

THE JOURNEY
IN 2016

Destination, exploration
and friendship



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"Investors can study additional information of the Company from Annual Registration Statements (Report Form 56-1) provided on www.sec.or.th or on the Company's Website (www.scasset.com)"

LET'S GO TOGETHER



THE JOURNEY IN 2016

—

Destination, exploration and friendship

Every friendship, smile and generosity of 'friends' along your exploring journeys are the core value behind all paths to success. SC ASSET realizes the significance of each element, therefore we are committed with a strong determination to design the very first step for everyone to be the best beginning of every journey. A home that is full of utmost quality surrounded by a community that is friendly and generous with warm hospitality to grow an ordinary smile into a friendship and goodwill towards one another in the community and society. Ensuring that every step towards your success is accompanied with coziness and long lasting friendships all along the way.



FOR GOOD MORNINGS

—

Starts off with the friendship that lasts alongside your success

SC ASSET strongly believes that 'every good life starts with a good beginning'. A home is where you start from each day, therefore, it is your most important first step of everyday. The confident in quality and great impressions of a 'home' is the core value that SC ASSET adheres to start and operate the business. With every project as its best starting point to reenergize and start up with full energy to forward with your every next step.

OUR COMMITMENT

5 Perfections
from SC ASSET

1

PRACTICAL DESIGN

Flexibility in space usage to fit any requirement at any stage of life

2

ACCESSIBLE LOCATION

Situated in prime locations with easy access to main roads and mass transit system

3

SECURITY CARE

Stay safe and confident with high-level security and 24-hour service

4

INTELLIGENT HOME

Innovative technology for smart living and an enhanced quality of life

5

LIVELY NEIGHBOURHOOD

Quality communities of quality neighbours, promoting friendships and happiness



LIVELY NEIGHBOURHOOD

"FRIENDS" is the key to all destinations

"A friend" is significant in all destinations. SC ASSET has always believed that 'neighbours' are no less important than the 'quality of the house' itself, so we aim to create a community with 'friends' as one of the essential elements in living with long lasting friendships. Finding happiness around you, over the fences as the utmost essential aspect in every of your step and destination.



OUR PRODUCTS IN 2016

—

Initiating happiness

Destinations are the diverse accomplishment. SC ASSET designs a 'home' from each project to initiate the happiness with complemented elements to fully support all needs and wants from every aspect by providing 'friendships in a warm and heartfelt neighbourhood' as the beginning to outstand in all of our projects.

GRAND BANGKOK BOULEVARD Sukhumvit

GRAND
BANGKOK BOULEVARD
สุขุมวิท



GRAND BANGKOK BOULEVARD SUKHUMVIT, an English Craftsman concept of luxurious mansion amidst by the atmosphere of ultimate privacy, only 65 units available exclusively. Perfect in every detail and is fully equipped with our latest innovative function, ELDERCARE SOLUTION, is specially designed to support elders' mobility. Locating on the high potential location of Sukhumvit - LaSalle, and is nearby Bangkok Pattana International School.

GRAND BANGKOK BOULEVARD

Ratchaphruek - Charan

GRAND
BANGKOK BOULEVARD
ราชพฤกษ์-จรัญฯ



Designed under the concept of Colonial Luxury, GRAND BANGKOK BOULEVARD RATCHAPHRUEK-CHARAN, establishing on the supreme privacy atmosphere, only available with 92 units. Entirely equipped with perfect functions. Locating on a boundless location of Phran Nok - Phutthamonthon Sai 4Rd., surrounded by lifestyle facilities such as department stores, BTS station and the blue line MRT.

GRAND BANGKOK BOULEVARD Ratchaphruek - Rama 5

GRAND
BANGKOK BOULEVARD
ราชพฤกษ์-พระราม5



GRAND BANGKOK BOULEVARD RATCHAPHRUEK - RAMA 5, the modern and luxury new generation mansion that is more grand than ever with more functioning space with high-ceiling living room. Experience Grand Courtyard, the new definition of relaxation on the 2nd floor, enhancing with semi-outdoor space fits for big scale party among the utmost private atmosphere, exclusively available only 41 units. Locating close to 2 BTS lines, MRT, and Sirat expressway.

GRAND BANGKOK BOULEVARD Rama 9

GRAND
BANGKOK BOULEVARD
พรีมียม 9



GRAND BANGKOK BOULEVARD RAMA 9, the out-of-the-box lifestyle concept of luxurious 3-storey mansion inspires by the geometric shapes that create unique luxury houses, only 52 units for such social privilege. Locating on the potential location that is on the main road of Krungthepkreetha and the new Srinakarin - Romklao Rd. (under construction), taking you to the city via Rama 9 expressway, Airport Rail Link and the yellow line BTS (upcoming project).

PAVE
Pracha Uthit 90

PAVE
PRACHA UTHIT 90



PAVE PRACHA UTHIT 90, modern and fully functional homes that specially designed every square metre for your extra bit of happiness. Broadening the freedom of living with Flexible Room that allows you to shift the functions as required under the safety of 24-hr security. Relax with the cozy atmosphere of the clubhouse, fitness room, swimming pool and common garden space. Locating near an expressway and Sathorn, and connected to Rama 2 road and Bangna.

VENUE Rama 5

VENUE
RAMA 5



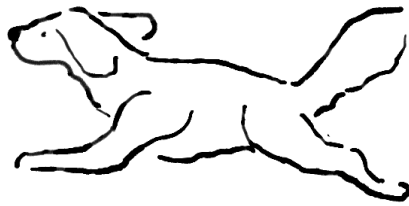
Modern-styled homes, VENUE RAMA 5 defines you with the inspiration of Shade of White that reflects your unblemished shades of happiness with superiority living availability of only 56 units. The premises are designed for nature tranquility of peace and serenity. Locating only 5 minutes away from the purple line MRT, Tiwanon intersection station. Surrounded by community malls such as The Walk Ratchaphruek and The Crystal SB Ratchaphruek.

BEATNIQ
Sukhumvit 32

BEATNIQ



BEATNIQ, our latest condominium project, inspired by the modern architectural style of mid-20th century. The structure of the building is truly dynamic and proportionally beautified with well-defined elements. Locating right on the business centre of Sukhumvit 32, surrounded by facilities of lifestyles and famous department stores such as the Em District. One of the utmost stylish livings in Bangkok, only 250m distance to Thonglor BTS station.



HAVE A GREAT JOURNEY WITH
'FRIENDS'

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

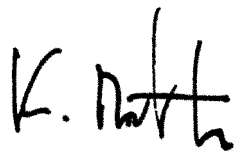
2016 was a year of great loss that brought profound grief to the people of Thailand. Public and private sectors jointly pay respect in remembrance of His Majesty the late King Bhumibol Adulyadej. The Board of Directors, management and staff of SC Asset Corporation Public Company Limited mourns the passing of His Majesty the late King Bhumibol Adulyadej with bowed heads and heavy hearts. His Majesty will be remembered with honour and great respect.

Thailand's overall economy for 2016 revealed a gradual growth with an increase in GDP of 3.2%, while public spending and investments were the key factor driving the growth trend. Nevertheless, the country still suffered from export problems and high household debt levels. This, together with the concerns over the global economic outlook and the political uncertainty of many countries, made the private sector and consumers become prudent with their spending and expenditures. Financial institutions also tightened their credit standards for loan approvals. All these factors resulted in a general decline in demand in the real estate market in the Bangkok Metropolitan Region and Vicinity in comparison to the prior year, and the real estate sector thus faced an intense market competition. Despite such a competitive environment, given the Company's clear business directions and policies that foster quality and sustainable growth, it is able to achieve continued growth in revenues, profit and total assets, while focusing on product and service development and innovations. All these factors are reflected in our corporate slogan of "FOR GOOD MORNINGS", which intend to provide all families in our development projects with a happier and better morning for every morning of their lives.

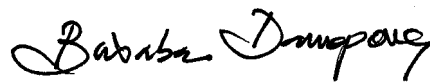
The 2016 operational results: The Company had total revenues of Baht 14,504 million. Operating revenue showed a 3% growth from 2015 and was recorded at Baht 14,434 million, of which 95% came from residential developments and another 5% from office rental and services. The company had a net profit of Baht 1,968 million, or 13.6% of total revenues, and a profit per share of Baht 0.47. As of December 31, 2016, the Company and its subsidiaries had total assets of Baht 33,487 million and total liabilities of Baht 19,046 million, respectively. The Company launched 7 new development projects in 2016 with a total project value of Baht 14,650 million, and had launched a total of 40 development projects for sales with the combined project value of Baht 38,350 million.

In addition to professional management under good corporate governance that always enables the Company to achieve its operational growth, the Company also recognizes the importance of finding a good balance between corporate growth and economic, social & environment development, while at the same time being aware of its responsibility to all stakeholder groups. The success and accomplishment of the Company in management and sustainable development can be evidenced from the awards and honor that its management received from various organizations in 2016 such as the "BEST CEO" and "BEST CFO" Awards on the business category of real estate development, construction, and construction materials from the Investment Analysis Association in the IAA Awards for Listed Companies 2015-2016 event, the "Investors' Choice Award 2016" of which it has received a full score of 100% for 8 consecutive years, the "BCI ASIA AWARDS 2016" on the "Top 10 Developer Awards for 2016" from the BCI Asia Construction Information Company for the past five consecutive years from "SALADAENG ONE" and "PAVE RANGSIT", the outstanding award for the development of luxurious single-detached houses for "LIFE BANGKOK BOULEVARD CHAENGWATTANA" from the Agency for Real Estate Affairs (Area) Co. Ltd, and the "Sustainability Report Award 2016" on the award level of "Recognition" from the CSR Club of the Thai Listed Companies Association.

On behalf of SC Asset Corporation Public Company Limited the Company would like to thank our shareholders, customers, financial institutions, business counterparts, as well as all stakeholders for the power of their trust and support that has enabled our company to achieve the success and to further express our appreciation for the dedication and devotion of all our executives and staff. The Company sincerely hopes that this dedication and devotion helps creating good operating performance for our shareholders, and the excellent products and services delivered to our customers, as well as our management that focuses on good corporate governance principles shall make the Company achieve its quality growth, together with the sustainable growth of the economy and the society.



(Mr.Rath Kitivejosoht)
Chairman of the Board of Directors



(Ms.Busaba Damapong)
Chairman of the Executive Committee

THE BOARD OF DIRECTORS



Mr. Rath Kitivejsoth
Chairman



Ms. Busaba Damapong
Director



Mr. Nuttaphong Kunakornwong
Director



Mr. Nathpath Ouajai
Director



Mr. Kunodom Tharmmaphornphilas
Independent Director



Mr. Prasert Samanawong
Independent Director



Mr. Precha Sekhararidhi
Independent Director



Mr. Songsak Premsuk
Independent Director



Ms. Vilasinee Puddhikarant
Independent Director

THE BOARD OF DIRECTORS REPORT

Dear Shareholders,

SC Asset Corporation Public Company Limited is a fully integrated property development company that operates activities in Property Development for Sales, Property Development for Rental, as well as Consulting & Management Services. It is the Company's key management policy to develop and create a wide variety of premium in every segment of property development products including single detached houses, townhouses, home offices and condominiums. The Company also continually integrates social and environmental concerns as well as good governance in its business operations, whilst regularly reviewing its governance policies and recurrently applying new good corporate principles into practice. Such applications are properly implemented in accordance with its corporate strategies and business management directions. The Company recognises the importance of duly complying with applicable laws and fostering anti-corruption efforts, while operating its business with integrity, transparency and commitments that stakeholders' concerns are also equitably recognised and addressed. All of these best practices have enabled it to achieve business sustainability in its corporate growth.

During the past year the Company still recognized the importance of sustainable growth together with building lively and enduring neighborhoods with the aim to create a society of quality living standards in its entire SC ASSET's brand development projects. It is the Company's belief that good friendships help create a happier society. In order to show its corporate standpoint in improving the overall quality of life in our society, the Company launched its campaign on "Walk with Me, Friendship is Across the Fence" which promotes friendly neighborhoods where everyone starts off every morning with happiness, and encourages friendliness and long lasting friendship among homebuyers in all its development projects.

Additionally, in 2016 the Company held 7 meetings of the Board of Directors, and another 7 meetings before each of the Board of Directors meetings which were attended only by the independent directors, without the presence of any executives of the Company, to follow up on the Company's business operations and to discuss important issues and beneficial matters to the Company, as well as management and administrative issues that may be of material concern. During the year the Company operated various business activities of which the details are as follows:

1. Launching new developments comprised of 4 luxurious residential projects, namely GRAND BANGKOK BOULEVARD SUKHUMVIT, GRAND BANGKOK BOULEVARD RATCHAPHRUEK - CHARAN, GRAND BANGKOK BOULEVARD RATCHAPHRUEK - RAMA 5, GRAND BANGKOK BOULEVARD RAMA 9 and 2 single detached projects which were VENUE RAMA 5 and PAVE PRACHA UTHIT 90. In the past year, the company launched projects luxurious home developments accounted for more than 80% of the Company's total low rise residential projects for the year. This was due to the Company's intention to maintain its leading market position in the luxurious home segment under the theme of "One Project One Inspiration". Furthermore, the Company also launched 1 limited edition condominium project which was BEATNIQ. During the last quarter of the year, the Company readjusted its strategy by delaying the launching of 4 new projects with a total project value of Baht 11,000 million, and postpone launching them in early 2017 instead.

2. The important corporate honor is the receipt of various awards and recognitions from government agencies and private entities. This is regarded as the highest honor and pride for the Company which all resulted from the fact that the Company emphasize always pays attention and continually adhere to fostering good corporate governance. The awards and recognitions are:

2.1 The Company received the full assessment score of 100 for the quality assessment for the arrangement of its 2016 Annual General Meeting of the Shareholders from the Thai Investors Association. The Company receives the full assessment score of 100 consecutively from 2008 to 2016.

2.2 Investors' Choice Award 2016: The Company received the "Investors' Choice Award 2016" in the public listed company category, of which it has received a full score of 100% for 8 consecutive years for the quality evaluation of the arrangements of its Annual General Shareholders Meeting. This award reflects the important attention of the Company to its shareholders via the arrangements of its Annual General Shareholders Meeting.

2.3 The Company enjoyed the "excellence" status with a score of "90 or higher" for its 2016 corporate governance assessment, reviewed by the Thai Institute of Directors (IOD), out of 601 Thai publicly listed companies under assessment. The Company's average assessment score was 97 out of the total marks of 100.

2.4 BEST CEO" and "BEST CFO" Awards: The Company received the "Best CEO" and the "Best CFO" awards from IAA Awards for Listed Companies 2015-2016 on the business category of real estate development, construction, and construction materials from the Investment Analysis Association.

2.5 Thailand Sustainability Investment 2016: The Company has received the "Thailand Sustainability Investment Award" from the Securities Exchange of Thailand for the past two consecutive years. This award is presented to a public listed company with business sustainability. The Company is also listed in the Thailand Sustainability Investment by Securities Exchange of Thailand, and is recognized for its outstanding social and environmental management, as well as its commitment in upholding good corporate governance as the Stock Exchange of Thailand announced the name list of Thai publicly listed companies which are qualified as "Sustainable Stock".

2.6 Sustainability Report Award 2016: The award is bestowed to the Company on the award level of "Recognition" from the CSR Club of the Thai Listed Companies Association, with the support of the Office of the Securities and Exchange Commission and the Thaipat Institute. The award consideration is based on the reviews of disseminated business information on environment, social and corporate governance in the Company's Sustainability Report.

2.7 BCI ASIA AWARDS 2016: The Company received the "BCI Asia Awards" on the "Top 10 Developer Awards for 2016" from the BCI Asia Construction Information Company Limited. The Company has been awarded for the five consecutive years, which the consideration is based on its design and project development which attained good consumer acceptance.

2.8 The outstanding award for the development of luxurious single-detached house: The Company received the outstanding award for its development of luxurious single-detached houses for its "LIFE BANGKOK BOULEVARD CHAENGWATTANA" Project from the Agency for Real Estate Affairs (Area) Co. Ltd.

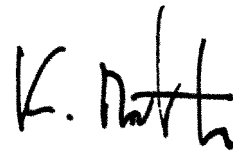
2.9 The Company received 2 first honors awards from the "Think of Living People's Choice Awards 2016" for its "GRAND BANGKOK BOULEVARD SUKHUMVIT" Project under the category of the "Luxury: Best Housing Development" and for its "CENTRIC SEA PATTAYA" Project under the category of the "Best Vacation Home".

2.10 The Company received four awards from its advertisement series called "It's Worth Everything", which are a bronze award from the "Adman Award & Symposium 2016" in the film category from the Advertising Association of Thailand, and 3 awards from the B.A.D Awards 2016 from the Bangkok Art Directors' Association under the category of "Best of Craft" which were the Best of Craft Award in Cinematography, the Certificate of Excellence in Production Design, and the Certificate of Excellence in Music and Jingle.

3. With awareness of the importance of a good internal control system, the Company's Board of Directors arranged to have the annual assessment and review on the adequacy of the Company's internal control system, to ensure that the Company has an appropriate and sufficient internal control system that can efficiently and transparently govern and monitor its operations according to its prescribed policies and objectives, as well as relevant laws and regulations.

4. With the true and consistent belief in ethical business conducts, equitable treatment of all stakeholders, principles of good corporate governance, and code of business conducts; the Company thus achieves its sustainable growth. Additionally, the Company recognizes the danger of fraud and corruption, and believes that fraud and corruption are a cause that negatively impact economic and social confidence. The Company pays attention to this issue and thus became a member of the Thailand's Private Sector Collective Action Coalition against Corruption. The Company also established its policies and measures against corruption to reiterate its inspiration and intention to fight against all types of fraud and corruption.

The Company's Board of Directors would like to thank our shareholders, customers, trade partner, financial institutions, all government and private organizations for the power of their support and inspiration that has yielded the greatest impact on our consistent success. The Company thus would like to extend its sincere appreciation for all of this important support. The Company continues to conduct its business according to its committed targets and business plan under the principles of good corporate governance, pay attentive attention to society, the environment, and all internal and external stakeholder groups, as well as establish protective measures against any operational actions that may cause environmental impact, with the aims to be a company striving to sustain their position as a leading company.



