



ANNUAL REPORT 2016

SUPALAI PUBLIC COMPANY LIMITED

รายงานประจำปี 2559 บริษัท ศุภาลัย จำกัด (มหาชน)

SUPALAI...WE CARE FOR THAI SOCIETY





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Vision, Mission, Organization's Values, Management Philosophy, Organizational Culture and Good Corporate Governance Motto



Vision

Leader in Real Estate Development Innovations and Value-added Creation

Mission

Create & Develop Innovations for Outstanding Performance and Sustainable Growth

Organization's values

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



Management Philosophy

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

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

Organizational Culture

- S (SENIORITY)** : Cooperate and assist one another in a way that the senior employees teach younger ones
- P (PLAN)** : Establish a plan and a clear target
- A (ATTITUDE)** : Have a positive attitude and sacrifice personal interests for the common good or benefit of others, and not being selfish
- L (LEGAL AND REGULATION)** : Comply with applicable laws, rules and regulations as well as requirements for each operational stage of the Company's ISO systems
- I (INTEGRITY)** : Be honest and adhere to moral standards. Never take advantage of customers and colleagues

Good Corporate Governance Motto

- G (Good)** : To think good, speak good and do good is the foundation of positive thinking, which can be applied to work and to solve problems. This also helps reduce conflicts while enhancing smooth and successful interpersonal communication
- R (Responsibility)** :
 - Act consciously
 - Operate business with determination and dedication with all our ability
 - Always learn to enhance capabilities
- E (Equitable Treatment & Ethics)** :
 - Treat all relevant parties equally
 - Adhere to moral standards and conduct business with fairness
 - Give priority to all stakeholders
 - Treat stakeholders equally regardless of gender, age, race, nationality, religion, belief, and political opinion
- A (Accountability)** :
 - Fulfill duties with utmost attention
 - Be consciously aware of and carry out our tasks cautiously
 - Bravely accept the consequences of our actions
 - Adhere to and abide by applicable laws, rules and regulations
- T (Transparency)** :
 - Operate business with transparency, disclosure of information and accountability
 - Be determined to conduct business with honest intention
 - All pieces of evidence and references can be traceable and accountable

General Information And Announcement



Supalai Public Company Limited

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

Registration Number 0107535000303

Telephone 0-2725-8888

Fax 0-2683-2177

Homepage **Website :** www.supalai.com

E-mail : ir_spali@supalai.com

Registered Capital 1,770,000,000 Baht

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

Company Secretary Mrs.Varunee Lapitananuvat

Telephone 0-2683-2228

Fax 0-2683-2177

E-mail varunee.lap@supalai.com

The Annual General Shareholders' Meeting of year 2017

April 21, 2017 at 2.30 p.m.

at Supalai Grand Tower Building at Meeting Room,

33rd Floor, 1011 Rama III Road, Chongnonsee Subdistrict District, Yannawa District, Bangkok 10120.

Dividend Payment : 1.05 Baht per share

Interim Dividend : 0.50 Baht per share

The Dividend for the Second-half-year Operations : 0.55 Baht per share

Dividend Payment Date : 09 May 2017

Chairman of the Board's Statement



Dear Shareholders

In 2016, despite the fact that the government has implemented property measures such as reducing transfer fees and mortgage fees during the first 4 months of the year, coupling with low interest rate, a steady of construction costs as well as investments in railway infrastructure especially electrical trains that becomes clearer, Thai economy has been affected by various factors both internally and externally. Financial institutions remain strict on granting mortgage loans as can be seen in increasing mortgage application rejection for the group of middle-low level houses. Consequently, it impacted on the housing market which results in the decreasing of many companies' growth rate.

However, the Company and its subsidiaries could increase sales from the previous year of Baht 23,069 million to Baht 24,132 million. This was

divided into 47% of condominiums and 53% of landed property. The Company and its subsidiaries launched new projects consisted of 16 landed property projects and 5 condominium projects. Accordingly, there has been total revenues of Baht 23,492 million which grew in line with sales, a net profit of Baht 4,887 million, the gearing ratio of approximately 87% and the average rate cost of fund of 3.1% per year with the asset growth of 9.3% and the shareholders' equity growth of 15.5%. The Company continued to maintain its credit rating from international rating agency, TRIS at the level of A / Stable.

Currently, Supalai Group of companies has developed approximately 127 projects in Bangkok and its adjacent areas including major provinces, worth over Baht 154,500 million, and a sale backlog of around Baht 36,496 million to be recognized as revenue. These housings both in Bangkok and adjacent areas are ready for sale and they are expected to be transferred of ownership and could be recognized as income continually within the next 3 years.

The Company continues focusing on caring and developing the society to live with warmth and safety which comply with a mission of the Company, that is, "Create & Develop Innovations for Outstanding Performance with Sustainable Growth". In addition, the Company has launched a concept of "Beautiful Garden-Happy Home," to introduce green edible area to Thai society in order to inspire the society to grow vegetables at home or in condominium. It focuses on establishing family ties as well as following the royal initiatives on the philosophy of sufficiency economy.

Throughout the past years, the Company won many awards that represented the potential of management, transparency, good governance, social responsibility as well as a leader in development excellent quality of product which were the proud to create good thing to happen in society. The awards of our pride this year are shown below.

- **Awards demonstrating efficiency in the Company's management.** The company has been selected by the Stock Exchange of Thailand to be under a list of **Thailand Sustainability Investment (THSI) for year 2016**. The Company has won the award for two consecutive years, and also received the **"Investors' Choice Award"** given by the Investors Association of Thailand in cooperation with The Stock Exchange of Thailand, The Securities and Exchange Commission (SEC) and the Thailand Federal Capital Market. The company is one of 47 companies that can maintain an excellent full evaluation score in holding shareholders' meeting for 4 years (2013-2016) consecutively.
- **Awards representing transparency and good governance.** The company has been awarded with **"Excellent Workplace"** from the Social Security Office to honor the Company on the occasion that Supalai Public Company Limited is a workplace of excellence that fully complies with the established law. Additionally, the Company also received an **excellent score on CG for 4 consecutive years**.
- **Awards showing social responsibility.** The Company has been awarded with **"Certificate of ESG100 Company" for 2016** given by ESG Rating of Thaipat Institute, and has been selected as one of the top 100 listed companies with an outstanding operation on sustainability business in areas of environment, social responsibility and good governance. Additionally, the Company also received an award for **"Outstanding Organization in Organizing Activities on Social and Environmental Responsibility for 2016"** (EIT-CSR Awards 2016) given by the Engineering Institute of Thailand (EIT).
- **Awards representing the leader in development of excellent quality product** is **"Real Estate Project Award 2015"** which selected the project that was **"Worth to buy"** based on the reasonable price, location, materials, design, patterns and the environment of the projects. The Company also received BCI Asia Top 10 Developers Awards 2016 for the 6 consecutive years.

Over the past 27 years, Supalai Public Company Limited has continued to commit to real estate development business along with giving back to the society in accordance with the Company's policy **"Supalai....We care for Thai society"**. It is also committed continuously to create various activities to return profits to the society every year in the forms of education, family, health, environment and cultural activities such as improving schools in rural areas, developing landscape in temples, providing education through academic lectures and promoting mindfulness-meditation, etc. Hence, the Company considers giving back to the society as an important mission of a good governance company, that is, to continuously help taking care of the people and improving the quality of the society.



(Dr. Prateep Tangmatitham)

**Chairman of the Board of Directors
Supalai Public Company Limited**

Report of the Audit Committee

To Shareholders

The Audit Committee of the Company comprises 3 independent directors who are experts with experiences in finance, immovable property and organizational management. Mr. Prakit Pradipasen is the Chairman, while Mr. Anant Gatepithaya and Assistant Professor Aswin Bijayayodhin are members. All the Committee members in a strict manner the rules prescribed by the Securities and Exchange Commission.

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 2016, 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 and reported on its performance to the Board of Directors. It has also informed the Audit Committee of the minutes of each meeting with a total of 12 meetings held in 2016. All the Committee members attended these meetings. The Committee has consulted with the executives, 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, reviewed Supalai Public Company Limited's quarterly financial statements as well as its consolidated financial statements of 2016 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 minimize possible impact to an 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 an 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. The Company has disclosed these risks in the Annual Report for 2016.

3. Review of Internal Control System

The Audit Committee has jointly reviewed the internal control system with the auditor and Audit Committee secretary. 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 and the security of the information systems. 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 no weakness or defect in the internal control system which may materially impact business operations of the Company. 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. The Audit committee did not receive any reports from the auditor, allegation from outside, management's information disclosure and internal audit on non-compliance that would significantly affect the company. It could be concluded that the company has effective control of legal compliance and there is no non-compliance that would significantly affect it.

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 of 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 2016, there has 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 as fraud risk assessment. The company implements many activities to promote and communicate an informative (anti-corruption) exhibitions. 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.

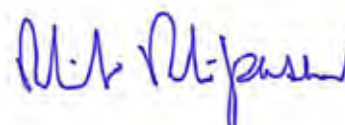
In addition, the Audit Committee has reviewed the Charter of the Internal Audit Department to ensure its suitability and consistency with the responsibilities of the Internal Audit Department as the Charter would be used as operational guidelines. This will also raise awareness of the importance of corporate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

8. Supervision of Internal Audit

The Audit 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 2016

The Audit Committee has considered selecting and proposing to appoint the auditor and determine the auditing fee for the year 2016 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 2016 and approved the appointment of Miss Krongkaew Limkittikul a Certified Public Accountant (Thailand) No. 5874 and / or Mrs. Chonlaros Santiasvaraporn a Certified Public Accountant (Thailand) No.4523 and/or Miss Waraporn Punnaopakul a Certified Public Accountant (Thailand) No.4579 to be auditors of the Company and its subsidiaries as well as the annual and quarterly auditing fee and the consolidated financial statements of 2016 in the amount of Baht 3.28 million.



(Mr. Prakrit Pradipasen)

Chairman of the Audit Committee

Report of Corporate Governance Committee

To Shareholders

The Corporate Governance Committee consists of four members and which Chairman of the Committee is an independent member. In 2016, 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, transparency management and accountability. Its duties also include the monitoring of the implementation of corporate governance plan as well as counter corruption operations, fairness and responsibilities for stakeholders, such as employees, customers, trading partners, communities, contractors, shareholders, society, environment and government agencies as can be summarized as follows:

1. Shareholders' Right

- Organize the annual shareholders' meeting of 2016 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 the Investors' Choice Award with the full assessment score of 100 for the quality assessment for the arrangement of the Shareholders for four consecutive years.
- 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 not less than 30 days; 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 inspectors 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 within the day after the completion of the shareholders' meeting.

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 2016 – 6 January 2017.
- 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 2016.
- 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 Internal Audit Department (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 2016, 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.
- Organize meeting of non-executive directors, without any executive directors for independent directors have opportunity, in order to share opinion.

6. Social Responsibility and Sustainable Development

- Supalai Public Company Limited received "Thailand Sustainability Investment award 2016" from SET Thailand. The award was given to listed companies with outstanding performance in sustainability development and enhancing the development of social enterprise.
- Supalai Public Company Limited received excellence award for social and environment responsibility activities from the Engineering Institute of Thailand under His Majesty the King's Patronage or EIT EIT-CSR Awards 2016).
- 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 2016, 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 2016 organized jointly by the Thai Institute of Directors Association, the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission for 4 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.Somjai Phagaphasvivat)

Chairman of the Corporate Governance Committee

Report of the Nomination and Compensation Committee

To Shareholders

The Nomination and Compensation Committee consists of 3 independent directors, which is more than one half of the total number as follows:

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

The Nomination and Compensation Committee has performed its assigned duties carefully, transparently, honestly and reasonably by taking into account maximum benefits of the shareholders and stakeholders. 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 2016, the Nomination and Compensation Committee held 2 meetings. The results from the meeting including comments and recommendations have been reported to the Board which must be done on a continual basis. Important tasks of this Committee in 2016 are as follows:

o Nomination and proposed personnel to assume the Board

The Committee had reviewed nomination procedures which 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 2016, 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 2016 for another term of office, and the shareholders' meeting had approved the new directors as proposed. 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. Moreover, set up succession plan of qualified executive management. Details were published in this Annual Report for transparency and audit purposes.

o Determine Compensation for Board Directors and Committees

To determine and set up fair criteria for an appropriate compensation payment for the Board of Directors, sub-committee, President, and executive management. Comparison between actual performance outcomes and key performance indicators (KPIs) is required. 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. This had been proposed to be approved by the annual meeting of shareholders of 2016. The compensation for directors, sub-committee members and executives has been disclosed in this Annual Report for transparency inspection.

o 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. The results have been reported to the Board of Directors so as to be used for efficiency improvement and company's goals achievement.

o Directors Development Plan

To encourage all directors to attend training sessions or participate in activities to provide continual development by utilizing the Company's resources, together with self-evaluation of necessary skill (Board skill matrix), 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.

o 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.

o 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) so as to verify structure, composition, and expertise of both the Board of Directors and sub-committee. During the year 2016, the Committee held a total of 2 meetings,

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. The committee agreed that the Board of Directors and sub-committees were all suitable for the Company.

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

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

Performance of Risk Management Committee in 2016

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 2016, 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, liquidity risk, compliance risk, fraud risk, information technology risk, social network risk, customer protection risk and social and environmental risk. 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 2016, the company organized a test of knowledge regarding risk management, which was for supervisory and operational employees with an aim to create understanding of risk management among staff members within the organization, via online system for all employees in the Company and its subsidiaries.

In 2017, the Risk Management Committee has adopted an operational plan covering key operations as follows:

1. To review and improve the policy on risk management to ensure its compliance with the business strategy and vision.
2. To consider and approve the 2017 risk management plan to reduce business risks to an acceptable level.
3. To provide recommendations and guidelines for the implementation, monitoring and evaluation of the management of critical risks for the year 2017 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

Thailand Economic Condition 2016-2017

Dr. Prasas Tangmatitam

The figures of national income of 2016 which had been gradually announced for 3 quarters as shown in Table 1 could indicate clearly that the economic growth in 2016 would be higher than 3% as forecast last year.

The figures by economic sectors which had been already announced are also very interesting. The remarkable point is that the expansion rate of private consumption is steadily higher than the past years as shown in Table 1. The table shows that the expansion rate of private consumption is 0.6, 2.1 and approximately 3.5 in 2014, 2015 and 2016 respectively. The figures indicate that the concern about high ratio of household debt is totally nonsense and does not have any academic basis. It is obviously seen that the ratio of household debt rose rapidly in 2013-2014 due to the subsidy policy for first-car buyers, which trends to limit consumption expenses. However, consumers are able to adapt as their income getting higher. Consequently, the limitation of household debt on consumption is alleviated. Although the consumption in government sector may fluctuate, it has not much influence on the overall consumption of the economic system.

The worrisome economic sector is still private investment as it has had negative expansion rate in the past 3 consecutive year as shown in Table 1. This will remain a problem of Thailand's economy as long as the way to fix it has not been found. The problem arises from two main factors. The first one is unsuccessful promotion of new investments due to the lack of marketing opportunities and innovation to create commercial products. In fact, it is not that Thailand will completely lose the opportunity to promote investment, it is still possible for the country to look for businesses that have comparative advantages. Another factor is the lack of ability to link researches to commercial production, which is not the problem of only Thailand but also many developed countries. What should not be overlooked is the development of agricultural production so as to have better quality, lower costs and the creation of new commercial products of which knowledge and ability Thailand already possesses.

Nevertheless, the promotion of new investments is still the only way to be able to see results in the nearest term and contributes to national income.

The government has tried its utmost in government investment in the past year so as to create rapid results. However, stumbling with so many procedures and the investment is not large enough to contribute to significant changes in national income, such effort has, therefore, generated only moderate results.

As for foreign sector, even though the expansion of export is important, the reduction of imports over the past years has become positive impact on the growth of national income. Many businessmen and economists may not agree with this idea but it is the undeniable truth that the shrinkage of imports has affected the economic growth, that is, because lesser production gained is loss for imports.

Coupling with the expansion of exports in 2016, even with moderate rate, the foreign sector with total national income has positive effect on the economic growth and is expected to remain positive factor in 2017, while imports are likely to grow not so rapidly because investment in large production capacity is not likely to take place in 2017.

All in all, the economic sectors which will be the main sectors contributing to economic growth in 2017 shall be the consumption and the foreign sector with the rate of economic expansion at approximately 3.5%.

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	0.7	2.5	10.3	36.6	3.7	1.2	2.3	2.9
	Q2	1.0	1.7	2.6	23.2	(3.1)	1.5	0.2	2.7
	Q3	2.3	1.8	(2.6)	21.8	(10.1)	1.6	(2.6)	2.9
	Q4	4.8	2.6	9.4	41.1	1.9	(3.3)	(1.2)	2.8
2015	Total	2.2	2.1	4.7	29.8	(2.0)	0.2	(0.4)	2.8
2016	Q1	8.0	2.3	4.9	13.3	2.1	4.9	(4.7)	3.2
	Q2	2.2	3.8	2.7	10.3	0.1	0.6	(2.2)	3.5
	Q3	(5.8)	3.5	1.4	10.3	(0.5)	6.3	(1.3)	3.2

Remark

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

Capital Formation : Investment

Housing Market Condition 2016-2017

Dr. Prasad Tangmatitam

Last year, the analysis here mentioned about “Supply Creates Its Own Demand” of Say’s Law, which referred to the fact that the developers saw an opportunity from the demand and purchasing power of consumers. Therefore, they tried to launch projects to generate as much sales as possible during 2012-2013.

This year, the preliminary information on the condition of housing market in 2016, as shown in Table 1, has come out very interesting, that is, this is the first year that the total number of housing units offered in the market has decreased after having been expanding over a period of six years, both in terms of overall and each type of housing. The number of house sold also decreased from the previous year regarding both all types and each type of housing. Townhouses and condominiums saw an obvious decrease, condominiums dropped more seriously, from almost 60,000 units to approximately 40,000 units, than townhouses which went down from 27,000 units to 21,000 units.

It can be said that the outstanding inventories at the end of the year or the number of housing sales is the response of the developers to the market condition, starting to be saturated. When taking into consideration the behavior of Supply Creates Its Own Demand coupling with the rapid response to the market saturation, it can be said that the developers have clearly shown their agility in business operation both proactive and reactive. Their adaptation has reflected clearly this year in the postponement of quite a few project launches by many companies as appeared in the media.

When taking into consideration each type of housing, the sales of condominiums saw the most decrease. Accordingly, the companies relying on high proportion of condominium products would be much affected (except Supalai). The number of townhouses sold has also slightly decreased as seen from minimal increased inventories. However, the sales of single house products have not been impacted.

The key cause of the decline in the number of housing sales was due to the increasingly stringent loan approval of financial institutions by over 50%. Therefore, financial institutions should realize that their efforts to reduce the risk of housing loans has become a major factor of economic slowdown. Although the ratio of household debt to GDP increased rapidly in 2011-2013, it had been slowed down dramatically since 2014. In addition, the claim of such increase of household debt ratio is totally nonsense because the proportion of household debt of most country tends to rise over time according to the higher level of financial intermediation worldwide. The consumption figures could be better supporting factor because the consumers have been gradually released from debt burden and, consequently gain more spending ability in 2015-2016.

The economic condition has improved with good growth rate, higher than 3%, in 2016. Although the government has been trying to press forward government projects this year and next year. Still, such investment is only a small part of the economy which could slightly help boost the economy. The basic demand in 2017 is unlikely to be much different from this year unless financial institutions relax their loan approval criteria.

The forecast housing demand in 2017 should be 80,000 units, similar to that in 2016, whereby most real estate developers would no longer be in a position to project sales growth any longer.

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

Number of units sold and outstanding supplies of total housing						
Year	2011	2012	2013	2014	2015	2016
Outstanding balance at year end	134,266	128,934	144,098	167,567	171,805	177,591
Total sales	81,816	107,412	116,481	90,635	103,842	80,816
Total	216,082	236,346	260,579	258,192	275,547	258,407
% sold	38%	45%	45%	36%	38%	31%
Number of units sold and outstanding supplies of single detached housing						
Year	2011	2012	2013	2014	2015	2016
Outstanding balance at year end	39,358	38,778	37,361	39,380	39,826	37,576
Total sales	15,539	13,300	14,206	12,467	12,118	11,672
Total	54,897	52,078	51,567	51,847	51,944	49,248
% sold	28%	26%	28%	24%	23%	24%
Number of units sold and outstanding supplies of townhouse						
Year	2011	2012	2013	2014	2015	2016
Outstanding balance at year end	39,707	38,617	44,639	51,144	48,999	49,609
Total sales	23,148	23,593	22,025	16,933	27,145	21,940
Total	62,855	62,210	66,664	68,077	78,144	71,549
% sold	37%	38%	33%	25%	36%	31%
Number of units sold and outstanding supplies of condominium						
Year	2011	2012	2013	2014	2015	2016
Outstanding balance at year end	43,520	40,853	51,260	63,536	67,349	70,399
Total sales	37,797	65,215	73,843	44,722	59,020	42,220
Total	81,319	106,068	125,103	108,258	126,369	112,619
% sold	46%	61%	59%	41%	47%	37%

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 townhomes 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 2004-2016, the Company has undergone significant changes and developments as follows:



Summary of Significant Changes and Developments

2004

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

2009

- 11 projects were launched comprising 6 projects of single detached houses and townhomes and 5 condominium projects, they are (1) the single detached house, townhomes 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 townhomes project of Supalai Ville Ratchapruek-Petchakasem 48 (4) the single detached house and townhomes 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, townhomes 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.

2010

- The Company's Board of Directors resolved to offer for sale existing 120,000,000 ordinary shares at a par value of 1 baht per share, they were the ordinary shares repurchased by the Company from the Stock Exchange of Thailand according to the Treasury Stock for Financial Management Project, which comprised 6.99% of all the shares sold of 1,716,553,249 shares. They were offered for sale to the general public through the underwriters at the value of 5.55 baht per share, whereby the Company had an objective to use such mobilized sum of money as working capital in the current projects and for purchasing new land.
- The Company received ISO 9001:2000 Certified for "Housing Projects" and "Condominium Projects" from Bureau Veritas Certification Thailand Company Limited which covers everything from the plan layout stage, design, construction, sales and property management.
- 14 projects were launched comprising 10 projects of single detached houses and townhomes 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.

2014

- 15 projects were launched comprising 8 projects of single detached houses and townhomes 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 Phranungklaio-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.

- 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 townhomes and 9 condominium projects, they are (1) the single detached house, duplex house and townhomes project of Supalai Bella Outer Ring Road-Rama II (2) the single detached house, duplex house and townhomes project of Supalai Bella Outer Ring Road Pinklao-Rama V (3) duplex 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 Lam Lukka Klong 2 (7) the single detached house and duplex house project of Supalai Ville Outer Ring-Lum Lukka Klong 5 (8) the townhome project of Supalai Novo Ville Outer Ring-Bangyai (9) the single detached house and duplex house project of Supalai Ville Outer Ring-Bangyai (10) the single detached house and duplex house project of Supalai Ville Bangkok-Pathumthani (11) duplex house and townhomes project of Supalai Ville Rangsit Klong 2 (12) the single detached house duplex house and townhomes project of Supalai Bella Rangsit Klong 2 (13) the single detached house project of Supalai Garden Ville Outer Ring Road-San Kam Phaeng Chiangmai

2015

(14) the single house project of Supalai Moda Ubonratchathani (15) the single detached house, duplex 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 Udonrathani (18) the single detached house, duplex house and townhomes project of Supalai Ville Mitrapharp - Bannchan (19) the single detached house and townhomes project of Supalai Ville Phuket (20) the single detached house, duplex house and townhomes 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.

- TRIS Rating affirms the company rating and the current senior unsecured debenture ratings of Supalai Public Company Limited (SPAL) at "A". The ratings reflect SPAL'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, duplex 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, duplex 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 Phahol yothin 50 (6) the townhome project of Supalai Primo Nakorn In-Rama 5 (7) the single detached house, duplex house and townhome project of Supalai Bella Outer Ring-Lamlukka Klong 4 (8) the single detached and duplex 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.

2016

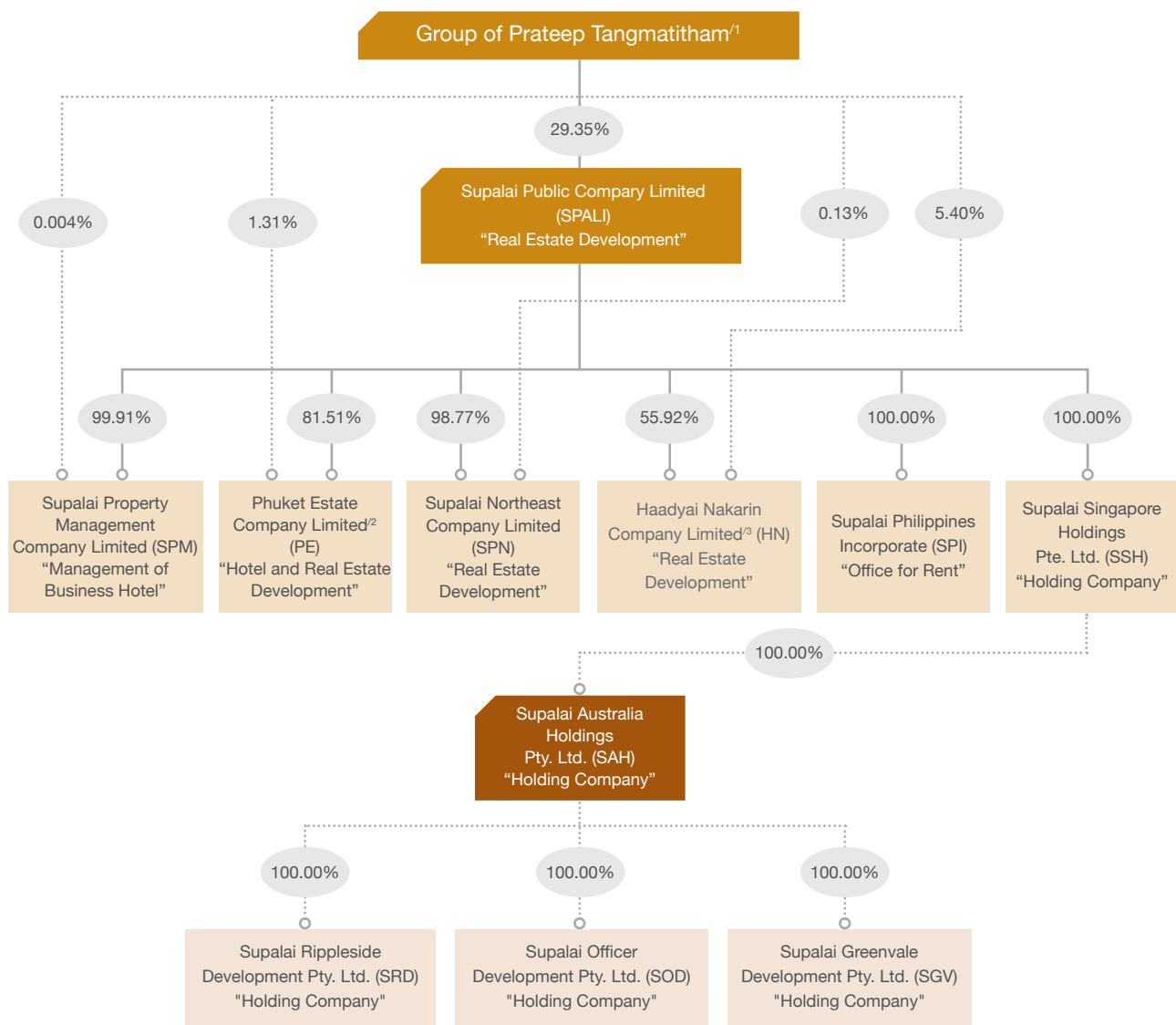
- TRIS Rating affirms the company rating and the senior unsecured debenture ratings of Supalai PLC (SPALI) at “A” and outlook “Stable”. The ratings reflect SPALI’s proven track record in the residential property development industry in Thailand, well-known brand name in the middle-income segment, and strong financial position.
- 21 projects were launched comprising of 16 projects of single detached houses, duplex houses, townhome, commercial buildings and 5 condominium projects, they are (1) the townhome project of Supalai Primo Outer Ring Road Pinklao-Rama 5 (2) the townhome project of Supalai Primo Rama 2 (3) the single detached and duplex house project of Supalai Ville Outer Ring-Bangyai (4) the single detached house of Supalai Garden Ville Bangkok-Pathumthani (5) the single detached house, duplex house and townhome project of Supalai Ville Phetkasem 69 (6) the single detached house, duplex house and townhome project of Supalai Ville Teparak (7) the townhome project of Supalai Bella Pattaya (8) the single detached house and duplex house project of Supalai Bella Suratthani (9) the single detached house, duplex house and townhome project of Supalai Bella Nakhon Si Thammarat (10) the single detached house and duplex house project of Supalai Bella Chiang Mai (11) the single detached house, duplex house and townhome project of Supalai Bella Udonrathani (12) the single detached house and duplex house project of Supalai Ville Nakhonratchasima (13) the single detached house and duplex house project of Supalai Bella Ubonratchathani (14) the single detached house and duplex house project of Supalai Garden Ville Rayong (15) the single detached house and duplex house project of Supalai Palm Springs 11 (16) the commercial building project of Supalai Monte Biz Chiang Mai. (17) the condominium project of Supalai City Resort Chonburi (18) the condominium project of Supalai Elite Si Phraya (19) the condominium project of Supalai Park Ratchavipha (20) the condominium project of Supalai City Resort Rama 8 (21) the condominium project of Supalai Veranda Rama 9

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, townhomes 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 2016



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 11 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 HN. 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 6 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 2014-2016, the Company invested in 62,191,523 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 2014-2016, Supalai Singapore Holdings Pte. Ltd., a subsidiary of the Company invested in 33,057,100 ordinary shares, or 100% of Supalai Australia Holdings Pty. Ltd., a company incorporated in Australia, as part of investment scheme in various companies in Australia.

