124,908	84,986
Income tax expense reported in the income statement	<u>1,154,541</u>	<u>1,134,399</u>	<u>1,050,143</u>	<u>1,072,507</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Actuarial losses	(1,660)	-	(1,321)	-
Deferred tax on gain (loss) from the change in value of available-for-sale investments	(14)	10	(14)	10
Tax expenses (income) reported in the other comprehensive income	<u>(1,674)</u>	<u>10</u>	<u>(1,335)</u>	<u>10</u>

The reconciliation between accounting profit and income tax expenses is shown below.

(Unit : Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Accounting profit before tax	5,691,690	5,721,554	5,403,460	5,407,821
Applicable tax rate	17%, 20%, 30%	17%, 20%, 30%	20%	20%
Accounting profit before tax multiplied by income tax rate	1,132,029	1,141,289	1,080,692	1,081,564
Adjustment in respect of income tax of previous year	(439)	(38)	(439)	(8)
Effects of:				
Additional taxable income	16,843	749	16,843	749
Tax-exempt income	(4,652)	(6,813)	(25,480)	(9,679)
Additional deductible expenses	(197)	(635)	(19,778)	(635)
Non-deductible expenses	1,225	467	1,026	317
Others	8,732	(620)	(2,721)	199
Total	22,951	(6,852)	(30,110)	(9,049)
Income tax expenses reported in the income statement	1,154,541	1,134,399	1,050,143	1,072,507

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit : Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Deferred tax assets (liabilities)				
Allowance for loss on diminution in project value	3,895	8,118	973	998
Allowance for impairment loss of investments in subsidiary	-	-	6,600	-
Allowance for impairment loss of land deposits	-	10,000	-	10,000
Unearned revenues	151,331	286,546	144,386	267,438
Provision for liabilities arising from legal cases	8,231	8,231	8,231	8,231
Provision for long-term employee benefits	18,061	14,561	15,748	12,835
Loss brought forward	23,147	15,639	-	-
Others	(3,696)	(3,687)	(3,996)	(3,987)
Effect on elimination of intercompany transactions	3,271	3,271	-	-
Total	204,240	342,679	171,942	295,515

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 2015, revenue from the promoted activities amounted to Baht 106 million (2014: Baht 207 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 presents revenue, profit and total assets information regarding the Company's and its subsidiaries' operating segments for the years ended 31 December 2015 and 2014, respectively.

[illegible]

(Unit : Million Baht)

	Real estate business		Hotel business and management		Elimination of inter-segment		Consolidation	
	2015	2014	2015	2014	2015	2014	2015	2014
Investment properties	2,189	1,693	-	-	(30)	(31)	2,159	1,662
Property, building and equipment	255	341	142	143	29	30	426	514
Other assets	48,126	38,547	78	81	(3,502)	(2,773)	44,702	35,855
Total assets	50,570	40,581	220	224	(3,503)	(2,774)	47,287	38,031

Geographical information

Revenue from external customers is based on locations of the customers.

	(Unit : Million Baht)	
	2015	2014
Revenue from external customers		
Thailand	21,294	18,529
Philippines	70	62
Total	21,364	18,591
Non - Current assets (Other than deferred tax assets)		
Thailand	1,830	1,456
Philippines	787	796
Australia	463	232
Total	3,080	2,484

Major customers

For the years 2015 and 2014, 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 (2014: 3 - 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. The contributed for the year 2015 amounting to approximately Baht 15 million (2014: Baht 13 million) were recognised as expenses.

26. Dividends

Dividends	Approved by	Dated	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2014	Annual General Meeting of the shareholders	22 April 2015	1,115,754	0.65
Interim dividends for 2015	Board of Directors' meeting	11 August 2015	858,268	0.50
Total for 2015			1,974,022	1.15
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

27. Commitments and contingent liabilities

27.1 Capital commitments

As at 31 December 2015 and 2014, the Company and its subsidiaries had outstanding commitments as followings:

	(Unit : Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Project construction contracts	8,615	6,026	8,448	5,564
Land purchase contracts	1,054	3,083	1,054	2,988

27.2 Guarantees

As at 31 December 2015 and 2014, 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 financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Guarantee utility usage	833	780	737	713
Guarantee trade creditors	23	23	23	23
Guarantee purchasing of land	-	38	-	38
	<u>856</u>	<u>841</u>	<u>760</u>	<u>774</u>

27.3 Litigation

The Company has been sued for a total of approximately Baht 140 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.