(Mr. Rath Kitivejosoth)

Chairman of the Board of Directors
SC Asset Corporation Public Company Limited
January 18, 2017

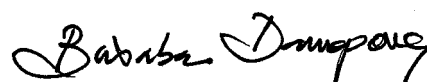
REPORT OF THE EXECUTIVE COMMITTEE

Dear Shareholders,

In 2016, the Executive Committee was comprised of 5 members, an increase of 1 member from 2015. The new member is Mrs. Vilasinee Puddhikarant who was appointed on January 15, 2016. The Executive Committee held 16 meetings of which the details can be summarized as follows:

1. Set the strategic targets and directions for management of business operations. In 2016, the Company had total revenues of Baht 14,504 million, an increase of 2.26% from the previous year, with a net profit of Baht 1,968 million or an increase of 3.85% from the previous year.
2. Authorized an investment budget for land acquisitions for future developments. In 2016, the Company approved Baht 8,700 million for land acquisitions for future developments.
3. Review credit applications to financial institutions and debenture issuance plans.
4. Follow-up on policy implementations and monthly operational results.

The Committee assures its unswerving commitment to successfully manage the Company's business on a progressive and sustainable path into the future.



(Ms. Busaba Damapong)
Chairman of the Executive Committee
SC Asset Corporation Public Company Limited
January 18, 2017

REPORT OF THE AUDIT COMMITTEE

Dear Shareholders,

The Audit Committee of SC Asset Corporation Public Company Limited was appointed by the Company's board resolution, and composes of three independent directors, who have professional proficiency in the fields of accounting, engineering and management. They are Mr. Kunodom Tharmmaphornphilas, the Committee Chairman, Mr. Prasert Samanawong and, Mr. Precha Sekhararidhi. Ms. Pannee Tharapat, Senior Vice President of the Company's Internal Audit Department, acts as the Committee Secretary.

In 2016, the Audit Committee held nine meetings consisting of eight regular meetings and one special meeting attended only by the committee members and the Company's external auditors, without the presence of any executives of the Company. All the committee members fully attended all of the meetings during the year.

During those meetings the Committee discussed and exchanged views with the company's executives, as well as its internal and external auditors on various matters of which the issues of importance can be summarized as follows:

1. Review of the Company's 2016 financial statements: The Committee reviewed the quarterly and annual financial statements of SC Asset Corporation Public Company Limited, as well as its consolidated quarterly and annual financial statements. The statements are reviewed and audited by independent auditors, who are certified public accountants, and are provided with audit opinions stating that the statements are presented in conformity with generally accepted accounting principles, with full and fair disclosure of information. In addition, the Committee also invited the Company's auditors to regularly attend each of its meetings for discussions on matters arising during the audit, auditor independence, the adequacy of useful information disclosed in the financial statements for the benefit of users of such, as well as the auditors' recommendations on the preparations of such financial reports, prior the Committee's review of the audited financial statements and before their submission to the Board for further approval.

2. Oversight of internal controls and internal audit:

2.1 The Committee reviewed the annual internal audit plan which was prepared to assess internal controls and risk management processes of each corporate function, and set the targeted audit work scope that covers all material aspects.

2.2 The Audit Committee reviewed actions of the Internal Audit Office and provided suggestions on the internal controls system, aiming to assure the effectiveness of the internal controls process and the due compliance with all applicable laws and relevant regulations affecting operations of the Company.

3. Review of the Company's risk management: The Committee reviewed the adequacy of risk management systems by regularly obtaining risk reporting from the Risk Management Committee, and offered suggestions and insights on systematic and appropriate risk management.

4. Selection and proposal for appointment of the Company's external auditors: The Audit Committee evaluated the previous year's performances of the Company's external auditors and recommended the appointment of the independent auditors from PricewaterhouseCoopers ABAS Limited to be the Company's external auditors for 2017 and also proposed the annual audit fee for 2017 to the Company's Board of Directors to further recommend to the Annual General Meeting of the Shareholders for appointment and approval.

5. Compliance with Thai laws on securities and exchange, regulations of the Stock Exchange of Thailand and/or any other applicable laws: The Audit Committee has monitored and reviewed the Company's business practices and is satisfied that it complies with laws, regulations and rules of both the Securities and Exchange Commission of Thailand and the Stock Exchange of Thailand, as well as any other relevant government entities.

6. Review and providing opinions on related party transactions: The Audit Committee has examined and reviewed the disclosure of intercompany transactions as well as transactions that might have occurred between the Company and its subsidiaries, its associated companies, its directors, its executives, and its shareholders who have controlling interest of the Company which may represent conflicts of interest according to regulatory requirements as prescribed by the Securities and Exchange Commission of Thailand and the Stock Exchange of Thailand.

7. Self - Assessment: The Audit Committee annually arranges performance evaluation on a self-assessment basis. The evaluation covers their roles & responsibilities on financial reports, risk management, internal controls, related parties transactions, compliance of laws, regulations, and code of ethics, and relations with internal and external auditors. The outcome of the evaluation revealed that the Committee has fully complied with its assigned duties and responsibilities, and has applied its skills, knowledge, and proficiency with prudent and sufficient independence in judgment.

8. Supervision on the compliance of anti-corruption policy and measures: The Company became a member of the Thailand's Private Sector Collective Action Coalition against Corruption on January 15, 2016, and its Audit Committee has worked in supporting this program by considering and approving the Company's anti-corruption policy and measures and has been responsible for reviewing and supervising the compliance of such policy and measures both on the part of the internal control system, risk management and key issues related to fraud and corruption.

Throughout 2016, the Audit Committee properly performed its duties cautiously and independently within the framework of its assigned authority and responsibilities as prescribed in the Audit Committee Charter. The performed duties were delegated by the Company's Board of Directors, and carried out in accordance with the principles of good corporate governance. The Audit Committee believes that the Company's financial statements are prepared according to the generally accepted accounting principles, and the Company has an internal controls system, and appropriate and adequate risk management system. It also duly complies with laws and regulations, and abides by the listed company's best practices. It fully conforms to the rules prescribed by the Securities and Exchange Commission of Thailand and the Stock Exchange of Thailand on related party transactions and reports each of such findings to the Board of Directors.



(Kunodom Tharmmaphornphilas)
Chairman of the Audit Committee
SC Asset Corporation Public Company Limited
January 18, 2017

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

Dear Shareholders,

The Board of Directors of the SC Asset Corporation Public Company Limited appointed the Nomination and Remuneration Committee, which is composed of three members who are director and independent directors. The committee members are:

- | | |
|-----------------------------------|---|
| 1. Mr. Prasert Samanawong | Chairman of the Committee (Independent Directors) |
| 2. Mr. Kunodom Tharmmaphornphilas | Member (Independent Directors) |
| 3. Mr. Nathpath Ouajai | Member |

The Nomination and Remuneration Committee has its duties and responsibilities as prescribed by the Charter of Nomination and Remuneration Committee. Its duties and responsibilities include all relevant human resource policies, director selection, and policies in respect to the remuneration for the Chairman of the Executive Committee as well as the Chief Executive Officer. It also provides explanations regarding the remuneration for the Company's directors and top executives enquired by the shareholder's meeting.

In 2016 the Nomination and Remuneration Committee held 2 meetings to consider the nomination of the Company's director, whose qualification and professional experience relating to and support the Company's business strategies. Additionally, the meeting was held to consider directors' remunerations prior to the submission of the remuneration proposals of the Company's Board of Directors and the shareholder's meeting for approval, and to review remunerations of the Company's top executives according to the Principles of Good Corporate Governance.

As for the details of the Company's remuneration scheme for directors and top executives disclosed in 2016 annual report. The Nomination and Remuneration Committee is of the opinion that they are appropriately structured to fit with the duties and responsibilities of the directors and the executives, and are in line with the Company's standards and policies relating to the remuneration, the Company's operating results and business environment, the performances of those directors and executives, and the general economic conditions.



(Mr. Prasert Samanawong)
Chairman of the Nomination and
Remuneration Committee
SC Asset Corporation Public Company Limited
January 18, 2017

REPORT OF THE RISK MANAGEMENT COMMITTEE

Dear Shareholders,

The Risk Management Committee was appointed by the Board of Directors to perform duties and responsibilities assigned by the Board of Directors according to the Committee's roles, duties, responsibilities, and guidelines which are in accordance with the international standard of risk management practices. The standard duties and responsibilities of the Committee involve setting the risk management policy, establishing the risk management framework, and overseeing risk governance all of which are to be in line with the Company's corporate strategies and its organizational goals. The Committee also provides suggestions and guidelines on risk management to the Board of Directors and makes regular reports to the board. The committee members are individuals who possess the necessary blend of skills, proficiency, and experience in business operations and risk management. They are:

1. Mr. Precha	Sekhararidhi	Chairman of the Risk Management Committee (Independent Director)
2. Mr. Prasert	Samanawong	Member (Independent Director)
3. Ms. Busaba	Damapong	Member
4. Mr. Nuttaphong	Kunakornwong	Member
5. Mr. Attapol	Sariddipuntawat	Member
6. Dr. Torwong	Chenvidyakarn	Member

The Committee's performances in 2016

1. Review the risk management policy to assure that the policy remains applicable and suitable for the Company's present business operations.

2. Review key risk indicators that impact the Company's business operation in 2016 - 2020, as well as assess risk factors during the year. Risk are accordingly categorized into three levels; high, medium and low, to facilitate appropriate controls and effective risk management actions for each risk category.

3. Regularly consider and review key risk indicators, risk events as well as the likelihood and impact of such risks to ensure that they are updated as appropriate.

4. Closely monitor any changes in the risk indicators to ensure that the management is properly using this information to determine the appropriate risk management measures.

5. Report its performance to the Audit Committee and the Company's Board of Directors on a quarterly basis.

The above mentioned performances ensure smooth operations in the Company's risk oversight for the whole year of 2016, while enabling the Company to efficiently conduct its daily operation and promote corporate confidence in achieving its targeted business goal.



(Mr. Precha Sekhararidhi)
Chairman of the Risk Management Committee
SC Asset Corporation Public Company Limited
January 18, 2017

REPORT OF THE CORPORATE GOVERNANCE AND SOCIAL & ENVIRONMENTAL RESPONSIBILITY COMMITTEE

Dear Shareholders,

The Corporate Governance and Social & Environmental Responsibility Committee of SC Asset Corporation Public Company Limited was appointed by the Company's board resolution, and composes of four directors and independent directors, The committee members are:

Mr. Precha Sekhararidhi	Chairman of the Corporate Governance and Social & Environmental Responsibility Committee
Ms. Busaba Damapong	Member
Mr. Nuttaphong Kunakornwong	Member
Mr. Songsak Premasuk	Member

The Corporate Governance and Social & Environmental Responsibility Committee has a duty to support the Board of Directors in overseeing that the Company conducts its business operations according to good corporate governance policies, as well as develops and reviews that the Company's social & environmental responsibility policies have relevant processes which are well in line with international principles. In 2016, the Company is still committed to operating its business as per its targeted goals and with continual attentive care to social & environmental responsibility.

With commitment and awareness of our missions in overseeing that the Company conducts its business with transparency and integrity for benefits of all stakeholders, in 2016, the Company was thus assessed by the Thai Institute of Directors (IOD) and the Stock Exchange of Thailand for its "excellence" corporate governance status and being one among other 80 companies out of all 601 public listed companies in the assessment which were awarded such outstanding status. The Company received an average assessment score of 97%, whereas the average score for overall public listed companies in the assessment was 78%. The Company also received a national award on sustainability development known as "Thailand Sustainability Investment 2016" and is listed in the "Sustainable Stock" category on the Thai Stock Exchange. The Company was selected as one of the "Sustainable Stock" group with a market capitalization of between Baht 10,000 million to Baht 30,000 million, and was recognized as a company with an outstanding standard in its management of "Environmental, Social and Corporate Governance". The Company was also rewarded "Recognition" in Sustainability Report Award 2016.

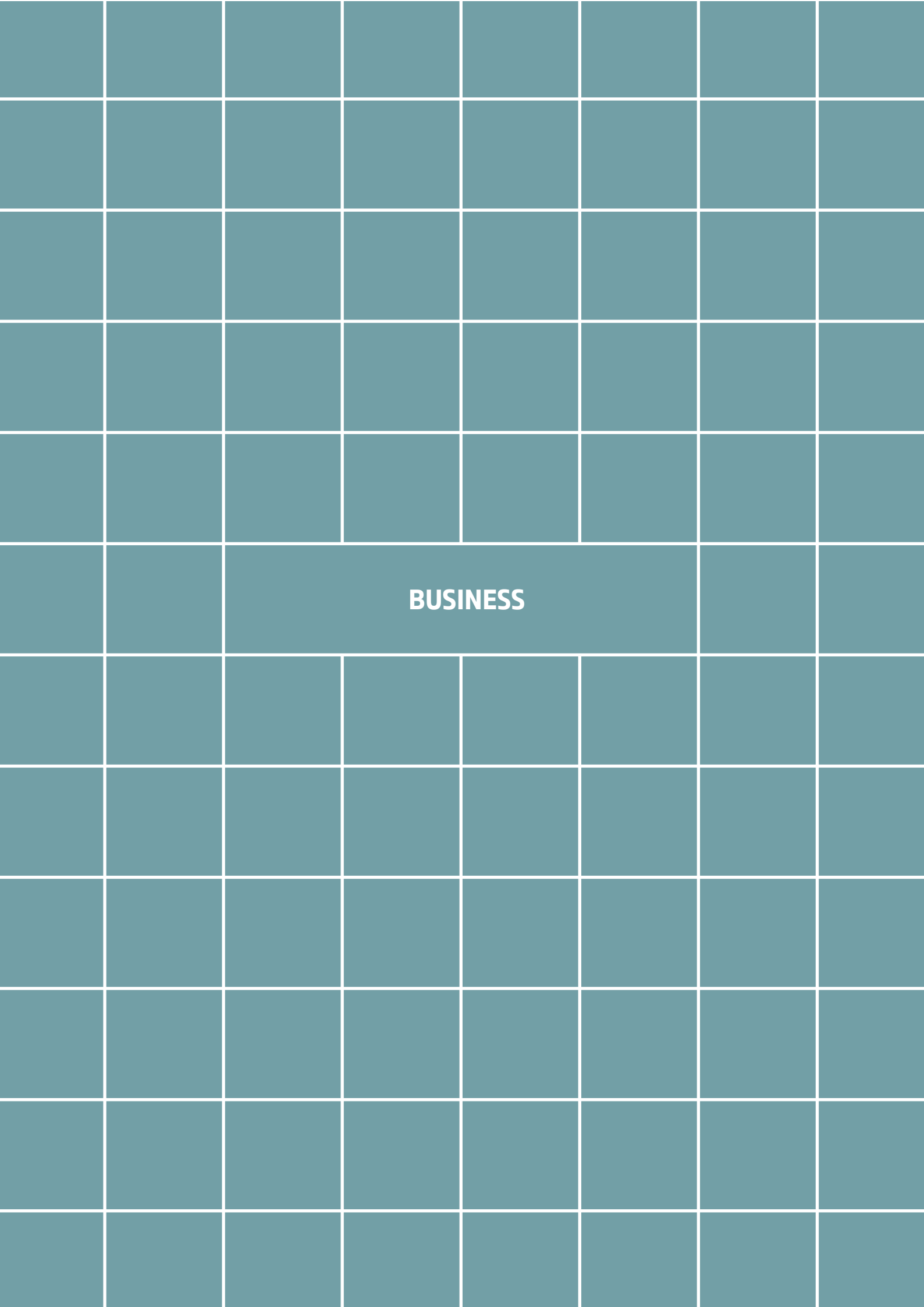
We, the Corporate Governance and Social & Environmental Responsibility Committee remain committed to improving the efficiency and effectiveness of the Company's corporate governance oversight and its social & environmental responsibilities for the general benefits of SC Asset Corporation Public Company Limited, its shareholders, trade partners, customers, employees, communities, society, and the nation as a whole.



(Mr. Precha Sekhararidhi)

Chairman of the Corporate Governance and
Social & Environmental Responsibility Committee
SC Asset Corporation Public Company Limited
February 22, 2017





BUSINESS

POLICY AND BUSINESS OVERVIEW

Vision

Welcome to 2050.

Here, all “thoughtful homes” built by SC ASSET make every morning a good morning for more than one million customers.

Here, everyone feels safe and enjoys a better quality of life, for they have more time and energy to spend doing what they love and nurturing their dreams, some of which could make our world a better place.

SC ASSET is the first name on top of people’s mind for high-quality and innovative homes . Our employees are proud to play a part in creating good mornings that continue to inspire a better society for all.

Mission

“Make every morning a good morning for every customer.”

Every morning, life starts anew at home.

At SC ASSET, we strive to build “thoughtful homes” and help solve residents’ paint points.

We foster a safe living environment, and provide heartwarming services, so that those who live in our homes have more time and energy to spend doing what they love.

We build homes that cater to all price points, so “good mornings” are possible for all. And from these good beginnings, a better society can be built.

Business Sustainability Policy

1. Operate short and long term business strategies:

The Company plans its business strategies for both short and long term periods that takes into account overall internal and external risk factors, and also retains a certain flexibility for any possible adjustment of its strategic plans, if required.

2. Operate business with transparency:

It is the Company's policy to operate its business with transparency and accountability, foster ethical behavior, promote anti-fraud and anti-corruption in its entire business operation system.

3. Operate business with consideration for all stakeholder groups:

It is the Company's policy focus to operate its business with minimal direct or indirect adverse impacts, or without any adverse impacts to stakeholders, surrounding community, and the society at large. It also sincerely strives to build and share fundamental values.

4. Operate business with environmental responsibility:

It is the Company's policy to optimize its natural resource management, and to promote consciousness of environmental impacts on the environment and community, with aims to minimize or eliminate such impacts.

Sustainability Development Principles

SC ASSET operate its real estate development business with a strong belief that for its organization to achieve its sustainable growth, it shall require vision, missions, strategies and action plans that are more likely to function well in driving sound operating performances; supporting corporate social responsibility and environmental protection; fostering transparent and ethical business conducts as well as giving assistance to community and social services.

Business Ethics

The Company sets and disseminates its business ethics to its related parties, directors, executives, and all employees for acknowledgement and strict compliance. These business ethics include guidelines of best practices to shareholders, customers, employees, creditors, trade counterparties, trade competitors, community, the society, and environment; non-involvement of intellectual property rights; and training on environmental education for employees.