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

During 2014-2016, Supalai Australia Holdings Pty. Ltd., invested in 7,050,100 ordinary shares, or 100% of Supalai Rippleside Development Pty. Ltd., a company incorporated in Australia as part of investment scheme in various companies in Australia.

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

During 2014-2016, 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 in Australia.

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

During 2015-2016, Supalai Australia Holdings Pty. Ltd., invested in 9,087,600 ordinary shares, or 100% of Supalai Greenvale Development Pty. Ltd., a company incorporated in Australia as part of investment scheme in various companies in Australia.

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 townhomes, 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 – 6.0 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 and Duplex House
 Price Range : 3.7 – 6.2 Million Baht
 Target Customers : Upper medium income group,
 age over 30 years old,
 income 50,000 baht/family/month



Supalai Ville

Product Type : Single Detached House,
 Duplex 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 : 1.99 – 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 : Single, Duplex House and Townhome
 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, Duplex 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
Price Range	: 4.7 – 11.0 Million Baht
Target Customers	: Upper medium income group, age over 30 years old, income 70,000 baht/family/month



Palm Spring

Product Type	: Townhome, Single Detached House and Duplex House
Price Range	: 2.8 – 5.8 Million Baht
Target Customers	: Upper medium income group, age over 25 years old, income 45,000 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 : 4.1 – 7.9 Million Baht
 Target Customers : Upper medium income group,
 age over 30 years old,
 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 – 9.0 Million Baht
 Target Customers : Upper medium income group,
 age over 25 years old,
 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 – 27.9 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 Si Phraya

Product Type : Condominium
 Price Range : 4.35 – 18.4 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 Rama 9

Product Type : Condominium
 Price Range : 2.0 – 8.9 Million Baht
 Target Customers : Upper medium income group,
 age over 27 years old,
 income 30,000 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 @ Pak kred 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 : 1.77 – 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 – 3.9 Million Baht
 Target Customers : Upper medium income group,
 age over 30 years old, foreigners,
 income 30,000 baht/family/month



Supalai Park Ratchavipha

Product Type : Condominium
 Price Range : 1.6 – 4.4 Million Baht
 Target Customers : Upper medium income group,
 age over 28 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, foreigners,
 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 Ratchayothin – Phaholyothin 32

Product Type : Condominium
 Price Range : 2.2 – 4.28 Million Baht
 Target Customers : Upper medium income group,
 age over 25 years old,
 income 28,000 baht/family/month



Supalai City Resort Rama 8

Product Type : Condominium
 Price Range : 1.98 – 5.2 Million Baht
 Target Customers : Upper medium income group,
 age over 23 years old,
 income 30,000 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 : 1.4 – 3.4 Million Baht
 Target Customers : Upper medium income group,
 age over 30 years old,
 income 30,000 baht/family/month



Supalai City Resort Chonburi

Product Type : Condominium
 Price Range : 1.19 – 2.5 Million Baht
 Target Customers : Upper medium income group,
 age over 25 years old,
 income 20,000 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 20,000 baht/family/month



Supalai Monte @ Viang Chiang Mai

Product Type : Condominium
 Price Range : 1.78 – 4.6 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 30,000 baht/family/month



Supalai Lagoon Condo

Product Type : Condominium
 Price Range : 1.0 – 2.3 Million Baht
 Target Customers : Upper medium income group,
 age over 24 years old, foreigners,
 income 18,000 baht/family/month



Supalai City Resort Pasawang @ Phaetkaseam Hatyai

Product Type : Condominium
 Price Range : 1.4 – 4.4 Million Baht
 Target Customers : Upper medium income group,
 age over 24 years old,
 income 25,000 baht/family/month

B. Office Building Business

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

Supalai Philippines Inc., is Supalai’s subsidiary operating the business of renting office buildings to customers. The office building is A-grade building of 45 floors with the parking space included and the total area is 67,590 square meters. Supalai Philippines Inc., owns 16 floors with the total area of approximately 20,000 square meters. This building was built in 1998 and the design was developed by world class architect company, namely, Skidmore, Owings & Merrill. In 1999-2000, this building was recorded as the tallest building in the Philippines.

Despite the fact that this building had been built for quite a long time, it has been well taken care of by the Building Management Department of Colliers and Petron Mega Plaza Condominium Association. The building has won the awards regarding building maintenance in the contests organized by many agencies.

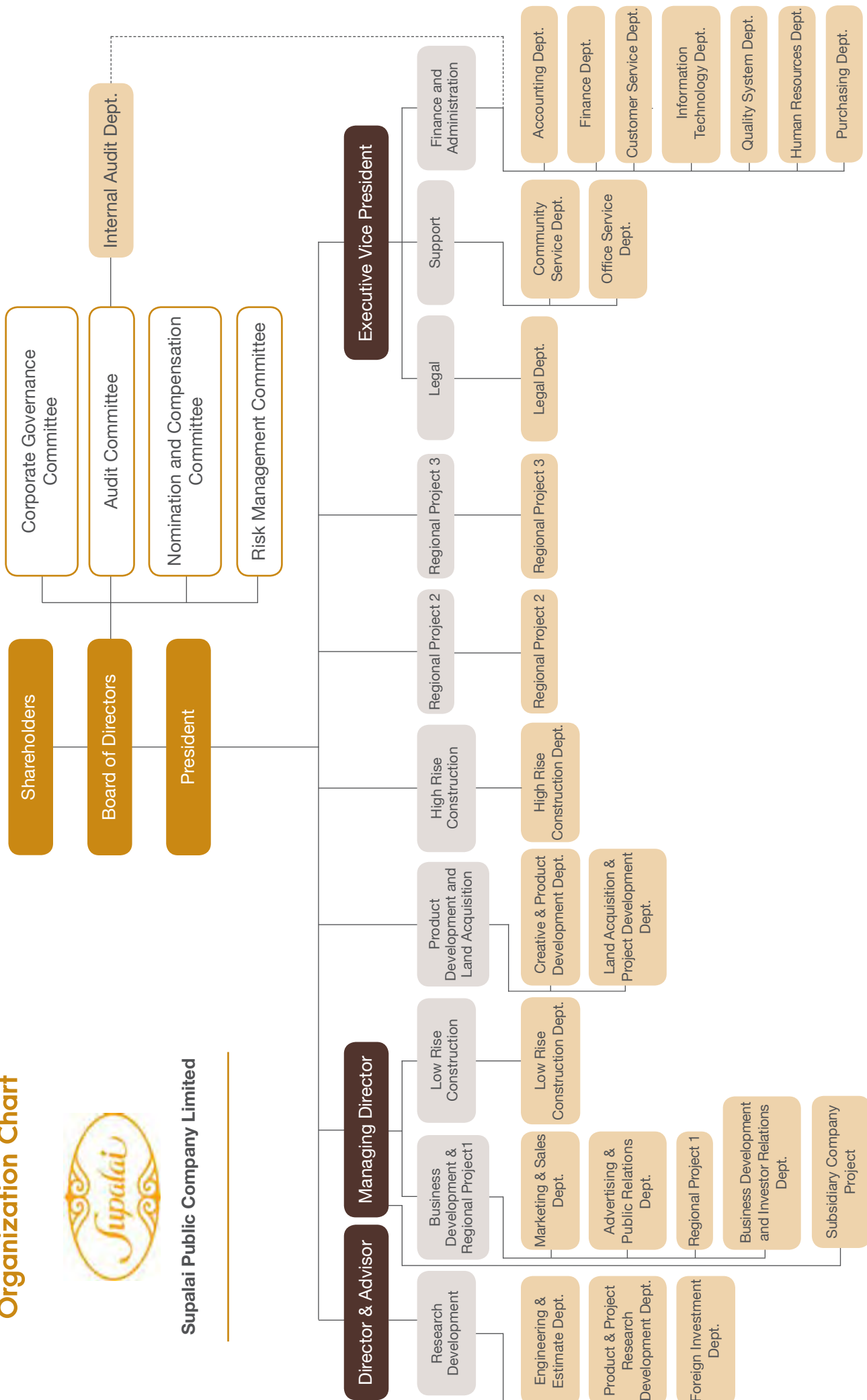
C. Hotel and Resort Business

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

Organization Chart



Supalai Public Company Limited



Management Team & Board of Directors

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



Board of Directors

1. 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	Tangmatitam	Director
11. Mr.Krid	Chancharoensuk*	Director

Advisory of the board

12. Dr.Sahas	Bunditkul
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Company Secretary

Mrs.Varunee Lapitananuvat



Remark

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

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.Toopthong Hirunyanulak

Nomination and Compensation Committee



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



Secretary

Mrs.Varunee Lapitananuvat

Corporate Governance Committee



- | | | |
|----|--------------------------------------|--|
| 1. | Assoc.Prof.Dr.Somjai Phagaphasvivat* | 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

Ms.Toopthong Hirunyanulak

* Assoc.Prof.Dr.Virach Aphimeteetamrong, a Chairman of Corporate Governance Committee had resigned on 27 January 2016. Therefore, the Board of Director No.2/2016 held on 23 February 2016 has appointed and nominated Assoc.Prof.Dr.Somjai Phagaphasvivat nominated to be Chairman of Corporate Governance Committee since 23 February 2016.

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



Secretary

Ms.Toopthong

Hirunyanulak

Executive Committee



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



Management Committee



- | | | |
|-------------------|----------------|--|
| 1. Dr.Prateep | Tangmatitham | Chief Executive Officer |
| 2. Mrs.Ajchara | Tangmatitham | Executive Vice President |
| 3. Mr.Tritecha | Tangmatitham | Managing Director |
| 4. Mrs.Varunee | Lapitananuvat | Deputy Managing Director |
| 5. Mr.Punnapan | Nengpetch | Senior Assistant Managing Director of Low Rise Construction |
| 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 | Assistant Managing Director of Regional Project 3 |
| 9. Mrs.Suchawadee | Suppha-asa | Senior Director of Administration |
| 10.Mr.Krid | Chancharoensuk | Director of Legal |



Board of Directors



Dr. Prateep Tangmatitham

Age 68 years

Chairman of the Board, Chief Executive Officer

Date of Appointment 26 June 1989

Length of Service (as at 21 April 2017) : 27 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 :

- The Job of the CEO-IMD (Institute for Management Development)
- Capital Market Academy, Class 7
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives, King Prajadhipok's Institute, Class 16
- Advanced Certificate Course in Public Economics Management for Executives, King Prajadhipok's Institute, Class 9
- 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
 - Course Seminar M-DLB : Director Luncheon Briefing Class 2/2008
 - RCP : The Role of Chairman Program Class 9/2003
 - DCP : Director's Certification Program Class 17/2002

Present Position :

● Directorship(s) in Listed Company (ies)

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

● Directorship(s) in Related Company (ies)

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 (ies)

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 2016) :

- **Held personally**
413,595,644 shares, 24.09%
- **Held by spouse or minor children**
90,188,200 shares, 5.25%

Family Relationship among Directors and Executives :

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

Illegal record in the last 10 years :

- None -

Number of meetings attended / total :

- The Board of Directors 12/12



Mrs. Ajchara Tangmatitham

Age 68 years

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

Date of Appointment 26 June 1989

Length of Service (as at 21 April 2017) : 27 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 (ies)

1989-Present Director of the Board, Executive Vice President, Director of the Nomination and Compensation Committee of Supalai Public Company Limited

● Directorship(s) in Related Company (ies)

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 (ies)

1988-Present Director of Munkong Estate Company Limited

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2016) :

- **Held personally**
90,188,200 shares, 5.25%
- **Held by spouse or minor children**
413,595,644 shares, 24.09%

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 :

- None -

Number of meetings attended / total :

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



Mr. Tritecha Tangmatitham

Age 38 years

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 21 April 2017) : 8 years

Education :

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

Training :

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

Present Position :

- **Directorship(s) in Listed Company (ies)**
2009-Present Managing Director, Director of the Board, Director of the Corporate Governance Committee, Director of the Risk Management Committee of Supalai Public Company Limited.
- **Directorship(s) in Related Company (ies)**
2007-Present Director of Supalai Northeast Company Limited
- **Directorship(s) in Other Company (ies)**
2009-Present Director of Housing Business Association

Former Last 5 years : - None -

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2016) :

- **Held personally**
732,000 shares, 0.04%
- **Held by spouse or minor children**
- None -

Family Relationship among Directors and Executives :

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

Illegal record in the last 10 years :

- None -

Number of meetings attended / total :

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



Mr. Prakit Pradipasen

Age 74 years

Independent Director, Chairman of the Audit Committee,
Chairman of the Nomination and Compensation Committee

Date of Appointment 25 April 2001

Length of Service (as at 21 April 2017) : 16 years

Education :

- M.A. Business Administration Wayne State University, Detroit, Michigan, USA
- B.A. Science in Business Administration, Silliman 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 :

● Directorship(s) in Listed Company (ies)

- 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 Susco 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,
Chairman of the Audit Committee and
Chairman of the Nomination and
Compensation Committee
of Supalai Public Company Limited
- 1991-Present Chairman of the Board
of The Erawan Group Public Company Limited

● Directorship(s) in Other Company (ies)

- 1986-Present Chairman of the Board
of Ang Thong Sugar Terminal Company Limited

Former Last 5 years :

● Directorship(s) in Listed Company (ies)

- 2000-2016 Independent Director and
Chairman of the Audit Committee
of Thai Carbon Black Public Company Limited
- 1993-2012 Independent Director and
Chairman of the Audit Committee Bata Shoe
of Thailand Public Company Limited

● Directorship(s) in Other Company (ies)

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

● Directorship(s) in Others

- 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 2016) :

● Held personally

- None -

● Held by spouse or minor children

- None -

Family Relationship among Directors and Executives :

- None -

Illegal record in the last 10 years :

- None -

Number of meetings attended / total :

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



Assoc.Prof.Dr.Virach Aphimeteetamrong

Age 74 years

Independent Director,
Director of the Nomination and Compensation Committee

Date of Appointment 5 October 1992

Length of Service (as at 21 April 2017) : 24 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
 - CGI : Corporate Governance for Capital Market Intermediaries Class 5/2015
 - Course Seminar R-CF : Chairman Forum 2014 "Chairman Role in Building Independence across the Board" Class 1/2014
 - ACEP : Anti-Corruption for Executive Program Class 4/2012
 - Course Seminar R-SS: Special Seminar Class 1/2010
 - Course Seminar M-DLB: Director Luncheon Briefing Class 1/2009
 - Course Seminar M-AGM: Annual General Meeting Class 1/2009
 - DAP : Director Accreditation Program Class 2/2003

Present Position :

● Directorship(s) in Listed Company (ies)

- 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
- 1992-Present Independent Director and Director of the Corporate Governance Committee of Supalai Public Company Limited

● Directorship(s) in Other Company (ies)

- 2004-Present Independent Director of Asia Plus Securities Company Limited
- 2003-Present Independent Director of TRIS Corporation 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 2016) :

- **Held personally**
2,431,466 shares, 0.14 %
- **Held by spouse or minor children**
- None -

Family Relationship among Directors and Executives :

- None -

Illegal record in the last 10 years :

- None -

Number of meetings attended / total :

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



Mr. Anant Gatepithaya

Age 65 years

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

Date of Appointment 22 January 2001

Length of Service (as at 21 April 2017) : 16 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 :
 - National Director Conference 2016 : Enhancing Growth Through Governance in Family-Controlled Businesses
 - 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 : Director’s Certification Program Class 17/2002

Present Position :

● Directorship(s) in Listed Company (ies)

- 2007-Present Independent Director and Director of the Audit Committee of Raja Ferry Port Public Company Limited
- 2007-Present Independent Director, Director of the Audit Committee, Director of the Nomination and Compensation Committee and Chairman of The Risk Management Committee and of Hydrotek Public Company Limited
- 2004-Present Independent Director, Director of the Audit Committee, Director of the Nomination and Compensation Committee and Chairman of The Risk Management Committee of Fortune Parts Industry Public Company Limited
- 2003-Present Independent Director, Chairman of the Audit Committee, Chairman of the Risk Management Committee and Director of the Nomination and Compensation 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 (ies)

- 2008-Present Independent Director and Director of the Audit Committee of Zeer Property Public Company Limited
- 2000-Present Chairman of The Brilliant Solution Company Limited

Percentage of the company’s shareholding (Ordinary shares) (as at 31 December 2016) :

● Held personally

- None -

● Held by spouse or minor children

- None -

Family Relationship among Directors and Executives :

- None -

Illegal record in the last 10 years :

- None -

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 76 years

Independent Director, Director of the Audit Committee

Date of Appointment 10 May 2011

Length of Service (as at 21 April 2017) : 5 years 11 months

Education :

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

Training :

- Thai Institute of Directors :
 - AACP : Advanced Audit Committee Program Class 24/2016
 - FSD : Financial Statements for Directors Class 26/2014
 - ACP : Audit Committee Program Class 38/2012
 - DAP : Director Accreditation Program Class 91/2011

Present Position :

● Directorship(s) in Listed Company (ies)

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

● Directorship(s) in Others

2014-Present Advisory of "Board of Trade of Thailand" on Real Estate Business Construction and Design

2013-Present Vice President of Alumni Association of Illinois University

2012-Present Honorary Advisor "Real Estate Broker Association"

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

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

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

2000-Present Lecturer for the Graduate Study of Chulalongkorn University, Thammasath University, Silpakorn University and The School of Real Estate Business

2000-Present Advisor of "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 :

● Directorship(s) in Others

2011-2015 Sub Committee of "The office of the National Broadcasting and Telecommunication"

2011-2014 Advisor of the "Board of Trade of Thailand" on Real Estate Business Development

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

2011-2014 Advisor "The Committee of the New Parliament Construction" at Kiag Kay

2011-2013 Chairman of the Board of Determine Price Construction Building, The Valuers Association of Thailand

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2016) :

● Held personally

- None -

● Held by spouse or minor children

- None -

Family Relationship among Directors and Executives :

- None -

Illegal record in the last 10 years :

- None -

Number of meetings attended / total :

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



Assoc.Prof.Dr.Somjai Phagaphasvivat

Age 70 years

Independent Director, Chairman of the Corporate Governance Committee

Date of Appointment 13 October 2015

Length of Service (as at 21 April 2017) : 1 year 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 Company (ies)

- | | |
|--------------|---|
| 2015-Present | Independent Director,
Chairman of the Corporate Governance Committee
of Supalai Public Company Limited |
| 2013-Present | Independent Director and Chairman
of the Audit Committee of Amarin Printing and
Publishing 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 SEAFICO Public Company Limited |
| 1997-Present | Independent Director and Chairman
of the Audit Committee
of Lee Feed Mill Public Company Limited |

● Directorship(s) in Other Company (ies)

- | | |
|--------------|---|
| 1997-Present | Director and Chairman of the Audit Committee
of Krungthep Thanakom Company Limited |
|--------------|---|

Former Last 5 years :

● Directorship(s) in Listed Company (ies)

- | | |
|-----------|---|
| 2010-2011 | Independent Director and
Director of the Audit Committee
of Siam City Bank Public Company Limited |
|-----------|---|

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2016) :

● Held personally

- None -

● Held by spouse or minor children

- None -

Family Relationship among Directors and Executives :

- None -

Illegal record in the last 10 years :

- None -

Number of meetings attended / total :

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



Mr. Atip Bijanonda

Age 58 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 21 April 2017) : 25 years

Education :

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

Training :

- Thai Institute of Directors :
 - DCP : Director's Certification Program Class 24/2002
 - DAP : Director Accreditation Program Class 8/2004
- Certificate Course in Top Executive Program in Commerce and Trade (TEPCoT), Class 8,

Present Position :

● Directorship(s) in Listed Company (ies)

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 Company (ies)

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

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

Former Last 5 years :

● Directorship(s) in Listed Company (ies)

2010-2014 Managing Director
of Supalai Public Company Limited

● Director (s) in Others

- None -

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2016) :

● Held personally

5,334,140 shares, 0.31 %

● Held by spouse or minor children

- None -

Family Relationship among Directors and Executives :

- None -

Illegal record in the last 10 years :

- None -

Number of meetings attended / total :

- The Board of Directors 12/12
- The Corporate Governance Committee 0/1
- The Risk Management Committee 1/1



Mr. Prasas Tangmatitiam

Age 66 years

Director of the Board, Director of the Corporate Governance Committee

Date of Appointment 25 April 2001

Length of Service (as at 21 April 2017) : 16 years

Education :

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

Training :

- Thai Institute of Directors :
 - 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
 - SE2 : "Risk Resilience: How the company's directors should
deal with the issues of Enterprise Risk Management?"
Class 2/2013
 - DBT : "The Governance Role of the Board in the Preparation
and Response to Unforeseen Crisis and the Oversight of
(Foreign) Subsidiaries" Class 1/2013

Present Position :

• Directorship(s) in Listed Company (ies)

2001-Present Director of Supalai Public Company Limited

• Directorship(s) in Related Company (ies)

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 2016) :

• Held personally

- None -

• Held by spouse or minor children

- None -

Family Relationship among Directors and Executives :

Younger brother of Dr. Prateep Tangmatitham

Illegal record in the last 10 years :

- None -

Number of meetings attended / total :

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



Mr.Krid Chancharoensuk

Age 46 years

Director of the Board, Director of the Risk Management Committee

Date of Appointment 22 April 2014

Length of Service (as at 21 April 2017) : 3 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 (ies)**

2014-Present Director of Supalai Public Company Limited

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2016) :

- **Held personally**
 - None -
- **Held by spouse or minor children**
 - None -

Family Relationship among Directors and Executives :

- None -

Illegal record in the last 10 years :

- None -

Number of meetings attended / total :

- The Board of Directors 11/12
- The Risk Management Committee 1/1



Dr. Sahas Bunditkul

Age 66 years

Advisor of the Board of Director

Date of Appointment 14 November 2015

Length of Service (as at 21 April 2017) : 1 year 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
- Capital Market Academy, Class 7
- Thai Institute of Directors :
 - 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)
- Certificate Course in Good Governance for Medical Executives, King Prajadhipok's Institute and the Medical Council of Thailand, Class 4

Present Position :

● Directorship(s) in Listed Company (ies)

2015-Present Advisor to the board of Director of Supalai Public Company Limited

● Directorship(s) in Related Company (ies)

2015-Present Member 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 Others

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

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2016) :

● Held personally

- None -

● Held by spouse or minor children

- None -

Family Relationship among Directors and Executives :

- None -

Illegal record in the last 10 years :

- None -

Number of meetings attended / total :

- The Board of Directors 12/12



Mrs. Varunee Lapitananuvat

Age 55 years

Company Secretary, Deputy Managing Director

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 : C-Seminar: Anti Corruption Seminar
Class 3/2012
 - Course Seminar : R-CS : Equipping Your Board for AGM
Class 1/2013

Present Position :

- **Directorship(s) in Listed Company (ies)**
2002-Present Deputy Managing Director
of Supalai Public Company Limited

Percentage of the company's shareholding (Ordinary shares) (as at 31 December 2016) :

- **Held personally**
25,000 shares, 0.001%
- **Held by spouse or minor children**
- None -

Family Relationship among Directors and Executives :

- None -

Illegal record in the last 10 years :

- None -

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

In 2016, the Company had organized 12 meetings of the Board of Directors, whereby all 11 Directors and advisor attending the meetings. Supalai places high emphasis on training and education to enhance capacities of board members (as stated in each curricular vitae), for example, the Company facilitated and sent their executive board members to train at the Institute of Directors (IOD) and other institutes' relevant courses all year long; The meeting attendance can be summarized as follows:

Name of Directors		Appointment Date	Board Meeting Attendance in 2016	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	11/12	DCP, CSP
3. Mr.Tritecha	Tangmatitham	21/04/2009	12/12	DCP
4. Mr.Prakit	Pradipasen	25/04/2001	12/12	DAP, RCP, R-CAC
5. 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, NCD
7. Assist.Prof.Aswin	Bijayayodhin	10/05/2011	12/12	DAP, ACP, FSD, AACP
8. Assoc.Prof.Dr.Somjai	Pagaphasvivat	13/10/2015	12/12	DAP
9. Mr.Atip	Bijanonda	02/03/1992	12/12	DCP, DAP
10. Mr.Prasas	Tangmatitiam	25/04/2001	12/12	DCP, DCP Diploma, SFE, SE2, DBT
11. Mr.Krid	Chancharoensuk	22/04/2014	11/12	DCP, RCL

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DCP	: Directors Certification Program	ACP	: Audit Committee Program
CSP	: Company Secretary Program	DAP	: Director Accreditation Program
RCC	: Role of the Compensation Committee	RCP	: Role of Chairman Program
QFR	: Improving the Quality of Financial Reporting	SFE	: Successful Formulation & Execution the Strategy
HRP	: How to Develop a Risk Management Plan	ACEP	: Anti-Corruption for Executive Program
DCP Diploma	: Directors Certification Program Diploma	RMP	: Risk Management Committee Program
R-CAC	: Thailand's 4 th National Conference on Collective Action Against Corruption	DTT	: Personal Financial Planning Workshop for Directors
SE3	: CNBC Summit : Myanmar	R-Forum	: Director Nomination Issues and Trend
AGM	: Integrity Pact : Transparency Tool for Preventing Corruption	NDC	: The 2 nd National Director Conference 2013 "Board Leadership Evolution"
SE2	: Risk Resilience-How the company's directors should deal with the issues of Enterprise Risk Management?	DBT	: The Governance Role of the Board in the Preparation and Response to Unforeseen Crisis and the Oversight of (Foreign) Subsidiaries"
R-CF	: Meeting the AEC Challenge-Role of the Chairman	R-CS	: Equipping Your Board for AGM Compensation Survey Report 2014
FSD	: Financial Statements for Directors	AACP	: Advanced Audit Committee Program
RCL	: Risk Management Program for Corporate Leaders		
NCD	: National Director Conference 2016 "Enhancing Growth Through Governance in Family-Controlled Businesses"		

In 2016, Directors attended training courses as follows:

Name of Directors	Attending Training Course
Assist.Prof.Aswin Bijayayodhin	AACP : Advanced Audit Committee Program Class 24/2016 of Thai Institute of Directors
Mr.Anant Gatepithaya	Course Seminar : National Director Conference 2016 “Enhancing Growth Through Governance in Family-Controlled Businesses” of Thai Institute of Directors

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 2016, The Annual General Meeting on 22 April 2016, resolved that approve the Remuneration for Board of Directors, as detail below.

Remuneration for the Board of Directors	
1. Monthly Allowance	Chairman, director 30,000 Baht/person/month and advisor to the Board of Director 30,000 Baht/person/meeting
2. Directors' Remuneration	Chairman, director and advisor to the Board of Director 600,000 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 for Board of Directors

3.1 Individual financial remuneration for Executive Board and other sub-committee members;

(Unit : Thousand Baht)

Name of Directors	Remuneration in from Cash in 2016						
	Monthly Allowance					Directors' Remuneration	Total Remuneration per Executive Board Member
	Director of the Board,	Director of Audit Committee	Director of Corporate Governance Committee	Director of the Nomination and Compensation Committee	Director of the Risk Management Committee		
1.Dr.Prateep Tangmatitham Chairman of the Board, Chief Executive Officer	360	-	-	-	-	600	960
2.Mrs.Ajchara Tangmatitham Director of the Board, Executive Vice President, Director of the Nomination and Compensation Committee	360	-	-	-*	-	600	960
3.Mr.Tritecha Tangmatitham Managing Director, Director of the Board, Director of the Corporate Governance Committee, Director of the Risk Management Committee	360	-	-*	-	-*	600	960
4.Mr.Prakit Pradipasen Independent Director, Chairman of the Audit Committee, Chairman of the Nomination and Compensation Committee	360	300	-	50	-	600	1,310
5.Assoc.Prof.Dr.Virach Aphimeteetamrong Independent Director, Director of the Nomination and Compensation Committee	360	-	-	40	-	600	1,000
6.Mr.Anant Gatepithaya Independent Director, Director of the Audit Committee, Chairman of the Risk Management Committee	360	240	-	-	25	600	1,225
7.Assist. Prof. Aswin Bijayayodhin Independent Director, Director of the Audit Committee	360	240	-	-	-	600	1,200
8.Assoc.Prof.Dr.Somjai Phagaphasvivat Independent Director, Chairman of the Corporate Governance Committee	360	-	25	-	-	100	485
9.Mr.Atip Bijanonda Director of the Board, Director of the Corporate Governance Committee, Director of the Risk Management Committee	360	-	20	-	20	600	1,000
10.Mr.Prasas Tangmatitam Director of the Board, Director of the Corporate Governance Committee	360	-	20	-	-	600	980
11.Mr. Krid Chancharoensuk Director of the Board, Director of the Risk Management Committee	360	-	-	-	-	600	960
12.Dr. Sahas Bunditkul Advisor of the Board of Director	360	-	-	-	-	50	410
Total	4,320	780	65	90	45	6,150	11,450

Remark

* As sub-committee members, Mrs. Ajchara Tangmatitham and Mr. Tritecha Tangmatitham do not received remuneration, but as the executive board members.