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	- Bank overdrafts and short-term loans from financial institutions
- Trade and other receivables	- Trade and other payables
- Short-term loans to subsidiaries	- Debentures
- Long-term loan 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 and other receivables, short-term loans to subsidiaries and long-term loan to subsidiary company. 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 trade and other receivables, short-term loans to subsidiaries and long-term loan to subsidiary company 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, short-term loans, debentures and long-term borrowings. Most of the financial assets and liabilities of the Company and its subsidiaries bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities as at 31 December 2015 and 2014 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 2015					
	Fixed interest rates		Floating	Non-interest	Total	Effective
	within	within				interest rate per
	1 year	2 - 5 years	interest rate	bearing		annum
						(Percent)
Financial assets						
Cash and cash equivalents	-	-	319	479	798	0.10 - 1.00
Trade and other receivables	-	-	-	11	11	-
	-	-	319	490	809	
Financial liabilities						
Overdrafts and short-term loans						Rate reference
from financial institutions	1,493	-	15	-	1,508	to MOR and
						1.69 - 1.75
Long-term loan from banks	-	-	4,393	-	4,393	Rate reference to
Trade and other payables	-	-	-	1,734	1,734	MLR, MMR and
Debentures	1,200	13,087	-	-	14,287	BIBOR
	2,693	13,087	4,408	1,734	21,922	2.62 - 4.12

(Unit : Million Baht)

Consolidated financial statements					
31 December 2014					
Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective 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 from financial institutions	691	-	35	-	726	Rate reference to MOR and 2.57
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)

Separate financial statements					
31 December 2015					
Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate per annum (Percent)
within 1 year	within 2 - 5 years				

Financial assets

Cash and cash equivalents	-	-	140	473	613	0.10 - 0.75
Short-term loans to subsidiaries	-	-	234	-	234	3.80 - 4.81
Long-term loan to subsidiary company	-	-	624	-	624	3.80 - 4.44
	-	-	998	473	1,471	

Financial liabilities

Overdrafts and short-term loans from financial institutions	1,493	-	15	-	1,508	Rate reference to MOR and 1.69 - 1.75
Long-term loans from banks	-	-	3,831	-	3,831	Rate reference to MLR, MMR and BIBOR
Trade and other payables	-	-	-	1,620	1,620	-
Debentures	1,200	13,087	-	-	14,287	2.62 - 4.12
	2,693	13,087	3,846	1,620	21,246	

(Unit : Million Baht)

(Unit : Million Baht)

Separate financial statements						
31 December 2014						
Fixed interest rates						Effective
within 1 year	within 2 - 5 years	Floating interest rate	Non-interest bearing	Total		interest rate per annum (Percent)
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 from financial institutions	691	-	35	-	726	Rate reference to MOR 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	

28.2 Fair values of financial instruments

The estimated fair value of financial instruments, in comparison with the related amounts carried in the statement of financial position, is as follows:

(Unit : Million Baht)

Consolidated financial statements				
As at 31 December 2015			As at 31 December 2014	
Carrying amount	Fair value		Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	798	798	662	662
Trade and other receivables	11	11	8	8
Financial liabilities				
Overdrafts and short-term loans from financial institutions	1,508	1,508	726	726
Long-term loans from banks	4,393	4,393	1,745	1,745
Trade and other payables	1,734	1,734	1,629	1,629
Debentures	14,287	14,558	10,133	10,254

(Unit : Million Baht)

	Separate financial statements			
	As at 31 December 2015		As at 31 December 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	613	613	509	509
Short-term loans to subsidiaries	234	234	421	421
Long-term loan to subsidiary company	624	624	576	576
Financial liabilities				
Overdrafts and short-term loans from financial institutions	1,508	1,508	726	726
Long-term loans from banks	3,831	3,831	1,423	1,423
Trade and other payables	1,620	1,620	1,530	1,530
Debentures	14,287	14,558	10,133	10,254

- a) For financial assets and liabilities which have short-term maturity, including cash and cash at banks, trade and other receivables, loan to subsidiaries, trade and other payable and bank overdrafts and short-term loan from financial institutions.
- b) For long-term loans to subsidiary company, carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.
- c) For long-term loans from banks carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.
- d) For fixed rate debentures, the fair value is determined by using the yield curve as announced by the Thai Bond Market Association which is the fair value measurement level 2 based on the fair value hierarchy.

During the current period, there was no transfer within the fair value hierarchy.

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 maximise shareholder value.