Business Strategies

The Company shall operate its business in pursuing its proactive strategies in the 4 following aspects for 2017-2019.

1. Top-line growth: Proactive strategies in pursuing residential developments in all price ranges, preserving a leading market position and market shares in the high-end segment, and increasing market shares in the mass market segmentation.

2. Human-centric innovation: Promoting smart innovation of "Baan Roojai" for all price range houses to offer needed solutions in a fast-moving world.

3. Top quality: Maintaining quality standards of its goods and services.

4. Lean: Digitization of its internal and external process to ensure precision and flexibility, and reorganizing its organizational structure in coping with changes.

The Company and its subsidiaries operate fully integrated property development activities which include:

(1) Property Development for Sales

The company is engaged in several property development projects including single detached houses, townhouses and condominiums. The Company focuses on the application of modern technologies into our construction tasks.

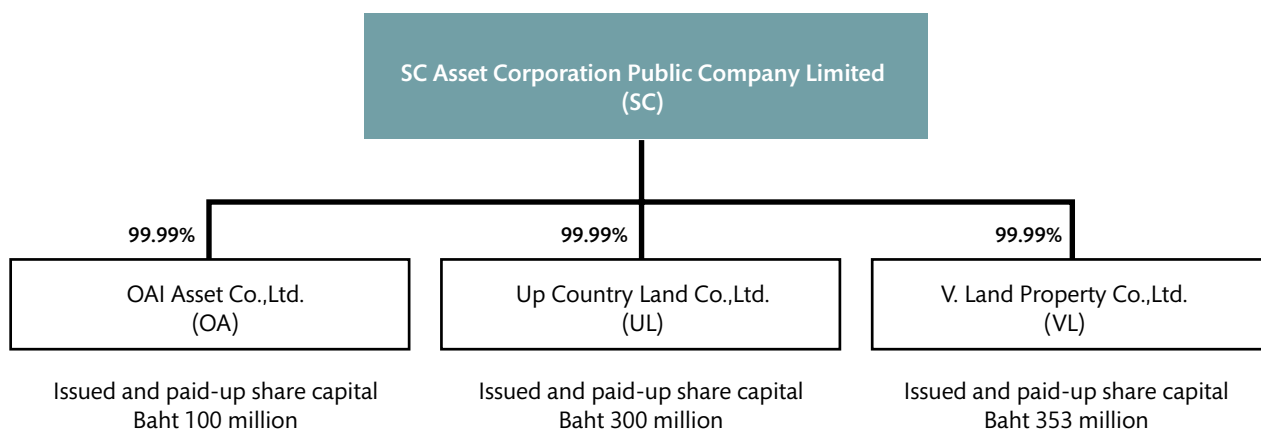
(2) Property Development for Rental and Rendering of Services

At present, the Company owns three office buildings with a total rental space of 92,521 sq.m., two medium size office buildings with a total rental space of 14,809.75 sq.m., and a technical building which is specifically designed and built to accommodate installations of telecommunication systems or engineering equipments for cellular phone services. This building is currently leased to a telecommunication company.

(3) Consulting and Management Services

Services which are offered to the Company's subsidiaries and associate companies include consultancy, management and administration, engineering techniques and support systems. The services cover various work scopes, namely short-term, ad hoc, long-term and after sales service such as resale property and home care services for the Company's projects.

STRUCTURE OF THE COMPANY AND ITS SUBSIDIARIES



NATURE OF BUSINESS

MILESTONE DURING THE YEAR 2016

January	The Company's Board of Directors No. 1/2016 resolved the appointment of Ms. Vilasinee Puddhikarant to be a director of the Company and its executive director (an independent director) in replacement of Mrs. Phensom Damapong, who resigned from her directorship.	
February	Launching of 2 Single detached house Projects and 1 Condominium Project	
	GRAND BANGKOK BOULEVARD RATCHAPHRUEK-CHARAN	with Baht 3,200 million in project value*
	GRAND BANGKOK BOULEVARD SUKHUMVIT	with Baht 2,800 million in project value*
	BEATNIQ	with Baht 4,000 million in project value*
March - December	The company issued 3 sets of debentures with the combined principal amount of Baht 2,000 million for private placements.	
April	The Annual General Meeting of Shareholders 2016	
May	Dividend payment of Baht 0.18 per share was made based on the Company's 2015 operating results.	
June	Launching of 2 Single detached house Projects	
	PAVE PRACHA UTHIT 90	with Baht 1,260 million in project value
	VENUE RAMA 5	with Baht 440 million in project value
July	Launching of GRAND BANGKOK BOULEVARD RATCHAPHRUEK - RAMA 5	
		with Baht 1,500 million in project value
November	Launching of GRAND BANGKOK BOULEVARD RAMA 9	
		with Baht 1,450 million in project value

Remarks:

- * The Company organized three other soft-openings of its developments for single detached houses and condominiums for the Company's VIP clients and guests in November 2015 and officially and publicly launched these developments in February 2016.

Current Project of the Company and its subsidiaries as at December 31, 2016

Business	Project/Location	Operator	Project Description
Property Development for Sales	GRANADA PINKLAO - PHETKASEM / Kanchanaphisek (Bangkok Western Outer Ring) Rd.	SC	Single detached house total of 37 units priced at Baht 47-82 million each, total project value is Baht 2,300 million.
	GRAND BANGKOK BOULEVARD SATHORN / Kanlapaphruek Rd.	SC	Single detached house total of 132 units priced at Baht 15-35 million each, total project value is Baht 2,500 million.
	GRAND BANGKOK BOULEVARD RATCHAPHRUEK - CHARAN / Phran Nok - Phutthamonthon Sai 4 Rd.	SC	Single detached house total of 92 units priced at Baht 26-64 million each, total project value is Baht 3,200 million.
	GRAND BANGKOK BOULEVARD SUKHUMVIT / Lasalle-Bearing Rd.	SC	Single detached house total of 65 units priced at Baht 31-63 million each, total project value is Baht 2,800 million.
	GRAND BANGKOK BOULEVARD RATCHAPHRUEK - RAMA 5 / Nakorn-In Rd.	SC	Single detached house total of 41 units priced at Baht 26.9-50 million each, total project value is Baht 1,500 million.
	GRAND BANGKOK BOULEVARD RAMA 9 / Krunthepkreetha Rd.	SC	Single detached house total of 52 units priced at Baht 20-40 million each, total project value is Baht 1,450 million.
	BANGKOK BOULEVARD TEPARAK - WONGWAEN / Teparak Rd.	SC	Single detached house total of 222 units priced at Baht 7-18 million each, total project value is Baht 2,100 million.
	BANGKOK BOULEVARD RAMA 9 - SRINAKARIN / Krunthepkreetha Rd.	SC	Single detached house total of 161 units priced at Baht 7.8-15 million each, total project value is Baht 1,490 million.
	BANGKOK BOULEVARD PINKLAO - PHETKASEM / Phutthamonthon Sai 4 Rd.	SC	Single detached house total of 124 units priced at Baht 7-17 million each, total project value is Baht 1,200 million.
	BOULEVARD TUSCANY CHA AM - HUA HIN / Phetkasem Rd.	SC	Single detached house total of 193 units priced at Baht 6-18 million each, total project value is Baht 2,000 million.
	LIFE BANGKOK BOULEVARD RATCHAPHRUEK - RATTANATHIBET / Ratchaphruek Rd.	SC	Single detached house total of 326 units priced at Baht 5-15 million each, total project value is Baht 2,300 million.
	LIFE BANGKOK BOULEVARD RANGSIT / Rangsit - Nakhon Nayok Rd.	SC	Single detached house total of 358 units priced at Baht 5-9 million each, total project value is Baht 1,900 million.

Business	Project/Location	Operator	Project Description
	LIFE BANGKOK BOULEVARD WONGWAEN – ONNUT 2 / Kanchanaphisek (Bangkok Eastern Outer Ring) Rd.	SC	Single detached house total of 175 units priced at Baht 5.9-12 million each, total project value is Baht 1,200 million.
	LIFE BANGKOK BOULEVARD RAMINTRA / Ramintra Rd.	SC	Single detached house total of 255 units priced at Baht 5.8-14 million each, total project value is Baht 2,000 million.
	LIFE BANGKOK BOULEVARD WONGWAEN – RAMA 9 / Kanchanaphisek (Bangkok Eastern Outer Ring) Rd.	SC	Single detached house total of 199 units priced at Baht 5-10 million each, total project value is Baht 1,200 million.
	LIFE BANGKOK BOULEVARD RATCHAPHRUEK – PINKLAO / Yothatikarn-Nonthaburi Rd.	SC	Single detached house total of 271 units priced at Baht 4.5-9.5 million each, total project value is Baht 1,500 million.
	LIFE BANGKOK BOULEVARD RAMINTRA 65 / Ramintra Rd.	SC	Single detached house total of 152 units priced at Baht 5.9-11 million each, total project value is Baht 1,100 million.
	VENUE RAMA 5 / Nakorn-In Rd.	SC	Single detached house total of 56 units priced at Baht 5-12 million each, total project value is Baht 440 million.
	VISTA PARK SATHORN – PINKLAO / Ratchaphruek Rd.	SC	Townhouse total of 192 units priced at Baht 4-10 million each, total project value is Baht 960 million.
	WORKPLACE RATCHAPHRUEK – CHARAN / Bang Waek Rd.	SC	Townhouse and Home Office total of 93 units priced at Baht 5-14 million each, total project value is Baht 720 million.
	PAVE RANGSIT / Rangsit – Nakhon Nayok Rd.	VL	Single detached house total of 320 units priced at Baht 3.8-9.3 million each, total project value is Baht 1,400 million.
	PAVE PRACHA UTHIT 90 / Pracha Uthit Rd.	VL	Single detached house total of 289 units priced at Baht 3.9-6 million each, total project value is Baht 1,260 million.
	THE CREST SANTORA HUA HIN / Phetkasem Rd.	SC	4 Floors Condominium Buildings and Villa total of 181 units priced at Baht 3.6-25 million each, total project value is Baht 1,700 million.
	CENTRIC TIWANON STATION / Krung Thep - Nonthaburi Rd.	SC	A condominium; 2 Towers : Tower A (41 floors), Tower B (36 floors) total of 1,063 units and shophouse 17 units priced at Baht 1.6-4.7 million each, total project value is Baht 2,755 million.
	CENTRIC SATHORN – ST. LOUIS / Sathorn Rd.	SC	2 Condominium Buildings : Tower A (28 floors), Tower B (7 floors) total of 364 units and shophouse 3 units priced at Baht 2.7-16 million each, total project value is Baht 1,800 million.

Business	Project/Location	Operator	Project Description
	CENTRIC ARI STATION / Phaholyothin Rd.	SC	2 Condominium Buildings : Tower A (30 floors), Tower B (8 floors) total of 516 units and shophouse 5 units priced at Baht 3.3-12 million each, total project value is Baht 2,770 million.
	CENTRIC HUAI KHWANG STATION / Ratchadaphisek Rd.	SC	A 31-storey condominium total of 674 units and shophouse 3 units priced at Baht 3-12 million each, total project value is Baht 2,900 million.
	CENTRIC SEA PATTAYA / Pattaya Sai 2 Rd.	SC	3 Condominium Buildings : Tower A (44 floors), Tower B (32 floors) and Tower C (7 floors) total of 999 units and shophouse 2 units priced at Baht 1.8-8.9 million each, total project value is Baht 3,000 million.
	CHAMBERS RAMINTRA / Ratchada - Ramintra Rd.	SC	3 Condominium Buildings : Tower A (7 floors), Tower B (7 floors) and Tower C (7 floors) total of 152 units priced at Baht 2.3-6 million each, total project value is Baht 610 million.
	CHAMBERS CHAAN / Lat Phrao - Wang Hin Rd.	SC	2 Condominium Buildings; 3 Towers : Tower A (8 floors), Tower B1 (7 floors) and Tower B2 (8 floors) total of 317 units priced at Baht 1.89-5.2 million each, total project value is Baht 930 million.
	SALADAENG ONE / Rama 4 Rd.	SC	2 Condominium Buildings : Tower A (32 floors) and Tower B (2 floors) and total of 187 units priced at Baht 13-198 million each, total project value is Baht 4,700 million.
	BEATNIQ / Sukhumvit Rd.	SC	A 34-storey and 1 underground storey condominium total of 197 units priced at Baht 11.7-63.3 million each, total project value is Baht 4,000 million.
	Shinawatra Tower I / Phaholyothin Rd.	SC	A 31-storey and 1-underground storey office building with the total rental space of 22,457 sq.m..
	Shinawatra Tower II / Phaholyothin Rd.	SC	A 20-storey and 1-underground storey office building with the total rental space of 16,220 sq.m..
	Shinawatra Tower III / Viphavadi Rangsit Rd.	SC	A 38-storey and 2-underground storey office building with the total rental space of 53,844 sq.m..
Property Development for Rental Purposes and Rendering of Services	Office Building / Pak Kred Town bypass	SC	A 4-storey office building with the total rental space of 8,322.75 sq.m..
	Office Building / Phaholyothin Rd.	OA	A 8-storey and 1-underground storey office building with the total rental space of 6,487 sq.m..
	Mobile Switching Center, Maintenance Center, and Branch Office	UL	Building for mobile services 109 sites around the country.

REVENUE STRUCTURE

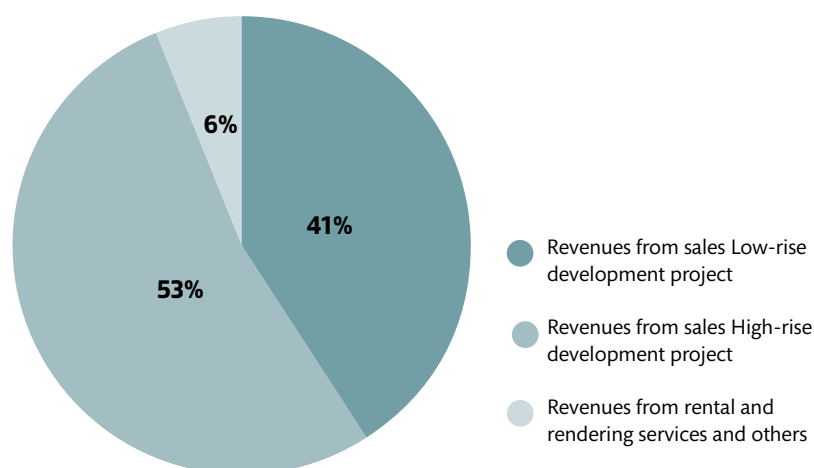
Business	Operator**	2016		2015		2014	
		Revenues	%	Revenues	%	Revenues	%
Property Development for Sales	SC, VL	13,677.69	94.30	13,236.30	93.32	11,749.68	92.58
Low Rise Project		7,710.27	53.16	8,055.98	56.80	6,727.76	53.01
High Rise Project		5,967.42	41.14	5,180.32	36.52	5,021.92	39.57
Property Development for Rental and Rendering of Services	SC, OA, UL, VL	754.90	5.20	812.41	5.73	849.82	6.70
Consulting and Management Services	VL	1.09	0.01	1.09	0.01	1.09	0.01
Other Income*	SC, OA, UL, VL	70.50	0.49	133.98	0.94	91.47	0.71
Total		14,504.18	100.00	14,183.78	100.00	12,692.06	100.00

Remark:

* Other income included income from profit from fair value adjustment in investment properties, income from rental and service deposits held by the company as a security and interest income from short-term investments.

** The Company holds 99.99% shares in OA UL and VL.

Revenue Structure 2016



INDUSTRY OVERVIEW

In 2016, the Thai economy gradually improved due mainly to government economic inducement such as public investments and spending as well as other stimulus measures, whereas the global economic recovery was not noticeable except for the U.S. economy. These internal and external factors impacted the Thai export sector and slowed private investments. The household debt remained high and negatively influenced public confidence, purchasing power, and debt repayment capacities of households and private businesses. This resulted in a slowdown in the real estate business sector in 2016 which had continued from 2015 despite the launching of the government stimulus measures aimed at giving a boost to the real estate sector. In general, the ownership transfers of residential units during the first 4 months of 2016 increased by 57% year over year. However, after the termination of the said government stimulus measures in April 2016, the movements in the real estate sector became sluggish. In addition,

there were also postponements of activities in all market segments during the last quarter of 2016. As most developers still maintained some property supplies on hand, the launching of new developments were thus further delayed. According to the information from the Agency for Real Estate Affairs, the new residential developments in the Bangkok Metropolitan Region and Vicinity in 2016 only showed a slight increase of 2%, with a decline in the total project value of 12% from the prior year. This decline caused a drop in high-end residential developments in 2016. The office rental market instead showed a promising outlook with an increase in the average rental rates in 2016. The Thai economy still showed signs of gradual recovery despite uncertainties from internal and external adversities which may impact consumer confidence. Nevertheless, consumers still recognized the importance of developers' professionalism and brand credibility, particularly among the publicly listed real estate companies as evidenced from their combined market share in 2016 which accounted as high as 84% of all new launches in the real estate sector.