3.2 Financial Remuneration for Executive Board Members of FY 2013-2016

(Unit : Thousand Baht)

Detail	2013		2014		2015		2016	
	Persons	Amount(Baht)	Persons	Amount(Baht)	Persons	Amount(Baht)	Persons	Amount(Baht)
1.Allowance	10	2,400	11	3,440*	13	3,840*	12	5,300*
2.Remuneration	10	5,000	11	5,000	11	7,700	12	6,150
Total		7,400		8,440		11,540	-	11,450

Remark

* Rate of Remuneration for Board Directors in 2014-2016 are equally. In 2016, had the Board of Directors 11 Directors and 1 Advisor and no had resigned and appointed directors during in the year. In 2015, had a new director and 1 Advisor of the board are Assoc.Prof.Dr.Somjai Phagaphasvivat, Dr. Sahas Bunditkul as respectively and Mr.Prasob Snongjati has resigned.

3.3 In-kind remuneration and other benefits to board members:

The Company have a policy to give discounts to Board members for purchasing of house with land or condominium built for external parties. The in-kind benefits also include directors and officers liability insurance.

4. Remuneration for Executives

4.1 Remuneration for Executives in from of Cash

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, Executive Vice President, Managing Director, Deputy Managing Director, Senior Assistant Managing Director and Chief Financial Officer in order to be considered and approved by the Board of Directors every year. In 2016, the Company has 6 Executives in the first 4 respective order.

(Unit : Thousand Baht)

Remuneration	Amount in 2016
	7 Executive in the first 5 respective
Total of salary and remuneration	134,097.92
Provident Fund	4,677.73
Total	138,775.65

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.

4.2 Other in-kind remuneration and benefits:

- To promote family institution, every five years the member shall be entitled to have discount for purchasing of house with land or condominium unit of the Company developed for external parties.
- Annual medical check-up

5. Number of Employees

5.1 Number of Employees and Remuneration 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 2016 as follows:

	Number of Employees	Remuneration * (Million Baht)		
		Salary and Remuneration	Provident Fund	Total
Main Staff	677	340,756.33	7,278.08	348,034.41
Supporting Staff	384	209,786.36	5,575.02	215,361.38
Total	1,061	550,542.69	12,853.10	563,395.79

Remark

* Collective remuneration means salary, overtime pay, special payment, commission, provident fund contribution (Except 7 Executives in the first 4 respective order)

5.2 Provident Fund

In accordance with the Provident Fund Act, Supalai has established a provident fund and contributed worth 3-10 % of employee's salary to the fund. Based on his or her employment duration, the employee can choose to contribute to the fund at the minimum rate of 3 % to maximum rate of 10 % of salary.

Employment (starting of the 1st year of service)	Contribution of Employee	Contribution of Employer
> 5 years	3%	3%
5 years to > 10 years	4%	4%
10 years to > 15 years	6%	6%
15 years to > 20 years	8%	8%
20 years and over	10%	10%

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, to review the effectiveness and audit reports of the internal control system of the Company to the audit committee and the board. 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, 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, have been established to ensure that the internal control system is sufficient, suitable, efficient, and can be practically 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 had assigned the Audit Committee to assess the sufficiency of the Company's internal control annually in various aspects according to 5 elements, namely, control environmental, risk assessment, control activities, information and communication, and monitoring by using the internal control self-assessment form provided by the Office of the Securities and Exchange Commission of Thailand (SEC). In addition 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 2016, the Audit Committee's opinion was that the Company has sufficient and proper control system as presented in the report of the Audit Committee. Besides, The Company's auditor, EY Office Limited, which had assessed the Company's internal control system effectiveness, reported that there was no any observation and defects which would have any significant impact on the Company's financial statements.

The Board of Directors 's Meeting No. 11/2016 held on 14 November 2016. 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. The organization structure is appropriately designed with high flexibility and efficient collaboration. There is division of duties in various departments and work positions, along with decentralization, emphasis on conflict of Interest and anti-corruption program. All these tasks have been empowered property to 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. Moreover channels are provided for continuous whistle blower system for employees and other stakeholders via opinion boxes and email : anti-corruption@supalai.com respectively. 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 by focusing on the efficiency, effectiveness, adequacy and suitability of 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 head of the Internal Audit Department of the Company since 18 August 2008 as she has the qualification and experience in internal audit and citing her in-depth expertise and understanding of company's business. 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 and control of technology and information (cobit). As a result, she is considered to be suitable to perform the duty.

The consideration of appointment, removal and performance assessment 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 overseeing organizational risk management.

The guidelines for the risk management policy of the Company are as the following:

1. To set the same standard of the risk management process.
2. To implement integrated risk management systematically and continuously in harmonization with the KPI (KPI : Key Performance Indicators) and strategic plan.
3. To encourage and develop all levels of staff to gain knowledge and understanding, and participate in the process so as to realize its importance of risk management.
4. To focus on proactively on risk management.
5. To set up the internal control system, with a overage of all aspects including, strategic, operational, financial, legal and regulatory, anti-corruption, information technology, Social Network, social and environmental and consumer protection, in order for the Company to have a proper and efficient internal control system.
6. All employees shall be responsible for identifying and assessing risks by taking into consideration the potential and the consequences of such risks. The employees shall, then, manage risks under their responsibility and promptly report the result according to the risk management process applied by the Company so as to maintain the risk to be at an acceptable level.
7. To identify and manage risks, which affect the plan, direction and strategies of the Company, to acceptable risk level.
8. Acceptable risk level must be approved by the Risk Management Committee before implementation.





9. Upon witnessing or being aware of any risks that might have impact on the Company, the employees must report to the management via the Internal Audit Department or to risk@supalai.com

10. To monitor, assess and conduct risk manager reports to the Board of Directors, with regularly review.

For awareness and understanding of risk management, The Company has communicated the risk management policy to the executives and the employees via emails, intranet and website of the Company.

In 2016, the Company has undertaken the risk management as follows:

- To evaluate organizational and fraud risk of the Company and provide the risk evaluation in the organization level and fraud risk management in all subsidiaries, throughout identification of risk management.
- To review and improve the risk management policy to align with the strategies and vision in business.
- To publicize knowledge and information on risk management through posters labelled "Warning from Grandma", altogether 6 issues distributed through emails, public announcement boards and pop up on computer screen of all employees.
- To review and improve the business continuity management plan (BCP) in order to be a guideline for the Company to operate business during crisis. This includes the rehabilitation during required period, reducing damage and ensuring confidence of stakeholders in the Company.
- To organize activities and booth of Risk Management Day 2016 in the Company's New Year party, 29 January 2016 to provide knowledge on risk management to employees, as well as quiz games
- To organize a test of knowledge regarding risk management via online for all employees in the Company and its subsidiaries by providing rewards for those who have got full score on the test. In so doing, the system would randomly select among 42 questions which have been prepared as a test.

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

Overall 2016 Thai economy has gradually recovered after previous slowdown. This was followed by stronger confidence and low energy price, which helped support private consumption. In early 2016, government stimulus campaign on property had been executed, for example, providing special mortgage loan rate for low-income earners and decreasing both transfer fee and mortgage fee which expired on 28 April 2016. Moreover, the result of AEC has provided more opportunity for foreigners to own residential property for both living and investing. With all these supporting factors combined, consumers were more confident towards continuous economic growth. However, despite the less effect of first car policy, customers' household debt are still high which has resulted in the stricter of loan approval of commercial bank especially for self-employed customers. This also affected small-middle developers in terms of funding.

According to those concern factors, many residential developers, especially large developers has changed their marketing strategies. This caused high competitive environment which was not only been seen in gaining market share from smaller developers but more focus on middle-high product segment.

In conclusion, not only the stronger competition can be seen in some segment, more price promotion will heavily launched in the near future.



In the last quarter of 2016 as Thailand was in a gloomy period, overall presales was minimally affected. However, the Company could achieve 2016 targets among strong competitive environment. This was resulted from the high accumulated sales during the first three quarters of 2016.

Nevertheless, due to being a major operator with more than 27 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 modern trade 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

Currently, continuous stricter in lending mortgage loan following rising in NPL has led to higher rejection rate, from 25% to 30% in 2016. This figure rose to 50% in both landed property and condominium with unit price lower than 3 million baht due to high speculation. 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 unconstruct 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 27 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 contractors would not be more than 10% of the value of the houses each year. Contractors with more than 2 year experiences are more skilled and familiar with the Company's plan and working system. This would help ensure that they are able to deliver more quality and timely construction.
- 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 for completed condominium projects 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. In case of landed property projects, the Company has been building experiences, adjusting plan, and consulting regarding production with contractors and suppliers in order to be ready for prefabricated building in case of necessary and lack of labor.



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 obligation 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 2016, 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 wto 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 communication tool of communication to acquire various kinds of information. Accordingly, business operation is affected by a lot of information spreading rapidly on social networks. The Company, therefore, has set means to reduce the risks by providing policy on computer and internet usage to all employees to follow strictly. Moreover, process of analyzing and monitoring those effects from such risks have been implemented systematically. By doing that, the sample cases that happened to other companies in the same business as well as the case happening with the Company in the past are studied and analyzed. 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 2016, 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, 2015 and 2016, the Company had issued unsecured debentures with the details as follows:

- 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 May 3, 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. 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.
- No. 1/2016 on January 29, 2016 with 3 years maturity at a fixed interest rate of 2.25% 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 January 29, 2019 with interest payment after every period of 6 months throughout the maturity period of the debentures.
- No. 2/2016 on September 7, 2016 with 3 years maturity at a fixed interest rate of 2.24% 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 September 7, 2019 with interest payment after every period of 6 months throughout the maturity period of the debentures.

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

From the information on ordinary shareholders who hold shares of the Company through Thai NVDR Company Limited as of 24 August 2016, there were 185,620,566 shares, or 10.81% 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 24 August 2016

Shareholders' List		Percentage of Shareholding	
		Number of Shares	Percentage
1	TANGMATITHAM FAMILY ⁽¹⁾	503,783,844	29.35
2	THAI NVDR COMPANY LIMITED	185,620,566	10.81
3	CHASE NOMINEES LIMITED	70,984,900	4.14
4	SOCIAL SECURITY OFFICE	56,990,200	3.32
5	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, FUND SERVICES DEPARTMENT	55,424,500	3.23
6	MR. SANTI SINGHAWANGCHA	40,594,000	2.37
7	STATE STREET BANK EUROPE LIMITED	39,609,476	2.31
8	SKANDINAVISKA ENSKILDA BANKEN S.A. LUXEMBOURG	33,835,000	1.97
9	MRS. WACHANEE SINGHAWANGCHA	25,300,000	1.47
10	NORTRUST NOMINEES LTD-CL AC	22,312,907	1.30
Total Top 10 Shareholders		1,034,455,393	60.27
Others		682,097,856	39.73
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 413,595,644 shares and 90,188,200 shares, or 24.10% 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 9 August 2016, the meeting of the Company's Board of Directors No. 8/2016 passed a resolution to approve the Company's payment of interim dividend at Baht 0.50 per share on 6 September 2016.

According to the resolution the Board of Directors' Meeting No.2/2017 on February 21, 2017, the Board of Directors resolved to propose to annual shareholders' meeting of 2017 on 21 April 2017 resolved to approve the allocation of profit of 2016 for the operation period from 1 January to 31 December 2016 to be dividend payment to shareholders at the rate of Baht 1.05 per share, of which the remaining dividend is Baht 0.55 per share to be paid on 09 May 2017.

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

Supalai Public Company Limited

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

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

93 Rachadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400

Telephone 0-2009-9000

Fax 0-2009-9991

Call Center 0-2009-9999

Website www.set.or.th/tsd

E-mail SETContactCenter@set.or.th

○ Debenture Registrar: Unsecured Debenture No.1-2/2014, 4-6/2014 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

o **Debenture Registrar: Unsecured Debenture No.1/2013, 7/2014, 2-4/2015 and 1-2/2016**

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

o **External Auditor**

Krongkaew Limkittikul

Certified Public Accountant (Thailand) No.5874

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 27 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 2016, the Company received Thailand Sustainability Investment (THSI) 2016 Award, by having been included on the list of sustainable shares, from the Stock Exchange of Thailand. The Company has received this award for 2 consecutive years.
- In 2016, the Company received the "Investors' Choice Award" from the Thai Investors Association jointly with the Stock Exchange of Thailand; the Securities and Exchange Commission (SEC) and the Federation of Thai Capital Market Organization, whereby Supalai was 1 of 47 companies being able to get the excellent score from the appraisal of organizing shareholders' meeting by getting full score for 4 consecutive years (2013-2016).



- In 2016, the Company had been appraised regarding corporate governance of listed companies 2016 by the Institute of Directors (IOD), which has been supported by the Securities and Exchange Commission (SEC), whereby Supalai has been 1 of 80 companies to receive excellent score out of 601 companies under such survey for 4 consecutive years.



- 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.

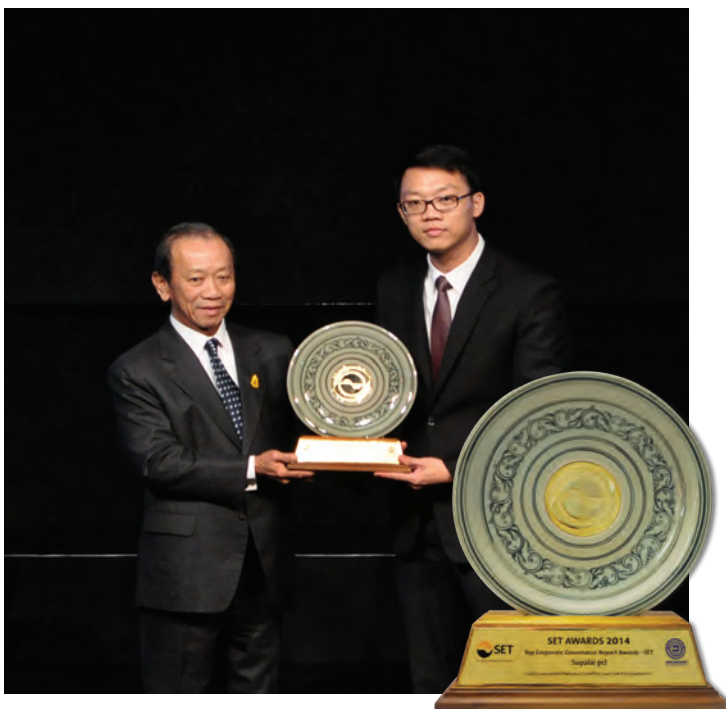
- In 2010, the Company received the best performance award and recognition certificate for “Listed Company with Excellent Operational Results of 2010” from the Stock Exchange of Thailand in the SET Awards 2010 presentation ceremony. It is the only listed company to receive the award among the group of 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 2016, the Company received a plaque of “Excellent Workplace” from the Social Security Office as an excellent workplace in implementing the laws correctly and completely.



- 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 2016, the Company received the Certificate of ESG100Company from ESG Rating of Thaipat Institute, whereby the Company was also selected as one of the top 100 outstanding listed companies that operate business sustainably in terms of environmental, social and good governance.



- In 2016, the Company received the “EIT-CSR Awards 2016” from the Engineering Institute of Thailand under the Royal Patronage.



- In 2016, the Company received Sustainability Report Award 2016, categorized of Recognition from the Stock Exchange of Thailand, which was considered from the aspect of usefulness of company's ESG disclosure towards investor.



- 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 forthrightly. Such responsibilities also exemplify people’s good deeds and create confidence among citizens, entrepreneurs, agencies and organizations, while making them realize how their tax paying can immensely contribute to the country’s prosperity and stability.



In 2012, the Company as the owner of Supalai Grand Tower Building received the award for “Safe Building, Feeling Good All Over the City” from the Bangkok Metropolitan Administration. It was given as a complementary for good management of the building in the project for participation in safety of houses and buildings organized by the Office of Civil Works of Bangkok Metropolitan Administration.



In 2012, Supalai Public Co., Ltd. received a plaque in honor of the “Ruam Raeng Thai, Raksa Nam Sai Thuk Khu Khlong” project (Canal Dredging and Cleaning Project) for joining to help maintain the good quality of canal water in a sustainable manner. The plaque was bestowed upon the Company by Prime Minister Yingluck Shinawatra, who chaired the award-giving ceremony.

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

In 2008, the Company received the Award for “Good Property Developer Award of 2007-2008” from the Office of the Consumer Protection Board of the Prime Minister’s Office in the project to select good property developers.

In 2003, the Company received the Award for “Developer who Preserves Consumers’ Advertisement Rights : Fair Advertisement of Products and Services for Consumers” from the Consumer Protection Board of the Prime Minister’s Office.



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



- In 2016, the Company received a plaque of "Excellent Property Project Award 2015" for the Supalai Prima Villa Phaholyothin 50 Project for the type of "Single House", and Supalai Bella's Ring Road-Rama II Project for the type of "Townhouse" from the Information, Research and Evaluation Centre of Thailand of Agency For Real Estate Affairs Co., Ltd. The award was given to selected "Worthy of Buying" projects based on reasonable price, location, materials, format, designs and environmental conditions in the project.



- In 2016, the Company received the "BCI Asia Top 10 Developers Awards 2016" from BCI Asia Construction Information Company Limited and Future Arc Journal. It has received such award for 6 consecutive years. It is the award given to Thailand's property developers selected for the outstanding and quality project design that is also environmentally friendly.

● In 2016, the Company received the Think Of Living People's Choice Awards 2016 in the category of Editor Choice 2016. Award was given by the Think Of Living Website (Online Media on Real Estate) selected from 7 outstanding real estate projects of 2016, and Supalai projects were qualified as finalists in 2 categories, namely, High - rise Condominium Development: Main Class, for Supalai Riva Grand Project and the Best High-rise Condominium Development: Affordable, for Supalai Park Ratchavipha Project.



● 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 Srinakarin-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.

- 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, and Supatarin design in the category of medium detached house of Supalai Suvarnabhumi 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 and Supakarul design in the category of medium detached house of Supalai Orchid Park Rama 2 from the Department of Alternative Energy Development and Efficiency, Ministry of Energy.



Received a Good Award for “Excellent Energy Conservation House”
from Ministry of Energy 3 years

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)					
	2012	2013	2014	2015	2015
Contractual Sales	23,446	18,577	19,386	23,011	23,591
Revenues from Sales of Real Estate	11,260	12,322	18,270	20,999	22,902
Total Revenues	11,649	12,742	18,671	21,523	23,492
Income before Corporate income tax	3,653	3,676	5,722	5,692	6,262
Net Income	2,744	2,882	4,478	4,349	4,887
Total Assets	23,653	30,675	38,031	47,287	51,680
Total Liabilities	10,766	15,966	20,053	26,837	28,068
Shareholders' Equity	12,888	14,709	17,977	20,450	23,612
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)	1.60	1.68	2.61	2.53	2.85
Par Value (Baht)	1.00	1.00	1.00	1.00	1.00
Book Value per Share (Baht)	7.51	8.57	10.47	11.91	13.76
Dividend per Shares (Baht)	0.65	0.70	1.00	1.00	1.05

Financial Ratio					
	2012	2013	2014	2015	2015
Gross Profit Margin from Sales of Real Estate (%)	44	41	42	38	38
Net Profit Margin (%)	24	23	24	20	21
Return on Equity (%)	21	20	25	21	21
Return on Total Assets (%)	12	9	12	9	9
Net Gearing (Times)	0.25	0.51	0.66	0.95	0.87

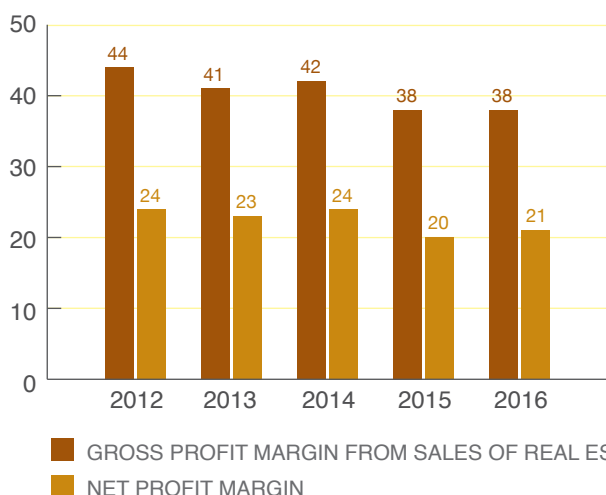
Significant Information For Shareholders

The Annual General Shareholders' Meeting of year 2016

April 21, 2017 at 2.30 p.m. at Supalai Grand Tower Building at Meeting Room,

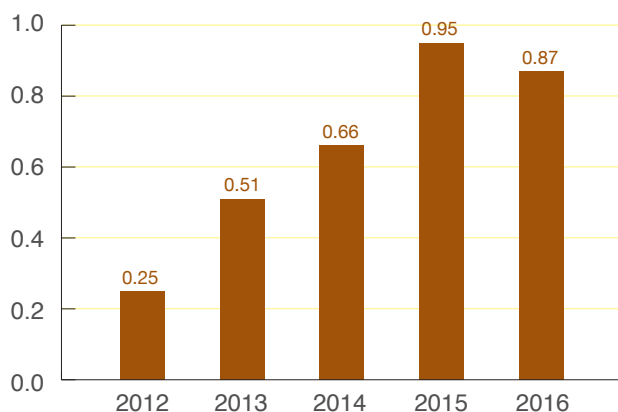
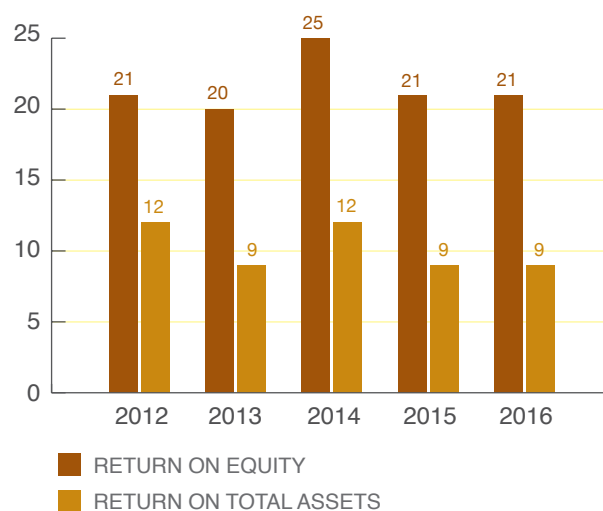
33rd Floor, 1011 Rama III Road, Chongnonsee Subdistrict, Yannawa District, Bangkok 10120.

Dividend Payment : 1.05 Baht per share



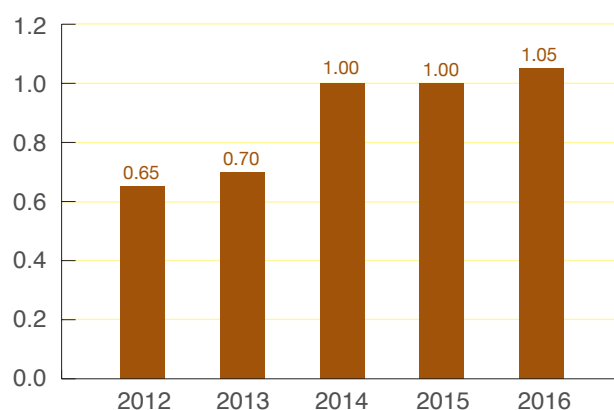
GROSS PROFIT MARGIN FROM SALES OF REAL ESTATE AND NET PROFIT MARGIN

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 2015 (Million Baht)	Year 2016 (Million Baht)	Increase (Decrease) Percent (%)
Total Revenues	21,523.16	23,491.64	9%
Revenue from Sales of Real Estate	20,999.24	22,901.92	9%
Selling and Administrative Expenses	2,205.34	2,536.16	15%
% Selling and Administrative to Total Revenues	10.2%	10.8%	-
Earnings before Tax	5,691.69	6,262.28	10%
Corporate Income Tax	1,154.54	1,277.24	11%
Effective Corporate Income Tax Rate (%)	20.3%	20.4%	-
Net Income	4,348.72	4,886.53	12%
Basic earnings per share (Baht)	2.53	2.85	13%
Net Profit margin (%)	20.2%	20.8%	-

- The revenue from sales of real estate in the amount of Baht was 22,901.92 million or increased of Baht 1,902.68 million or 9% from the last year, divided into the revenue of 57% from the transfer of ownership of detached houses and townhouses and the remaining 43% from the transfer of ownership of condominiums. The revenue was increased mainly due to the transfer of ownership and increase in sales when compared with the last year.
- Selling and administrative expenses to total revenue was 10.8% that was increased from 10.2% of the last year. This is mainly due to the increase in number of projects.
- Net profit was Baht 4,886.53 million or increase of Baht 537.81 million or 12% from the last year, mainly due to the increase in revenue from sales of real estate as stated in No1. This affected the basic earnings per share to be Baht 2.85 that was increased from Baht 2.53 of the last year.

2. Table of Summary of Financial Status

	Year 2015 (Million Baht)	Year 2016 (Million Baht)	Increase (Decrease) Percent (%)
Assets			
Cash and cash equivalents	797.90	569.07	(29%)
Costs of property development projects for sales	42,377.62	46,409.68	10%
Other assets	4,111.67	4,700.84	14%
Total assets	47,287.19	51,679.59	9%

The total amount of assets in 2016 was increased from 2015 by approximately 9%, the main reason was as follows:

- The cost of property development projects for sales was increased by 10% 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 2015 (Million Baht)	Year 2016 (Million Baht)	Increase (Decrease) Percent (%)
Liabilities and shareholders' equity			
Overdrafts and short-term loans from financial institutions	1,507.95	1,977.07	31%
Deposits and advances received from customers	3,605.48	3,389.78	(6%)
Long-term loans from banks	4,392.68	3,831.79	(13%)
Debentures	14,286.91	15,090.39	6%
Other liabilities	3,044.14	3,778.53	24%
Total liabilities	26,837.16	28,067.56	5%
Total shareholders' equity	20,450.03	23,612.03	15%
Net Gearing Ratio (%)	95%	87%	

The total liabilities of 2016 was increased from 2015 by approximately 5%, the main reasons were as follows:

- Overdrafts and short-term loans from financial institutions was increased Baht 469.12 million or approximately 31% because the Company manage for low-cost financing.
- During 2016, the Company has paid for the repayment of long-term loans which were due in the amount of Baht 31,765.58 million and borrowed amounting to Baht 31,240.70 million, used for construction projects of the Company and subsidiaries.
- During 2016, the Company has paid for the redemption of debentures which were due in the amount of Baht 1,200 million and issued bonds amounting to Baht 2,000 million, of which the financial cost was lower than the project loan.
- The net gearing ratio was 87% as at December 31, 2016, which was decreased from the level of 95% as at December 31, 2015, mainly due to repayment of long-term loan by using cash flow from operating activities of the Company and its subsidiaries.

3. Table of Summary of Liquidity and Cash Flows

(Unit: Million Baht)		
	Year 2015	Year 2016
Net cash flows from (used in) operating activities	(5,000.52)	1,340.48
Net cash flows used in investing activities	(353.80)	(833.29)
Net cash flows from (used in) financing activities	5,509.67	(731.97)
Translation adjustments	(19.34)	(4.05)
Net increase (decrease) in cash and cash equivalents	136.01	(228.83)

The table shown that in 2016, the Company and its subsidiaries have net cash flows from operating activities due to the increase in the revenue from sales of real estate. Net cash flows used in investing activities was occurred from additional investment in Australia during the year 2015 and 2016. Also, net cash flows from financing activities for the year 2015 increased by Baht 5,509.65 million mainly due to issuance of debentures and net cash flows used in financing activities for the year 2016 decreased by Baht 731.97 million mainly a result of repayment of long-term loans.

As of December 31, 2016, the Company and its subsidiaries have backlog revenue from waiting to be transferred the ownership of house and/or condominium Baht 36,496 million. The Company and its subsidiaries expect to transfer additional Baht 13,650 million of these backlogs over the year 2017, and Baht 22,846 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 27 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.

o Free Trainings and Seminars to Provide Knowledge to the Public

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

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 seminar on Dhamma "Buddha's words in Relation to Work and Leading life Happily" by reverend Kukrit Sothiphalo, the abbot of Wat Na Pah Pong, seminar on investment tips in various aspects, such as "Tax Tips and Generating Profit and Prosperity in 2017" by Dr. Suwan Walaisatian," "Keep an Eye on Economic Direction & Insights on Outstanding Shares in the Second Half of the Year" by TISCO Securities Company Limited and "Shortcut for Investment Beginners, Tips To Prepare Portfolio by Oneself" by K-Expert.





The Company also organized seminars on health and alternative medicine, "Tips for Eating to be Far From Chronic Diseases" by Mr. Nipan Pongpanich, and many other topics that are useful, such as "Tips on Feng shui of Homes for Residents to be Lucky in 2016" by Mr. Bundit Sae-Lim, "Techniques for Taking Still / Moving Pictures on Smartphone Like a Professional" by Mr. Pipop Panichpak, and the Company also cooperated with leading publishing company, Nanmi Book to organize a seminar and workshop on "Miraculous Tips to Create Spiritual Spa for Clear Brain by Painting".

● Educational activities

The Company set up 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 schools that have resource scarcity, 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 both in monetary and material 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. Financial support was provided to build classrooms, water tank and renovate the library to Ban Khunklang School of Chiangmai Province according to the policy of "Saeng Prateep" Project.



Ban Khunklang School of Chiangmai



Wat Taiyor School of Songkhla

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.



Ban Pang Pei of Nan

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 Ms. Ajchara Tangmatitham, Executive Vice President, generously made their personal contributions on behalf of Supalai Public Company Limited at the “30 Years of Giving” charity concert, to the TISCO Foundation where these contributions were consequently allocated as scholarships given to students in need nationwide and the Company donated copies of the book titled “Sustainable Wealth and Happiness” written by Dr.Prateep Tangmatitham, to rural schools in Chiang Mai, Khon Kaen, Songkhla, Saraburi, Phuket, Chon Buri, Surat Thani, Rayong, Udorn Thani and Nakhon Ratchasima provinces, as a source of knowledge mutually used by both teachers and students.