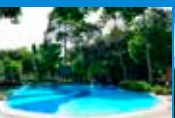
As at 31 December 2015 and 2014, the Group's debt-to-equity ratio, was summarised below.

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Debt-to-equity ratio	1.31:1	1.12:1	1.35:1	1.15:1

30. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2016.

Supalai Quality Project

							
Supalai Riva Grande	Supalai Elite @ Phaya Thai	Supalai Elite @ Surawong	Supalai Wellington	Supalai Wellington II	Supalai Lite @ Ratchada - Narathivas - Sathorn	Supalai Veranda Ratchavipha - Prachachuen	Supalai Veranda Rattanaethibet
							
Supalai Loft Chaeng Watthana	Supalai Loft @ Talat Phlu Station	Supalai Loft @ Khaerai Station	Supalai Cufe Ratchayothin - Phaholyothin 34	Supalai Vista @ Tiwanon Intersection	Supalai Vista @ Pakkred Intersection	Supalai Park Srinakarin	Supalai City Resort Phra Nang Klao Station - Chao Phraya
							
Supalai City Resort Chaeng Watthana	City Home @ Srinakarin	Supalai Grand Tower	Supalai Prima Villa Phutthamonthon Sai 3	Supalai Prima Villa Phaholyothin 50	Supalai Montara Pinklao - Phutthamonthon Sai 1	Supalai Suanluang	Supalai Orchid Park Outer Ring Road - Rama 2
							
Supalai Park Ville Romklao - Suvarnabhumi	Supalai Park Ville Outer Ring - Ratchaphruek	Supalai Garden Ville Prachautit - Suksawat	Supalai Garden Ville Suvarnabhumi	Supalai Garden Ville Srinakarin - Bangna	Supalai Garden Ville New Krungthepkriitha-Motorway	Supalai Garden Ville Outer Ring - Lamlukka Klong 3	Supalai Garden Ville Outer Ring - Lamlukka Klong 5
							
Supalai Ville Outer Ring Road Pinklao - Nakorn in	Supalai Ville Bangkok - Pathumthani	Supalai Ville Rangsit Klong 2	Supalai Ville Outer Ring - Lamlukka Klong 3	Supalai Ville Outer Ring - Lumlukka Klong 5	Supalai Ville Sri Samarn - Pathumthani	Supalai Ville Onnuj-Suanluang	Supalai Ville Outer Ring Road - Rama II
							
Supalai Pride Bangna - Ring Road	Supalai Bella Kingkaeo - Srinakarin	Supalai Bella Outer Ring Road - Rama II	Supalai Bella Outer Ring Road Pinklao - Rama V	Supalai Bella Rangsit Klong 2	Supalai Bella Outer Ring - Lamlukka Klong 4	Supalai Primo Nakorn in - Rama 5	Novo Ville Outer Ring - Bangyai
							
Novo Ville Lamlukka Klong 2	Novo Ville Outer Ring - Lamlukka Klong 5	Novo Ville Bangkok - Pathumthani	Supalai Mare @ Pattaya	Supalai Vista @ Si Racha-Laem chabang Port Intersection	Supalai Park Ville Sriracha	Supalai Garden Ville Bangsaen	Supalai Ville Theprasit 8
							
Supalai Ville Chonburi	Supalai City Resort @ Rayong	Supalai Park Ville Rayong	Supalai Monte @ Viang Chiang Mai	Supalai Monte II Chiang Mai	Supalai Park Ville Chaugpuak Chiang Mai	Supalai Garden Ville Outer Ring Road - San Kam Phoenng Chiang Mai	Supalai Ville Chatana - Ruamchoke Chiang Mai
							
Supalai Moda Chiang Mai	Supalai Park Ville Nittayo Udonthani	Supalai Garden Ville Udonthani	Supalai Ville Mitraparp - Banchan Udonthani	Supalai Ville Ubonratchathani	Supalai Moda Ubonratchathani	Novo Ville Suranaree Nakornrathasima	Supalai Vista Phuket
							
Supalai Park @ Downtown Phuket	Supalai Park @ Phuket City	Supalai Lagoon Phuket	Supalai Lagoon Condo	Supalai Garden Ville Phuket	Supalai Ville Phuket	Supalai Essence Phuket	Supalai Garden Ville Surattani
							
Supalai Ville Surattani	Supalai Royal River Khonkaen	Supalai Park Ville Srirach 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	Palm Springs 10	Supalai Pasak Resort Hotel & Spa, Saraburi	Supalai Resort & Spa Phuket			



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