Housing and Condominiums

In 2016, the numbers of residential registrations in the Bangkok Metropolitan Region and Vicinity (BMR) totaled 123,383 units, showing a decrease of 0.4% from the previous year. Market breakdown by residential development types for 2016 showed condominiums taking the largest share of 56%, followed by single detached houses and townhouses which were 26%, and 13%, respectively, compared to the previous year breakdown of 55%, 25% and 15% respectively. Most of the new houses built were "Developer Built", which accounted for 82%, whereas "Self Built" residences only accounted for 18% which was quite close to that of 2015

New Registered Residential Supply in Bangkok Metropolitan Region and Vicinity in 2012 – 2016

(Unit : Units)

Type	2012	2013	2014	2015	2016
Overall	125,020	132,302	133,439	123,830	123,383
Developer Built	101,583	109,017	108,993	101,455	101,469
Self Built	23,437	23,285	24,446	22,375	21,914
Single Detached House	31,745	31,465	33,593	31,428	31,912
Developer Built	10,887	13,869	13,056	11,837	12,761
Self Built	20,858	17,596	20,537	19,591	19,151
Duplex Detached House	1,173	2,601	2,906	2,461	2,014
Developer Built	1,069	2,470	2,820	2,366	1,895
Self Built	104	131	86	95	119
Townhouse	9,102	17,068	14,936	18,690	16,344
Developer Built	8,750	16,433	13,998	17,946	15,721
Self Built	352	635	938	744	623
Shophouse	4,591	9,728	6,946	3,623	3,417
Developer Built	2,468	4,805	4,061	1,678	1,396
Self Built	2,123	4,923	2,885	1,945	2,021
Condominium	78,409	71,440	75,058	67,628	69,696

Source : The Land Offices in Bangkok Areas, Municipals, and the Land Offices in Outskirt

Collected by : Information Division on Residential Housing, Academic Department, and information on Residential Housing, The Government Housing Bank

On the supply side, in 2016, residential units offered for sale in BMR totaled 281,417 units, with an estimated worth of Baht 1,043,837 million. Out of these units, 110,575 units were among new projects launched during the year (39% out of total units supplied for the year), showing a 2% increased from the previous year, with an estimated aggregate value of Baht 382,105 million (37% out of the total estimated value supplied for the year), showing a 12% decreased from the previous year. The residential supply also showed continued trend which was quite similar to that of 2015. Most of the new residential developments launched during the year were condominiums, which accounted for 53% out of the total project newly launched units for the year, as compared to its 58% in 2015. Supply of single detached houses for the year accounted for 11% of the total project newly launched units, reflecting a slightly decreased from its 12% share in 2015. Supply of townhouses increased from its 23% in 2015 to 27% share in 2016.

During the year, residential projects presented a lower price per unit, decreased from Baht 4.03 million in 2015 to Baht 3.46 million in 2016. The decrease resulted mainly from the developers launched less luxury projects compared from the previous year. Thus the new supply drove down the average market price of real estate.

Overall Housing Situation in Bangkok Metropolitan Region and Vicinity as of end 2016

Type			Detached	Duplex	Townhouse	Shophouse	Condominium	Total
Units Remain End of 2015	Units	Unit	39,826	11,083	48,999	3,585	67,349	170,842
	Unit Proportion	%	23%	7%	29%	2%	39%	100%
	Project Value	MB	255,304	38,937	126,472	16,925	224,094	661,732
	Project Value Proportion	%	38%	6%	19%	3%	34%	100%
Project Launched 2016	Units	Unit	12,146	7,287	29,932	2,860	58,350	110,575
	Unit Proportion	%	11%	7%	27%	2%	53%	100%
	Project Value	MB	82,023	26,186	69,319	11,918	192,659	382,105
	Project Value Proportion	%	22%	7%	18%	3%	50%	100%
	Avg. Price / Unit	MB	6.75	3.59	2.32	4.17	3.30	3.46
Units Sold 2016	Sold	Unit	12,445	3,725	24,277	1,772	55,901	98,120
	Sold Proportion	%	12%	4%	25%	2%	57%	100%
	% Sold / Market	%	24%	20%	31%	27%	44%	35%
	Units Remain	Unit	39,527	14,379	54,654	4,916	69,798	183,274
	Unit Remain Proportion	%	21%	8%	30%	3%	38%	100%

Source: Agency for Real Estate Affairs Co., Ltd

The information received from many market surveys and analyses showed that the single detached house projects launched in 2016 mainly targeted home buyers in the mid-market section. The single detached houses with the average price range of Baht 3 - 5 million captured the largest market share of 49%, followed by those with the average price range of Baht 5 - 10 million with 42% market share. As of the year-end 2016, there were 51,972 units of single detached house offered for sales; their total value aggregated to 32% of the overall combined value of all residential sales for the year. Among all types of available dwelling sales, single detached houses with the average price range of Baht 5 - 10 million had the highest share of 39%.

In 2016, the total number of townhouses offered for sale totaled 78,931 units and accounted for 28% of the whole residential housing segment. The figure showed an increase of 4% from the previous year. Its total value accounted for 19% of the total housing value supplied for the year. New townhouses launched in 2016 amounted to 29,932 units, representing an increase of 20% from the earlier year. The townhouses in the price range lower than Baht 2 million captured the highest market share with 13,414 units launched during 2016, and accounted for 45% of the total market share for townhouses.

In 2016, condominiums still captured the largest share of the residential property market with a total of 125,699 units offered for sale or 45% of the total number of residential units in the market with a combined project value of Baht 416,753 million or a decrease of 1% from the previous year. The number of condominiums launched in 2016 was 58,350 units, showing a 7% decline with a total project value of Baht 192,659 million or a decrease of 19% from the previous year. An average price per unit of a condominium for the year was Baht 3.30 million which decreased from Baht 3.80 million in 2015. The new launches of condominiums priced from Baht 5 million up slightly dropped to 16% in 2016 from 17% in 2015.

Real Estate Projects Launched in 2016 by Price

Total Number of Units (Units)						
Price Range	Detached	Duplex	Townhouse	Shophouse	Condominium	Total
Lower than 2 Million Baht		248	13,414	405	26,725	40,792
2 - 3 Million Baht	230	2,458	11,427	568	12,607	27,290
3 - 5 Million Baht	5,928	4,052	4,911	1,326	9,843	26,060
5 - 10 Million Baht	5,098	499	63	420	7,058	13,138
10 - 20 Million Baht	388		117	141	1,614	2,260
Higher than 20 Million Baht	502	30			503	1,035
Overall	12,146	7,287	29,932	2,860	58,350	110,575
Unit Proportion	11%	7%	27%	2%	53%	100%
Total Project Value (Million Baht)						
Price Range	Detached	Duplex	Townhouse	Shophouse	Condominium	Total
Lower than 2 Million Baht		397	22,263	742	36,321	59,723
2 - 3 Million Baht	665	6,683	27,656	1,380	31,337	67,721
3 - 5 Million Baht	24,515	15,261	17,356	5,051	38,030	100,213
5 - 10 Million Baht	33,126	2,725	495	2,774	47,841	86,961
10 - 20 Million Baht	5,661		1,549	1,971	23,399	32,580
Higher than 20 Million Baht	18,056	1,120			15,731	34,907
Overall	82,023	26,186	69,319	11,918	192,659	382,105
Project Value Proportion	22%	7%	18%	3%	50%	100%

Source: Agency for Real Estate Affairs Co., Ltd

In general, the overall outlook for the real estate sector in 2017 remains stable with ongoing negative effects caused by various factors that occurred since 2016 such as the stringent credit approval standards of financial institutions, the high level of household debt, and the increase in land prices. Additionally, there are no new government stimulus measures launched to support the real estate sectors. This may impact the residential demand, consumer confidence, and consumer spending, as well as investments in major assets. Consumer's purchase decision for real estate developments will largely depend more on credibility and trustworthiness of developers. This intensifies competition in the real estate market whereas developers need to be experienced, understand consumer needs, be able to adapt their business strategies to better respond to changing market needs, and be proficient in their management in such a way that they can command credibility and acceptance from consumers.

Office Buildings

In 2016, demand for office rental continued to grow whereas supply showed sluggish singe of growth. The unoccupied office rental space as of yearend 2016 was at 7.72%, a decline from 8.65% in 2015 and an overall rise in the rental rate in all districts of Bangkok. As of yearend 2016, the total supply of office rental space in Bangkok was 8.56 million sq.m., composed of a supply of office space in the CBD¹ areas and outside the CBD areas at a ratio of 49% and 51%, respectively.

Supply and Vacancy Rate of Office Building Located in Bangkok as at Q4, 2016

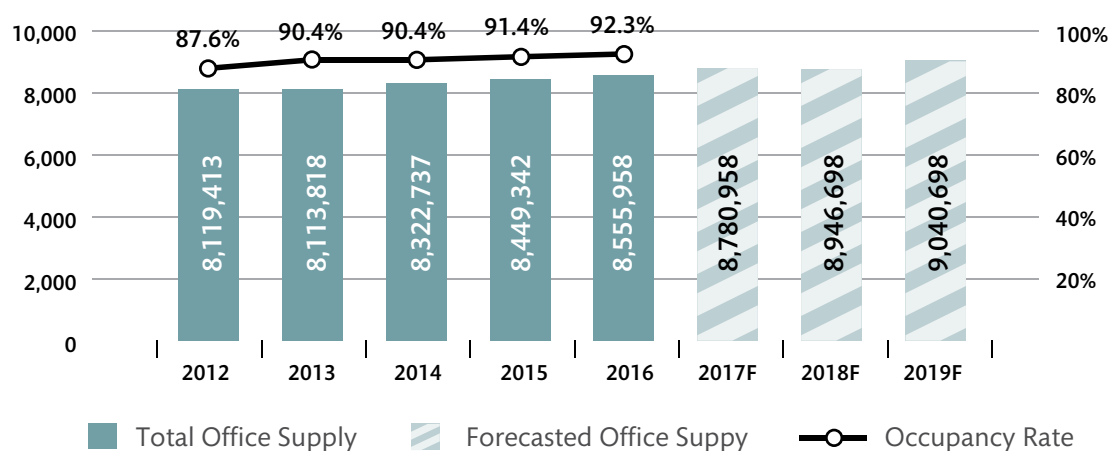
(Unit: Million Sq.m.)

Areas	Total Supply	Vacant Space	Vacancy Rate (%)
CBD	4.21	0.35	8.42
NON - CBD	4.34	0.31	7.05
Total	8.56	0.66	7.72
CBD Grade A	1.30	0.10	7.60
NON-CBD GradeA	0.46	0.02	3.56

Source : CB Richard Ellis Research

Supply of Office Space in Bangkok

(Unit: '000 sq.m.)

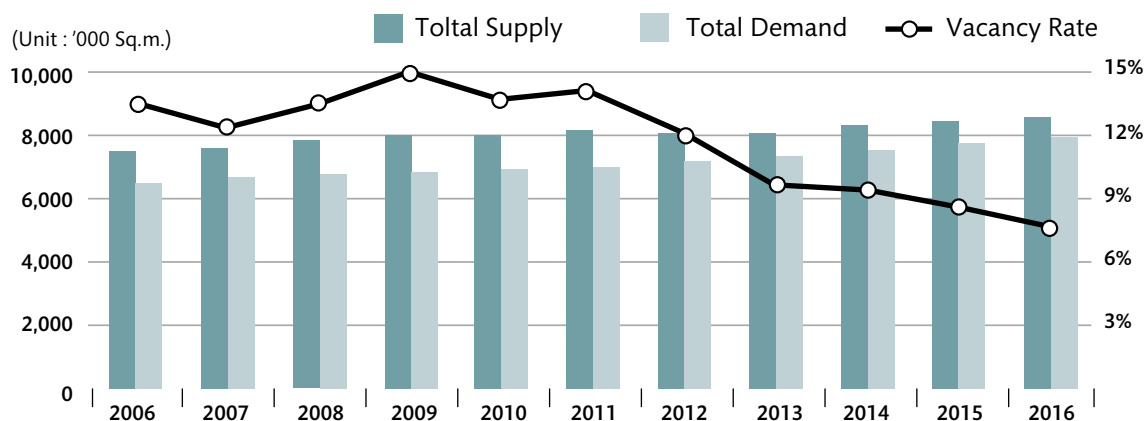


Source : CB Richard Ellis Research

¹ CBD : Central Business District included Silom Road, Sathorn Road, Surawongse Road, Ploenchit Road, Rama IV Road, Wireless Road, Sukhumvit Road, and Asoke Road.

Classifications of office space in Bangkok at year-end 2016 were 1,758,876 sq.m. or 20.56% in the Grade A type and 6,797,082 sq.m. in the Grade B or the remaining 79.44%.

Bangkok Office Market 2006 - 2016



Source : CB Richard Ellis Research

Supply of available office space in Bangkok at year-end 2016 totaled 8,555,958 million sq.m., an increase of 106,616 sq.m.. An estimated aggregated supply for office space for the duration of 2017-2018 will likely be around 391,740 sq.m., in which 225,000 sq.m. is expected to be completed in 2017 and 166,740 sq.m. in 2018. Some of this future available space will be for the building owners' own use.

In 2016, total office rental space was 7,895,059 sq.m., out of which 176,245 sq.m. was newly occupied space. Vacant space as at the end of the fourth quarter of 2016 was 660,899 sq.m., lower than the 730,528 sq.m. recorded for the same period of 2015.

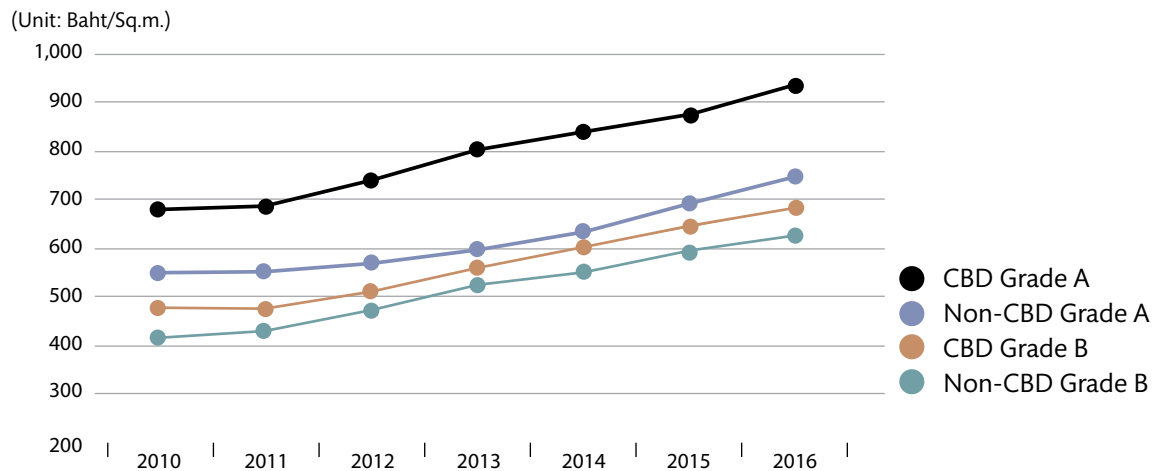
Average Achieved Rents in CBD and NON-CBD 2013 - 2016

Year	CBD		NON-CBD		Average	
	A Baht / m ²	B Baht / m ²	A Baht / m ²	B Baht / m ²	A Baht / m ²	B Baht / m ²
2013	804	561	598	526	701	543
2014	841	604	635	552	738	578
2015	877	648	694	597	785	622
2016	936	682	756	631	846	656

Note: For the office rental space which lower than 300 sq.m.

Source : CB Richard Ellis Research

Average Achieved Rents for Bangkok Office Space 2010-2016



In 2016, office rental rates showed a slight upward. The average rental rate for the overall Grade A type was Baht 846 per sq.m., or an increase of 7.77% from 2015. The average rental rate for the Grade A type in the CBD areas was an average price of Baht 936 per sq.m. or an increase of 6.73% from 2015, whereas the average rental rate for the Grade A type in the Non-CBD areas showed an increase of 8.93% at the average price of Baht 756 per sq.m.. The average rental rate for the Grade B for the year increased by 5.47%.

In summary, the office rental building market shows a positive trend as demand for office rental spaces continues to grow while there is a limited supply of new office buildings. This situation has resulted in higher rates of advance bookings or preleases for new office buildings, particularly among foreign corporations who have just established their office in Bangkok and use Thailand as a connection hub for its neighboring countries. Other business sectors which demand more office rental spaces are energy, information technology, and e-commerce. These companies comprise of both newly established local entities and foreign companies which are setting up more and more new offices in Bangkok. Office space demand has pushed up office rental rates to favorable rental levels, especially in the Ratchadapisek area which has become an up and upcoming location for Grade A office building in midtown locations outside the downtown area with complete facilities and access to the Sky Train Line and rental rates which are not so high.

RISK FACTORS

Risk from Global Economic Condition

The world economic situation for 2016 showed gradual expansion whereas uncertainties remain elevated. Despite the apparent growth in the U.S. economy with a continual decline in unemployment rate, and supportive measures that stimulate private consumption and consumer spending, there are deep concerns about the policy directions of the new U.S. president, particularly on trade barriers and interest rate direction. The economies of the European Union (EU) revealed a low growth with high unemployment rate and problems of weaker-performing financial institutions. Other issues such as “BREXIT” and the uncertainty on the results of the new election of many EU countries to be held in 2017 may also affect the EU economy. As for China, despite the improved stability, its economy still faces continued decline in exports and high private debt burdens.

In a global financial context, many central banks remain firm on their low interest rate policies, as their inflation rates are still low. These central banks have carried out measures to ease interest rates aiming to stimulate economic growth and stability. Nevertheless, by the end of 2016, the U.S. Federal Reserve raised its benchmark interest rate and will likely continue future increases in accordance with its outlook for the economic expansion. These may result in possible capital outflows particularly from the emerging market, emerging market financial vulnerabilities, difficulty in corporate fundraising, as well as fluctuations in currency values and exchange rates.

In 2016, the Thai economy grew 3.2%, compared to 2.8% in 2015, thanks to positive factors mainly from continued government spending and increased earnings from tourism. Nevertheless, export problems, declining private investments, and a high level of household debt put downward pressure on public confidence, diminished household purchasing power, and lowered repayment capacity of individual households and firms. The consumer confidence index declined from 64.7 in 2015 to 62.2 in 2016 resulting mainly from the uncertainty surrounding the economic outlook. This confidence directly affects the real estate business which is driven largely by cyclical factors tied to the state of the economy. Consumer confidence impacts real estate investment decisions of local and overseas consumers. Thus weaker consumer confidence suppresses property purchase for investment or speculation. As speculation declines, home buying decisions may be made only for actual purchases for personal dwellings whereas some homebuyers may spend more time in making their purchase decisions, or even suspend their plans for home purchase. Real estate developers, on their part, become increasingly cautious about investments and even defer further new launches. Today, real estate developers who can well survive in this challenging industry must depend on various success factors such as experience and the ability to understand and adapt to changing market environments, a sound financial status, an adequate liquidity position, and management proficiency.