Kukum Municipal School of Chiang Mai

● 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** ointly 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.



o 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; Prateep Philosophy, a book collecting philosophies valuable for leading one’s life, and the most



recent book was “Spiritual Fulfilled Garden-Happy Home” which is a book of inspiration and sparking of ideas to create beautiful vegetable garden which is very useful.

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

o 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.

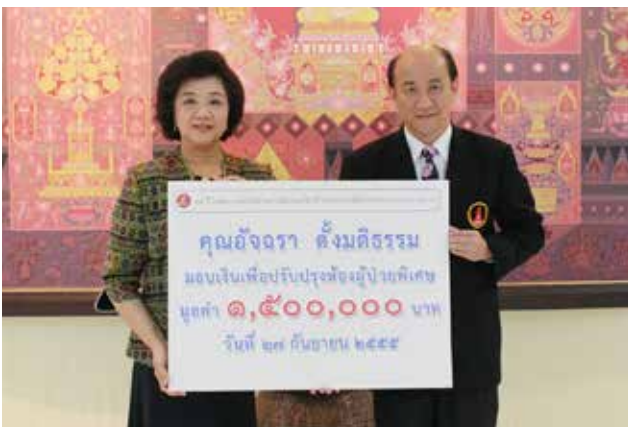


o Health Activities

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

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

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



○ Community Development Activities

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

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

○ Religious Support Activities

The Company has the project to develop landscape in many religious premises including temples, mosques and help with the design and layout of buildings in the temples by giving advice and collaboration with the Fine Arts Department, the Stock Exchange of

Thailand and the Federation of Thai Capital Market Organizations (Fetco), whereby the Company has been a host for the caring and restoring of a temple in Nonthaburi Province. Also, in the past, the Company had arranged for adjusting the landscape of various religious places, such as Wat Pantainorasingh Temple in Samutsakhon Province, Wat Cholpratan Rangarit Temple, Nonthaburi Province and Rao Dortulmuttagine Mosque in Por Bay of Phuket Province.



"Pra Supanimit Mingmongkol"

Human Resources Capital Development

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.

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 to promote and develop the spirit of the employees, such as blood donation, charitable donations of unused articles, participation in mindfulness meditation etc.



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 72 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

The Company believes that the strong family relationship is a solid foundation in lifting society up high. For example, in Thai culture, we believe showing gratitude to parents with love and care will bring good fortune to the family. In other word, good relationship among family member play an important role. Thus, the company offers free meditation course to all Supalai family members twice a year. Not only the members have a chance to understand themselves better through meditation program, they also have a chance to interact and understand their friends or people who living in the same community better.

○ Activities to Strengthen Relationships or Familiarization among Members

The Company creates activities for Supalai family member through the program called “making merit during new year”. Each family member can bring kid to join in. This is not only bringing joy to their children, but also good opportunity for their parents to exchange their life experience. More importantly, free food and beverage provided during the activity.



◉ Reinforcement of Safety

Full security 24/7 will ensure the family member stay safely. Every car entering and leaving community will be monitored and reported. In addition, security guard will do observation and patrol periodically to make sure everything in community stays in normal. Moreover the Company also joint 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 regarding Anti-corruption

It is generally well aware that corruption, which is considered as a crime against the law and morality, can have impacts on the status of the Company, the economic, social and political condition including the international confidence. The Company had, therefore, signed to join the anti-corruption network in order to ensure that the Company's management is based on principles of good governance, and consequently strengthen confidence. It has adopted the policy that emphasizes on raising awareness of employees and the management at all levels so as to realize the danger of corruption. Also, the right values have been instilled in order to develop the organization to be transparent, while various policies on anti-corruption have been clearly established.

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 measures of 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. **Cotractors** 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.



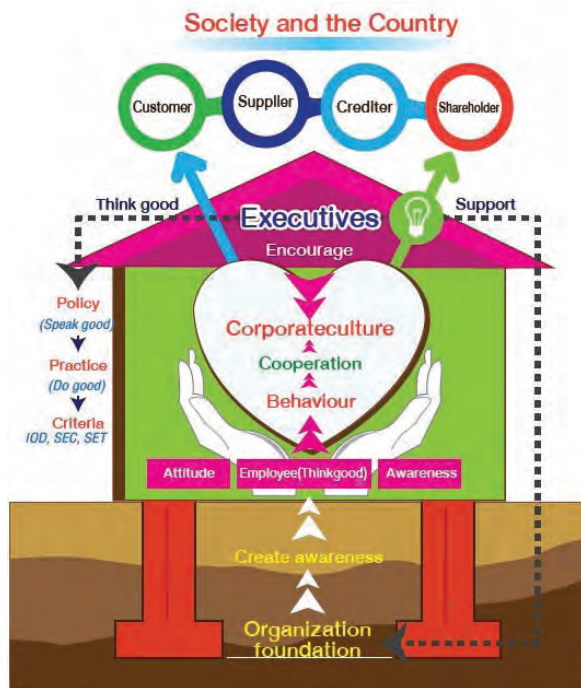
(Dr.Prateep Tangmatitham)

Chief Executive Officer

Commitment and Policy

On 9 November 2010, the Company had expressed its intension to join Thailand's Private Sector Collective Action Coalition (CAC) organized by Thai Institute of Directors Association (IOD), Thai Chamber of Commerce, International Chamber of Commerce, Thai Listed Companies Association, the Thai Bankers Association, Federation of Thai Capital Market Organization (FETCO), Federation of Thai Industries, and finally signed on 22 May 2015 to be a member of the Partnership Against Corruption for Thailand Network (PACT Network).

Supalai Public Company Limited has in place an anti-corruption policy with the prepared guidelines in writing included in the Ethics and Code



of Conduct for the directors, executives, supervisors and employees, which has been approved by the resolution of the Board of Directors' meeting No.11/2559 held on 14 November 2016. It had been updated three times already. In addition, the Board of Directors has established 6 policies related to anti-corruption measures, namely, 1) policy on anti-corruption, 2) policy on political support 3) policy on receiving and giving gifts, property or any other benefits 4) policy on whistleblowings or lodging complaints 5) policies on providing monetary support and 6) policy on charitable donations, all of which had already been approved by the Board of Directors. The Company had communicated such policies to directors, executives, supervisors and employees by requiring that all processes of operations be in compliance with the laws, while providing channels for whistleblowing or lodging complaints on dishonest acts, and has protective measures to protect the whistleblower. The details of the policies and actions related to the prevention of such acts are disclosed in the Company's website: [Http://www.supalai.com](http://www.supalai.com) under the topic of Anti-Corruption Measures.

In implementing policies related to dishonest acts, the Company shall not allow such acts to take place with in the Company and the companies under its control. It has, therefore, conducted risk assessment and set up practical guidelines for directors, executives, supervisors and employees to act according to the laws and business ethics, which shall have binding effect upon performing duty, relationship with customers and suppliers. For such purposes, the Company has prepared official policies approved by the resolution of the Board of Directors and disclosed to the public including suppliers and business partners, such as contractors, stores, customers, banks, competitors, etc. as shown in the policies related to anti-corruption measures as follows:

○ 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 complied with the policy to support democratic system by encouraging directors, executives and all employees, including employees of the companies under its control to exercise their political rights as good citizens. They can express, participate, support and exercise their right outside working hours by using their own resources. The Company has no policy for supervisors and employees at all levels to instruct or convince by any means the employees and subordinates to participate in the political activities of all types as it may cause conflicts within the organization.

○ Policy on Gift and Hospitality

The Company has operated its business with integrity and in compliance with the laws. Therefore, in order to maintain its reputation, the Company has adopted the policy regarding receiving and giving gifts, property or any other benefits that it can be done according to tradition, and morality as expression of gratitude or to maintain business relationship. However, the Company shall not support the receiving or giving inappropriate gift or property or any other benefits that can have influence on the decision in performing duty as it might result in the Company's loss of benefits.

○ 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 2016 is the fourth 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 to control the risk to be at acceptable level with optimal 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,
- Executives' cooperation in providing answers to the opinion survey of private companies relating to corruption problems of the IOD,
- The Company joined the anti-corruption day 2016,



- 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.

ระบบจัดการแบบทดสอบ ONLINE

ประเภททดสอบ	จำนวนข้อ	ระยะเวลาในการทำข้อสอบ(นาที)	เกณฑ์ผ่าน	จำนวนผู้เข้าทำข้อสอบ	จำนวนผู้ผ่าน
แบบทดสอบความรู้เกี่ยวกับกฎหมายและนโยบายภายใน ปี 2559	1	5	0%	1	1
แบบทดสอบ Good Governance Risk Management and Compliance (GRC) ประจำปี 2559	20	60	60%	1	1

บริษัท สุราษฎร์ธานี จำกัด (มหาชน)
1011 อาคารสำนักงาน อาคาร 3 ชั้น 3 ถนนพหลโยธิน
เขตจตุจักร กรุงเทพฯ 10120
โทร. 02-725-0888
โทรสาร 02-683-3888

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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. All new employees have to learn and acknowledge the policies and practices regarding anti-corruption immediately after joining the Company and in every orientation course for new employees. The Company has also conducted public relations on such policies and practices to the third parties and all of its suppliers.

In addition, the Company has also established procedures to record and collect statistical data on the number of whistleblowing, types of clues, the number of clues that have been investigated, the summary results of the investigation of each complaint including the report on annual statistical whistleblowing or complaints to be submitted to the Audit Committee and the Board of Directors in writing. This is for the purpose of monitoring progress and improving the Company’s operations to prevent the acts of corruption in all forms.

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 2016, 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 Tread way 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. **Adoption of Policies.** The Company has adopted anti-corruption policies in writing and required that directors, executives, supervisors and employees of the Company and its subsidiaries strictly comply with such policies.
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



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 Internal Audit Department 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.
6. In practice, the Company shall not degrade the position, impose penalty or impose negative effects on employees who refuse the act of corruption.

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” 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

คำถาม	คำตอบ	คะแนน	จำนวน
1	5	100%	1
2	10	100%	1



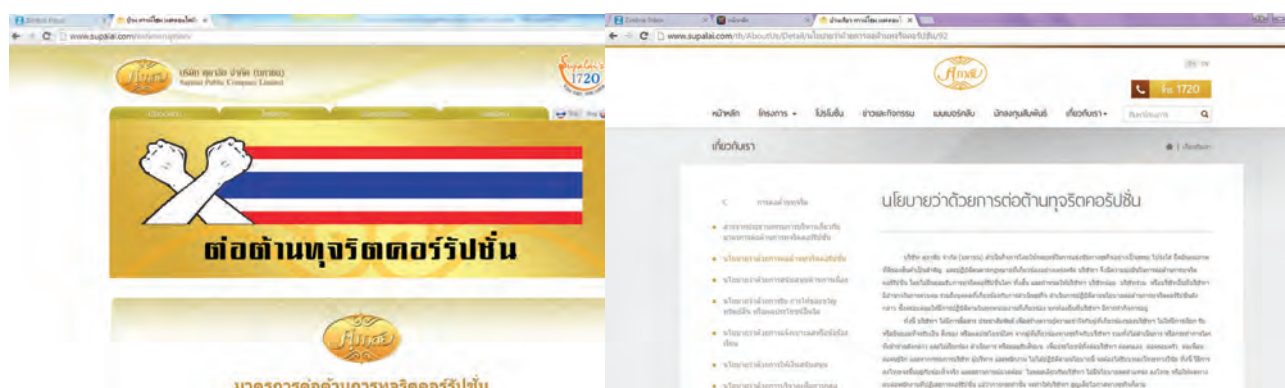
Annual Knowledge Test of 2016

Public Relations via Company's Intranet

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 cooperation 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.

Not only the Company's employees who acknowledge practices regarding anti-corruption, the Company has also provided communication to applicants who are interested in joining the Company via the job application form and through interviews with candidates regarding their attitudes on anti-corruption.



Dissemination via Company's Website



Public Relations Brochure

Monitoring

The Board of Directors has the duty to annually review the suitability of the anti-corruption policies by taking into consideration the effectiveness of the policies, the implementation of the principles of good governance, and the recommendations of the Board of Directors on the development and improvement of policies in the past. Each year, the Internal Audit Department shall report on compliance with anti-corruption measures to the Audit Committee. The Audit Committee shall then further the report together with their opinions and recommendations to the Board of Directors for consideration respectively. In 2016, the Board of Directors had reviewed the anti-corruption policies and the policy regarding whistleblowings or lodging complaints in order to be in line with the criteria of the Thai Institute of Directors Association (IOD) on self-assessment relating to anti-corruption measures, which had already been approved by the resolution of the Board of Directors' Meeting No. 11/2559 held on 14 November 2016.

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. 09/2559 held on 13 September 2016. Also, in 2016, the Company has completed 71 clauses of the criteria for self-appraisal regarding anti-corruption measures of the Thai Institute of Directors or 100%.

In 2016, 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 2016, 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 and 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.

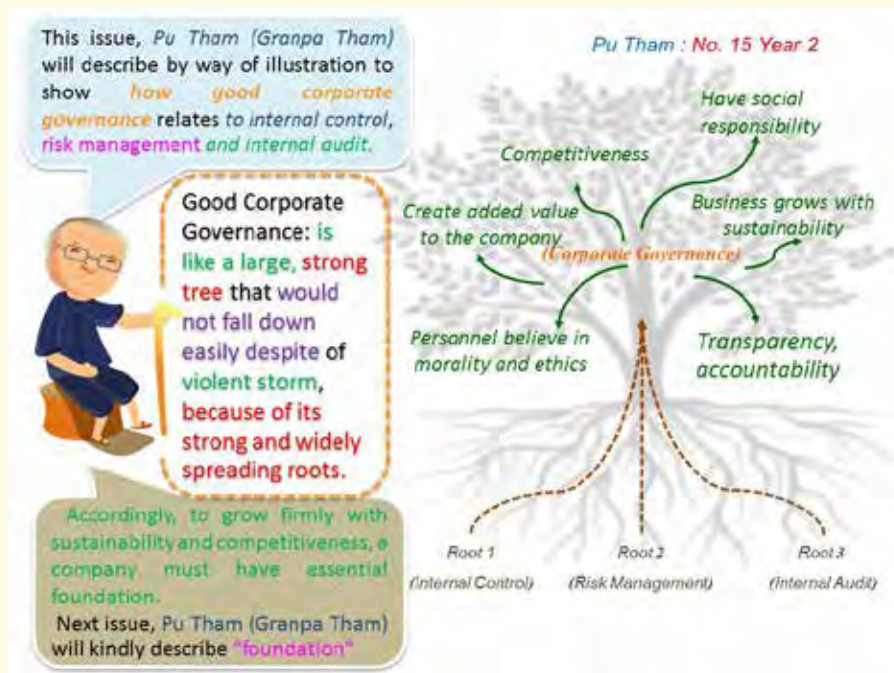
Promoting compliance with the Code of Conduct

- 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 2016 as follows.

- Supalai Public Company Limited received “Thailand Sustainability Investment award 2016” from SET Thailand. The award was given to listed companies with outstanding performance in sustainability development and enhancing the development of social enterprise for 2 consecutive years.
- Supalai Public Company Limited has been awarded the rank of “Excellence” of group rating of the survey of corporate governance report of the Thai Listed Companies of 2016 organized jointly by the Thai Institute of Directors Association, the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission for 4 consecutive years from the year 2013 to 2016 consecutively.

- Supalai Public Company Limited has received the Investors' Choice Award with the full assessment score of 100 for the quality assessment for the arrangement of the Shareholders for four consecutive years.

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 2016, 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 over 40 percent of issued shares. (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 2016, 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 2016 meeting, the Company has published the criteria on both its website (www.supalai.com) and that of the Stock Exchange of Thailand from 3 October 2016 to 6 January 2017 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 3 October 2016 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 3 October 2016 until 6 January 2017, 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 2016, the Company organized the annual ordinary meeting on 22 April 2016 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.

Shareholders wishing nominate a director must be the shareholders of the Company at the date nominating the director holding not less than 5 % of paid up capital as at the end of fiscal year, which can be either owned by one shareholder or combined shareholders 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 3 October 2016.

- **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:

- ⦿ The Company used barcode system to facilitate the vote-counting process.
- ⦿ The Shareholders had the right to vote according to the number of shares held, wherein one share was equal to one vote.
- ⦿ For each agenda item, each shareholder was eligible to cast his/her votes, to either approve, disapprove, or abstain from voting. Split votes in other ways were disallowed.
- ⦿ In the vote-counting process, a resolution would require a majority vote at the Meeting, except as stated otherwise by law.
- ⦿ Each shareholder was eligible to cast his/her votes, to either approve, disapprove, or abstain from voting from on any agenda should indicate their votes on the ballot and submit only votes cast in disagreement and abstention to the Company's officers for vote counting. But votes cast in agreement will be kept after the end of the meeting.
- ⦿ In the vote-counting process, the Company would deduct votes of the disapproval and abstention out of the total number of votes at the meeting in the agenda. And the rest will be the votes in approval. In consideration such votes will account for a shareholder vote by proxy with intent.
- ⦿ As the counting of votes for each agenda shall be counted from the vote of the shareholders attending the meeting and entitled to vote on the agenda. It may have shares and number of votes on each agenda item are not equal. Because there may be some left the meeting of more incoming.
- ⦿ When officials count the votes has been completed, it will prompt the meeting details of the results after the end of 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 2016, the Company organized only one ordinary meeting which was the 2016 Annual General Meeting of shareholders held on 22 April 2016 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, Advisory of the board and Company Secretary, totaling 13 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 Managing Director
4. Mr.Prakit	Pradipasen	Independent Director, Chairman of the Audit Committee and Chairman of the Nomination and Compensation committee
5. Mr.Anant	Gatepithaya	Independent Director and Chairman of the Risk Management Committee
6. Assoc.Prof.Dr.Somjai	Phagaphasvivat	Independent director and Chairman of the Corporate Governance Committee
7. Assoc.Prof.Dr.Virach	Aphimeteetamrong	Independent Director
8. Assist.Prof. Aswin	Bijayayodhin	Independent Director
9. Mr.Atip	Bijanonda	Director
10. Mr.Prasas	Tangmatitam	Director
11. Mr.Krid	Chancharoensuk	Director
12. Dr.Sahas	Bunditkul	Advisory of the board
13. Mrs.Varunee	Lapitananuvat	Deputy Managing Director and Company Secretary

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 2016, the Company organized the annual ordinary meeting on 22 April 2016, of which 11 directors (the total number of directors is 11) and 1,077 shareholders attending the meeting. There were totaling 991,519,906 shares or 57.7623 percent of all outstanding shares (the total paid-up shares of the Company are 1,716,553,249 shares), comprising 171 shareholders who attended the meeting themselves with total shares of 535,629,169 shares, amounting to 31.2038 percent of all outstanding shares, and 906 proxies with total shares of 455,890,737 shares, amounting to 26.5585 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.Thanrawe Pattarawinit is the auditor from EY and Mr.Vasan Puhsaksridit is minor shareholder 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, Ms.Phetcharat Tangdamrongtarkul, 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 2016 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 2016 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 2016, 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 2016, the Company disseminated the minutes of the shareholders' meeting on 30 April 2016.

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 2016 (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 10 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 an equal basis regardless of gender, age, race, nationality, religious beliefs, social status, disability, or political opinion. Though shareholders are unable to attend the meeting because of any inconvenience, they are entitled to appoint a proxy to attend the meeting. For such purposes, the Company has publicized guidelines on the website of the Company (www.supalai.com) to inform the shareholders and the general public.

The Company is determined to develop 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 on-line survey on conflict of interest.



ระบบจัดการแบบทดสอบ ONLINE

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แบบทดสอบ	จำนวน ข้อ	ระยะเวลาในการทำ ข้อสอบ(นาที)	เกณฑ์ ผ่าน	ฝ่ายที่ออก ข้อสอบ	จำนวนครั้งที่เข้าทำ แบบทดสอบ
แบบรายงานการเปิดเผยรายการจัดตั้งทางผลประโยชน์ ประจำปี 2559	1	5	0%	ตรวจสอบ ภายใน	3
แบบทดสอบ Good Governance Risk Management and Compliance (GRC) ประจำปี 2559	20	60	60%	ตรวจสอบ ภายใน	1

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ข้อที่1)

แบบรายงานการเปิดเผยรายการจัดตั้งทางผลประโยชน์ ประจำปี 2559

คำถาม

ความขัดแย้งทางผลประโยชน์ หมายถึง สถานการณ์ การกระทำ โดยใช้ตำแหน่งหน้าที่ของตนเองทั้งทางตรงและทางอ้อม ในการแสวงหาผลประโยชน์ให้แก่ตนเอง เครื่องญาติ หรือบุคคลอื่นใด เพราะบริษัท เชื่อมั่นว่า "การเปิดเผยความขัดแย้งทางผลประโยชน์" ทำให้กระบวนการปฏิบัติงานเกิดความโปร่งใส ซึ่งจะนำไปสู่การสร้างความสามารถและศักยภาพในการแข่งขันทั้งระยะสั้น และระยะยาวให้กับบริษัท ได้ และนำไปสู่ความเจริญเติบโตอย่างยั่งยืน

"หากพนักงานท่านใด มีเจตนาปกปิด หรือเปิดเผยข้อมูลดังกล่าวลับเป็นเท็จ จะถือว่ามีความผิดตามนโยบายว่าด้วยความขัดแย้งทางผลประโยชน์ ซึ่งจะส่งผลให้รับโทษทางวินัยต่อนะระียบข้อบังคับการจ้างงานของบริษัท สุภาลัย จำกัด (มหาชน)"

คำตอบ :

☐ 1) มี รายการความขัดแย้งทางผลประโยชน์

☐ 2) ไม่มี รายการความขัดแย้งทางผลประโยชน์

[ยืนยันคำตอบ](#) [ยกเลิก](#)

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 2016, 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 2016, 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 2016, 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 3, 2016 to January 6, 2017 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, adjacent communities including the responsibilities towards 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 2016, the Company has revised policy on treatment of each group of stakeholders such as policy on treatment of employees, policy on treatment of customers, 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 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.

The Company attaches importance to and promotes respect for the rights, freedoms and equality with non-discrimination for the disadvantaged and the disabled by encouraging them to live independently with human dignity and equality similar to those of the general public, and to participate fully and effectively in the society of which the environment can be accessed and used by them. Accordingly, opportunities are provided for the disabled to work with the Company, and in 2016, there have been 3 disabled persons working in the Company and receiving welfare stipends according to the Disabled's Quality of Live Promotion and Development Act B.E. 2550 (2007). The Company also provides convenience for them by designing buildings with facilities such as ramps and toilets for the disabled, etc.

As for gender equality, the Company places great importance on equitable treatment of both sexes and offers opportunities for competent persons to join the management team. At present, the Company's Management Committee comprises 9 members with 3 female executives included.

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. The Company also provides security officers who supervise the practical procedures and methods to perform work appropriately in order to response to potential risks. Therefore, accident insurance has been provided to all 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 terms 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.

In addition, the Company has also extended its policy regarding human rights respect to cover its contractors, manufacturers and suppliers of raw materials and services pursuant to its policies regarding business operations of the manufacturers / suppliers of raw materials and services to foster fair business operations in accordance with human rights principles.

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 wah with no need to construct an office building. However, the Company understands the need of customers living in the project, therefore even though a land for constructing a juristic person office building is provided, the Company also has a policy to construct a juristic person office building to be given to the customers in the housing project for further use. This is to create the value, worthiness and support to the management of that particular housing estate.

During the period of 27 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, social, 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. 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. Moreover, the Supalai mindful meditation events, "Family Ties", have been organized to promote the quality of life for Supalai families where practicing contemplative prayers have been trained. This is a process of learning by soul with contemplative activities to provide direct experience.

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, Responsibility Towards Consumers.
Suppliers	<ul style="list-style-type: none"> - 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 2016 under the topic of General Economic Conditions, Social Responsibility, Personnel Development, and Community Care.

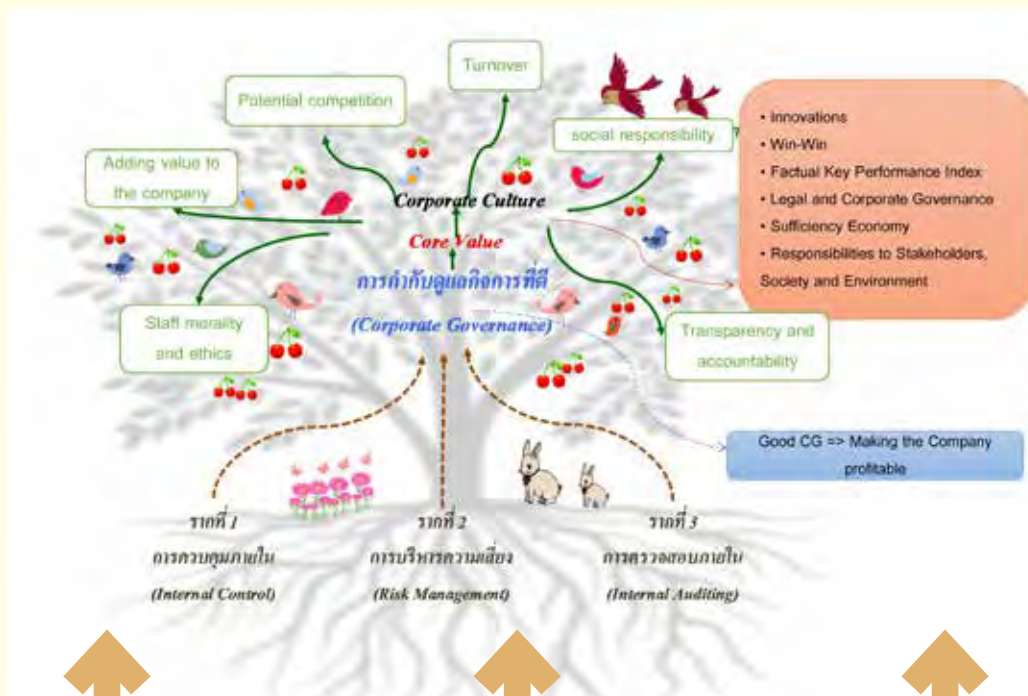
Its economic, social and environmental practices result from stakeholder analysis, using criteria that are industrial benchmarks, all of which are significant to the organization in economic, social and environmental dimensions, in line with the expectations of its stakeholders, for example;

- 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 2016, are as follows:

Unit: Persons

Employee Level	Male	Female
Executives	6	3
Supervisors	98	71
Operating	483	407
Staff	86	110
Total	673	591

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;

- 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.
 - Activities to educate to employees of their social security rights.
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;
- 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 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.
 - The "SUPALAI Real Estate Management Course", for mid-level executives or higher to increase their real estate development and organizational management skills.
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.
 - Arrange 2017 New Year Merit.

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.
- Providing knowledge regarding savings plans and financial investment, such as courses on early retirement planning, urgent packing for retirement, happy money and debt management.
- Car insurance at special rates for employees and their family members.

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

- A broad range of benefit allowances. Top executives attach importance and regard every employee as their family members who must be cared for. They attend important ceremonies of all employees, who are also entitled to benefit allowances, such as wedding allowance, get-well gift baskets, childbirth allowance, and funeral allowance.
- Providing scholarships for employees' children who get good grades in school according to the established scholarship program for education of the employees' children. The scholarships have been given to children of employees of the Company, its subsidiaries from primary school up to university level who get average grade not lower than 3.00 with unlimited number of applicants. Such provision of scholarship has been carried out for 20 consecutive years. In 2016, there were 137 students having received such scholarships.
- 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.
- New Year party.
- 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.
- Sports Day, internal sporting event, and friendship games between the Company and the Press and the Company and real estate business groups.
- Cross-functional seminar held among divisions. This is to promote harmony while encouraging communications and informal cooperation among employees, which yield better results than issuing written requests.
- Supalai Club, an ideal platform for holding activities aiming to achieve unity among employees. Here, everyone can express their opinions freely and work together without the boss-subordinate attitude.

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 2016, the average training course for employees are 1 course/per person/per year. The information on employee training is as follows:

Information on employee training	Average numbers of hours/ person/year
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 (Supervisor level or above)	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 Relations)** : 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 Relations)** : 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 Relations)** : 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 Relations)** : 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 Relations)** : 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 "better quality, better service, less cost".

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 2016 from BCI Asia Construction Information Limited and Future Arc Journal. Supalai has received this award for 6 consecutive years already, that is, from 2011-2016 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, Society and Environment

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 27 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 2016, the seminars conducted were
 - ◉ **Seminars on investment tips:** Shortcut course for new investors, tips for arranging personal stock portfolio allocation...getting rich by oneself provided, course on Tax Tips and Profit Making toward Wealth in 2017 and course on Keeping an Eye on Economic Direction & Insights on Outstanding Stocks in the Second - Half of the Year.
 - ◉ **Seminars on health and alternative medicine:** “Tips on How to Eat to be Away from Chronic Diseases”.
 - ◉ **Seminars on Ethics:** course on “Buddha's Teachings for Happy Working and Living”.

- ⊙ **Seminars on Arts:** course on “Magic Tips in Creating Heart Spa for Clear Brain by Painting”, course on “Technique for Taking Picture/Making Animation on Smartphone as a Pro” and “Tips for Adjusting Homes and Residences according to Feng Shui for Good Luck in the Year 2016”.
- **Educational activities,** in the past, the Company, having recognized the importance of education for Thai children, has provided support
 - ⊙ The Company provided Baht 2 million to the Department of Architecture and City Planning of Thammasat University as support for preparing classrooms.
 - ⊙ The Company provided Baht 2 million to the Department of Architecture of Chulalongkorn University.
 - ⊙ The Company provided more than Baht 2 million for establishing a museum of Suankularb Witthayalai School and the National Education Museum.
 - ⊙ The Company, together with the University of Illinois Alumni Association in Thailand hosted the event to give scholarships, fund for construction of toilets and miscellaneous articles in a total value of Baht 240,000 for rural teachers and students at Ban Hin Kong School, Khlong Hat District of Sa Kaeo Province.
 - ⊙ 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.
 - ⊙ The Company, together with the media, provided funds to build classrooms, donated water tanks and renovated and improved the library in Ban Khun Klang School, Chom Thong District of Chiang Mai Province.
 - ⊙ The Company organized Sahakit Project for students who want to apply for an internship at Supalai Public Company Limited.
 - ⊙ Supalai executives gave special lecture at the AIT Career Talk at the Asian Institute of Technology. The event was organized by the Asian Institute of Technology Career Center to provide opportunities for students to meet representatives from leading companies in Thailand and discuss the opportunity to work with such companies after graduation. A large number of international students participated in the event.
 - ⊙ The Company has also provided an opportunity for students from the Faculty of Commerce and Accountancy, Thammasat University to have a study visit regarding the process of preparing reports on sustainable development, responsibility in terms of economic, social and environmental as well as good governance that have impact on the stakeholders.
- **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.
 - ◉ The Company had provided “Rural Home for Farmers” designs to be given to interested farmers free of charge.
 - ◉ The Company conducted an activity to donate aluminum parts to the Prostheses Foundation of H.R.H. The Princess Mother for the production of artificial legs which will be further provided to the underprivileged. Supalai staff members as well as tenants of Supalai Grand Tower and the general public were invited to donate aluminum pull-tabs or any aluminum materials at the lobby area of the building. This activity was held consecutively for the third year and once again received an enthusiastic response.
 - ◉ Supalai Pasak Resort and Spa (subsidiary) has bought 10 tons of rice from farmers to be used in its business when the rice price was low and the farmers could not sell their rice. This project was joined by the Community Development Department, Right-Livelihoods Organization, Thailand Social Business Initiative (TSBI) and the Stock Exchange of Thailand in order to help farmers under the concept of "Give Rice = Help" to promote and help farmers to have opportunity to sell rice directly to the private entities.
- **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. Dr. Prateep Tangmatitham, President and Mrs. Atchara Tangmatitham, Vice President of Supalai Public Company Limited, have donated personal fund of Baht 10 million to jointly build " Nawamintrabophit 84 - Year Building " duly received by Prof. Dr. Prasit Watanapa, MD, Dean of Faculty of Medicine and Research and Assoc. Prof. Wanutpriya Pongsamart, Assistant Dean for Organizational Communications and CSR, Mahidol University at the ceremony at Siriraj Hospital.

- **Community development activities**, The Company focuses on maintenance of the environment in the communities surrounding the project to be always in good condition. The examples of such activities are as follows:

- ◉ To improve roads and lay down drainage pipes in Supalai Garden Ville Project in Bangsaen, Supalai Novo Ville on the ring road-Lumlukka, Klong 2 for drain water and facilitate street traffic.
- ◉ To improve public roads on Soi Sridan 22 and Srinakarin Bang-Na Road for more comfortable and convenient roads.
- ◉ To expand electricity and water supply area on Supalai Bella Rangsit - Klong 2 for the surrounding communities have better electricity and water supply systems.

In addition, various projects have been arranged to provide assistance and development for the households in Supalai real state projects and the surrounding communities, such as

- ◉ **Supalai Chiva Vithee (Bio-way) Project** by Supalai Pasak Resort and Spa by following the royal initiative on sufficiency economy. It is taken as the main concept in project implementation, comprising 3 sub-projects under the name of **“Supalai Chiva Vithee (Bio-way) Project”**, which are;
 - **Organic Vegetable Project** by milling food scraps into liquid fertilizer, taking leafage and coconut spathe to make dry fertilizer to nourish the soil for growing plants. Effective microorganisms are used for pest control. As such, vegetables grown under the project are chemical free, and taken for cooking in the Hotel and sold to those who are interested.
 - **Green Product Project** by taking fruit peelers to make multipurpose liquid for dishwashing, glass cleaning, laundry, floor cleaning, carwash, washroom cleaning, etc. Furthermore, local Thai herbs are taken to make various products such as turmeric liquid soap, butterfly pea shampoo, kaffir lime shampoo which have been registered as controlled cosmetics with the Ministry of Public Health. Those products are also use safety and eco-friendly
 - **Training Project on Making Bio-way Products**, being a source of knowledge for interested students, people, who visit the project by demonstrating how to make various products, organic vegetable plot, which can be taken to build on for development of work and occupation. The process is also environmental friendly from upstream to downstream, in order to maintain an abundant ecosystem.
- ◉ **Satisfactory Garden and Happy Home Project** under the name “Satisfactory Garden, Happy Home” which is the model garden located at Supalai Ville Petchakasem Soi 69. It is the innovative backyard garden which is beautiful, useful, economical, clean and satisfactory.

- **Religious activities,** In terms of the Company's efforts to support religion, we collaborated with the Stock Exchange of Thailand, the Fine Arts Department and the Federation of Thai Capital Market Organizations in conducting landscape development projects for a number of temples and masjids. Such a collaborative effort was extended to offer advice on temple building design and planning. The Company donated 8,500,000 Baht for the restoration of the chapel of Wat Khae Nok in Nonthaburi Province. The Company also hosted the restoration of another temple in the same province. The religious places that underwent landscape development consisted of Wat Phanthai Norasing in Samut Sakhon, Wat Chonprathan Rangsarit in Nonthaburi, Masjid Raudatulmuttakin at Po Bay in Phuket with Wat Ku Kham in Chiang Mai undergoing restoration. In addition, Dr. Prateep Tangmatitham, the President of the Company, has initiated the construction of Buddha statues with the title "Phra Supphanimit Ming Mongkon" as an offering to the Lord Buddha. The Buddha statues were placed at Supalai projects for good fortune in both work and family life of the residents.
- **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.
 - ◉ **Supalai's Meditation Activity to Strengthen Family Ties:** Under the concept of "Good Consciousness, Good Society". It is a practice for cultivation of the mind, a study by reflection. Participants must free themselves from all duties, and relieve their minds of works, family and other things. They shall also prepare themselves to cleanse the mind of defilements, abandoning social rank, status, position, title.
- **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. 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.

Pursuant to the policies of Supalai Public Company Limited, that is, being committed to continuous development of real estate business, coupled with the participation in the constant creation of Thai society under the idea of "Supalai ... We Care for Thai Society", with the emphasis on various types of activities in order to return profits to the society annually since its inception up until now, the Company has always been

aware of sustainable development. Furthermore, it has instilled the employees with the concept of corporate sustainable development, providing understanding not only on the importance of economic growth but also the responsibility towards the environment, social and corporate governance (ESG), which has been included in its policy on sustainable development.

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 publicised on the website of the Company (www.supalai.com).

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

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

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

- **Tree Conservation and Deforestation Reduction** : To acquire land for project development, the Company would conduct a survey of the area. If it is found that there are trees that can be used for landscape design within the project, the Company would uproot such trees for further transplanting, in recognition of the value of tree conservation and also to maintain physical environment of the area. The Company can reduce the cutting down of approximate 200 - 500 trees each year. Such action has been done not only to conserve the environment but also to provide a shady place of living to customers buying houses in the Company's projects. In addition, the shareholders receive greater returns on investment due to the Company's ability in cost control.
- **Environmental impact study** in accordance with the Office of Natural Resources and Environmental Policy and Planning, Ministry of Natural Resources and Environment, although the process of public participation is not mandatory, the Company has resorted to meetings to listen to the public opinions in the area which are expected to be affected by the operation of the Company. That is, there is a preliminary inquiry of all houses in expected area of the project, the information shall be then analyzed 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.
 - ⊙ In 2016, the Company received the award for Outstanding Business Place Award of the Project to Promote CSR and Environmental Activities of Government Enterprises and Business Operation Places 2016 (EIT-CSR Awards 2016) from The Engineering Institute of Thailand Under H.M. The King’s Patronage.
- **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 2016, 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.
- Launching the campaign on caring and protecting oneself from sickness, such as five self - care approaches of night owls or those who like to sleep late with 5 simple ways every day to improve and develop the brain, to prevent high cholesterol, such as no sipping of mineral water for diarrhea for athletes, including the methods to manage sleeping late, obesity, short stature, 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 2016

Details	Male	Female
Employees injured from accident (person)	10	-
Numbers of days taken for sick leave (day)	8	-
Numbers of employees on sick leave (person)	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 untidied 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 Suvannabhumi 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. Thai 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 2016, 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 2016				
		Board of Director (12 Meetings)	Risk Management Committee (1 Meeting) ⁽²⁾	Audit Committee (12 Meetings)	Nomination and Compensation Committee (2 Meetings)	Corporate Governance Committee (1 Meeting)
1.Dr.Prateep	Tangmatitham	12/12	-	-	-	-
2.Mrs.Ajchara	Tangmatitham	11/12	-	-	2/2	-
3.Mr.Tritecha	Tangmatitham	12/12	1/1	-	-	1/1
4.Mr.Prakit	Pradipasen	12/12	-	12/12	2/2	-
5.Assoc.Prof.Dr.Virach	Aphimeteetamrong	11/12	-	-	2/2	-
6.Mr.Anant	Gatepithaya	12/12	1/1	12/12	-	-
7.Assist.Prof.Aswin	Bijayayodhin	12/12	-	12/12	-	-
8.Assoc.Prof.Dr.Somjai	Phagaphasvivat	12/12	-	-	-	1/1
9.Mr.Atip	Bijanonda	12/12	1/1	-	-	0/1 ⁽¹⁾
10.Mr.Prasas	Tangmatitam	12/12	-	-	-	1/1
11.Mr.Krid	Chancharoensuk	11/12	1/1	-	-	-

Remarks ¹⁾ Apology due to overseas business.

²⁾ The Risk Management Committee comprises 4 member Board of Directors and 6 Management as follows :

- 1) Mrs.Varunee Lapitananuvat 2) Mr.Punnapan Nengpetch 3) Mr.Kittipong Sirilugtrakun 4) Mr.Boonchai Chaiananbovorn
5) Mr.Adisak Warinsirikul and 6) Mrs.Suchawadee Suppha-asa

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 2016, 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:

Name		Number of Share			
		As of 31 December 2015	Acquired during year 2016	Disposed during year 2016	As of 31 December 2016
1. Dr.Prateep	Tangmatitham	404,576,644	9,019,000	-	413,595,644
	Spouse and Underage Children	90,188,200	-	-	90,188,200
2. Mrs.Ajchara	Tangmatitham	90,188,200	-	-	90,188,200
	Spouse and Underage Children	404,576,644	9,019,000	-	413,595,644
3. Mr.Tritecha	Tangmatitham	150,000	582,000	-	732,000
	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	-	-	-	-
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. Mrs.Varunee	Lapitananuvut	30,000	25,000	30,000	25,000
	Spouse and Underage Children	-	-	-	-
13. Mr.Punnapan	Nengpetch	759,733	-	-	759,733
	Spouse and Underage Children	-	-	-	-
14. Mr.Kitipong	Sirilugtrakun	-	-	-	-
	Spouse and Underage Children	517,373	-	-	517,373
15. Ms.Siriphon	Wongsapar	-	-	-	-
	Spouse and Underage Children	-	-	-	-

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 Relations (contact 0-2725-8888 Ext.857 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 2016, 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 Managing Director 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. 857, 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 2016, 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 2016 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.

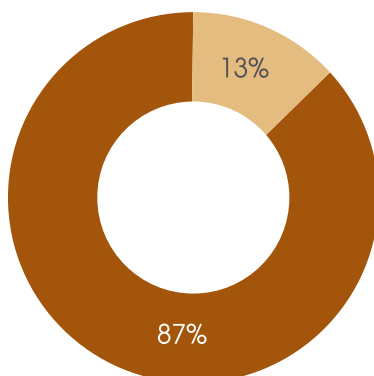
4.9 Market Share

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 2016 as summarized below;

- For the group of low rise projects, the Company has a market share of approximately 13%
- For the group of high rise projects, the Company has a market share of approximately 8%

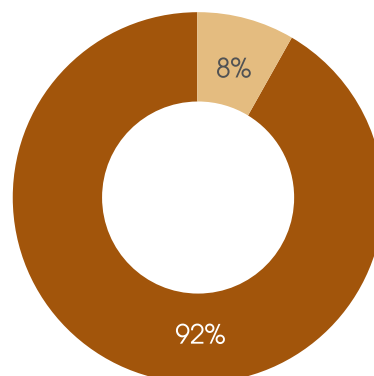
The Company's total market share amounts to approximately 11% of the entire shares achieved by the group of listed companies on the Stock Exchange of Thailand, details of which are illustrated below:

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



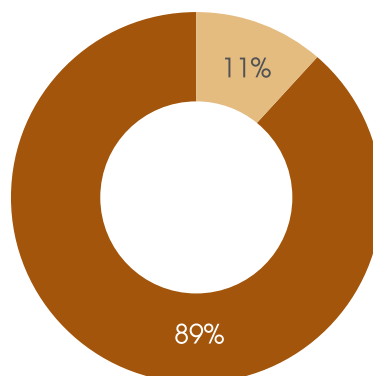
■ Supalai PLC ■ Listed Company + Affiliates

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



■ Supalai PLC ■ Listed Company + Affiliates

Source: AGENCY FOR REAL ESTATE AFFAIRS : AREA

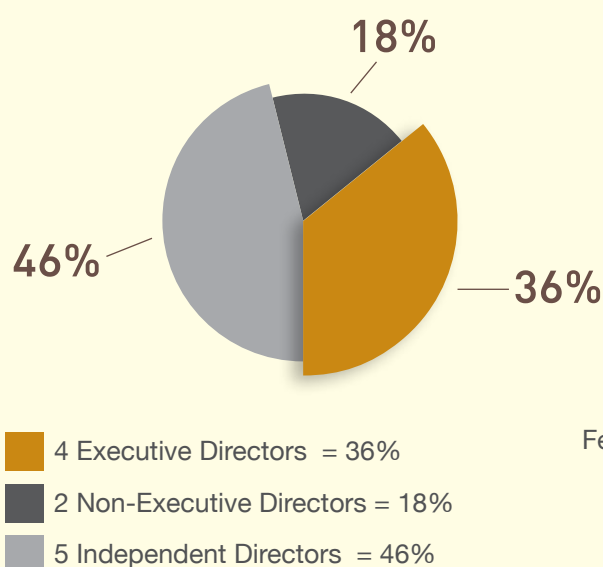
Chapter 5: Board of Directors' Responsibilities

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 4 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, Deputy Managing Director (E-mail: Varunee.lap@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 and disclosed the resolutions of the meeting accurately and completely, 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. Take care of meetings, documents, and activities related to Board of Directors.
8. Contact and communicate with general shareholders to keep them informed of various shareholders' rights and Company's news.
9. Oversea other matters relating to the Board of Directors, the management and the shareholders.
10. 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; coordinate to ensure implementation of the resolutions of the Board of Directors.

- **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 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.

- **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 :	The duties and responsibilities of the President :
<ol style="list-style-type: none"> 1. Be responsible, as the Leader of the Board, for overseeing, monitoring and supervising the management of the Executive Committee and other sub-committees to ensure that the Board of Directors and other committees perform their duties efficiently in order to achieve the objectives according to the plans set forth. 2. Act as the Chairman of the Board of Directors' meetings and the shareholders' meetings, and ensure that all Directors are involved with the promotion of organizational culture with ethics and 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. Allocate adequate time to discuss important issues, set the meeting agenda of the Board of Directors' meeting with the independent Directors, and ensure that there be measures to include important matters on the agenda of the meeting as well as promoting and supporting the management to exercise thoughtful discretion, while encouraging them 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. 	<ol style="list-style-type: none"> 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 quarterly reports on financial position and financial statements to be considered and approved by the Board of Directors.

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, organizational value, directions, strategies, main goals and policy of the Company, consider and review them regularly, and grant approval every year to be in accordance with the Company's business operation 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 in order to create sustainable value of the business, while also disclosing 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 Executive Committee and Management Committee as may be deemed appropriate.
- 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, while arranging for report on the performance of the sub - committees.

- Encourage the use of information technology to be part of the strategy, and ensure that it is used to increase business opportunities, development of operating result and sustainability of the business.
- Attach importance to and support innovation that increase the value of business in apparel with the creation of benefits to customers or related parties and the environment.
- Provide a mechanism to ensure that shareholders are involved in making decisions on important matters of the Company, 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 to be in an orderly manner, transparent, efficient and ensure that the shareholders have exercised their rights.
- Set up a mechanism to oversee policy and operations of the Company, its subsidiaries and other businesses invested by the Company with significant implication.
- Organize the meeting of the Board of Directors every quarter with schedule and agenda set in advance, 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.
- Encourage the management committee, the executives or people concerned to attend the meeting to provide further details as persons directly involved with the problems.
- Provide advice, jointly discuss the problems extensively and make careful decision on matters according to the agenda of the Board of Directors' meeting and be able to independently propose matters beneficial to the Company to be included in the meeting agenda.
- 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, as well as preparing reports on sustainability.
- Consider, set out and make changes of the names of directors having authority to sign and bind the Company.
- 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.

- Encourage the use of information technology to disseminate information, and be able to have access to additional necessary information; and in a necessary case, the Board can arrange to have an opinion from independent consultants or professionals with an expense of the Company.

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

2.1 Corporate Governance

- Monitoring the Management Committee to ensure that it has transferred strategic plan to be action plan as well as allocating and managing the resources in accordance with the Company's strategic plan, main goals and objectives.
- The Management Committee shall report on the operational results at least once after each quarter in order to be able to control and oversee the performance of the Management Committee continuously and in a timely manner.
- The non-executive Directors shall organize a meeting among themselves as deemed necessary in order to discuss various concerned management issues without the participation of the management, and report to the President for acknowledgement.
- There shall be monitoring of adequacy of liquidity and ability to pay debts of the business together with a plan to solve the problems and restore the operation in response to financial problems, or when there is a tendency to have problem.
- Monitor and solve the problem regarding conflict of interest and connected transactions, as well as preventing undue exploitation of the property, information and opportunities of the Company; this includes inappropriate transactions with related parties of the Company.
- Ensure that there be unit responsible for investor relations; arrange for suitable communication channels with each group of shareholders and stakeholders of the Company, such as the investors, analysts and the mass media with equal benefit.
- Arrange for accounting system, financial and auditing reports and ensure that there are efficient and effective internal control system and audit Internal.
- 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.
- Arrange for disclosure of financial and non-financial information which is clear, transparent, reliable and high standard.

2.2 Internal Control and Risk Management

- Set up guidelines for risk management in an extensive manner and ensure that the Executives apply internal control system effectiveness with 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.

2.3 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 by taking into account suitability of the duty and responsibility, while persuasive as well.

2.4 Remuneration for Executive Management

- To appoint and set up remuneration of Chief Executive officer.
- To ensure system or process the remuneration of Executive as suitable and be incentive to both short-term and long-term.
- The Board of Directors has the duty to evaluate the performance of Executive Management and set out remuneration in accordance with their performance.

2.5 Offering for Sale Securities to the employees and the Directors

3. Self Assessment

The Board of Directors shall arrange for an annual appraisal of the Board of Directors, the sub-committees and individual Director at least once a year by the Nomination and Compensation Committee, whereby the appraisal results shall be used for developing the Directors' performance.

4. The Appointment of a Person Qualified to act as Company Secretary

• 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 shall ensure that the Directors attend trainings and develop necessary knowledge continuously in order to increase knowledge relating work by using the Company's resources.

- **Meeting and Quorum of the Meeting**

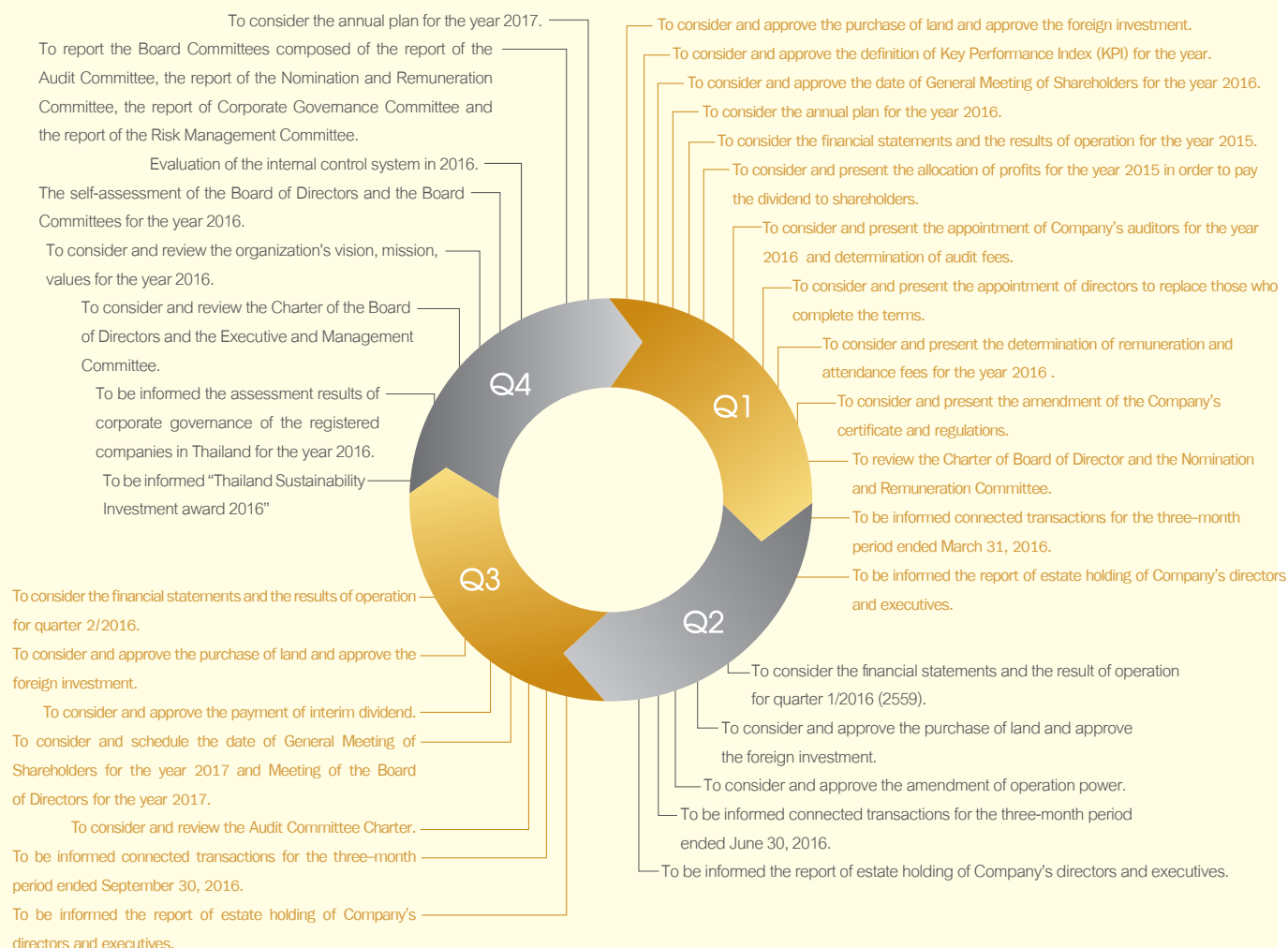
The Company organizes the Board meeting at least once a month, and with special meetings organized as necessary. Directors are required to attend meeting every time except in case of necessity. The meeting will be pre-scheduled with exact date, time, and agenda for the whole year, which will be every 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 2016, 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 2016



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 Audit Committee Meeting
1.	Mr. Prakit Pradipasen	Chairman of the Audit Committee	Independent Director	12/12
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	12/12

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 and non - financial reports.
 - 8.2 Opinions about Risk Management.
 - 8.3 Opinions regarding the adequacy of the Company's internal control system.
 - 8.4 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.
 - 8.5 Opinions about transactions with connected transactions which might contain conflicts of interest.
 - 8.6 Opinions about Implementation of counter-corruption measures.
 - 8.7 Opinions about Internal audit.
 - 8.8 Opinions about the suitability of the auditor.
 - 8.9 Numbers of meeting of the Audit Committee and attendance by each committee member.
 - 8.10 Opinions or remarks in whole obtained by the Audit Committee from performing duties under the charter.
 - 8.11 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**

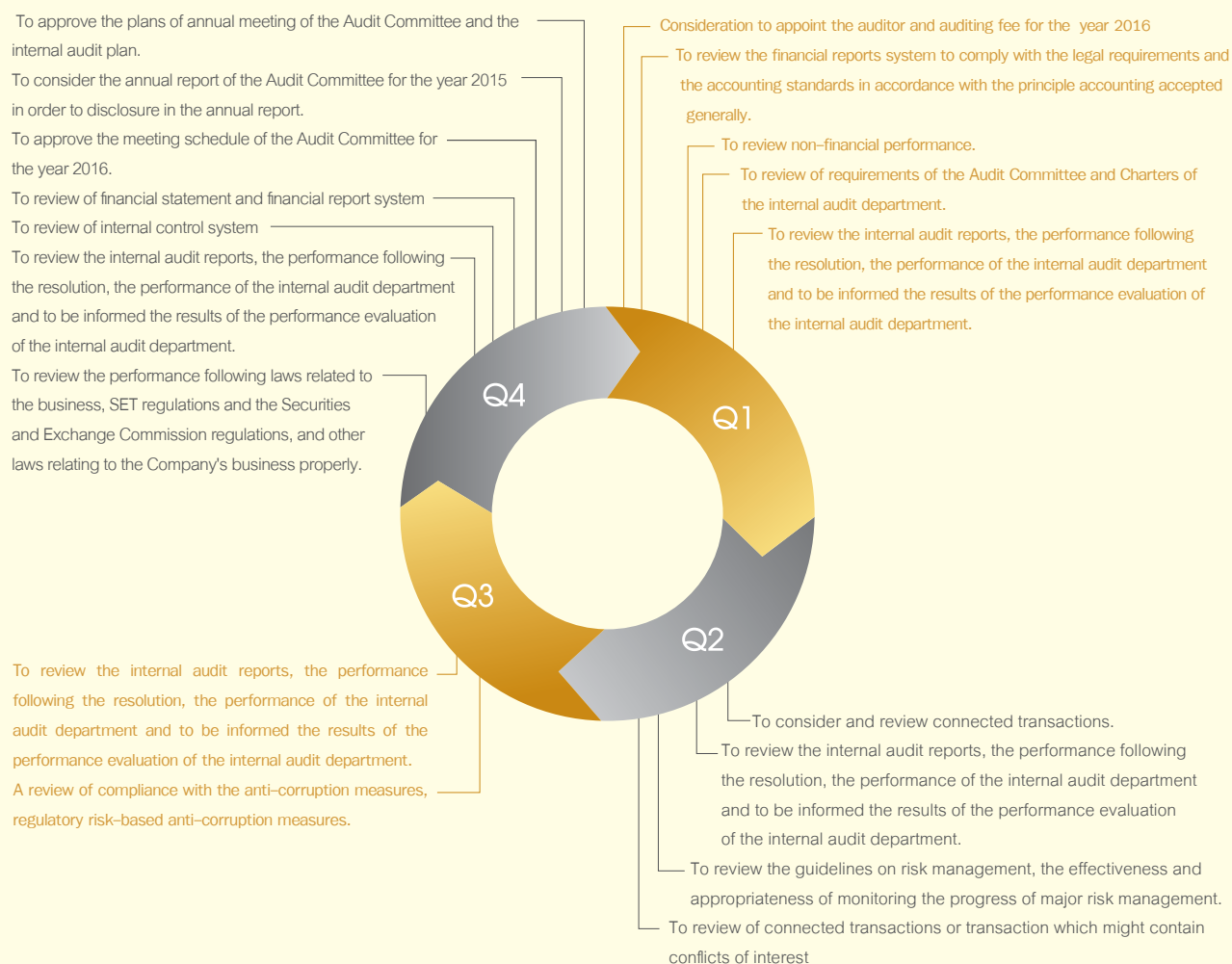
1. The Audit Committee has the authority to invite the executives, related persons or auditors to attend a meeting to provide additional explanation and information.
2. The Audit Committee may seek independent opinion from any other professional advisors as deemed necessary with the Company's expense.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

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 2016, 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 executive 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 2016



5.3.2 Nomination and Compensation Committee

The Board of Directors approved the establishment of the Nomination and Compensation Committee comprises the following 2 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. Prakrit Pradipasen*	Chairman of the Nomination and Compensation Committee	Independent Director	2/2
2.	Assoc.Prof Dr.Virach Aphimeteetamrong	Member of the Audit Committee	Independent Director	2/2
3.	Mrs.Ajchara Tangmatitham*	Member of the Nomination and Compensation Committee	Director	2/2

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 an independent director with seniority or the person with high level of knowledge and experiences. In the year that the Chairman of the Nomination and Remuneration Committee has been nominated to be re-elected for another term, the Chairman of this Committee shall not participate in such meeting agenda.