The Company operates its main businesses in residential development for sales and development of office buildings for rent. The office rental business is the activity that provides long-term earnings and steady cash flow to its operations. The Company has a clear policy on business sustainability. It focuses on developments of prime residential projects in the Bangkok Metropolitan Region and its vicinity, and emphasizes on targeted segments which are middle-to upper-income consumers who are less impacted by economic conditions than the lower-income groups. Low rise residential developments are the Company's main business activities which account for 60% -70% of its total portfolio. Low rise residential developments provide strong cash generation and allow the Company to better manage its cash flows as well as better plan its construction timeframe to match its sales actions than high-rise condominium developments. Its low rise residential development clients are homeowners who make purchase decisions for actual dwellings. Most of its condominium buyers are also actual dwellers rather than property speculators and the share of speculative purchases among the Company's clientele is quite low. The Company has three ongoing resort home developments in famous tourist towns. The client base for these resort developments are its existing target clients in Bangkok who already know about the Company and its developments. Additionally, the Company has developed a new office building with a total rental area of 12,000 sq.m. that shall commence its business operations in the first

quarter of 2017. This will increase the Company's rental and services incomes. On the financial aspect, the Company pays great attention to its money discipline which enables it to well manage economic risks and market uncertainties. It also formed the Risk Management Committee to oversee market situations and make assessment of risks that impact the Company's operations and performance. The committee also prescribes control measures for each relevant risk aspect. As for its development plan, prior to any investment in any development plans, the Company always carries out a thorough feasibility study on all aspects and carefully makes project planning which are undertaken by its professional workforces who are skilled and experienced.

Risk from Intense Competition in Real Estate Development Market

In 2016, the real estate development sector experienced a continued slowdown from 2015 despite the real estate stimulus measures set forth by the government such as the tax abatement program for land and title deed transfer, and for tax and mortgage registration fees which were effective from the end of October 2015 to April 2016. The measures encouraged a growth in land and title deed transfers during the first four months, mostly for condominiums. The measures also included the first home purchase tax deduction for individuals (for a purchase value less than Baht 3 million). The ongoing economic problems and the high household debt level influenced consumer confidence and purchasing power, and caused consumers in both domestic and overseas markets to delay their investment decisions and/or postpone their home purchases. Limited demand growth in the real estate sector also worsened with the postponements of all market activities in the fourth quarter of the year. Additionally, there has been a significant supply of real estate developments already in the market; most developers thus delay their new launches, which resulted in a decline in the numbers of new residential registrations in the Bangkok Metropolitan Region and Vicinity in 2016, which slightly grew by 2% in the units and dropped by 12% the values.

The above mentioned economic constraints have created increasingly intense competitive pressure in the real estate business. Many developers have been rethinking their commercial strategies to tap into current market demand to preserve their revenue stream and diversify their business risks in order to survive during the period of economic slowdown. Such strategies include pricing tactics to clear out inventory whereby lowering prices to generate sales can also reduce the gross profit margin, expanding its development location to the vicinity towns on the outer fringes of Bangkok, applying new innovations to reduce costs while keeping sales prices unchanged, expanding to other market segment such as the upscale market as this market suffers less than other markets during the economic slowdown but somehow the demand in this market is rather limited, and requires repositioning its product mix to cover all products and all segments. All of these strategies also intensify industry rivalry and developers thus are forced to readjust their business strategies and to always be ready to cope with increasing competition. For developers who are professional with an established market brand, good development records, proficiency in project management, and ability to respond to consumer needs, are still able to maintain market acceptance. All these features continue to be the key consideration factors for consumers in making a home purchase decision.

The Company has been operating its businesses in real estate development for sales since 2002 and became a publicly listed company in the Stock Exchange of Thailand in 2003. As of 2016, the Company has developed 92 residential projects that include single detached houses, townhouses, and condominiums, with a combined development value of Baht 112,300 million. The Company has a research team that studies consumer behavior and needs. Prior to its investment in site acquisition, the Company always undertook all relevant aspects of the project feasibility. The Company continually develops new housing designs to mostly suit diversified consumer demand. It also implements dynamic planning with adjustable strategies that can meet market demand, create a new niche, and provide clear selling points. In addition, it also pays attention to product quality controls, after-sale services, and customer relationship which makes all its developments receive good market acceptance. There are more and more new customers who are recommended by its existing customers. Its condominiums capture interest from foreign buyers, in particular the Chinese clients. At present the Company is a market leader in the development of upscale single detached house in the price range of over Baht 20 million. In 2016, the Company launched new projects in new

market segments for high-end condominiums and single detached house in the price range of Baht 3-6 million, aiming at expanding its customer base. All these efforts resulted in the Company having a continual growth and profitable performance.

Risk from Financial Institutions' Stringent Credit Risk Policy

Due to uncertainties over the recovery pace of the Thai economy, stagnant corporate investments, sluggish private consumption, high household debt levels, and while the momentum of the global recovery remains muted, financial institutions are cautious in their loans review for the individuals and corporates mostly affected by the economic conditions and are considered high-risk. Financial institutions strictly review credit applications of new customers and customers with potentially high liquidity constraints and weak financial position who are seeking personal loans such as lower income clienteles, small and medium size enterprises (SME's), and export oriented business, as well as credit applications for development financing of new and small real estate developers or developers whose clientele bases are considered risky. Such conservative lending measures are launched to protect financial institutions against possible loan losses and non-performing loans. This in turn causes a higher rejection rate of credit applications and new loans. In 2017, it is likely that the economic recovery shall be a gradual process with household indebtedness continuing to rise and financial institutions still maintaining a tightening in credit conditions and policies.

The Company develops residential projects, which includes single detached houses, townhouses, and condominiums, focusing on the midscale income niche upward. Customers in this market mostly maintain strong purchasing power and financial capability in meeting their loan repayment obligations. Most of the Company's homebuyers also represent home dwelling demand rather than speculative investment purposes; therefore the chance of credit denial for their mortgage applications is, approximated 5% in 2016, much lower than the industry average. Additionally, for the sales of its single detached houses and townhouses, the Company also reviews its buyer's basic qualifications and sets a condition which requires its homebuyers to get approval for his/her mortgage application prior to entering into a sales contract with the Company. As for the sales of condominiums, the Company will assist its customers in submitting their mortgage applications to relevant financial institutions approximately 3 months before the scheduled date of the transfer of the ownership of the unit. All of the Company's development projects receive financial support for homebuyer's mortgage loans and personal loans from various financial institutions, with good lending conditions and quick credit approval. If a client cannot obtain his or her mortgage loan for any housing purchase, the Company can quickly take the unit back for immediately resale. Every year over 30% of the Company's clients who are homebuyers make cash settlements on the closing date for the ownership transfer. The Company has a good operational performance, while maintaining its sustainable growth and strong financial status. It maintains conservative financial management with a debt to equity ratio of no more than 2:1. It also receives continual strong support from various financial institutions. In addition, it also issues and makes public placements for its debt instruments and debentures as another source for its short and long term funding.

Risk from Land Acquisition for Development Projects

Acquisition of land for development projects is a key requirement in fulfilling the needs of its targeted clientele, and hence becomes a vital success factor for real estate development. In the recent years, Thailand has been investing in the development of public utilities and infrastructure in the Bangkok Metropolitan Region and in the provinces which include rail systems, road constructions and road expansion. These result in the growth of urban city and real estate developments, the need for land to support commercial growth and rising housing demand, and land speculations, which eventually causing an acceleration in land prices, particularly in high demand locations while promising development locations become rare and limited. This environment creates competition on land acquisitions that greatly affect land purchase prices as in the cases of the acquisitions of land in midtown Bangkok or in the CBD areas. Other factors which influence land prices and land acquisition strategies are land-use regulations, locations, and accessibility to facilities and nearby public conveniences. The Treasury Department recently announced a new official

land price assessment for 2016 - 2019, of which land prices showed an average increase of 27.72% for all regions, whereas Bangkok Metropolitan areas commanded an average increase of 15.78% and 27.88% for provincial areas. The highest land price increases occurs mostly around the Sky Train routes, as well as in the CBD, touristic towns, and in the special economic zones. Even though the Cabinet has approved the draft of the Taxation of the Building and Land Tax Act, and the new tax rates will affect a large number of landlords who own vacant land as they are required to pay higher tax rate than for land that is utilized. As the tax rate accelerates with years of non-utilization, this may encourage many landlords to sell their land. The enforcement of this law is expected to be in 2018 and thus had no impact in 2016.

Competition in the acquisition of land and the land price surge shall make land costs becomes a significant development cost for real estate developers. The property that is full of potential opportunities such as property in the CBD areas, property along the Sky Train Lines, property located by the main roads, which are in high demand among developers, shall command very high prices that may be higher than the projected costs. This makes it more difficult for developers to develop their real estate projects and may reduce their gross margin while increasing their sales risks. In addition, small and new developers may suffer disadvantages over larger sized developers, particularly regarding land acquisition, financial status, liquidity situation, financial institution support, and relationship with real estate agents.

It is the Company's policy to pursue a continual growth and stability strategy, so it always pays attention to its land acquisition schemes with appropriate advance planning that coincides with its upcoming development goals. The Company uses real estate agents as well as makes direct contact with land owners for its land acquisition. Market survey, development planning, and feasibility studies are undertaken for each development plan. Land acquisition criteria are factors such as promising location, accessibility to public transportation network, close to major residential and commercial areas, and nearby public conveniences. All of these enable the Company's development projects to be well accepted by the market and its targeted clientele. In addition, the Company also adjusts its land acquisition strategy to suit present circumstances by selection of land choices in minor lanes in major residential areas rather than plots along the main roads of which their land prices are much higher. The Company also recognizes the importance of financial risk management by properly allocating its investment budget for land acquisition to coincide with its projected cash flow and revenue stream, as well as avoiding high levels of debt financing. The Company's financial strategies are well accepted by financial institutions that provides its financial support.

Risks from Having Major Shareholders

The Company's major shareholders are the Shinawatra Family who, as at December 31, 2016, owned 60.40% of the Company's shares. The family therefore is considered as the major shareholder with controlling power that can influence the voting rights in the Company's shareholders' meetings, and also influence matters such as appointments of directors, or resolutions of any meeting agenda in the Company shareholders' meetings which requires majority votes, except for matters which are prescribed by laws or by the Company's Articles of Association to get three fourths of the total votes of the Company shareholders' meetings. In this respect, other shareholders cannot gather enough votes to question or counter influence matters proposed by the major shareholders.

Nevertheless the Board of Directors and the Executive Committee are entitled with legitimate authority to manage the Company. Additionally, the Audit Committee is assigned with duties to monitor and oversee possible issues which could be a conflict of interest. In addition there is the Securities and Exchange Commission of Thailand (SEC) which oversees that the public companies, which are listed on the Stock Exchange of Thailand, operate properly, transparently and duly comply with its prescribed laws and regulations to ensure investor protection.

GENERAL INFORMATION OF THE COMPANY AND ITS SUBSIDIARIES

SC ASSET CORPORATION PLC.

Registration No.	BorMorJor. 0107546000253
Head office	1010 Shinawatra Tower III, Viphavadi Rangsit Rd., Chatuchak, Chatuchak, Bangkok 10900 Tel : 0-2949-2000 Fax : 0-2949-2220 Home Page : www.scasset.com
Nature of Business	Property Development
Type of Shares	Common
Registered Capital (Shares)	4,200,000,000
Par Value Per Share (Baht)	1
Paid up Capital (Baht)	4,179,332,012 (As of December 31, 2016)
% of Investment	-

OAI ASSET CO., LTD.

Head office	1291/1 Phaholyothin Rd., Samsennai, Phayathai, Bangkok 10400 Tel : 0-2299-6000 Fax : 0-2299-6974
Nature of Business	Property Development
Type of Shares	Common
Registered Capital (Shares)	10,000,000
Par Value Per Share (Baht)	10
Paid up Capital (Baht)	100,000,000
% of Investment	99.99%

UP COUNTRY LAND CO., LTD.

Head office	414 Phaholyothin Rd., Samsennai, Phayathai, Bangkok 10400 Tel : 0-2299-5000 Fax : 0-2299-5888
Nature of Business	Property Development
Type of Shares	Common
Registered Capital (Shares)	30,000,000
Par Value Per Share (Baht)	10
Paid up Capital (Baht)	300,000,000
% of Investment	99.99%

V. LAND PROPERTY CO., LTD.

Head office	1010 Shinawatra Tower III, Viphavadi Rangsit Rd., Chatuchak, Chatuchak, Bangkok 10900 Tel : 0-2791-1871 Fax : 0-2949-2223
Nature of Business	Property Development
Type of Shares	Common
Registered Capital (Shares)	50,000,000
Par Value Per Share (Baht)	10
Paid up Capital (Baht)	353,000,000
% of Investment	99.99%

REFERENCE PERSONS

The Securities Registrar	Thailand Securities Depository Company Limited 93 The Stock Exchange of Thailand Building, 14th Floor, Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400 Tel : 0-2009-9000 Fax : 0-2009-9991
Registrar	CIMB Thai Bank Public Company Limited 44 Langsuan Road, Lumpini, Patumwan, Bangkok 10330 Tel : 0-2626-7503-4, 0-2626-7218 Fax : 0-26267542, 0-2626-7587 Unsubordinated and Unsecured Debentures of SC Asset Corporation Public Company Limited No. 1/2014 due 2017 Unsubordinated and Unsecured Debentures of SC Asset Corporation Public Company Limited No. 2/2014 due 2017 Unsubordinated and Unsecured Debentures of SC Asset Corporation Public Company Limited No. 3/2014 due 2017 Unsubordinated and Unsecured Debentures of SC Asset Corporation Public Company Limited No. 1/2015 due 2017 Unsubordinated and Unsecured Debentures of SC Asset Corporation Public Company Limited No. 2/2015 due 2017 Unsubordinated and Unsecured Debentures of SC Asset Corporation Public Company Limited No. 4/2015 (Series 1) due 2018 Unsubordinated and Unsecured Debentures of SC Asset Corporation Public Company Limited No. 4/2015 (Series 2) due 2019 Unsubordinated and Unsecured Debentures of SC Asset Corporation Public Company Limited No. 5/2015 due 2018 Unsubordinated and Unsecured Debentures of SC Asset Corporation Public Company Limited No. 1/2016 due 2019 Unsubordinated and Unsecured Debentures of SC Asset Corporation Public Company Limited No. 2/2016 due 2019 Unsubordinated and Unsecured Debentures of SC Asset Corporation Public Company Limited No. 3/2016 due 2018
Auditor	Ms. Annothai Leekitwattana Certified Public Accountant (Thailand) No. 3442 PricewaterhouseCoopers ABAS Ltd. 15th Floor, Bangkok City Tower 179/74-80 South Sathorn Road, Thungmahamek , Sathorn Bangkok, 10120 Tel : 0-2824-5000, 0-2344-1000 Fax : 0-2286-5050

**MANAGEMENT AND
CORPORATE GOVERNANCE**

SHAREHOLDERS

As of December 31, 2016, the Company has registered capital of Baht 4,200,000,000 with paid-up capital of 4,179,332,012 divided into 4,179,332,012 ordinary shares at a par value of Baht 1 per share.

List of 10 major shareholders per closing of the shareholder registration book as at December 31, 2016

No.	Name	Number of Shares Held	Percentage of Shares Held
1.	Shinawatra's Family	2,524,175,252	60.40
	1.1 Ms.Paetongtarn Shinawatra (1,216,149,870 shares)		
	1.2 Ms.Pintongta Shinawatra Kunakornwong (1,176,915,495 shares)		
	1.3 Khunying Potjaman Damapong (117,109,887 shares)		
	1.4 Mr.Panthongtae Shinawatra (14,000,000 shares)		
2.	Mr.Bhanapot Damapong	201,234,375	4.81
3.	Bualuang Long-Term Mutual Funds	113,025,112	2.70
4.	Thai NVDR Company Limited	93,054,634	2.23
5.	Electricity Generating Authority of Thailand Registered Provident Fund by BBL Asset Management Ltd.	57,845,362	1.38
6.	Mr.Sophon Mitrpunpanich	56,155,016	1.34
7.	AIA Company Limited-TIGER	50,000,000	1.20
8.	Mr.Chanintr Chalisarapong	48,000,000	1.15
9.	Bualuang Long-Term Equity Fund 75/25	42,142,275	1.01
10.	Bualuang Siriphol Corporate Governance	41,499,625	0.99
	Total	3,227,131,651	77.22

Shareholder Structure

It is not the Company's policy to have cross-holding of shares by two or more companies or involve itself in any practice of pyramid holding.

Other Securities

1. Bills of Exchange

As of December 31, 2016, the Company had liabilities from the issuance and sales of bills of exchange of Baht 2,845 million in total, which were offered on private placement to institutional investors and high net worth investors. The bills of exchange amount had decreased by Baht 280 million from the yearend 2015. In 2016, the Company redeemed its Baht 5,820 million bills of exchange and issued Baht 5,540 million bills of exchange via private placement for sales to institutional investors and high net worth investors with a fixed maturity of 90 days to 270 days and carried interest at the prevailing money market rate.