○ **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**

Nomination

1. Review criteria and recruiting methods that must be transparent and clear to be proposed to the Board of Directors for approval prior to the nomination of members to replace Committee members whose term of office is expiring.
2. Establish and review criteria and recruiting methods for persons in accordance with the Board Skill Matrix approved by the Board of Directors in order for the appointment to be suitable with the nature of business of the Company.
3. Ensure that there be background check, selection and screening of the persons qualified to be Directors of the Company, that is, the persons must have skills, experiences and specific ability relating to the business of the Company, and propose to the Board of

Directors in order to further propose the names and background of such persons to be elected by the meeting of shareholders.

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, select and screen the qualified person to be the Chief Executive Officer and propose to the Board of Directors to consider.
6. 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.
7. Ensure that the succession plan of important high level executive positions and list of qualified persons is reviewed from time to time.

Compensation

8. Consider and scrutinize the Compensation rate for Directors to be suitable with the responsibility and be incentive to lead the organization to achieve both short-term and long-term goals, in order to propose to the Board of Directors to further propose for approval from the meeting of shareholders.
9. Consider the criteria and the compensation structure for the President and the executives at the level of Assistant Managing Director and above to be incentive according to the strategic plan and in line with the benefits of the shareholders, such as the form of remuneration payment, levels of payment in comparison with the industry in order to propose for approval from the Board of Directors in the form of cash and non-cash. This is to be suitable, in line with the strategy, long term goals and operational results of the Company, while linking with the value created for the shareholders by the Company and being able to compare with the level of the industry, experience and duties assigned to the Directors.
10. 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.
11. Determine terms and conditions for employment of the Chairman of the Executive Committee including benefits and recruitment, and propose recommendation to the Board of Directors to consider the successor of the Executive Committee Chairman.

Other

12. 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.
13. To review policies on the Board of Directors' Diversity to the business operation strategy of the Company.
14. To review and amend the Nomination and Compensation Committee Charter and propose to the Board of Director for approval.
15. 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.
16. 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.
17. 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.
18. Consider knowledge development plan of senior executives so as to have skills needed to drive the organization to achieve the goals.
19. The Nomination and Compensation 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.
20. 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**

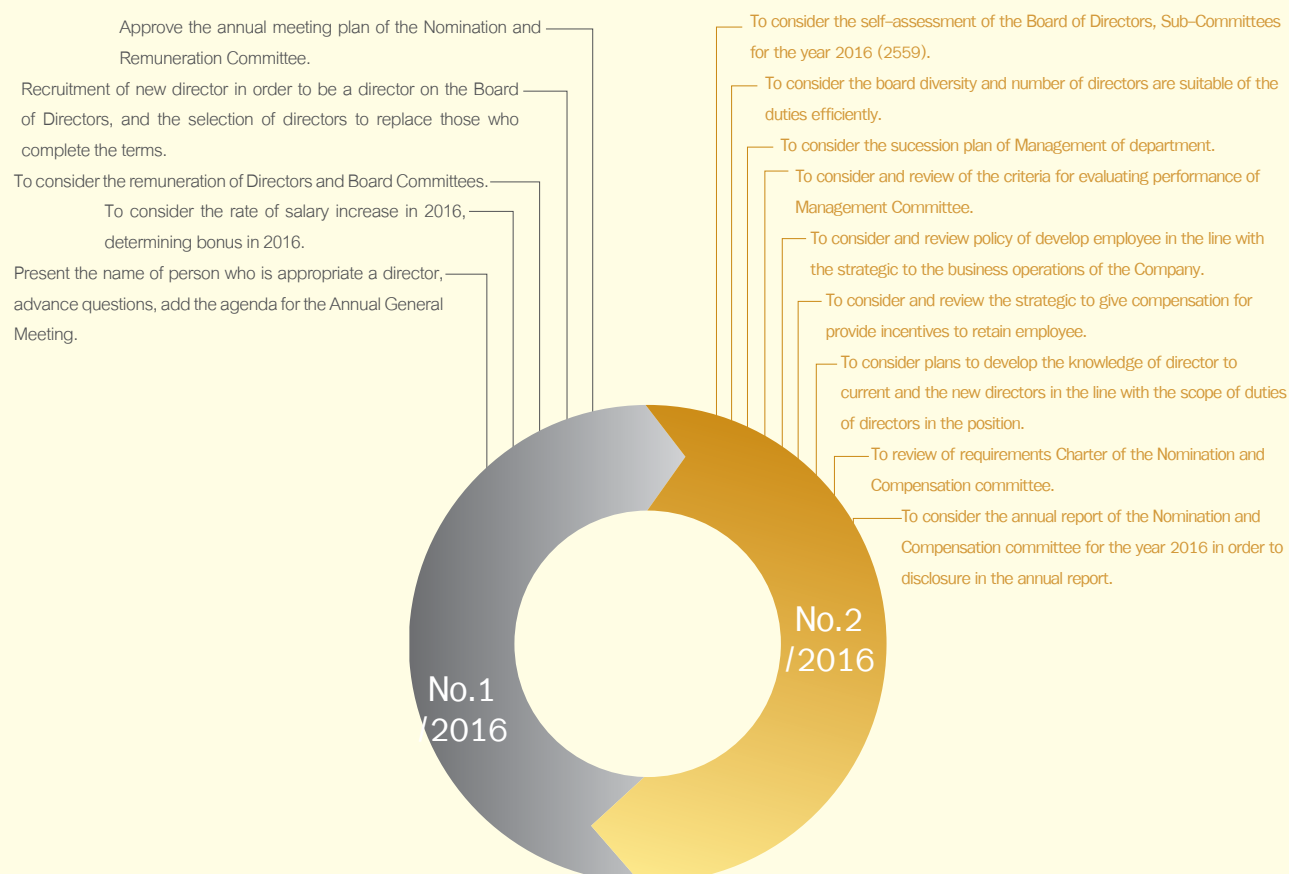
The Nomination and Compensation Committee shall arrange for evaluation of the performance of the Board of Directors and sub-committees in the form of the total committee and on a personal basis (self-evaluation) at least once a year and report to the Board of Directors in order to use the evaluation 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 2016, 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 2016



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 Corporate Governance Committee's Meeting
1.	Assoc.Prof.Dr.Somjai Phagaphasvivat	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	0/1 ¹⁾

Remarks 1) apology due to overseas business

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 3 members, and the Chairman of the Corporate Governance Committee must be independent director.

○ The Corporate Governance Committee Qualifications

1. The Nomination and Compensation Committee will annually consider and select appropriate persons from the members of the Board of directors and/or any qualified candidates propose for further consideration and 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.

- **Assessment of Corporate Governance Committee**

The performance of the Corporate Governance Committee must be evaluated at least once a year and reported to the Board of Director in order to apply the assessment 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 Corporate Governance Committee / the Corporate Governance Committee.

- **Performance of the Corporate Governance Committee**

In 2016, 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 2016



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 Bijanonda	Member of the Risk Management Committee	Director	1/1
3.	Mr. Tritecha Tangmatitham	Member of the Risk Management Committee	Director	1/1
4.	Mrs. Varunee Lapitananuvat	Member of the Risk Management Committee	Management Director	1/1
5.	Mr. Punnapan Nengpetch	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, Liquidity Risk, Compliance Risk, Anti-Corruption Risk, Information Technology Risk, Social Network Risk, Customer Protection Risk and Social and Environmental Risk.
3. To set up Risk appetite and Risk Tolerance.
4. To degree of Risk by Likelihood and Impact of major Risk.
5. To follow up and assess the degree of risk to be continuous.
6. Establish the internal control system that covers all aspects.
7. 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.
8. To consider and review the risk limits and corrective measures in the event where it is not within the risk limits.

9. The Risk Management Committee is empowered to invite executives or those concerned to attend meeting for further clarification.
10. The Risk Management Committee may, at the Company's expense, ask for advice from specialists to enable efficient performing of duty under the charter.
11. Provide communication activity or process to operate to create awareness about risk management. By providing training approach to risk management to executives and employees.
12. To consider and approve produce a risk management manual to be distributed to employees.
13. To approve risk mapping by taking into account the relationship between risks and the impact toward each unit of the Company.
14. 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.
15. 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.
16. 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 2016, 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



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.
- 10) Prepare succession plan and development plan for top management include report in order to present to the Nomination and Compensation Committee and the Board of Directors respectively.

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 within the authorized amount.

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

- 1) Implement the policies, directions, strategies and management structures of the Company to be efficient and effective.
- 2) 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.
- 3) Supervise general management as specified in the regulations of the Company.
- 4) Follow up and ensure that the operations of the Company are in accordance with the policies, the business plan and the allocated budget.
- 5) 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.

- 6) 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 2016, 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 2016 was 97.41%, 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 2016,

- 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 2016, there have been related party transaction worth Baht 72.50 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. Prakit 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. Prakit 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. Prakit Pradiasen's influence, whatsoever.

The Board of Directors of the Company, therefore, resolved that Mr. Prakit 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 2016, 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;

- ⊙ 5 Independent Directors = 45%
- ⊙ 2 Non-executive Director = 18%
- ⊙ 4 Executive Directors = 36%

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 Meeting of the Non-Executive Directors (Independent Directors)

The Company promotes and supports the development of its management and operating systems by allowing its non-executive Directors to conduct meeting among themselves as deemed appropriate, without any executive Directors or the management in the meeting, in order to discuss various problems relating to business management of the Company or other interesting matters of benefits to the Company and all parties of stakeholders because they can express opinions freely and creatively in various points of views. In 2016, there was 1 meeting of non-executive Directors held on 22 March 2016.

5.13 Integration or Segregation of Positions

The Company has combined the positions of Chairman and Chief Executive Officer for the purposes of management efficiency and cost-saving. However, all resolutions passed in every meeting must be by a majority of votes. The Chairman shall vote only in case of a tie of votes. For an important issue, a resolution must be passed by a unanimous vote from every Director attending the meeting. In case of dissent by any Director, such agenda shall not be deemed approved by the Board of Directors. In the event where the Chairman has interest in a certain issue, he/she shall abstain from voting.

5.14 Holding Position of Director in Other Companies by Chief Executive Office of the Executive Committee and the Deputy Managing Director

The Company complies with a policy on restriction of number of director positions in other companies that the CEO and the Deputy Managing Director can take. Such policy has been publicized on the Company's Website, www.supalai.com. If the CEO and the Deputy Managing Director take too many director positions in other companies may affect the performance of duties for the Company. The Company's Board of Directors has, therefore, established the policy on holding of position of director in other companies by the Chief Executive Office of the Executive Committee and the Deputy Managing Director for maximum benefit of the Company in order for them to devote more time to perform their duties effectively follows:

1. The Chief Executive Office of the Executive Committee and the Deputy Managing Director can hold positions in Supalai Public Company Limited and its subsidiaries and associated companies.
2. To be a director in other companies, of which the business is similar to or competitive with the business of the Company, a request must be submitted for opinion of the Audit Committee prior to submission for approval by the Board of Directors and the shareholders respectively before being appointed to such position.
3. The holding of position of director in any organization other than specified in Clauses 1 and 2, which when combined is more than 5 places, must be approved by the Board of Directors' meeting before being appointed to such position.

In 2016, the President and the Deputy Managing Director of the Company strictly complied with the policy on the limitation of directorship in other companies (for details, please see Section: Board of Directors).

5.15 Remuneration for Directors and Executives

Remuneration 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.

5.16 Orientation for New Directors

The Company is well aware of the importance of duty performing of new directors, it has, therefore, defined guideline regarding preparation for duty performing of directors to enable new directors to know the Company's expectations of their roles, duties, responsibilities, policies, businesses and corporate governance practice. These include to enable them understand about the Company's business and operation, as well as to visit its business units for being prepared to perform the duty of director promptly follows:

- 1) Coordinate in providing of the Company's data in legal area and others to the Board of Directors.
- 2) Submit "Directors Guidebook" to new directors, the guidebook contains the Company's information and relevant crucial laws which will be useful for members of the Board of Directors. The Company Secretary is responsible for coordinating to deliver this guidebook to the Board of Directors. Contents of the guidebook are as follows.
 1. Articles of Association of the 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 policies of the Company.
- 3) Arrange meetings with the Chairman, Board of Directors, committees and executives to make them informed of the Company's business operation for using as their principles in performing duty. The presentation is made as a whole picture and in details under the following topics:
- The Company's vision mission and goals
 - Strategy and Management structure
 - Management structure
 - Operating data and Company's activities
 - Roles, duties and responsibilities of directors
 - Good corporate governance policy
 - Summary profiles of other directors and executives
 - Qualifications and remuneration of directors

In 2016, 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 2016 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.

5.17 Succession Plan

The Company complies with a policy on succession plan, deeming as a part of the manpower placement strategy and a subtask of human resource planning strategy which determines appropriate and fair remuneration and fringe benefits for its personnel to retain them to grow in a long-term basis together with the Company. The Company has a proper and transparent plan to recruit personnel into important positions at all managerial levels to ensure that the Company has a professional management team. The Company also prepares personnel who possesses suitable qualifications, knowledge and adequate abilities to be eligible to replace the executives and high level executives in case of their resignation, retirement, completion of the term of office or inability to perform duties for whatever reason. This is to ensure smooth and effective transitional operations under those positions and to reduce the risk of lacking the successors. Accordingly, the Company has assigned the Nomination and compensation committee to prepare position succession plan of the

President, Managing Director and executives of the Company in order to propose to the Board of Directors for consideration. For the recruitment and selection of persons to serve management positions of the Company, the Nomination and compensation committee has monitored the succession plan covering the following positions.

1) Chief Executive Officer / Managing Director Level

In the event that the positions of the Chief Executive Officer of the Executive Committee and the Managing Director are vacant or the individual in such positions cannot perform their duties, the Company has an arrangement whereby executives in a closely comparable level or their deputy shall act on their behalf until the selection process for the qualified replacements is completed. The criteria for such selection shall be based upon suitable qualifications as prescribed by the Company, as well as other qualities such as business vision, knowledge, proficiency, and experience, that well suit the Company's corporate culture. The Company's Nomination and Compensation Committee shall be responsible for the selection process and submit their final choice to the Company's Board of Directors for approval and further appointment.

2) Executive Level

In the event that the management positions at the level of department manager and above are vacant or the individual in such positions cannot perform their duties, the Company shall have the selected successor of the position proposed to the Board of Directors of the Company. The succession planning of the executive position level is as follows.

1. Analyse business condition of the Company in term of its strateg, policy, investment and expansion plans.
2. Evaluate the readiness of manpower to be consistent with the Company's strategy in both short term and long term.
3. Create plan making the availability of manpower by developing or recruiting employees to replace those resigning from the Company.
4. Create Recruitment Plan and arrange for Employee Training and Development in advance by providing training courses for development to prepare the employees, junior and middle level executives to advance further to junior, middle and high executive positions respectively prior to retirement or early retirement of the employees.
5. Define competencies, which refers to the knowledge, skills, personality and desirable attitude of the employees in certain positions and establish the Individual Development Plan.
6. Select, evaluate and assess the performance to determine the potential of employees' suitability.
7. Use tool to test and evaluate the employees to analyze their potential.

8. Select successors based on the assessment and analysis of the employees' potential and performance. The employees shall be notified in advance in order to prepare for the handover and learning of the new responsibilities, while a successor shall also be determined.
9. Develop and evaluate employees who are expected to be successors whether they can be developed and have performance as expected. If it is contrary to the expectation, the change of successors can be done.

All of this the company's policy is on the website of the company (www.supalai.com) both Thai and English.

5.18 Related party transaction

The Company complies with a policy on related party transaction, regulations, process for consideration and approval of transactions as well as disclosure of information in accordance with the regulations and Notifications of the Committee of the Stock Exchange of Thailand Re Disclosure of Information and Operations of Listed Companies Concerning Related party transaction B.E. 2546 (2003) All of this the company's policy is on the website of the company (www.supalai.com) both Thai and English.

5.19 Risk Management

The Company complies with a policy on risk management has set up the process for risk management covering the risk in terms of strategy, credit, liquidity, law, anti - corruption, business operations, policy, financial policy, the external events in order to manage risk in a systematic manner. This will reduce the risk factors that affect the success of the Company to be at an acceptable level an in consistent with the strategic plan of the Company, which cover:

- causes of risks affecting the Company in financial and non-financial aspects, and provide a review of the risks every time there is a change of various factors affecting the capital fund of the Company;
- categories of risks and determine the risk appetite to be used as a basis for responding to the risks of the Company;
- assessment of risks by adding measures for risk assessment to achieve greater accuracy in terms of both quantitative and / or qualitative aspects;
- management of risks and monitoring each category of risk according to the priority by arranging for monitoring of risks on a quarterly basis;

All of this the company's policy is on the website of the company (www.supalai.com) both Thai and English.

5.20 Performance Assessment of the Committee

The Board of Directors has appraised annual performance of the Committees once a year, whereby the appraisal form is in accordance with the principles of good corporate governance of the Company and the scope of authorities and duties of the Committees. Accordingly, the emphasis is placed on the use of results of the assessment to review the work product, problems or obstacles during the previous year as well as the improvement of performance of the Committees. The objective is to increase efficiency of the Committees' performance and to be used as reference in preparing CG Rating. In 2016, 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 I of the Committees' annual performance. The report shall then be made to the Board of Directors in the following meeting of the Board of Directors, and in 2016, the report was made to the Board of Directors' meeting on 21 February 2016. 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 79%

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 vision in creating value added business in the long run; 6) Having ethics and business ethical conduct; 7) Performance on the principle carefulness and 8) Performance under the principle honesty.

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 97%.

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 91%.

4. **Assessment Form for Performance of the Audit Committee's Members on an Individual Basis (Self- Assessment)** consists of 17 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) Numbers of meeting of the Audit Committee and attendance by each committee member; 16) Opinions or remarks in whole obtained by the Audit Committee from performing duties under the charter; 17) 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 17 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 85%.

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 58%.

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) Knowledge, ability, experience and Specific relating to the Company's business; 2) Having moral, neutrality, making decisions with information and logic, adhering to the operation by the principles and standards professionally; 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 Risk Management Committee; 6) To specify the policies and recommend the guidelines on risk management relating to the business operations of the Company appropriately and effectively. 7) 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; 8) 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. 9) 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. 10) 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.

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 92%.

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 very good score of 80%.

10. Assessment Form for Performance of the Nomination and Compensation Committee's Members on an Individual Basis (Self- Assessment) consists of 10 items as follows: 1) Knowledge, ability, experience and Specific relating to the Company's business; 2) Having moral, neutrality, making decisions with information and logic, adhering to the operation by the principles and standards professionally; 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 Nomination and Compensation Committee; 6) 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; 7) 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; 8) 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; 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 the rewards including a recommendation for any salary and benefits presented the Board of Directors to be in accordance with the business strategy of the Company; 10) To review a structure, 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 10 items resulted in an excellent score of 94%.

5.21 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

5.22 Development and Knowledge Accumulation for Directors and Executives

The Board of Directors seriously supports and promotes the knowledge development for every director for their efficiency in duty performing. It's the Company's policy to encourage its directors, executives and those supporting the secretarial works to attend seminars and training courses of Thai Institute of

Directors (IOD), The Stock Exchange of Thailand, or other independent institutions, ranging from the development in part of the duties and responsibilities of directors, or new management concept, so that every director will continue to develop and improve their works, as well as to apply the knowledge properly for further benefit to the Company. (See to Board of Director)

In 2016, 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).

5.23 Monitoring of Insider Trading

The Company complies with a policy on inside information in order to prevent inside information abuse by the directors, executives or employees for personal gains or for the gains of their associates as prescribed in the Ethics and Code of Conduct, the Director's Handbook and the Handbook on Corporate Governance Policy. The policy on the use of inside information has been publicized on the Company's website (www.supalai.com) to ensure that the policy has been acknowledged and complied with. The details are as follows:

1. 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.
2. 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.
3. 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.
4. 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.
5. 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.

6. 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.
7. 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.
8. 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.
9. 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.
10. 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.
11. 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 2016, the Board of Directors and the executives strictly complied with the rules. Thus, there was no case of violation or failure to comply with the rules regarding securities trading by using the inside information.

5.24 The Internal Audit

The Board of Directors has established the Internal Audit Department within the Company. Also, to facilitate the Internal Audit Department to be independent from the management, the Board of Directors has ordered that the Internal Audit Department report to the Audit Committee in order for the Board of Directors to be able to follow up the Company's operations efficiently. The Internal Audit Department has set objectives, main engagement, scope of operations, powers and duties, and responsibilities in writing in the Internal Audit Charter approved by the Chairman of the Internal Audit Committee.

In 2016, 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) To make Audit Program by Risk based approach in strategy Risk, Operation Risk, Financial Risk, Compliance Risk, and Social and Environmental Risk.
- 5) 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.
- 6) 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.

- 7) Arrange for the evaluation of the Internal Audit Department's Auditee operations by the auditor's unit, and the results would be used for the development and improvement of the services so as to achieve the internal audit objectives efficiently and effectively.
- 8) Monitor and evaluate the implementation of the jointly discussed conclusions to ensure the audited units have improved the operations as discussed.
- 9) Coordinate with persons involved to facilitate the audit to achieve the goals and to be efficient.
- 10) Assess risks in all processes of the Company relating to measures against corruption and provide appropriate risk management procedures.
- 11) 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.
- 12) To receive corruption complaints and search additional information as assigned by the Audit Committee or the Senior Executive used supporting the consideration.
- 13) 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. Toopthong Hirunyanulak as the Chief of Internal Audit while holding the position of Senior Manager of Internal Audit Department since 18 August 2008. Ms. Toopthong Hirunyanulak has possessed qualifications and experience in the internal audit and had attended training courses relevant to the internal audit such as international standards in internal audit, development of auditing, fraud audit, assessment of internal control and risk assessment according to the COSO ERM. Thus, Ms. Thoupthong Hirunyanulak has been considered suitable for the position to perform duties as assigned appropriately and sufficiently. The roles and responsibilities of Ms Thoupthong Hirunyanulak are as follows;

1. Perform duties as "Internal Auditor" responsible for assignments in accordance with the Audit Committee Charter approved by the Audit Committee.
2. Act as the "Secretary of the Audit Committee" by organizing meetings, preparing meeting document and taking note of the minutes of the Audit Committee meetings.

5.25 Company's Operation Supervision

The Company recognizes the importance of compliance with regulations, one of the important mechanisms contributing to correct and prudent working procedures of the Company, which support the Company to be able to implement its strategic plans, achieve the goal. The Company also comply with the rules and regulations, articles of association and regulations of concerned agencies The following departments have been assigned to be responsible for such tasks;

- The Company Secretary is responsible to ensure that the operations of the Company are in compliance with rules and regulations for listed companies including regulations of the Company and articles of association as well as being center for compiling and keeping abreast of information on external rules and regulations concerned. The Company Secretary shall also act as communication center to provide knowledge and advice on external rules and regulations for listed companies.
- Legal Affair Department is responsible for supervising legal affairs relating to the Company's business and providing knowledge for the internal departments on various issues in order for the business operations to be handled correctly in accordance with laws of external agencies.
- The Internal Audit Department is responsible for assessment of the efficiency and adequacy of the internal control system. It must also audit and ensure the compliance with rules and regulations of the Company.
- The Quality System Department has the duty to establish operational guidelines in the procedure, work instruction and other concerned documents for all employees to use as a manual for operations including a process of problem analysis to contribute to the solution and improvement of the operational system to ensure the management system of planning, designing, construction, sales and community management are appropriate with extensive coverage, and also ensure that the implementation of the quality system is in accordance with the requirements of international standard ISO 9001: 2008.

5.26 Auditing Fee

The Company and its subsidiaries paid auditing fee to EY Office Limited as the auditor for the year 2016 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 2016**

- 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 -

5.27 Compliance with Good Corporate Governance Principles in Other Matters

The Board of Directors of Supalai Public Company Limited is well aware of the importance of corporate governance and social responsibility as it is confident that good governance will contribute to the following;

1. Strengthening a good management system with transparency and accountability, which can enhance the Company's potential to compete in the short and long terms for sustainable business growth and eliminating conflicts of interest that may arise.

2. Creating confidence among investors, both in the country and abroad as well as financial institutions, business partners, all stakeholders through clear and transparent communication on an equal basis and adding value to shareholders in the long run by significantly taking into consideration all kinds of stakeholders.

3. Being a tool to measure the operations of the Company and examine all operations to improve their efficiency.

Therefore, the Company's Handbook on Corporate Governance Policy and Ethics and Code of Conduct has been complied with by directors, executives and the employees, whereby the directors and executives have acted as good role models and oversee and encourage all employees to comply with the Code of Conduct and create working atmosphere favorable to the compliance with the guidelines specified in the Handbook. At the same time, the Company is committed to prevent violation of the Code of Conduct; and in case of negligence and violation of such Code of Conduct, disciplinary penalties set forth by the Human Resources Department of the Company will be imposed. There has been communications and public relations to promote understanding of the practices of the Code of Conduct among the management and employees, while the monitoring of the compliance with guidelines of the Code of Conduct has been carried out. Detailed information for stakeholders can be found on the Company's website. (www.supalai.com).

- **Motto for Good Corporate Governance**

The Company has adopted a motto for good corporate governance under the concept of “Supalai GREAT” to promote an approach of working together in the same direction, and to strengthen the good organizational culture, which comprised of:

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 Department 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.

The Company adheres to good corporate governance principles based on a survey of corporate governance criteria of listed companies constantly, which might not yet cover certain principles. Nevertheless, the Company has arranged for other approaches different from the required criteria, and has been considered by the Board of Directors relating to the accountability and suitability according to the circumstances of the business of the Company. The aim is to achieve the Company's objectives, while taking into account maximum benefits of shareholders. The matters have not yet done by the Company are as follows:

1. Election of directors by cumulative voting

This is because the elected director according to the cumulative voting might not have the qualifications in accordance with the Board Skill Matrix, which is the tool for recruitment of directors in line with the Company's strategy, and such director might perform according to the benefits of certain groups of shareholders, not for the best interests of the shareholders as a whole. This will lead to a rift between the directors and the executives, causing the management not to be in the same direction.

2. Preparation of integrated report

The Company has prepared annual reports according to the criteria of the Stock Exchange of Thailand, while preparing the sustainability development report according to the Global Reporting Initiative Version 4.0 (GRI G4), thus offering the users to access detailed information both financial and non-financial information, which is prepared in CDs and delivered to the shareholders prior to the date

of the meeting of shareholders. Therefore, the users can download such information from the website of the Company.

3. Forming policies to limit the number of years for the term of office of independent director more than 9 years from the date appointed for the first time

The Company has 5 independent directors, of which 2 shall hold office for less than 6 years and 3 directors for more than 9 years. However, the Nomination and Remuneration Committee and the Board agreed that independent directors are fully qualified according to the criteria set by the Securities and Exchange Commission, that is, they are knowledgeable, capable with experience suitable for the business. They can provide opinions freely and perform their duties as independent directors well. All independent directors have also proved that they can maintain independence and have no conflict of interest and / or significant vested interest in the Company, whatsoever.

The Board of Directors shall consider and review matters that the Company still cannot comply with the principles of good corporate governance.

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 27 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 14 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.

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.

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 2016

Related Company	Relationship	Description of Transaction	Transaction Value (Million Baht)	Opinion of Audit Committee / Need and Reasonableness
			2016	
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.	119.8	Such transaction is of the same nature of trading agreement which persons of ordinary prudence would do with general trading partners in the same circumstances at the normal prices and conditions offered by sellers to general customers with trade negotiation power, without influence as Directors, Executives or related persons.
		<u>Trade Account Payables</u> Trade account payables arising from purchases of wall paper and durafloor tiles of certain types specified by SPALI.	19.9	
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.	72.5	Such transaction is under the same nature of trading agreement which persons of ordinary prudence would do with general trading partners in the same circumstances at the normal prices and conditions offered by sellers to general customers with trade negotiation power, without influence as Director, Executive or related person.
		<u>Trade account payables</u> It is trade account payables arising from the purchases of roof tiles of certain types specified by SPALI.	13.2	

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. 2004, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 1992, in addition, 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. 2000., 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 an independent certified public accountant, 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 2016 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

Independent Auditor's Report

To the Shareholders of Supalai Public Company Limited

o Opinion

I have audited the accompanying consolidated financial statements of Supalai Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Supalai Public Company Limited for the same period.

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 2016, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

o Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

o Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition from sales of real estate

In 2016, the Group recognised revenue from sales of real estate amounting to Baht 22,902 million, and Baht 21,565 million in the consolidated and separate statement of income, respectively. Since revenue from sales of real estate is highly significant to the financial statements, I focused on the correctness of revenue recognition from real estate sales in accordance with the Group's policy, as described in Note 4.1 to the financial statements.

I have examined the revenue from sales of real estate of the Group by

- Assessing and testing the internal controls with respect to the revenue from sales of real estate by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select revenue transactions and examining the sales contracts and supporting documents for sales and transfer of ownership to assess whether revenue recognition was compliant with the Group's policy.
- I have performed analytical procedures on revenue from sales of real estate data by project for each quarter to detect possible irregularities in revenue transactions.

Compliance with covenants stipulated in loan/debenture agreements

As at 31 December 2016, the Group had loans from financial institutions and debentures totaling Baht 18,922 million (67% of total liabilities) (Separate financial statements: Baht 18,660 million (69% of total liabilities)), which are significant accounts. Under the loan/debenture agreements, the Group is required to comply with certain covenants, as discussed in Note 18 and Note 19 to the financial statements. If the Group is unable to comply with those covenants, it may result in the loans and debentures being called by the lenders/debenture holders, and the reclassification of the liabilities from non-current liabilities to current liabilities, impacting the going concern of the Group.

I read the loan/debenture agreements and gained an understanding of and assessed the process by which compliance with the covenants specified in the contracts is monitored by management. I also examined documentation related to compliance with both the non-financial and financial covenants, including testing the financial ratio calculations to assess whether they complied with the covenants in the loan/debenture agreements. In addition, I reviewed the disclosure of information on conditions of loan/debenture agreements in the notes to the financial statements.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

○ **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

○ **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Miss Krongkaew Limkittikul.