2. Debentures

The Company issued a series of name-registered, non-subordinated, and unsecured debentures. As of December 31, 2016, the Company had liabilities from the issuance and sales of debentures of Baht 6,985 million in total, details of which were as follows:

Unsubordinated and Unsecured Debentures of SC Asset Corporation Public Company Limited							
Name of Debentures	No. 1/2014 due 2017	No. 2/2014 due 2017	No. 3/2014 due 2017	No. 1/2015 due 2017	No. 2/2015 due 2017	No. 4/2015 Series 1 due 2018	
Type of Offer	Private Placement to institutional investors and high net worth investors	Private Placement to not more than 10 investors	Private Placement to not more than 10 investors	Private Placement to not more than 10 investors	Private Placement to not more than 10 investors	Private Placement to institutional investors and high net worth investors	
Type of Debentures	Name-registered, unsubordinated, unsecured debentures without a debenture holders' representative	Name-registered, unsubordinated, unsecured debentures without a debenture holders' representative	Name-registered, unsubordinated, unsecured debentures without a debenture holders' representative	Name-registered, unsubordinated, unsecured debentures without a debenture holders' representative	Name-registered, unsubordinated, unsecured debentures without a debenture holders' representative	Name-registered, unsubordinated, unsecured debentures without a debenture holders' representative	
Par	Bath 1,000	Bath 1,000	Bath 1,000	Bath 1,000	Bath 1,000	Bath 1,000	
Unit	800,000 Units	300,000 Units	130,000 Units	130,000 Units	300,000 Units	1,700,000 Units	
Issue Amount	Bath 800,000,000	Bath 300,000,000	Bath 130,000,000	Bath 130,000,000	Bath 300,000,000	Bath 1,700,000,000	
Term	3 years	2 years 11 months 23 days	3 years 9 days	2 years	2 years 10 days	3 years	
Issue Date	12 September 2014	2 October 2014	28 November 2014	28 January 2015	17 February 2015	25 June 2015	
Maturity Date	12 September 2017	25 September 2017	7 December 2017	28 January 2017	27 February 2017	25 June 2018	
Coupon Rate	4.7 % p.a.	4.5 % p.a.	4.25 % p.a.	4.00 % p.a.	4.00 % p.a.	4.00 % p.a.	
Coupon Payment Frequency	Quarterly	Semi-annually	Semi-annually	Semi-annually	Semi-annually	Quarterly	
Company Rating	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	
Issue Rating	-	-	-	-	-	BBB+	

Unsubordinated and Unsecured Debentures of SC Asset Corporation Public Company Limited					
Name of Debentures	No. 4/2015 Series 2 due 2019	No. 5/2015 due 2018	No. 1/2016 due 2019	No. 2/2016 due 2019	No. 3/2016 due 2018
Type of Offer	Private Placement to institutional investors and high net worth investors	Private Placement to not more than 10 investors	Private Placement to not more than 10 investors	Private Placement to not more than 10 investors	Private Placement to not more than 10 investors
Type of Debentures	Name-registered, unsubordinated, unsecured debentures without a debenture holders' representative	Name-registered, unsubordinated, unsecured debentures without a debenture holders' representative	Name-registered, unsubordinated, unsecured debentures without a debenture holders' representative	Name-registered, unsubordinated, unsecured debentures without a debenture holders' representative	Name-registered, unsubordinated, unsecured debentures without a debenture holders' representative
Par	Bath 1,000	Bath 1,000	Bath 1,000	Bath 1,000	Bath 1,000
Unit	1,300,000 Units	325,000 Units	1,000,000 Units	500,000 Units	500,000 Units
Issue Amount	Bath 1,300,000,000	Bath 325,000,000	Bath 1,000,000,000	Bath 500,000,000	Bath 500,000,000
Term	3 years 7 months	3 years 4 days	3 years	3 years	2 years
Issue Date	25 June 2015	6 October 2015	24 March 2016	8 November 2016	6 December 2016
Maturity Date	25 January 2019	10 October 2018	24 March 2019	8 November 2019	6 December 2018
Coupon Rate	4.20 % p.a	3.65 % p.a	3.15 % p.a.	3.20 % p.a	3.10 % p.a
Coupon Payment Frequency	Quarterly	Semi-annually	Semi-annually	Semi-annually	Semi-annually
Company Rating	BBB+	BBB+	BBB+	BBB+	BBB+
Issue Rating	BBB+	-	-	-	-

DIVIDEND PAYMENT POLICY

The Company has a policy to pay dividends to its shareholders at the dividend payout rate of no less than 40% of its net profit after corporate income taxes and to allocate a certain amount of the net profit thereof for legal reserve purpose. However, the dividend payment may be changed due to the Company's operational results, business expansion plan, liquidity, necessity, and other appropriateness that may arise in the future. The Company's Board of Directors shall be authorized to consider such matters and shall then submit their decisions for further approval from the shareholder meeting, except for the interim dividend payment which the Board of Directors shall be authorized to approve as per the Company's Regulations. Upon the payment of any such dividend, the Board of Directors shall report the matter to the Company's shareholders in the next shareholders meeting.

For the dividend payment in 2016, the Company received the resolution from the Annual General Shareholders Meeting held on April 22, 2016 to pay the dividend of Baht 0.18 per share from the 2015 net profit, which accounted to a payout ratio of 42.86% of the net profit after tax for the year.

The dividend payment policies of the Company's subsidiaries are under the same rules as the Company's.

Dividend Payment Information

Year	2016	2015	2014
Basic Earnings per Share (Baht)	0.4709	0.4535	0.3728
Dividend per Share (Baht)	0.19 ⁽¹⁾	0.18	0.205
Book Value per Share (Baht)	3.46	3.16	3.13
Par (Baht)	1	1	1

Remarks:

- ⁽¹⁾ Dividend per Share (Baht) was made at the rate approved by the Company's Board of Directors in its board meeting on February 22, 2017 and shall be submitted for the shareholders' approval during the Annual General Shareholders Meeting for 2017.

MANAGEMENT

Overview

The management structure of the Company comprises the Board of Directors and 5 sub-committees as follows:

- (1) The Executive Committee
- (2) The Audit Committee
- (3) The Nomination and Remuneration Committee
- (4) The Corporate Governance and Social & Environmental Responsibility Committee
- (5) The Risk Management Committee

The Board of Directors

As of December 31, 2016, there are 9 directors on the Company's Board of Directors consisted of:

- 3 executive directors, and
- 6 independent directors

1.	Mr. Rath	Kitivejsoth	Chairman of the Board of Directors (Independent Director)
2.	Ms. Busaba	Damapong	Director/ Chairman of the Executive Committee/ Member of the Corporate Governance and Social & Environmental Responsibility Committee/ Member of the Risk Management Committee (Authorized Director)
3.	Mr. Nuttaphong	Kunakornwong	Director/ Chief Executive Officer/ Member of the Executive Committee/ Member of the Corporate Governance and Social & Environmental Responsibility Committee/ Member of the Risk Management Committee (Authorized Director)
4.	Mr. Nathpath	Ouajai	Director/ Member of the Executive Committee/ Member of the Nomination and Remuneration Committee (Authorized Director)
5.	Mr. Kunodom	Tharmmaphornphilas	Director/ Chairman of the Audit Committee/ Member of the Nomination and Remuneration Committee (Independent Director)
6.	Mr. Prasert	Samanawong	Director/ Chairman of the Nomination and Remuneration Committee/ Member of the Audit Committee/ Member of the Risk Management Committee (Independent Director)
7.	Mr. Precha	Sekhararidhi	Director/ Chairman of the Corporate Governance and Social & Environmental Responsibility Committee/ Chairman of the Risk Management Committee/ Member of the Audit Committee (Independent Director)
8.	Mr. Songsak	Premasuk	Director/ Member of the Executive Committee/ Member of the Corporate Governance and Social & Environmental Responsibility Committee (Independent Director)
9.	Ms. Vilasinee	Puddhikarant	Director/ Member of the Executive Committee (Independent Director)

Remarks:

- Ms. Busaba Damapong was elected by the meeting of the Board of Directors No. 4/2011 on the July 13, 2011 to serve as a director in replacement of Ms. Yingluck Shinawatra, who resigned from her directorship, and appointed to serve as Chairman of the Executive Committee, member of the Corporate Governance and Social & Environmental Responsibility Committee and Authorized Director, effective as of July 13, 2011 onwards. Moreover, she was appointed by the Meeting of the Board of Directors No. 7/2014 to serve as a member of the Risk Management Committee, effective from December 16, 2014 onwards. The Meeting also approved to extend her term in office as the Chairman of Executive Committee for 3 years, effective from January 1, 2015 onwards after her normal retiring age of 60 years old.

- Mr. Nuttaphong Kunakornwong was elected by the meeting of the Board of Directors No. 2/2012 on February 28, 2012 to serve as a director in replacement of Mr. Chanon Chotevijit who resigned from his position, and appointed to serve as member of the Executive Committee and Authorized Director, effective from March 1, 2012. In addition, he was appointed by the meeting of the Board of Directors No. 6/2012 on November 13, 2012, to serve as a member of the Corporate Governance and Social & Environmental Responsibility Committee and by the Meeting of the Board of Directors No. 7/2014 to serve as a member of the Risk Management Committee and the Chief Executive Officer, effective from December 16, 2014 and January 1, 2015, respectively.
- Mr. Precha Sekhararidhi was appointed by the meeting of the Board of Directors No. 7/2014 to serve as the Chairman of the Risk Management Committee, effective from December 16, 2014 onwards.
- Mr. Prasert Samanawong was appointed by the meeting of the Board of Directors No. 3/2015 to act as a Chairman of the Audit Committee/ member of the Nomination and Remuneration Committee.
- Mr. Nathpath Ouajai has been an authorized director of the Company since March 4, 2011, so he cannot be considered as an independent director by virtue of his involvement in the management of work. In addition, he was assigned by the meeting of the Board of Director No. 3/2015 to act as member of the Nomination and Remuneration Committee.
- Mr. Songsak Premasuk was appointed by Shareholders Meeting for 2015 to serve as a director (independent director) and he was also appointed by the meeting of the Board of Directors No.3/2015 to act as member of the Corporate Governance and Social & Environmental Responsibility Committee.
- Ms. Vilasinee Puddhikarant was appointed by the resolution of the Board of Directors dated January 15, 2016 to be a director of the Company and member of the Executive Committee (independent director) in replacement of Ms. Phensom Damapong, who resigned from her directorship. She was re-elected by the resolution of the 2016 annual general meeting of shareholders to serve as a director (independent director) for another term.

Authorized Director: “Ms. Busaba Damapong, Mr. Nuttaphong Kunakornwong, Mr. Nathpath Ouajai, any two of these three directors co-sign their names and affix the Company seal.”

Directors’ Scope of Authorities and Responsibilities:

1. To set or change the list of authorized directors.
2. To set policies and business directions of the Company as well as monitor and supervise the Company's Executive to ensure they efficiently and proficiently perform their duties in compliance with prescribed policies for the best economic gain of shareholders while sustaining business growth.
3. To consider on significant issues such as business plans, business risk management, investment in major projects, management authority, and other matters in compliance with laws.
4. To manage the Company's business in compliance with any relevant laws, the Company's objectives and Articles of Association as well as the resolutions of the shareholders’ meetings, except matters required by law to be approved by a resolutions of the shareholders, such as entering into connected transactions, purchase or sale of significant assets as defined by the regulations of the Stock Exchange of Thailand or other government organization.
5. To assess performance and to determine the remuneration of the Company's executives.
6. To be responsible for the operational result and the performance of the Company's executives by placing emphasis on their intention and attention to perform their duties.
7. To establish the Company's accounting systems, ensure reliable financial reports are created and properly audited, and monitor the evaluation procedures for the appropriateness and effectiveness of internal control systems and internal audit functions, including risk management, financial reporting, and performance follow-up.
8. To ensure that there is no conflict of interest among stakeholders.
9. To govern the Company's business operation to ensure it complies with ethical standard.
10. To report the responsibilities of the Board of Directors in the preparation of financial report that shall be disclosed in the Annual Report together with the auditor's report. The Board of Directors’ report shall cover key issues in accordance with the Code of Best Practices of the Stock Exchange of Thailand.
11. To appoint other persons to operate the Company's businesses under the control of the Board of Directors, or it may authorize other persons, to perform other duties for period of time as deemed appropriate. The Board reserves its right to change or revoke any authorities given to any such person.

The Board of Directors' Approval Authorities:

As for the Board of Directors' authority to act on behalf of the Company, the board is entitled to authorize and approve an unlimited amount of investment budget for investing activities in the Company's business. To successfully manage the Company's business in accordance with its planned business strategies and targets, the Executive Committee is thus empowered with authority to undertake its roles in business management and administrations, as well as to oversee the responsibilities of human resources management, according to its prescribed scope of authority and duties. The Executive Committee may empower any of its board members or any other person to act or perform any acts on its behalf. However, this empowerment shall not include the granting of a power to permit members of the Executive Committee, or person(s) appointed by the Executive Committee, to approve any transaction between them, or person that may have interest or a conflict of interests with as set forth by the Company's regulation and the regulations of the Office of the Securities and Exchange Commission (SEC), and such empowerment shall also not include transactions that are considered related parties transactions or represent conflicting interests with the Company or its subsidiaries, except for the transactions approval in accordance with the policies and criteria authorized by the Company's Board of Directors. Nonetheless, for the Company reserves the right for the following matters to be approved only by a resolution of the Company's the Board of Directors:

1. To approve the delegation of authority regarding financial transactions and payments such as capital investment (for project), fixed assets, costs and expenses, advances. For the sake of good management, such delegation of authority and the authorization limit granted to each executive level shall be clearly stated according to the corporate hierarchical layers namely the Executive Committee / Chairman of the Executive Committee / Chief Executive Officer / Chief Financial Officer / Senior Vice President / First Vice President / Vice President / Assistant Vice President (Please refer to further details in the topic "Authorized transactions and authorization limit per transaction").
2. To approve the Company's business objectives, business operation plans, significant policies, risk management, major investment projects, and implementation of the Company's important projects.
3. To approve or provide the opinion regarding the connected transactions of the Company and its subsidiaries as per the criteria set forth in the relevant notifications, rules, and guidelines of the Stock Exchange of Thailand.
4. To approve any individual with required qualifications and without prohibition attributes prescribed under the Public Limited Companies Act, B.E.2535, the Securities Exchange of Thailand Act, as well as the notifications, rules and/or regulations related to an appointment of the Company director in the event of any vacancy thereof due to the reasons other than the expiration of his/her term.
5. To approve the setting of the date for the Company's Annual General Meeting of Shareholders.
6. To approve other matters prescribed by laws, or set forth under rules and regulations to be the duties of the Board of Directors.

Qualifications of Directors

The Company sets the following qualification criteria for its directorship;

1. Knowledgeable and proficient in the fields related to the Company's business and willing to devote their time for their duties.
2. Its qualifications must not be prohibited by the Public Limited Company Act B.E. 2535, the Securities and Exchange Act B.E. 2535, and the Principle of Good Corporate Governance.
3. Neither being nor used to be an auditor of the Company, its subsidiary company, associate company, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its subsidiary company and associate company.
4. Holding not exceeding 2 posts of directorship in different public listed companies. In case of the Chairman of the Executive Committee or the Chief Executive Officer by virtue of his/her position, he/she is able to hold only

1 directorship in public listed company namely SC Asset Corporation Public Company Limited and cannot hold more than 5 directorships in other entities as follows:

4.1 The Company's subsidiary

4.2 The Company's associated company which operates business other than real estate development, and he/she shall not take the position of the Chairman of the Executive Committee or the Chief Executive Officer of such company.

4.3 Charity organization/ foundation promoting public benefits and education.

Board of Directors Meeting

The Company set meeting agendas and meeting dates for the Board of Directors Meetings and Shareholders Meeting for 2016 in advance. This allowed all its directors to be informed well in advance and be able to properly allocate their time to attend all the meetings. The Company sets at least seven board meetings a year. The schedule is flexible and allows possible adjustments as necessary; additional meetings can also be added if needed. The Company Secretary shall send the meeting invitations, meeting agendas and attached information documents which are relevant and sufficient in detail for board members to consider in advance. These meeting agendas and the attachments thereof shall be sent to each board member at least seven days prior to the date of the meeting in order to allow the board members adequate time to study the matters prior to attending the meetings.

At present, the Company arranges to have the meeting documents for its Board of Directors Meetings made in electronic form and forwarded to the board members via Application Software Program through iPad. These methods enhance conveniences and reduce the use of paper meeting materials.

The agenda items of each board meeting are also posted on the Company's Website (www.scasset.com) under the "Corporate Governance" Section.

The Number of Meeting Attended and the Total Meetings Held of each Director

The Board of Directors holds board meetings at least once every quarter and in 2016, the Board held 7 meetings. The following table shows details of the Board of Directors' meetings since 2004.

Name	Number of Meeting Attended / Total Meetings Held		
	2004-2016	2016	2016 (%)
1. Mr. Rath Kitivejsoth ⁽¹⁾	87/87	7/7	100
2. Ms. Busaba Damapong ⁽²⁾	35/35	7/7	100
3. Mr. Nuttaphong Kunakornwong ⁽³⁾	30/31	6/7	85.71
4. Mr. Nathpath Ouajai ⁽⁴⁾	72/72	7/7	100
5. Mr. Kunodom Tharmmaphornphilas ⁽⁵⁾	72/72	7/7	100
6. Mr. Prasert Samanawong ⁽⁶⁾	66/66	7/7	100
7. Mr. Precha Sekhararidhi ⁽⁷⁾	64/64	7/7	100
8. Mr. Songsak Premasuk ⁽⁸⁾	12/12	7/7	100
9. Ms. Vilasinee Puddhikarant ⁽⁹⁾	5/6	5/6	83.33

Remark:

- ⁽¹⁾ Mr. Rath Kitivejsoth was appointed to be the Chairman of the Board of Directors in replacement of Dr. Chaiyawat Wibulswadi, effective from March 1, 2007 onward.

- (2) Ms. Busaba Damapong was elected by the meeting of the Board of Director No. 4/2011 on July 12, 2011 to be the Director and the Chairman of the Executive Committee in replacement of Ms. Yingluck Shinawatra, who resigned from her directorship, effective from July 13, 2011 onward.
- (3) Mr. Nuttaphong Kunakornwong was elected by the meeting of the Board of Directors No. 2/2012 on February 28, 2012 to be a director of the Company in replacement of Mr. Chanon Chotevijit who resigned from his position.
- (4) Mr. Nathpath Ouajai was assigned to be the Director in replacement of Ms. Pranee Vechapruangkitak, effective from March 20, 2006 onward.
- (5) Mr. Kunodom Thammaphornphilas was assigned to be the Director in replacement of Mr. Sompong Nakornsri, effective from March 20, 2006 onward.
- (6) Mr. Prasert Samanawong was assigned to be the Director in replacement of Mr. Krit Umpote, effective from January 31, 2007 onward.
- (7) Mr. Precha Sekhararidhi was assigned to be the Director in replacement of Dr. Chaiyawat Wibulwasdi, effective from March 26, 2007 onward.
- (8) Mr. Songsak Preamsuk was elected by the Annual General Meeting of Shareholders for 2015 held on April 23, 2015 to be the Director of the Company in replacement of Ms. Naengnoi Na Ranong, who retired by rotation
- (9) Ms. Vilasinee Puddhikarant was appointed by the resolution of the Board of Directors dated January 15, 2016 to be the Director of the Company and member of the Executive Committee (independent director) in replacement of Ms. Phensom Damapong, who resigned from her directorship. She was re-elected by the resolution of the 2016 annual general meeting of shareholders to serve as a director (independent director) for another term.