Krongkaew Limkittikul

Certified Public Accountant (Thailand) No. 5874

EY Office Limited

Bangkok: 21 February 2017

Supalai Public Company Limited and its subsidiaries

Statement of Financial Position

As at 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Assets					
Current assets					
Cash and cash equivalents	7	569,066,878	797,897,245	293,526,278	612,768,588
Trade and other receivables		19,442,225	10,981,363	2,222,836	-
Short-term loans to subsidiaries					
and interest receivables	6	-	-	1,500,330	234,207,896
Current portion of long-term loan to					
subsidiary company and interest receivable	6	-	-	192,348,000	158,655,000
Advance to subsidiary company		-	-	3,736,487	3,764,202
Costs of property development projects for sales	8	46,409,679,237	42,377,624,184	43,787,366,800	39,930,874,724
Deposits for land purchase		202,956,613	147,475,320	202,956,613	147,475,320
Advance payment for construction materials		321,469,067	362,583,158	320,860,190	353,632,736
Other current assets		266,821,366	306,586,935	180,677,948	180,694,486
Total current assets		47,789,435,386	44,003,148,205	44,985,195,482	41,622,072,952
Non-current assets					
Restricted bank deposits	9	25,936,200	-	-	-
Long-term loan to subsidiary company, net					
of current portion	6	-	-	404,532,613	465,603,461
Long-term loans to related party and					
interest receivable	6	390,053,241	-	-	-
Investments in subsidiaries	10	-	-	2,776,654,911	1,651,294,232
Investments in joint ventures	11	856,423,820	440,822,374	-	-
Other long-term investments	12	1,620,675	1,576,130	1,620,675	1,576,130
Investment properties	13	1,989,977,734	2,159,242,629	828,314,492	892,681,363
Property, building and equipment	14	439,496,618	426,452,684	273,792,507	249,878,710
Intangible assets	15	61,345,749	28,828,999	61,255,451	28,655,442
Deferred tax assets	23	100,329,708	204,239,803	83,992,069	171,942,208
Other non-current assets		24,972,667	22,883,112	23,547,337	21,233,031
Total non-current assets		3,890,156,412	3,284,045,731	4,453,710,055	3,482,864,577
Total assets		51,679,591,798	47,287,193,936	49,438,905,537	45,104,937,529

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

Supalai Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2016

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	16	1,977,069,075	1,507,946,060	1,977,069,075	1,507,577,203
Trade and other payables	17	2,117,138,605	1,734,433,812	2,027,897,208	1,620,047,242
Current portion of long-term loans from banks	18	2,090,205,702	1,154,015,875	2,029,100,811	839,032,600
Current portion of debentures	19	4,398,960,514	1,199,612,191	4,398,960,514	1,199,612,191
Short-term loan from other party		25,936,200	-	-	-
Short-term loans from director and interest payable	6	287,058,973	-	-	-
Income tax payable		406,531,616	430,589,168	389,418,567	412,488,587
Deposits and advances received from customers		3,389,780,050	3,605,482,306	3,322,550,019	3,475,428,003
Retention guarantees		576,257,582	547,996,527	534,083,235	492,291,031
Provision for liabilities arising from legal cases	28.3	29,000,000	41,157,000	29,000,000	41,157,000
Other current liabilities		211,625,147	189,538,650	187,576,329	161,959,198
Total current liabilities		15,509,563,464	10,410,771,589	14,895,655,758	9,749,593,055
Non-current liabilities					
Long-term loan from director		-	330,000	-	-
Long-term loans from banks, net of current portion	18	1,741,585,974	3,238,662,840	1,540,069,675	2,991,667,400
Debentures, net of current portion	19	10,691,433,071	13,087,301,241	10,691,433,071	13,087,301,241
Provision for long-term employee benefits	20	101,094,331	90,305,905	87,895,469	78,740,576
Deferred tax liabilities	23	19,130,678	-	-	-
Other non-current liabilities		4,758,361	9,792,085	4,758,361	9,179,283
Total non-current liabilities		12,558,002,415	16,426,392,071	12,324,156,576	16,166,888,500
Total liabilities		28,067,565,879	26,837,163,660	27,219,812,334	25,916,481,555

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

Supalai Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
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	21	177,000,000	177,000,000	177,000,000	177,000,000
Unappropriated		20,393,583,994	17,223,391,414	19,714,497,186	16,683,895,593
Other components of shareholders' equity		(14,178,637)	41,880,436	(119,676)	(155,312)
Equity attributable to owners of the Company		22,945,587,281	19,831,453,774	22,219,093,203	19,188,455,974
Non-controlling interests of the subsidiaries		666,438,638	618,576,502	-	-
Total shareholders' equity		23,612,025,919	20,450,030,276	22,219,093,203	19,188,455,974
Total liabilities and shareholders' equity		51,679,591,798	47,287,193,936	49,438,905,537	45,104,937,529

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

Supalai Public Company Limited and its subsidiaries

Income Statement

For the year ended 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Revenues					
Revenue from sales of real estate		22,901,918,730	20,999,243,869	21,564,564,135	19,402,673,043
Revenue from rental and services		433,825,581	364,815,300	159,855,159	120,759,668
Other income		155,893,253	159,105,747	225,323,647	286,341,535
Total revenues		23,491,637,564	21,523,164,916	21,949,742,941	19,809,774,246
Expenses					
Cost of real estate sales		14,196,548,726	13,107,892,263	13,371,648,966	12,195,928,687
Cost of rental and services		261,985,774	224,089,658	73,378,993	74,806,250
Selling expenses		1,417,487,808	1,263,946,002	1,340,002,357	1,181,055,221
Administrative expenses		1,118,675,324	941,391,402	936,076,401	779,679,900
Reversal allowance for loss on investments in subsidiary company		-	-	-	(97,911,287)
Total expenses		16,994,697,632	15,537,319,325	15,721,106,717	14,133,558,771
Profit before share of gain (loss) from investments in joint ventures, finance cost and income tax expenses		6,496,939,932	5,985,845,591	6,228,636,224	5,676,215,475
Share of gain (loss) from investments in joint ventures	11	79,642,911	(17,135,456)	-	-
Profit before finance cost and income tax expenses		6,576,582,843	5,968,710,135	6,228,636,224	5,676,215,475
Finance cost		(314,300,073)	(277,020,092)	(299,372,425)	(272,755,670)
Profit before income tax expenses		6,262,282,770	5,691,690,043	5,929,263,799	5,403,459,805
Income tax expenses	23	(1,277,240,627)	(1,154,540,722)	(1,182,327,589)	(1,050,143,159)
Profit for the year		4,985,042,143	4,537,149,321	4,746,936,210	4,353,316,646
Profit attributable to:					
Equity holders of the Company		4,886,527,197	4,348,724,869	4,746,936,210	4,353,316,646
Non-controlling interests of the subsidiaries		98,514,946	188,424,452		
		4,985,042,143	4,537,149,321		
Earnings per share	24				
Basic earnings per share					
Profit attributable to equity holders of the Company		2.85	2.53	2.77	2.54

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

Supalai Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit for the year		4,985,042,143	4,537,149,321	4,746,936,210	4,353,316,646
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		(56,094,709)	9,605,898	-	-
Gain (loss) on change in value of available-for-sale investments		44,545	(70,065)	44,545	(70,065)
Less: Income tax effect	23	(8,909)	14,013	(8,909)	14,013
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(56,059,073)	9,549,846	35,636	(56,052)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss	20	-	(8,300,332)	-	(6,603,460)
Less: Income tax effect	23	-	1,660,066	-	1,320,692
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		-	(6,640,266)	-	(5,282,768)
Other comprehensive income for the year		(56,059,073)	2,909,580	35,636	(5,338,820)
Total comprehensive income for the year		<u>4,928,983,070</u>	<u>4,540,058,901</u>	<u>4,746,971,846</u>	<u>4,347,977,826</u>
Total comprehensive income attributable to:					
Equity holders of the Company		4,830,468,124	4,352,020,896	<u>4,746,971,846</u>	<u>4,347,977,826</u>
Non-controlling interests of the subsidiaries		<u>98,514,946</u>	<u>188,038,005</u>		
		<u>4,928,983,070</u>	<u>4,540,058,901</u>		

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

Supalai Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements											
	Equity attributable to shareholders of the Company											
	Other components of equity											
	Other comprehensive income											
	Issued and fully paid-up share capital	Share premium	Treasury share premium	Retained earnings		Unappropriated	Exchange differences on translation of financial statements in foreign currency	Deficit on changes in value of available-for-sale investments	Surplus on change in shareholding of subsidiary	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries
1,716,553,249	219,417,172	453,211,503	177,000,000	14,854,942,214		4,627,745	(99,260)	-	4,528,485	17,425,652,623	551,830,640	17,977,483,263
Profit for the year	-	-	-	4,348,724,869		-	-	-	-	4,348,724,869	188,424,452	4,537,149,321
Other comprehensive income for the year	-	-	-	(6,253,819)		9,605,898	(56,052)	-	9,549,846	3,296,027	(386,447)	2,909,580
Total comprehensive income for the year	-	-	-	4,342,471,050		9,605,898	(56,052)	-	9,549,846	4,352,020,896	188,038,005	4,540,058,901
Surplus on investments in subsidiary arising as a result of purchase the investment in subsidiary on a price less than the net book value at the purchase date	-	-	-	-		-	-	27,802,105	27,802,105	27,802,105	(86,699,047)	(58,896,942)
Dividend paid (Note 27)	-	-	-	(1,974,021,850)		-	-	-	-	(1,974,021,850)	-	(1,974,021,850)
Subsidiaries paid dividend to non-controlling interest of subsidiaries	-	-	-	-		-	-	-	-	-	(34,593,096)	(34,593,096)
Balance as at 31 December 2015	1,716,553,249	219,417,172	453,211,503	177,000,000	17,223,391,414	14,233,643	(155,312)	27,802,105	41,880,436	19,831,453,774	618,576,502	20,450,030,276
Balance as at 1 January 2016	1,716,553,249	219,417,172	453,211,503	177,000,000	17,223,391,414	14,233,643	(155,312)	27,802,105	41,880,436	19,831,453,774	618,576,502	20,450,030,276
Profit for the year	-	-	-	-	4,886,527,197	-	-	-	-	4,886,527,197	98,514,946	4,985,042,143
Other comprehensive income for the year	-	-	-	-	-	(56,094,709)	35,636	-	(56,059,073)	(56,059,073)	-	(56,059,073)
Total comprehensive income for the year	-	-	-	-	4,886,527,197	(56,094,709)	35,636	-	(56,059,073)	4,830,468,124	98,514,946	4,928,983,070
Dividend paid (Note 27)	-	-	-	-	(1,716,334,617)	-	-	-	-	(1,716,334,617)	-	(1,716,334,617)
Subsidiary paid dividend to non-controlling interest of subsidiary	-	-	-	-	-	-	-	-	-	-	(50,652,810)	(50,652,810)
Balance as at 31 December 2016	1,716,553,249	219,417,172	453,211,503	177,000,000	20,393,583,994	(41,861,066)	(119,676)	27,802,105	(14,178,637)	22,945,587,281	666,438,638	23,612,025,919

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

Supalai Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2016

	Separate financial statements						(Unit: Baht)
				Other components of equity			
				Other comprehensive income			
				Deficit			
				on changes in value of available-for-sale investments		Total shareholders' equity	
Issued and fully paid-up share capital	Share premium	Treasury share premium	Retained earnings				
			Appropriated	Unappropriated			
Balance as at 1 January 2015	1,716,553,249	219,417,172	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 27)	-	-	-	(1,974,021,850)	-	(1,974,021,850)	
Balance as at 31 December 2015	1,716,553,249	219,417,172	177,000,000	16,683,895,593	(155,312)	19,188,455,974	
Balance as at 1 January 2016	1,716,553,249	219,417,172	177,000,000	16,683,895,593	(155,312)	19,188,455,974	
Profit for the year	-	-	-	4,746,936,210	-	4,746,936,210	
Other comprehensive income for the year	-	-	-	-	35,636	35,636	
Total comprehensive income for the year	-	-	-	4,746,936,210	35,636	4,746,971,846	
Dividend paid (Note 27)	-	-	-	(1,716,334,617)	-	(1,716,334,617)	
Balance as at 31 December 2016	1,716,553,249	219,417,172	177,000,000	19,714,497,186	(119,676)	22,219,093,203	

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

Supalai Public Company Limited and its subsidiaries

Cash flow Statement

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit before tax	6,262,282,770	5,691,690,043	5,929,263,799	5,403,459,805
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	156,823,745	129,299,345	72,960,930	64,091,258
Share of (gain) loss from investments in joint ventures	(79,642,911)	17,135,456	-	-
Loss (gain) on sales of building and equipment	(1,902,948)	723,356	(1,868,165)	(89,767)
Loss on written-offs intangible assets	-	37,068,091	-	37,068,091
Unrealised loss (gain) on exchange	-	-	36,262,142	(25,724,492)
Reversal of allowance for loss on diminution in project value	(126,819)	(21,116,666)	(126,819)	(126,818)
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)	-	-
Reversal of provision for liabilities arising from legal cases	(12,157,000)	-	(12,157,000)	-
Amortisation of issuance cost of debentures	6,171,013	5,206,269	6,171,013	5,206,269
Provision for long-term employee benefits	10,788,426	9,200,536	9,154,893	7,964,216
Dividend income	-	(39,000)	(64,247,190)	(109,135,408)
Interest income	(1,919,267)	(815,141)	(29,749,321)	(36,512,049)
Interest expenses	302,694,402	268,301,259	288,215,963	264,400,771
Profit from operating activities before changes in operating assets and liabilities	6,643,011,411	6,133,223,744	6,233,880,245	5,512,690,589
Operating assets decrease (increase)				
Trade and other receivables	(8,460,862)	(2,971,577)	(2,222,836)	-
Costs of property development projects for sales	(3,519,647,641)	(8,882,401,441)	(3,346,979,225)	(8,650,675,413)
Other current assets	25,398,366	117,591,015	(22,609,261)	80,821,606
Other non-current assets	(2,089,555)	(3,255,566)	(2,314,306)	(2,990,443)
Operating liabilities increase (decrease)				
Trade and other payables	194,213,883	101,386,267	219,236,516	86,715,875
Deposits and advances received from customers	(215,702,256)	(886,862,655)	(152,877,984)	(759,727,283)
Other current liabilities	39,296,572	105,150,368	66,141,443	92,316,665
Other non-current liabilities	(5,033,724)	5,357,183	(4,420,922)	5,766,825
Cash flows from (used in) operating activities	3,150,986,194	(3,312,782,662)	2,987,833,670	(3,635,081,579)
Cash paid for interest expenses	(642,027,451)	(527,372,765)	(624,590,884)	(514,558,145)
Cash paid for corporate income tax	(1,168,483,225)	(1,160,362,775)	(1,117,456,379)	(1,060,336,666)
Net cash flows from (used in) operating activities	1,340,475,518	(5,000,518,202)	1,245,786,407	(5,209,976,390)

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

Supalai Public Company Limited and its subsidiaries

Cash flow Statement (continued)

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from investing activities				
Interest income	896,058	815,141	20,867,362	13,258,894
Increase in restricted bank deposits	(25,936,200)	-	-	-
Increase in investment in subsidiary company	-	-	(1,125,360,679)	(282,707,712)
Increase in investments in joint ventures	(342,683,181)	(231,168,412)	-	-
Decrease in short-term loans to subsidiaries	-	-	232,650,000	186,950,000
Increase in long-term loan to related party	(389,030,032)	-	-	-
Dividend received	-	39,000	64,247,190	109,135,408
Acquisitions of investment properties	(8,035,814)	(57,974,841)	(684,452)	(24,423,443)
Acquisitions of building and equipment	(33,890,596)	(52,843,122)	(27,913,624)	(39,362,399)
Acquisitions of intangible assets	(37,214,956)	(13,021,268)	(37,214,956)	(13,021,268)
Proceeds from sales of building and equipment	2,608,219	349,542	2,573,331	281,356
Net cash flows used in investing activities	(833,286,502)	(353,803,960)	(870,835,828)	(49,889,164)
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans				
from financial institutions	484,725,353	780,685,977	485,094,211	780,437,203
Increase in short-term loans from director	287,000,000	-	-	-
Increase in short-term loan from other party	25,936,200	-	-	-
Cash receipt from long-term loans from banks	31,204,696,354	17,055,500,000	30,488,046,595	16,337,700,000
Repayment of long-term loan from director	(330,000)	-	-	-
Repayment of long-term loans from banks	(31,765,583,393)	(14,408,061,285)	(30,749,576,109)	(13,929,820,000)
Proceeds from issuance of debentures	1,997,309,140	5,393,948,402	1,997,309,140	5,393,948,402
Cash paid for settlement of debentures	(1,200,000,000)	(1,245,000,000)	(1,200,000,000)	(1,245,000,000)
Dividend paid	(1,715,066,726)	(1,974,021,850)	(1,715,066,726)	(1,974,021,850)
Cash paid for investments in subsidiary	-	(58,896,942)	-	-
Subsidiaries paid dividend for non-controlling interest of the subsidiaries	(50,652,810)	(34,481,883)	-	-
Net cash flows from (used in) financing activities	(731,965,882)	5,509,672,419	(694,192,889)	5,363,243,755
Translation adjustments	(4,053,501)	(19,339,281)	-	-
Net increase (decrease) in cash and cash equivalents	(228,830,367)	136,010,976	(319,242,310)	103,378,201
Cash and cash equivalents at beginning of year	797,897,245	661,886,269	612,768,588	509,390,387
Cash and cash equivalents at end of year	569,066,878	797,897,245	293,526,278	612,768,588

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

Supalai Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2016

1. General information

Supalai Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in property development. The registered office of the Company is at 1011 Supalai Grand Tower, Rama 3 Road, Chongnonsri, Yannawa, Bangkok.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Supalai Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Shareholding percentage	
			2016 (Percent)	2015 (Percent)
Investments in subsidiaries (held by the Company)				
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	56
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

Company's name	Nature of business	Country of incorporation	Shareholding percentage	
			2016 (Percent)	2015 (Percent)
Investments in subsidiaries (held by Suppalai Singapore Holdings Pte Ltd)				
Supalai Australia Holdings Pty Ltd	Holdings company	Australia	100	100
Investments in subsidiaries (held by Suppalai Australia Holdings Pty Ltd)				
Supalai Rippleside Development Pty Ltd	Holdings company	Australia	100	100
Supalai Officer Development Pty Ltd	Holdings company	Australia	100	100
Supalai Greenvale Development Pty Ltd	Holdings company	Australia	100	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 On 14 June 2016, a meeting of Company's Board of Director passed a resolution to approve the investments by Supalai Australia Holdings Pty Ltd (the subsidiary company) in joint arrangements which were assessed as being joint operations between the subsidiary company and other joint operators. The subsidiary company recognised its shares of assets, liabilities, revenue and expenses of the joint operation in its financial statements, in proportion to its interest. Details as follows:

Name of entity	Nature of business	Country of incorporation	Interest in joint operations	
			2016 (Percent)	2015 (Percent)
Peet No 119 Pty Ltd	Project development	Australia	50	-

2.4 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the year, the Company and subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become 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, 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 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 financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. 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 management of the Company and its subsidiaries believe that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

At present, the management of the Company and its subsidiaries is evaluating the impact of this standard to the financial statements in the year when it is adopted.

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 Intangible asset - 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 individuals or enterprises 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 or enterprises 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 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the asset.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.14 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.

4.15 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 intangible assets 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.

4.16 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.

4.17 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.

4.18 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.

4.19 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.

Joint arrangements

Management applied judgement to determine the type of joint arrangement, based on consideration of the rights and obligations arising from the arrangement. On this basis, the management determined that has an investment in joint venture agreement that is joint operation (between the subsidiary company and other joint operators) in accordance with TFRS 11.

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 financial statements		Separate financial statements		Transfer pricing policy
	2016	2015	2016	2015	
Transactions with subsidiary companies					
(eliminated from the consolidated financial statements)					
Rental and service income	-	-	3	1	Contract price
Interest income	-	-	29	36	4.0 - 4.5 percent per annum (2015: 3.8 - 4.8 percent per annum)
Building management fee	-	-	3	3	Contract price
Transactions with related parties					
Interest income	1	-	-	-	12 percent per annum
Interest expenses	1	-	-	-	3.62 - 3.75 percent per annum
Purchase of land	26	-	26	-	Contract price
Purchases of construction material	202	193	192	184	Close to the purchase price from third parties

As at 31 December 2016 and 2015, 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	
	2016	2015	2016	2015
Trade and other payable - related parties (Note 17)				
<u>Related parties</u> (Common director)				
Durafloor Co., Ltd.	20,232	27,488	19,909	25,999
Diamond Building Products Public Co., Ltd.	13,509	19,016	13,232	18,579
Total	33,741	46,504	33,141	44,578

Short-term loans to subsidiaries and interest receivables

As at 31 December 2016 and 2015, 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 2015	Increase	Decrease	31 December 2016
Supalai Northeast Co., Ltd.	234,208	203,153	(437,361)	-
Haadyai Nakarin Co., Ltd.	-	56,154	(56,154)	-
Supalai Property Management Co.,Ltd.	-	2,509	(1,009)	1,500
Total	234,208	261,816	(494,524)	1,500

Long-term loan to subsidiary company and interest receivable

(Unit: Thousand Baht)

	Separate financial statements	
	2016	2015
Supalai Philippines Incorporate		
Long-term loan to subsidiary company and interest receivable	596,881	624,258
<u>Less</u> Current portion and interest receivable	(192,348)	(158,655)
Long-term loan to subsidiary company, net of current portion	404,533	465,603

Movements in the long-term loan to subsidiary company and interest receivable account during the year ended 31 December 2016 are summarised below.

(Unit: Thousand Baht)

	Separate financial statements			
	31 December 2015	Increase	Decrease	31 December 2016
			Unrealised loss on exchange	
Supalai Philippines Incorporate	624,258	23,339	(14,399)	(36,317)
				596,881

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.

Long-term loan to related party and interest receivable

Movements in the long-term loan to related party and interest receivable account during the year ended 31 December 2016 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		
	31 December 2015	Increase	31 December 2016
Peet No. 1895 Pty Ltd	-	390,053	390,053

The loan carries interest at 12 percent per annum, payable every month-end. The loan principal is to be repaid within June 2024.

Short-term loans from director and interest payable

Movements in the short-term loans from director and interest payable account during the year ended 31 December 2016 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 December 2015	Increase	Decrease	31 December 2016
Director	-	305,398	(18,339)	287,059

Short-term loans from the director are unsecured and carry interest at the rate that a commercial bank lends to the borrower minus 0.5 percent per annum. The loans are repayable on demand.

Directors and management's benefits

During the years ended 31 December 2016 and 2015, 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	
	2016	2015	2016	2015
Short-term employee benefits	178,572	185,369	148,792	138,444
Post-employment benefits	3,097	3,514	2,412	3,035
Total	181,669	188,883	151,204	141,479

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash	91,166	309,992	84,858	301,834
Bank deposits	477,901	487,905	208,668	310,935
Total	569,067	797,897	293,526	612,769

8. Costs of property development projects for sales

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Land	4,148,253	3,905,180	4,121,780	3,791,945
Land and construction under development	38,164,347	34,302,720	36,394,185	32,320,342
Land and construction developed	4,116,426	4,189,198	3,276,138	3,823,451
Total	46,429,026	42,397,098	43,792,103	39,935,738
<u>Less</u> Allowance for loss on diminution in project value	(19,347)	(19,474)	(4,736)	(4,863)
Costs of property development projects for sales, net	46,409,679	42,377,624	43,787,367	39,930,875

During the years, the Company and its subsidiary company 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 financial statements		Separate financial statements	
	2016	2015	2016	2015
Borrowing costs included in cost of project development for sales (Million Baht)	344	269	335	260
Capitalisation rate (Percent)	2.6 - 4.5	2.8 - 4.8	2.6 - 4.5	2.8 - 4.8

The Company and its subsidiary have mortgaged the following project land and construction thereon with banks as collateral for overdrafts, loans, bank guarantees and to aval promissory notes.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Net book values	25,247	24,446	23,562	22,962

9. Restricted bank deposits

The outstanding balances represent bank deposit account of the subsidiary company which have been pledged with bank to secure the credit facility for a joint venture of the subsidiary company.

10. Investments in subsidiaries

10.1 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	
	2016	2015	2016	2015	2016	2015	2016	2015
	(Million Baht)	(Million Baht)	(Percent)	(Percent)				
Supalai Northeast Co., Ltd.	335	335	99	99	331,325	331,325	64,247	66,265
Phuket Estate Co., Ltd.	307	307	82	82	255,334	255,334	-	-
Haadyai Nakarin Co., Ltd.	192	192	56	56	164,267	164,267	-	42,831
Supalai Property Management Co., Ltd.	25	25	100	100	24,977	24,977	-	-
Supalai Philippines Incorporate	600	600	100	100	432,328	432,328	-	-
	(Million PHP)							
Supalai Singapore Holdings Pte. Ltd.	62	18	100	100	1,601,424	476,063	-	-
	(Million SGD)							
Total					2,809,655	1,684,294	64,247	109,096
Less Allowance for impairment loss of investments					(33,000)	(33,000)		
Investments in subsidiaries, net					2,776,655	1,651,294		

During 2016, the meetings of the Company's Board of Directors passed the resolutions approving additional investments in Supalai Singapore Holdings Pte. Ltd. of totaling Baht 1,125 million to invest in joint ventures in Australia.

10.2 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	
	2016	2015	2016	2015	2016	2015	2016	2015
	(Percent)	(Percent)						
Haadyai Nakarin Company Limited	44	44	641	597	95	184	51	34

10.3 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	
	2016	2015
Current assets	1,157	1,292
Non-current assets	499	522
Current liabilities	195	454
Non-current liabilities	5	4

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December	
	Haadyai Nakarin Company Limited	
	2016	2015
Revenue	928	1,402
Profit	215	372
Other comprehensive income	-	(1)
Total comprehensive income	215	371

Summarised information about cash flow

(Unit: Million Baht)

	For the year ended 31 December	
	Haadyai Nakarin Company Limited	
	2016	2015
Cash flow from operating activities	311	277
Cash flow used in investing activities	(6)	(34)
Cash flow used in financing activities	(291)	(276)
Net increase (decrease) in cash and cash equivalents	14	(33)

11. Investments in joint ventures

11.1 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	
		2016 (Percent)	2015 (Percent)	2016	2015	2016	2015
The Satterley Officer Joint Venture	Property development	25	25	119,976	119,976	143,597	113,811
The Rippleside Development Joint Venture	Property development	50	50	187,668	153,952	155,782	140,835
The Satterley Greenvale Joint Venture	Property development	25	25	238,192	188,913	273,806	186,176
Fyansford Development Pty Ltd	Property development	50	-	259,604	-	251,434	-
Peet No. 1895 Pty Ltd	Property development	50	-	84	-	31,805	-
Total				805,524	462,841	856,424	440,822

On 12 January and 13 September 2016, the meetings of Company's Board of Director passed the resolutions to approve the investments of Supalai Australia Holding Pty Ltd in Fyansford Development Pty Ltd and Peet No. 1895 Pty Ltd, respectively, incorporate in Australia.

11.2 Share of comprehensive income

During the years, the Company recognised its share of comprehensive income from investments in joint ventures in the consolidated financial statements as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Share of profit (loss) from investments in joint ventures during the year		Share of other comprehensive income from investments in joint ventures during the year	
	2016	2015	2016	2015
The Satterley Officer Joint Venture	31,647	(4,372)	(1,861)	(1,793)
The Rippleside Development Joint Venture	(17,101)	(10,083)	(1,668)	(3,034)
The Satterley Greenvale Joint Venture	41,277	(2,680)	(2,926)	(57)
Fyansford Development Pty Ltd	(8,263)	-	93	-
Peet No. 1895 Pty Ltd	32,083	-	(362)	-
Total	79,643	(17,135)	(6,724)	(4,884)

11.3 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		Fyansford Development Pty Ltd		Peet No. 1895 Pty Ltd	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Current assets	1,703	1,485	498	308	2,521	2,464	613	-	36	-
Non-current assets	3	4	-	-	16	-	4	-	2,428	-
Current liabilities	(1,132)	(960)	(186)	(26)	(1,442)	(1,483)	(50)	-	(1,237)	-
Other non-current liabilities	-	(74)	-	-	-	(236)	(67)	-	(1,163)	-
Net assets	574	455	312	282	1,095	745	500	-	64	-
Shareholding percentage (%)	25	25	50	50	25	25	50	-	50	-
Carrying amounts of joint ventures based on equity method	144	114	156	141	274	186	250	-	32	-

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December									
	The Satterley Officer Joint Venture		The Rippleside Development Joint Venture		The Satterley Greenvale Development Joint Venture		Fyansford Development Pty Ltd		Peet No. 1895 Pty Ltd	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenue	866	250	-	-	651	-	1	-	632	-
Profit (loss)	126	(17)	(34)	(20)	165	(11)	(16)	-	65	-
Other comprehensive income	(7)	(7)	(3)	(6)	(12)	-	-	-	(1)	-
Total comprehensive income	119	(24)	(37)	(26)	153	(11)	(16)	-	64	-

12. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Shareholding percentage (Percent)	2016	2015	Shareholding percentage (Percent)	2016	2015
Investments in unit trusts						
Unit trusts in mutual funds		500	500		500	500
Unrealised loss on changes in value of investments		(149)	(194)		(149)	(194)
Fair value		351	306		351	306
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		1,621	1,576		1,621	1,576

13. Investment properties

The net book value of investment properties as at 31 December 2016 and 2015 is presented below.