The agendas for approval and acknowledgement can be summarized as follows:

Number of Board of Directors' Meetings in 2016	Agenda for Acknowledgement	Agenda for Consideration	Agenda for Approval
No. 1	3	1	11
No. 2	4	9	6
No. 3	2	4	3
No. 4	2	2	1
No. 5	2	4	2
No. 6	3	4	4
No. 7	1	3	2
Total	17	27	29

All agendas addressed in the Company's the Board of Directors Meeting are issues related to the Company's business operations. The notifications of meeting are issued and sent to the board members at least 7 days prior to all the board meetings. The meeting notifications are attached with details of the meeting agenda and relevant annex and attachments thereof completely and sufficiently to allow the Board of Directors to have sufficient time to study the agendas and enquire additional information from the Company Secretary.

During each of the board meetings, the Company Secretary shall take notes and prepare the Minutes of the Meeting. The minutes shall be submitted within 14 days of the meeting date to each board member for their consideration. All directors can always request copies of any past minutes from the Company Secretary for further review.

The Chairman of each meeting allocates adequate time for management to present documents and supplementary information for review and discussion of important issues. Each director is entitled to express independent opinions and to present any concerned agenda items.

It is responsibility of the Company Secretary to determine the meeting date, prepare adequate supplementary documents and send notice of Board of Directors meeting to all directors at least 7 days prior to the date of meeting to ensure that all directors will have sufficient time to understand all matters unless there was an emergency or urgent matter. The Company Secretary shall also record all agendas of the meetings and carry out minutes of the meeting. The minute of Board of Directors Meeting which has been approved by the Board shall be kept by the Company secretary in conventional and electronic form for reference in the future.

Policy on the Limitation on the Number of Directorship Positions and the Holding of Directorship Position of the Chairman of the Executive Committee and Chief Executive Officer

Too many directorship positions held by a board member could impair his efficiency in well conducting his position as a good member of the Board of Directors. Therefore, the Company's Board of Directors resolved to limit the number of directorship positions held by each of its board members, executive directors, independent directors, Chairman of the Executive Committee and Chief Executive Officer. (Please refer to further details in the topic "Policy on the Limitation on the Number of Directorship Positions and the Holding of Directorship Position of the Chairman of the Executive Committee and Chief Executive Officer" in the Responsibilities of the Board section.)

The Board of Directors' Performance Assessment

In order to comply with the principles of good corporate governance and to improve the performance of Directors, the Company launched a performance assessment for the Board of Directors at least once a year. The assessment was prepared by using three approaches, firstly, a performance assessment of the entire Board. Secondly performance assessment of individual Director, which was divided into 2 parts, self- assessment, and cross self-assessment by other Directors, and lastly the performance assessments for all sub-committees. The assessment procedures and scales are presented as a percentage of the total scores for each category.

The Assessment Procedures of the Board of Directors

1. The Company Secretary will send four types of a performance appraisal form to each director as follows:
 - An assessment of collective board Form (The entire Board)
 - An assessment of individual director Form (Self- assessment)
 - An assessment of individual director Form (Cross Self- assessment by other directors)
 - An assessment of Sub-Committees Form (Each Sub-Committees)
2. After each director completes his/her performance assessment, he/she will return the performance assessment forms to the Company Secretary for collecting and analyzing the assessment data.
3. The concluded results will be reported to the Board of Directors by the Company Secretary at its first meeting of each year. The resulting report will be applied for the purpose of the Director's performance improvement.

The Board of Directors' Assessment Scales

Assessed Scores (%)	Scale
85 - 100	Very Good - Excellent
75 - 85	Good
65 - 75	Fairly Good
50 - 65	Fair
under 50	Require Improvement

- **Performance assessment for the entire Board** comprises of 6 major aspects, which are:
 - Board of Directors' composition and qualification
 - Board of Directors' role, duty and responsibility
 - Board of Directors' Meeting
 - Director's performance
 - Connection with Managerial person
 - Director's Self Improvement and Management team's improvement

Average scores received for the entire Board of Director for their 2016 performance was 98.11%, which is considered very good - excellent (in 2015, an average scores was 99.12% which is considered very good - excellent).

- **Performance assessment for each individual Directors (self-assessment)** comprises of 6 major aspects, which are:

- Accountability to their decisions and actions;
- Responsibility in performing their job with ability and efficiency;
- Accountable and equitable treatment of stakeholders;
- Transparency of actions and information disclosure;
- Visionary towards long-term creations of added corporate value;
- Business ethics and integrity

Average scores received for self-assessments of each individual director for their 2016 performance was 98.80%, which is considered very good -excellent (in 2015, an average scores was 98.97%, which is considered very good - excellent).

- **Performance assessment for each individual Director (assessments shall be made by other directors and each director shall assess other directors' performance)** comprises of 9 major aspects, which are:

- Profound knowledge of the Company's business;
- Providing opinions and recommendations which are beneficial to the Company and is not contradictory with principles of good corporate governance;
- Independent and perceptive suggestions;
- Providing information and facts which are useful for the Board of Directors' decision process;
- Responsible for stakeholder benefits by providing opinions or suggestions that lead to fair and equitable practices;
- Refrain from voting or meeting participation, if conflict of interest or self-interest in terms of stakeholder involvement is presented;
- Study provided details of meeting agenda prior to of relevant meetings;
- Regularly and promptly attending all required meetings. If absence of meeting attendance is unavoidable, duly make prior request of absence to the Chairman of the Board in advance of such meeting;
- Honors and respect the rights of other directors

Average scores received for assessments made by other Board members for performance of each individual member of the Board in 2016 was 99.76%, which is considered very good - excellent (in 2015, an average scores was 99.90%, which is considered very good - excellent).

- **Performance assessment for the Sub-Committees**

The Company's Board of Directors resolved the approval for performance assessments of all the Company's sub-committees, which include the Executive Committee, the Nomination and Remuneration Committee, the Corporate Governance and Social & Environmental Responsibility Committee, the Risk Management Committee, and the Audit Committee. The assessments help the Company monitor and improve the efficiency of its governance conducts. The performance assessment for the sub-committees applies a similar evaluation process and standards as the performance assessment for the Board of Directors.

The performance assessments for all sub-committees (excluding the performance assessment of the Audit Committee) include assessments of accountability and responsibility principles which are classified into the following 5 aspects:

- Composition and qualification of the committee
- Roles, duties, and responsibility of the committee
- Compliance with good corporate governance practices
- Communication and collaboration between the committee and the Board of Directors
- Meetings of the committee

For the performance assessment of the Audit Committee, the Company has used the performance assessment forms according to criteria for the performance assessments for the Audit Committee stipulated by the Thai Institute of Directors ("IOD"), which will be subject to the assessment different from other committees. Comprises of 7 major aspects, which are:

- Role and duties regarding financial report
- Role and duties regarding risk management
- Role and duties regarding internal control
- Role and duties regarding connected transaction
- Role and duties regarding compliances with laws, rules, and ethics
- Relationship with internal auditors
- Relationship with external auditors

Average 2016 Performance Assessment Scores of Each Sub-committee

(1) Average 2016 performance assessment score for the Executive Committee was 99.25%, which is considered very good - excellent (in 2015, an average scores was 100%, which is considered very good - excellent).

(2) Average 2016 performance assessment score for the Nomination and Remuneration Committee was 98%, which is considered very good - excellent (in 2015, an average scores was 98.15%, which is considered very good - excellent).

(3) Average 2016 performance assessment score for the Corporate Governance and Social & Environmental Responsibility Committee was 98%, which is considered very good - excellent (in 2015, an average scores was 97.75%, which is considered very good - excellent).

(4) Average 2016 performance assessment score for the Risk Management Committee was 93.57%, which is considered very good - excellent (in 2015, an average scores was 94.80%, which is considered very good - excellent).

(5) Average 2016 performance assessment score for the Audit Committee was 100%, which is considered very good - excellent (in 2015, an average scores was 100%, which is considered very good - excellent).

Training Courses or Relevant Seminars Attended by Directors

It is a policy of the Company and its Board of Directors to encourage directors to consistently obtain appropriate knowledge applicable for performance of their roles and duties through attendance of training courses and relevant seminars such as participation in courses offered by the Thai Institute of Director as well as courses held by other organizations. The purpose of this policy is for these participants to apply any obtained knowledge for promoting continuity of our corporate stability and sustainable growth.

Details of Directors' Training Courses Attendance

Names	Training Courses
Mr. Rath Kitivejsoth	- Director Accreditation Program (DAP) Class 30/2004, - Director Certification Program (DCP) Class 53/2005, - Improving the Quality of Financial Reporting Program Class 4/2006, and - Audit Committee Program (ACP) Class 14/2006 (Thai Institute of Directors)
Ms. Busaba Damapong	- Director Accreditation Program (DAP) Class 9/2004, - Finance for Non-Finance Director (FND) Class 12/2004, and - Risk Management Program for Corporate Leaders (RCL) Class 3/2016 (Thai Institute of Directors)

Names	Training Courses
Mr. Nuttaphong Kunakornwong	- Director Certification Program (DCP) Class 157/2012, (Thai Institute of Directors)
Mr. Nathpath Ouajai	- Director Accreditation Program (DAP) Class 53/2006, - Director Certification Program (DCP) Class 91/2007, and - Seminar for Corporate Governance Report of Thai Listed Companies (Thai Institute of Directors)
Mr. Kunodom Tharmmaphornphilas	- Director Accreditation Program (DAP) Class 53/2006, - Audit Committee Program (ACP) Class 13/2006, - Improving the Quality of Financial Reporting Class 4/2006, - Director Certification Program (DCP) Class 87/2007, - Accounting Standard for Director, and - Seminar for Corporate Governance Report of Thai Listed Companies (Thai Institute of Directors)
Mr. Prasert Samanawong	- Audit Committee Program (ACP) Class 21/2008, - Director Certification Program (DCP) Class 85/2007, - Director Accreditation Program (DAP) Class 61/2007, - Accounting Standard for Director, and - Risk Management Program for Corporate Leaders (RCL) Class 2/2015 (Thai Institute of Directors)
Mr. Precha Sekhararidhi	- Director Accreditation Program (DAP) Class 13/2004, - Director Certification Program (DCP) Class 97/2007, and - Risk Management Program for Corporate Leaders (RCL) Class 2/2015 (Thai Institute of Directors)
Mr. Songsak Premasuk	- Director Accreditation Program (DAP) Class 9/2004 (Thai Institute of Directors)
Ms. Vilasinee Puddhikarant	- Director Certification Program (DCP) Class 134/2010

In 2016, with the following additional training course

Names	Training Courses
Ms. Busaba Damapong	- Risk Management Program for Corporate Leaders (RCL) Class 3/2016 (Thai Institute of Directors)

Whistleblowing Policy

The Company's Board of Directors emphasizes the importance of stakeholders' rights, and has therefore prepared and developed a "Whistleblowing Policy" so that its directors, executives, employees, and stakeholders can be informed of the proper channel and procedure for reporting of information and cases on fraud, bribery, corruption, violation of rights, wrongdoing, illegality, breaching of the Company's regulations, unethical conduct, and any other actions that may cause damage to the Company. An individual can contact the Company to make suggestions, report wrongdoing incidents, complain, and request for relevant advice. All of these are aimed towards improving or correcting the situations, as well as creating transparency and fairness. This "Whistleblowing Policy" prescribes details which all the Company's employees and stakeholders must be aware and can also be applied as essential practice guidelines for them.

1) Whistleblowing Channels

The Company's Board of Directors recognizes the importance of the stakeholders' rights; therefore, it has provided various channels for all stakeholders to be able to contact, and make suggestions or complaints to the Board of Directors, particularly on matters which may cause damage to the Company. Additionally, the Company has also provided channels and processes for its employees to report illegal behaviors, corruptions and immoralities to the Board of Directors. The contacts, suggestions, and complaints can be directed to each of the board members, the Company Secretary via their following addresses and emails. Information and contact addresses of each Director are available on the Company's Website (www.scasset.com) under the "Corporate Governance" Section.

Directors	Address	E-mail Address
Mr. Rath Kitivejsoth	33, 110 Yak 3 Alley, Lat Phrao Road, Plub Pla Sub-district, Wang Thonglang District, Bangkok, 10310	rath@scasst.com
Ms. Busaba Damapong	221, Charan Sanitwong 69 Alley, Bang Phlat Sub-district, Bang Phlat District, Bangkok, 10700	busaba@scasset.com
Mr. Nuttaphong Kunakornwong	472, Charan Sanitwong 69 Alley, Charan Sanitwong Road, Bang Phlat Sub-district, Bang Phlat District, Bangkok, 10700	nuttaphong@scasset.com
Mr. Nathpath Ouajai	112, Chok Chai 4, 18 Alley, Lat Phrao Sub-district, Lat Phrao District, Bangkok, 10230	nathpath@scasset.com
Mr. Kunodom Tharmmaphornphilas	179/5, Khum Sap Alley, Bang Khun Non Road, Bangkok Noi Sub-District, Bangkok Noi District, Bangkok, 10700	kunodom@scasset.com kunodom@hotmail.com
Mr. Prasert Samanawong	50, Mu Ban Seri On Nut, 1 Alley, On Nut 70/1 Road, Prawet Sub-district, Prawet District, Bangkok, 10250	praserts@scasset.com sertsam@yahoo.com
Mr. Precha Sekhararidhi	68/174, Mu Ban Pracha Niwet 4, Samakkhi Alley, Pracha Chuen Road, Tha Sai Sub-district, Mueang District, Nonthaburi Province, 11000	precha@scasset.com prechas2555@hotmail.com
Mr. Songsak Premsuk	9 Phuttha Bucha 20 Alley, Phuttha Bucha Road, Bang Mod Sub-District, ChomThong District, Bangkok, 10150	songsak@scasset.com
Ms. Vilasinee Puddhikarant	519 Sri Ayudhya Road, Phayathai Sub-District, Ratchathewi District, Bangkok, 10400	vilasinee@scasset.com

Company Secretary	Address	E-mail Address
Mr. Somboon Kuptinamus	635 Rangsit-Nakornnayok 52 Road, Prachathipat Sub-District, Thanyaburi District, Pathumthani Province, 12130	somboon@scasset.com

Internal Audit	Address	E-mail Address
Internal Audit	SC ASSET Corporation Public Company Limited (floor 10) 1010 Shinawatra tower 3, Viphavadi Rangsit Road, Chatuchak Sub-District, Chatuchak District, Bangkok, 10900	Internal_Audit@scasset.com

2) Whistleblowing Procedures

The existing procedures for stakeholders and employees to contact, make suggestion, or report illegal, dishonest or unethical behaviors or any action deemed detrimental to the Company are as follows:

1. The stakeholders and employees may report their complaints directly to each director, the Company Secretary or Internal Audit by mailing to address or e-mail address as it appeared above.
2. After receiving a complaint, the Company will investigate the complaint initially. If a prima facie ground is found, an interrogation team will be set up to investigate the complaints competently, diligently and impartially. The team will deal with the complaints appropriately and promptly.
3. The Company will respond and report back investigating results to director(s) and appellant(s). If there is any damage to appellant(s) the Company is glad to remedy them fairly.

3) Whistleblower Protection Procedure and Guidelines

The Company set up the Whistleblower protection procedures and guidelines especially by not disclosing a name of employee(s) and appellant(s) to any third party and will keep them confidential. The Company will set up a committee to consider the complaints and provide justice to all relevant stakeholders.

In 2016, the Company received no whistleblowing cases from either its employees or other outsiders on any fraud, illegality, or any other actions that may cause damage to the Company. The Company also reviewed its operations in all aspects and found no incident that any of its directors, executives, and employees was involved in any wrongdoing, fraud, corruption, or any other actions that may cause damage to the Company.

Authorized transactions and authorization limit per transaction of Board of Directors/ Executive Committee / Chairman of the Executive Committee / Chief Executive Committee/ Chief Financial Officer / Senior Vice President / First Vice President / Vice President / Assistance Vice President

Item	Board of Director (Baht)	Executive Committee (Baht)	Chairman of the Executive Committee (Baht)	Chief Executive Officer (Baht)	Chief Financial Officer (Baht)	Senior Vice President (Baht)	First Vice President (Baht)	Vice President (Baht)	Assistance Vice President (Baht)
1. Capital Investment (Project)									
1.1 Budget	unlimited	2,000,000,000	1,500,000,000	1,000,000,000	50,000,000	5,000,000	2,000,000	1,000,000	500,000
1.2 Over Budget	unlimited	1,000,000,000	800,000,000	500,000,000	5,000,000	200,000	100,000	50,000	20,000
1.3 Non - Budget	unlimited	1,000,000,000	800,000,000	500,000,000	5,000,000	200,000	100,000	50,000	20,000
2. Fixed Assets									
2.1 Budget	unlimited	50,000,000	30,000,000	20,000,000	2,000,000	500,000	200,000	100,000	50,000
2.2 Non- Budget	unlimited	50,000,000	10,000,000	5,000,000	500,000	100,000	50,000	20,000	5,000
3. Cost / Expenses									
3.1 Cost	unlimited	50,000,000	30,000,000	20,000,000	10,000,000	1,000,000	500,000	200,000	100,000
3.2 Marketing Expense	unlimited	50,000,000	30,000,000	20,000,000	5,000,000	1,000,000	500,000	300,000	200,000
3.3 Staff Expense Customer Service Expense Administrative Expense except Entertain	unlimited	50,000,000	30,000,000	20,000,000	5,000,000	1,000,000	500,000	200,000	100,000
3.4 Entertain Expense	unlimited	5,000,000	2,000,000	1,000,000	100,000	50,000	20,000	10,000	8,000
4. Advance Payment	unlimited	50,000,000	20,000,000	20,000,000	1,000,000	100,000	50,000	40,000	30,000

Remark: Connected transactions are treated in accordance with measures prescribed by the Securities and Exchange Commission.

Subsidiaries and /Associated Company

As of December 31, 2016, the Company had 3 subsidiaries and no associated company

1. OAI Asset Company Limited

The company has its registered capital of 100 Million Baht and operates in property development for rent and providing property management and related services.

2. Upcountry Land Company Limited

The company has its registered capital of 300 Million Baht and operates in property development for rent, and providing property management and related services including operates in technical building which is specifically designed and built to accommodate installations of telecommunication systems or engineering equipment for cellular phone services.

3. V. Land Property Company Limited

The company has its registered capital of 500 Million Baht and operates in property consultancy and management including engineering techniques and support systems. Services are offered to the Company's subsidiaries and associate companies and cover various work scopes, namely short-term, ad hoc, and long-term.