(Unit: Thousand Baht)

Consolidated financial statements			
	Land held for development	Land, building and office building for rent	Total
31 December 2016			
Cost	7,981	2,470,153	2,478,134
<u>Less</u> Accumulated depreciation	-	(488,156)	(488,156)
Net book value	7,981	1,981,997	1,989,978
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

(Unit: Thousand Baht)

31 December 2016

	Separate financial statements		
	Land held for development	Land, building and office building for rent	Total
Cost	7,981	1,156,926	1,164,907
<u>Less</u> Accumulated depreciation	-	(336,593)	(336,593)
Net book value	7,981	820,333	828,314

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

A reconciliation of the net book value of investment properties for the years 2016 and 2015 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Net book value at beginning of year	2,159,243	1,662,418	892,681	804,763
Acquisition of assets during the year	8,036	57,975	684	24,423
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 to property, building and equipment, net book value	(33,042)	-	(33,042)	-
Depreciation charged	(98,942)	(79,652)	(32,009)	(31,337)
Translation adjustment	(45,317)	33,829	-	-
Net book value at end of year	1,989,978	2,159,243	828,314	892,681

The fair value of the investment properties as at 31 December 2016 and 2015 is stated below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Land held for development	13,500	13,500	13,500	13,500
Land, building and office building for rent	3,657,579	3,706,534	1,522,512	1,578,607

The fair value of the above investment properties has been determined based on valuation performed by an accredited independent valuer. The fair values of investment properties have been determined based on market prices, and 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 financial statements		Separate financial statements	
	2016	2015	2016	2015
Net book values	24	24	8	8

14. Property, building and equipment

(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:							
1 January 2015	102,914	331,061	174,151	66,304	144,028	71,556	1,000,966
Additions	-	2,489	10,443	3,370	21,024	15,517	52,843
Disposals/written-offs	(843)	-	(71)	(1,032)	(7,476)	(882)	(10,304)
Transfers	-	16,093	27	-	-	-	-
Transfer to investment properties	-	-	(5,025)	-	-	-	(16,120)
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:							
1 January 2015	-	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/written-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:							
1 January 2015	11,801	-	-	-	-	-	11,801
Decrease during the year	(3,430)	-	-	-	-	-	(3,430)
31 December 2015	8,371	-	-	-	-	-	8,371
Net book value:							
1 January 2015	91,113	203,914	40,835	13,717	35,508	17,672	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)

Consolidated financial statements							
	Land and land improvement	Building	Building improvements and structures	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Total
Cost:							
31 December 2015	102,071	349,643	179,525	68,642	157,555	86,191	943,627
Additions	-	-	1,670	5,863	23,088	3,270	33,891
Disposals/written-offs	-	-	(479)	(1,704)	(831)	(14,476)	(17,490)
Transfer from investment properties	7,938	35,203	-	-	-	-	43,141
31 December 2016	110,009	384,846	180,716	72,801	179,812	74,985	1,003,169
Accumulated depreciation:							
31 December 2015	-	140,729	134,582	56,198	116,796	60,498	508,803
Depreciation for the year	-	14,482	7,047	4,965	18,592	8,098	53,184
Depreciation on disposals/written-offs	-	-	(463)	(1,693)	(785)	(13,844)	(16,785)
Transfer from investment properties	-	10,099	-	-	-	-	10,099
31 December 2016	-	165,310	141,166	59,470	134,603	54,752	555,301
Allowance for impairment loss:							
31 December 2015	8,371	-	-	-	-	-	8,371
31 December 2016	8,371	-	-	-	-	-	8,371
Net book value:							
31 December 2015	93,700	208,914	44,943	12,444	40,759	25,693	426,453
31 December 2016	101,638	219,536	39,550	13,331	45,209	20,233	439,497
Depreciation for the year							
2016 (Baht 11 million included in cost of rental and services, and the balance in administrative expenses)							53,184

(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	Total
Cost:							
31 December 2015	43,941	169,849	73,968	10,910	120,840	68,452	487,960
Additions	-	-	1,574	1,747	21,553	3,040	27,914
Disposals/written-offs	-	-	(25)	(23)	(439)	(14,436)	(14,923)
Transfer from investment properties	7,938	35,203	-	-	-	-	43,141
31 December 2016	51,879	205,052	75,517	12,634	141,954	57,056	544,092
Accumulated depreciation:							
31 December 2015	-	51,561	36,848	7,911	86,006	47,384	229,710
Depreciation for the year	-	6,850	5,426	1,230	16,494	6,337	36,337
Depreciation on disposals/ write-offs	-	-	(9)	(12)	(393)	(13,804)	(14,218)
Transfer from investment properties	-	10,099	-	-	-	-	10,099
31 December 2016	-	68,510	42,265	9,129	102,107	39,917	261,928
Allowance for impairment loss:							
31 December 2015	8,371	-	-	-	-	-	8,371
31 December 2016	8,371	-	-	-	-	-	8,371
Net book value:							
31 December 2015	35,570	118,288	37,120	2,999	34,834	21,068	249,879
31 December 2016	43,508	136,542	33,252	3,505	39,847	17,139	273,793
Depreciation for the year							
2016 (Baht 1 million included in cost of rental and services, and the balance in administrative expenses)							36,337

As at 31 December 2016 and 2015, 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 financial statements		Separate financial statements	
	2016	2015	2016	2015
The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss	345	313	123	118

The Company and its subsidiaries have mortgaged the following property and building with banks as security for overdrafts.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Net book values	4	4	2	2

15. Intangible assets

The net book value of intangible assets as at 31 December 2016 and 2015 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Computer software - cost	74,489	37,274	73,655	36,440
<u>Less</u> Accumulated amortisation	(13,143)	(8,445)	(12,400)	(7,785)
Net book value	61,346	28,829	61,255	28,655

A reconciliation of the net book value of intangible assets for the years 2016 and 2015 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Net book value at beginning of year	28,829	54,910	28,655	54,653
Acquisition of computer software	37,215	13,021	37,215	13,021
Written-offs	-	(37,068)	-	(37,068)
Amortisation	(4,698)	(2,034)	(4,615)	(1,951)
Net book value at end of year	61,346	28,829	61,255	28,655

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

(Unit: Thousand Baht)

	Interest rate as reference to/based on (Percent per annum)	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Bank overdrafts	MOR	-	15,275	-	14,906
Bills of exchange	1.69 - 1.82	1,977,069	1,492,671	1,977,069	1,492,671
Total		1,977,069	1,507,946	1,977,069	1,507,577

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.

17. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade payables				
Related parties (Note 6)	33,741	46,504	33,141	44,578
Unrelated parties	1,716,452	1,353,825	1,670,546	1,295,825
Accrued expenses	366,946	334,105	324,210	279,644
Total trade and other payables	2,117,139	1,734,434	2,027,897	1,620,047

18. Long-term loans from banks

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Long-term loans from banks	3,831,792	4,392,679	3,569,171	3,830,700
<u>Less</u> Current portion	(2,090,206)	(1,154,016)	(2,029,101)	(839,033)
Long-term loans from banks, net	1,741,586	3,238,663	1,540,070	2,991,667

Movements in the long-term loan account during the years ended 31 December 2016 and 2015 were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Balance at beginning of year	4,392,679	1,745,240	3,830,700	1,422,820
<u>Add</u> Additional borrowings	31,204,696	17,055,500	30,488,047	16,337,700
<u>Less</u> Repayment	(31,765,583)	(14,408,061)	(30,749,576)	(13,929,820)
Balance at end of year	3,831,792	4,392,679	3,569,171	3,830,700

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	
	2016	2015	2016	2015
Long-term credit facilities which have not yet been drawn down	24,761	25,774	24,405	25,284

19. Debentures

(Unit: Thousand Baht)

Debenture	Term	Date of issue	Maturity date	Par value per unit (Baht)	Interest rate (Percent per annum)	Interest payment condition	Consolidated financial statements / Separate financial statements				
							31 December 2016		31 December 2015		Total
							Current portion	Long-term portion	Current portion	Long-term portion	
1/2013	3 years	3 May 2013	3 May 2016	1,000	3.68	Interest is repayable in semi-annual installments, starting from November 2013 to May 2016.	-	-	1,000,000	-	1,000,000
1/2013	5 years	3 May 2013	3 May 2018	1,000	4.12	Interest is repayable in semi-annual installments, starting from November 2013 to May 2018.	-	500,000	500,000	-	500,000
1/2014	3 years	28 February 2014	28 February 2017	1,000	3.95	Interest is repayable in semi-annual installments, starting from August 2014 to February 2017.	2,300,000	-	2,300,000	-	2,300,000
2/2014	3 years 19 days	20 May 2014	8 June 2017	1,000	3.65	Interest is repayable in quarterly installments, starting from August 2014 to June 2017.	500,000	-	500,000	-	500,000
3/2014	2 years 1 day	10 July 2014	11 July 2016	1,000	3.38	Interest is repayable in quarterly installments, starting from October 2014 to July 2016.	-	-	200,000	-	200,000
4/2014	3 years 6 months	28 August 2014	28 February 2018	1,000	3.87	Interest is repayable in quarterly installments, starting from November 2014 to February 2018.	-	2,200,000	2,200,000	-	2,200,000
5/2014	3 years	25 September 2014	25 September 2017	1,000	3.60	Interest is repayable in semi-annual installments, starting from March 2015 to September 2017.	200,000	-	200,000	-	200,000
6/2014	4 years	2 December 2014	2 December 2018	1,000	3.60	Interest is repayable in semi-annual installments, starting from June 2015 to December 2018.	-	1,000,000	1,000,000	-	1,000,000
7/2014	3 years	4 December 2014	4 December 2017	1,000	3.25	Interest is repayable in semi-annual installments, starting from June 2015 to December 2017.	1,000,000	-	1,000,000	-	1,000,000

(Unit: Thousand Baht)

Debenture	Term	Date of issue	Maturity date	Par value per unit (Baht)	Interest rate (Percent per annum)	Interest payment condition	Consolidated financial statements / Separate financial statements						
							31 December 2016			31 December 2015			
							Current portion	Long-term portion	Total	Current portion	Long-term portion	Total	
1/2015	2 years 11 days	16 February 2015	27 February 2017	1,000	2.75	Interest is repayable in semi-annual installments, starting from August 2015 to February 2017.	400,000	-	-	400,000	-	400,000	400,000
2/2015	3 years	13 May 2015	13 May 2018	1,000	2.62	Interest is repayable in semi-annual installments, starting from November 2015 to May 2018.	-	1,000,000	-	1,000,000	-	1,000,000	1,000,000
3/2015	5 years	4 September 2015	4 September 2020	1,000	3.10	Interest is repayable in semi-annual installments, starting from March 2016 to September 2020.	-	1,500,000	-	1,500,000	-	1,500,000	1,500,000
4/2015	3 years 11 months 23 days	28 December 2015	20 December 2019	1,000	2.72	Interest is repayment in semi - annual installments, starting from June 2016 to December 2019	-	2,500,000	-	2,500,000	-	2,500,000	2,500,000
1/2016	3 years	29 January 2016	29 January 2019	1,000	2.25	Interest is repayment in semi-annual installments, starting from July 2016 to January 2019	-	1,000,000	-	1,000,000	-	-	-
2/2016	3 years	7 September 2016	7 September 2019	1,000	2.24	Interest is repayment in semi-annual installments, starting from March 2017 to September 2019	-	1,000,000	-	1,000,000	-	-	-
Total							4,400,000	10,700,000	15,100,000	1,200,000	13,100,000	14,300,000	
							(1,039)	(8,567)	(9,606)	(388)	(12,699)	(13,087)	
Less Unamortised costs relating to the issuance of the debentures							4,398,961	10,691,433	15,090,394	1,199,612	13,087,301	14,286,913	
Net balance													

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.

20. 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	
	2016	2015	2016	2015
Provision for long-term employee benefits at beginning of year	90,306	72,805	78,741	64,173
Included in profit and loss:				
Current service cost	8,571	6,293	7,223	5,397
Interest cost	2,217	2,908	1,931	2,567
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	101,094	90,306	87,895	78,741

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	
	2016	2015	2016	2015
Cost of sales and cost of rental and services	3,515	2,600	2,831	2,035
Selling and administrative expenses	7,273	6,601	6,324	5,929
Total expenses recognised in profit or loss	10,788	9,201	9,155	7,964

The Company and its subsidiaries expect to pay Baht 5 million of long-term employee benefits during the next year (Separate financial statements: Baht 4 million) (2015: Baht 2 million, separate financial statements: Baht 1 million).

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit is 9 years (Separate financial statements: 9 years) (2015: 10 years, separate financial statements: 10 years).

Significant actuarial assumptions are summarised below:

	Consolidated financial statements		Separate financial statements	
	2016 (Percent per annum)	2015 (Percent per annum)	2016 (Percent per annum)	2015 (Percent per annum)
Discount rate	3	3	3	3
Salary increase rate	5 - 7	5 - 7	7	7
Turnover rate	0 - 40	0 - 40	0 - 40	0 - 40
(depending on age of employee)				

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 and 2015 are summarised below:

(Unit: Million Baht)

	31 December 2016			
	Consolidated financial statements		Separate financial statements	
	Increase 0.5 percent	Decrease 0.5 percent	Increase 0.5 percent	Decrease 0.5 percent
Discount rate	(5)	5	(4)	4
Salary increase rate	5	(5)	5	(4)

(Unit: Million Baht)

	31 December 2015			
	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)

21. 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.

22. Expenses by nature

Significant expenses classified by nature are as follow:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Purchase of land and payment of construction during the year	18,227	21,886	17,228	21,102
Changes in cost of property development project for sales	(4,032)	(8,778)	(3,856)	(8,906)
Salaries and other benefits	628	532	509	400
Depreciation and amortisation	157	129	73	64
Advertising and promotion expenses	580	453	552	434
Transfer fee and specific business tax	836	809	788	746

23. Income tax

Income tax expenses for the years ended 31 December 2016 and 2015 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Current income tax:				
Current income tax charge	1,155,701	1,014,866	1,095,879	925,674
Adjustment in respect of income tax of previous year	(1,492)	(439)	(1,492)	(439)
Deferred tax:				
Relating to origination and reversal of temporary differences	123,032	140,114	87,941	124,908
Income tax expense reported in the income statement	1,277,241	1,154,541	1,182,328	1,050,143

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2016 and 2015 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Actuarial losses	-	(1,660)	-	(1,321)
Deferred tax on gain (loss) from the change in value of available-for-sale investments	9	(14)	9	(14)
Tax expenses (income) reported in the other comprehensive income	9	(1,674)	9	(1,335)

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Accounting profit before tax	6,262,283	5,691,690	5,929,264	5,403,460
Applicable tax rate	17%, 20%, 30%	17%, 20%, 30%	20%	20%
Accounting profit before tax multiplied by income tax rate	1,238,263	1,132,029	1,185,853	1,080,692
Effects of reversal of temporary differences recognised in the past	18,200	-	-	-
Adjustment in respect of income tax of previous year	(1,492)	(439)	(1,492)	(439)
Effects of:				
Additional taxable income	7,811	16,843	7,811	16,843
Tax-exempt income	-	(3,652)	(12,849)	(25,480)
Additional deductible expenses	(264)	(197)	(206)	(19,778)
Non-deductible expenses	1,885	1,225	1,761	1,026
Tax losses for the year of subsidiary company which deferred tax assets not been recognised	8,990	-	-	-
Others	3,848	8,732	1,450	(2,721)
Total	22,270	22,951	(2,033)	(30,110)
Income tax expenses reported in the income statement	1,277,241	1,154,541	1,182,328	1,050,143

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Deferred tax assets (liabilities)				
Allowance for loss on diminution in project value	3,869	3,895	947	973
Allowance for impairment loss of investments in subsidiary	-	-	6,600	6,600
Allowance for impairment of other long-term investments	500	500	200	200
Deficit on changes in value of available-for-sales investment	30	38	30	38
Unearned revenues	62,072	151,331	59,343	144,386
Provision for liabilities arising from legal cases	5,800	8,231	5,800	8,231
Provision for long-term employee benefits	20,219	18,061	17,579	15,748
Loss brought forward	11,076	23,147	-	-
Effect on elimination of intercompany transactions	3,271	3,271	-	-
Prepaid interest expenses	(4,586)	(1,617)	(4,586)	(1,617)
Deferred debenture issuing costs	(1,921)	(2,617)	(1,921)	(2,617)
Foreign income not remitted	(19,131)	-	-	-
Deferred tax assets - net	81,199	204,240	83,992	171,942
Presented as follows:				
Deferred tax assets	100,330	204,240	83,992	171,942
Deferred tax liabilities	(19,131)	-	-	-
Total	81,199	204,240	83,992	171,942

As at 31 December 2016, the subsidiaries have deductible temporary differences and unused tax losses totaling Baht 40 million (2015: Baht 12 million), on which deferred tax assets have not been recognised as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

24. 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.

25. Segment information

Operation segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decision about the allocation of resources to the segment and assess its performance.

Transfer prices between business segments are as set out in Note 6 to the financial statements.

The following table present revenue, profit and total assets information regarding the Company's and its subsidiaries' operating segments for the years ended 31 December 2016 and 2015, respectively.

	Real estate business		Hotel business and management		Elimination of inter-segment revenue		Consolidation	
	2016	2015	2016	2015	2016	2015	2016	2015
Revenues from external customers	23,211	21,242	125	122	-	-	23,336	21,364
Inter-segment revenues	1	1	3	3	(4)	(4)	-	-
Total revenues	23,212	21,243	128	125	(4)	(4)	23,336	21,364
Segment income	6,337	5,916	4	8	-	(98)	6,341	5,826
Unallocated income and expenses:								
Other income							156	159
Share of gain (loss) from investments in joint ventures							80	(17)
Finance cost							(314)	(277)
Income tax expenses							(1,277)	(1,154)
Non-controlling interests of the subsidiaries							(99)	(188)
Profit for the year							4,887	4,349

(Unit: Million Baht)

(Unit: Million Baht)

	Real estate business		Hotel business and management		Elimination of inter-segment		Consolidation	
	2016	2015	2016	2015	2016	2015	2016	2015
Cost of property development project for sales	46,357	42,326	56	54	(3)	(2)	46,410	42,378
Investment properties	2,019	2,189	-	-	(29)	(30)	1,990	2,159
Property, building and equipment	279	255	132	142	28	29	439	426
Other assets	8,688	5,800	41	24	(5,908)	(3,500)	2,821	2,324
Total assets	57,343	50,570	229	220	(5,912)	(3,503)	51,660	47,287

Geographical information

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

(Unit: Million Baht)

	2016	2015
Revenue from external customers		
Thailand	23,252	21,294
Philippines	84	70
Total	23,336	21,364
Non - Current assets (Other than deferred tax assets)		
Thailand	1,517	1,830
Philippines	701	787
Australia	1,572	463
Total	3,790	3,080

Major customers

For the years 2016 and 2015, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

26. 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 (2015: 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 2016 amounting to approximately Baht 18 million (2015: Baht 15 million) were recognised as expenses.

27. Dividends

Dividends	Approved by	Dated	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2015	Annual General Meeting of the shareholders	22 April 2016	858,133	0.50
Interim dividends for 2016	Board of Directors' meeting	9 August 2016	858,202	0.50
Total for 2016			1,716,335	1.00
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

28. Commitments and contingent liabilities

28.1 Capital commitments

As at 31 December 2016 and 2015, the Company and its subsidiaries had outstanding commitments as followings:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Project construction contracts	7,223	8,615	7,093	8,448
Land purchase contracts	1,657	1,054	1,657	1,054

28.2 Guarantees

As at 31 December 2016 and 2015, 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	
	2016	2015	2016	2015
Guarantee utility usage	1,139	833	1,056	737
Guarantee trade creditors	22	23	22	23
Guarantee loan agreement	26	-	26	-
	1,187	856	1,104	760

28.3 Litigation

- a) On 1 August 2016, the Thonburi Civil Court read the judgment of the Supreme Court which ordered the Company and joint defendant in this case demolish the wall blocking a disputed route and register servitude on the disputed area or pay compensation totaling Baht 14 million plus interest, totaling amount Baht 29 million. The Company previously recorded provision for liabilities arising from legal case totaling Baht 41 million and so it has reversed Baht 12 million of the provision in the profit or loss in the current year.
- b) As at 31 December 2016, the Company has been sued for a total of approximately Baht 21 million in various cases, in respect of breach of contract, cancellation of contract, refund claims and damage claims. The cases are currently being heard by the Appeal and Supreme Courts. However, in the opinion of Company's lawyers and management believe that the Company will not incur any losses as a result of litigation.

29. Financial instruments

29.1 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:

Financial assets	Financial liabilities
- 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	- Short-term loan from other party
- Long-term loan to subsidiary company	- Short-term loans from director
- Long-term loan to related party	- Long-term loans from banks
	- Debentures

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 and related party. 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 and related party 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 2016 and 2015 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 2016							
Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate per annum (Percent)	
within 1 year	within 2 - 5 years	Over 5 years					
Financial assets							
Cash and cash equivalents	-	-	-	346	223	569	0.10 - 1.00
Trade and other receivables	-	-	-	-	19	19	-
Restricted bank deposits	-	-	-	26	-	26	1.88
Long - term loan to related party	-	-	390	-	-	390	12.00
	-	-	390	372	242	1,004	
Financial liabilities							
Overdrafts and short-term loans							
from financial institutions	1,977	-	-	-	-	1,977	Note 16
Trade and other payables	-	-	-	-	2,117	2,117	-
Short-term loan from other party	-	-	-	26	-	26	1.88
Short-term loans from director	-	-	-	287	-	287	Note 6
Long-term loan from banks	-	-	-	3,832	-	3,832	Note 18
Debentures	4,399	10,691	-	-	-	15,090	Note 19
	6,376	10,691	-	4,145	2,117	23,329	

(Unit: Million Baht)

Consolidated 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	-	-	319	479	798	0.10 - 1.00
Trade and other receivables	-	-	-	11	11	-
	-	-	319	490	809	
Financial liabilities						
Overdrafts and short-term loans from financial institutions	1,493	-	15	-	1,508	Note 16
Trade and other payables	-	-	-	1,734	1,734	-
Long-term loan from banks	-	-	4,393	-	4,393	Note 18
Debentures	1,200	13,087	-	-	14,287	Note 19
	2,693	13,087	4,408	1,734	21,922	

(Unit: Million Baht)

Separate financial statements						
31 December 2016						
	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	-	-	98	196	294	0.10 - 1.00
Trade and other receivables	-	-	-	2	2	-
Short-term loans to subsidiaries	-	-	2	-	2	4.00 - 4.01
Long-term loan to subsidiary company	-	-	597	-	597	4.00 - 4.01
	-	-	697	198	895	
Financial liabilities						
Overdrafts and short-term loans from financial institutions	1,977	-	-	-	1,977	Note 16
Trade and other payables	-	-	-	2,028	2,028	-
Long-term loans from banks	-	-	3,596	-	3,569	Note 18
Debentures	4,399	10,691	-	-	15,090	Note 19
	6,376	10,691	3,569	2,028	22,664	

(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	Note 16
Trade and other payables	-	-	-	1,620	1,620	-
Long-term loans from banks	-	-	3,831	-	3,831	Note 18
Debentures	1,200	13,087	-	-	14,287	Note 19
	2,693	13,087	3,846	1,620	21,246	

Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from borrowing that are denominated in foreign currencies.

As at 31 December 2016 and 2015, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Average exchange rate	
	2016	2015	2016	2015
	(Million)		(Baht per 1 foreign currency unit)	
Philippine Peso	838	813	0.7248	0.7691

29.2 Fair values of financial instruments

Since the majority of the financial instruments of the Company and its subsidiaries are short-term in nature or carrying interest at rates close to the market interest rate, their fair value is not expected to be materially different from the amounts presented in statement of financial position, except for the following.

(Unit: Million Baht)

	Consolidated/separate financial statements			
	As at 31 December 2016		As at 31 December 2015	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Debentures	15,100	15,277	14,300	14,558

The methods and assumptions used by the Company and its subsidiaries in estimating the fair value of financial statements are as follows:

- For financial assets and liabilities which have short-term maturity, including cash and cash at banks, trade and other accounts receivable, loan to subsidiaries, trade and other accounts payable, bank overdrafts and short-term loans from financial institutions, their carrying amounts in the statement of financial position approximate their fair value.
- For long-term loans to subsidiary company and related party, carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximate their fair value.
- For long-term loans from banks carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximate their fair value.
- 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 year, there was no transfer within the fair value hierarchy.

30. 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 2016 and 2015, the Group's debt-to-equity ratio, was summarised below.

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Debt-to-equity ratio	1.19:1	1.31:1	1.23:1	1.35:1

31. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 21 February 2017.

Supalai Quality Projects



Supalai Oriental
Sukhumvit 39

Supalai
Riva Grande

Supalai Elite
@Surawong

Supalai Elite
Si Phraya

Supalai
Wellington

Supalai
Wellington II



Supalai Lite @ Ratchada
- Narathivas - Sathorn

Supalai Veranda
Ratchavipha -
Prachachuen

Supalai Veranda
Rattanaibeth

Supalai Veranda
Rama 9

Supalai Loft
Chaeng Watthana

Supalai Loft @ Talat
Phlu Station

Supalai Loft
@ Khaerai Station

Supalai Cute Ratchayothin -
Phaholyothin 34

Supalai Vista @
Tiwanon Intersection

Supalai Vista @
Pak Kred Intersection

Supalai Park
Srinakarin



Supalai Park
Khaerai-Ngamwongwan

Supalai Park
Ratchavipha

Supalai City Resort Phra
Nang Kiao Station - Chao Phraya

Supalai City Resort
Chaeng Watthana

Supalai City Resort
Ratchayothin -
Phaholyothin 32

Supalai City Resort
Rama 8

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 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 Krungthepkriha-Motorway

Supalai Garden Ville Outer
Ring - Lam Lukka Klong 3



Supalai Garden Ville Outer
Ring - Lam Lukka Klong 5

Supalai Ville Outer Ring
Road Pinklao - Nakhorn In

Supalai Ville
Bangkok - Pathumthani

Supalai Ville
Rangsit Klong 2

Supalai Ville Outer Ring -
Lam Lukka Klong 5

Supalai Garden Ville
Rangsit - Klong 2

Supalai Ville
Onnuj - Suan Luang

Supalai Ville Outer
Ring - Bangyai

Supalai Ville
Phetkasem 69

Supalai Pride Bangna
- Ring Road



Supalai Bella
Kingkaeo - Srinakarin

Supalai Ville Teparak

Supalai Ville Outer
Ring Road - Rama II

Supalai Bella Outer
Ring Road - Rama II

Supalai Primo
Rama 2

Supalai Bella Outer Ring Road
Pinklao - Rama 5

Supalai Bella
Rangsit Klong 2

Supalai Bella Outer Ring
- Lam Lukka Klong 4

Supalai Primo
Nakhorn In - Rama 5

Supalai Primo Outer
Ring Road Pinklao - Rama 5



Novo Ville
Outer Ring - Bangyai

Novo Ville
Lam Lukka Klong 2

Novo Ville Outer Ring -
Lam Lukka Klong 5

Novo Ville Bangkok -
Pathumthani

Supalai Garden Ville
Bangkok - Patumtani

Supalai Mare
@ Pattaya

Supalai Ville
Theprasit 8

Supalai Bella
Pattaya

Supalai Park Ville
Sriracha

Supalai Vista @ Sri Racha -
Laemchabang Port Intersection



Supalai City Resort
Chonburi

Supalai City Resort
@ Rayong

Supalai Park Ville
Rayong

Supalai Garden Ville
Rayong

Supalai Monte
@ Vang Chiang Mai

Supalai Monte II

Supalai Park Ville
Chaugpuak Chiang Mai

Supalai Garden Ville Outer
Ring Road - San Kam Phaeng
Chiang Mai

Supalai Ville Chotana -
Ruamchoke Chiang Mai



Supalai Moda
Chiang Mai

Supalai Monte Biz
Chiang Mai

Supalai Bella
Chiang Mai

Supalai Park Ville
Nittayo Udonthani

Supalai Garden Ville
Udonthani

Supalai Ville
Mitraparp - Banchan Udonthani

Supalai bella
Udonthani

Supalai Ville
Ubonratchathani

Supalai Moda
Ubonratchathani

Supalai Bella
Ubonratchathani



Novo Ville Suranaree
Nakhonratchasima

Novo ville Suranaree
Nakhonratchasima

Supalai Park
@ Downtown Phuket

Supalai Park
@ Phuket City

Supalai Vista Phuket

Supalai Lagoon
Phuket

Supalai Lagoon Condo

Supalai Essence
Phuket

Supalai Ville Phuket

Supalai Garden Ville
Suratthani



Supalai Ville
Suratthani

Supalai Bella
Suratthani

Supalai Bella
Nakhon Si Thammarat

Supalai Royal River
Khonkaen

Supalai Park Ville
Srichan Khonkaen

Supalai Moda Airport
Khonkaen

Novo Ville
Airport Khonkaen

Asean City Resort
Songkhla

City Resort Pasawang
Phaetkaseam Songkhla



Palm Spring Grand Ville
Songkhla

Palm Springs 7
Songkhla

Palm Springs 8
Songkhla

Palm Springs 9
Songkhla

Palm Springs 10
Songkhla

Palm Springs 11
Songkhla

Supalai Pasak Resort
Hotel & Spa, Saraburi

Supalai Resort & Spa
Phuket



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ถ.พระราม 3 แขวงช่องนนทรี
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