Directors: Ms. Busaba Damapong, Mr. Nuttaphong Kunakornwong and Mr. Nathpath Ouajai.

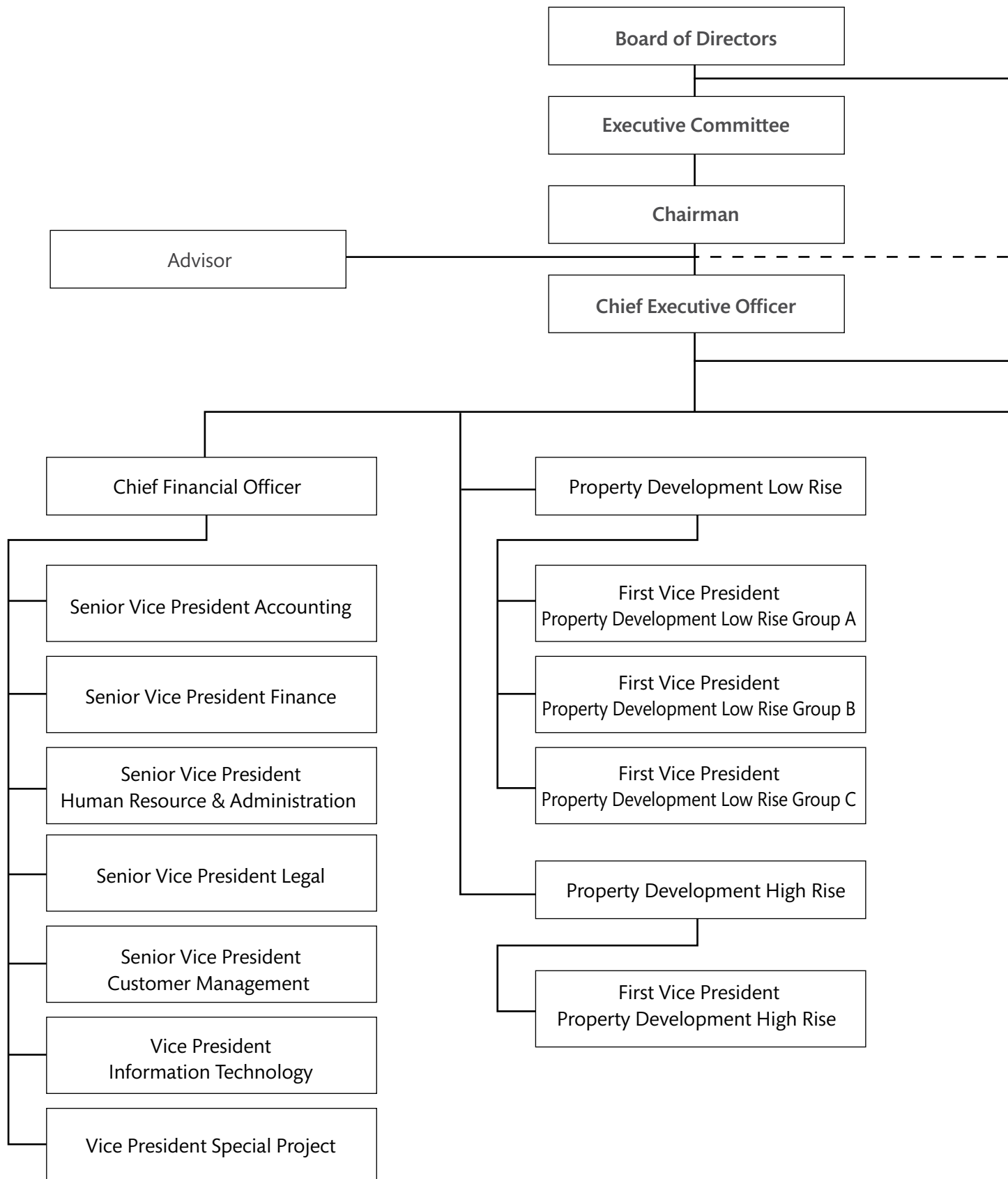
Authorized Director: "Ms. Busaba Damapong, Mr. Nuttaphong Kunakornwong, Mr. Nathpath Ouajai any two of these three directors co-sign their names and affix the Company seal."

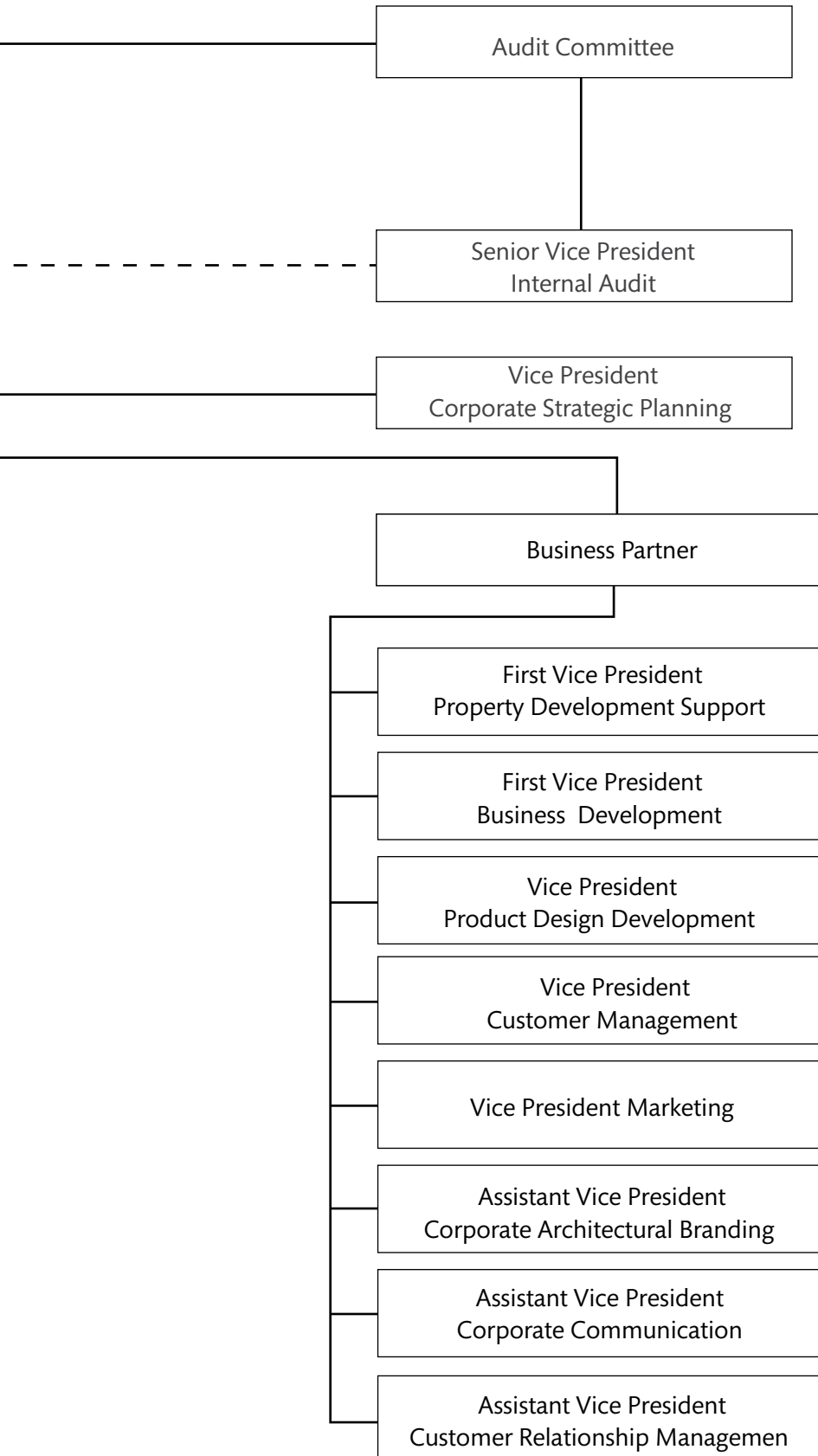
Controlling Persons

As of December 31, 2016, there were 4 controlling persons with controlling interests in the Company in accordance with the definition prescribed by the Securities and Exchange Commission which are:

1.	Ms. Paetongtarn	Shinawatra	(1,216,149,870 shares or 29.099%)
2.	Ms. Pintongta	Shinawatra Kunakornwong	(1,176,915,495 shares or 28.160%)
3.	Khunying Potjaman	Damapong	(117,109,887 shares or 2.802%)
4.	Mr. Panthongtae	Shinawatra	(14,000,000 shares or 0.335%)

OPERATING STRUCTURE / MANAGEMENT TEAM





Management Team

As of December 31, 2016, the Chairman of the Executive Committee (the Company's highest executive position) and the Company's first four top executives according to definitions prescribed by the Securities and Exchange Commission comprises 9 people as follows:

- | | | | |
|----|----------------|-----------------|--|
| 1. | Ms. Busaba | Damapong | Chairman of the Executive Committee / Director |
| 2. | Mr. Nuttaphong | Kunakornwong | Chief Executive Officer / Director / Member of the Executive Committee |
| 3. | Mr. Attapol | Sariddipuntawat | Chief Financial Officer |
| 4. | Mr. Vitit | Visalpattanasil | Senior Vice President - Accounting |
| 5. | Ms. Pradthana | Patsaman | Senior Vice President - Finance |
| 6. | Mr. Somboon | Kuptimanus | Senior Vice President - Legal / Company Secretary |
| 7. | Ms. Charanya | Tangbunjerdsook | Senior Vice President - Human Resources and Administration |
| 8. | Mr. Suriya | Pleasri | Senior Vice President - Customer Management |
| 9. | Ms. Pannee | Tharapat | Senior Vice President - Internal Audit |

(Please see the Company's Operating Structure and Management Team)

The management team's scope of roles, authorities and responsibilities:

1. To operate corporate business efficiently and effectively in accordance with approved policies, directions, and strategies, as well as in compliance with prescribed core operative structure;
2. To prepare the business plan, corporate budget and administrative directives and submits them for the Executive Committee's approvals;
3. To manage corporate business honestly and cautiously as per plans and/or budgets approved by the Executive Committee for the Company and shareholders' ultimate benefits;
4. To monitor corporate business in accordance with planned policies and approved budget;
5. To report operating performance and corporate outcomes to the Executive Committee at least once a month;
6. To operate any other actions assigned by the Executive Committee;
7. To supervise general corporate activities prescribed in the Company's rules and regulations.

Advisor

As of December 31, 2016, the Company has an advisor namely Mr. Pornchai Sriprasert, who was the Chief Technical Officer of the Company and retired from the Company when he was 60 years old in 2009. Nevertheless, the Company considers that his experience, knowledge and ability are useful and beneficial for business growth and expansion of the Company; therefore, the Company has appointed him to be an advisor since January 1, 2010 until present.

The Advisor's scope of role, duty and responsibility

An advisor performs his duty in providing opinions to the Board of Directors and management team, and attending meetings of the Board of Directors but is not considered as having any control or participation in the management of the Company.

Succession Plan for Management and Top Executives

The Company has relevant plans and procedures of succession for of management and top executives, particularly in the event that any of its top executives are not able to carry out their functions due to the following reasons:

1. Chairman of the Executive Committee /Chief Executive Officer (CEO)

In the event that the positions of the Chairman of the Executive Committee/ Chief Executive Officer 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 Remuneration Committee shall be responsible for the selection process and submit their most suitable qualified person to the Company's Board of Directors for approval and further appointment.

2. Management

In the event that the management positions at the level of division manager and above are vacant or the individual in such positions cannot perform their duties, the Company makes 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, undertaken by the Human Resource Department, is completed. Candidates for these positions can be from either existing employees or outsourced. The criteria for such selection shall be based upon suitable qualifications as prescribed by the Company, as well as other qualities such as knowledge, proficiency, and experience, that well suit the positions. Upon completion of the selection process, the Human Resource Department shall submit their most suitable qualified person to the Chief Officer, the Chief Executive Officer or the Chairman of the Executive Committee for approval and further appointment.

Performance Assessment for the Chairman of the Executive Committee

As far as the assessment of the performance of the Chairman of the Executive Committee, the Company's highest level top executive, is concerned, the Company's Board of Directors resolved the appointment of a sub-committee to assess the performance of the Chairman of the Executive Committee. The members of this sub-committee consist of:

- (1) The Chairman of the Board of Directors (An Independent Director)
- (2) The Chairman of the Audit Committee (An Independent Director)
- (3) The Chairman of the Nomination and Remuneration Committee (An Independent Director)

Performance Assessment for the Chief Executive Officer

For the performance assessment of the Chief Executive Officer, the Company's Board of Directors resolved the appointment of a sub-committee to assess the performance of the Chief Executive Officer. The members of this sub-committee comprises of:

- (1) The Chairman of the Executive Committee
- (2) The Chairman of the Audit Committee (An Independent Director)
- (3) The Chairman of the Nomination and Remuneration Committee (An Independent Director)

This sub-committee is assigned with the duties to assess his/her performance and to submit the assessment result to the Nomination and Remuneration Committee for the consideration of appropriate remuneration scheme; the outcome thereof shall then be proposed to the Board of Directors for their approval. The assessments take place twice a year; the first assessment is made upon a completion of the first half of the Company's operating year between January and June (ended at June 30), and the second assessment is made upon the completion of the second half of the Company's operating year between July and December (ended at December 31). Criteria for the assessment aspects are:

1. Business management as per corporate targets and business plan.
2. Marketing and customer service management
3. Financial management, investment performance and expenses control
4. Human resource development and creation of corporate culture toward sustainable growth
5. Good corporate governance
6. Corporate management and business operation as per policies prescribed by the shareholders and the Board of Directors

The assessment result for Ms. Busaba Damapong, who holds the position of the Chairman of the Executive Committee, was 97 % or equivalent to level 4 in the CEO's Performance Assessment Rating Scale of the Stock Exchange of Thailand, which is within the "excellent" range.

The assessment result for Mr. Nuttaphong Kunakornwong, who holds the position of the Chief Executive Officer, was 97 % or equivalent to level 4 in the CEO's Performance Assessment Rating Scale of the Stock Exchange of Thailand, which is within the "excellent" range.

Performance Assessment for Executives and Employees

The Company has semi-annual performance assessments for its executives and employees; the first assessment is made upon the completion of the first half of the Company's operating year between January and June (ended at June 30), and the second assessment is made upon a completion of the second half of the Company's operating year between July and December (ended at December 31). Criteria for the assessment aspects are:

- Every January, the Board of Directors shall consider the corporate business plan and set the yearly achievement targets for business operations, while prescribing the targeted Key Performance Indicator (KPI) to apply as the guideline for the year-end remuneration calculations for executives and staff.
- At the end of the first half of the Company's operation year (i.e. January - June), the Company shall review and adjust its corporate business plan and make operational performance assessments. Each year-end, on December 31, the direct supervisors in each business lines shall undertake an annual performance assessment of its executives and employees; the results of which shall be subsequently presented to the Nomination and Remuneration Committee, the Executive Committee, and the Board of Directors, respectively, for their consideration of appropriate remuneration schemes in accordance with the achieved KPI of the executives and employees.
- The direct supervisors in each business lines shall assess the management proficiency of their executives and employees for promotion and allocation purposes, and then propose the performance assessment to the Chairman of the Executive Committee for consideration.

Company Secretary

The Meeting of the Board of Directors No.5/2008, dated August 13, 2008, appointed Mr. Somboon Kuptimanus, the Company's Senior Vice President - Legal Affairs and Head of Compliance Unit, to act as the Company Secretary with effective from September 1, 2008. At present, he has been defined as the Company's first four executives since November 1, 2013 owing to a reform of structure of the Company. Please contact Company Secretary via E-mail address: somboon@scasset.com.

Qualifications of Company Secretary

1. Having basic knowledge and understanding concerning legal matters, the Company's Articles of Association, the regulations governing public limited company, the securities and exchange law, regulations of the Stock Exchange of Thailand and having attended training courses concerning company secretarial practices.
2. Having knowledge and understanding concerning corporate governance principles and best practices.
3. Having working experiences on the Company Secretary namely the secretarial function, and the board of directors' meeting and annual general meeting of shareholders arrangement.

Company Secretary's scope of role, duties and responsibilities:

1. To provide and keep record of Directors, notice of Board of Directors meeting, minutes of Board of Directors meeting, notices and minutes of all shareholders' meetings and the Company's Annual Report.
2. To organize shareholders' meetings and Board of Directors' meetings in compliance with laws, the Company's Articles of Association and other relevant regulations.
3. To keep all interest or conflicts of interest report reported by directors or any members of management team and submit such report to the Chairman of the Board of Directors and Chairman of the Audit Committee within 7 days upon the receipt of such report.
4. To perform any other actions as determined by Capital Market Supervisory Board.
5. To act with full responsibility, duty of care and duty of loyalty and comply with relevant laws, the Company's objectives, regulations, resolutions of Board of Directors' meeting and resolutions of annual general meeting of shareholders.

Remuneration Criteria for Directors and Executives

1. Remuneration Determination for Company's Directors

The reasonable and fair remuneration which is considered from the Board of Directors' duties and responsibilities has been designed to the Company's directors at the similar level to the industry compensation of Thai listed companies. It is 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 and transparently. (Please refer to further details in the topic "Policy on Remuneration for Directors" Section)

2. Remuneration Criteria for the Company's Directors and Executives

2.1 Remuneration Criteria for Directors

The Company has set clear and transparent remuneration criteria for directors in accordance with the industry norm for companies with a similar status and at an amount high enough to adequately reward, motivate, and retain its directors who possess the relevant and required qualifications, and being approved by the shareholders'

meeting in accordance with the process prescribed by policy Remuneration for the Executive Chairman/Chief Executive Officer (CEO) and Top Executives. Moreover, the directors who are additionally assigned as Sub-Committees will be compensated for additional duties and responsibilities. (Please refer to further details in the topic “Remuneration for Directors” and “Policy on Remuneration for Director” Sections)

2.2 Remuneration Criteria for Executives

Remuneration policy for Chairman of the Executive Committee, Chief Executive Officer (CEO), and top executives set details on monetary remuneration and other non-monetary incentives, and prescribed in the form of short-term and long-term incentives. Short-term monetary incentives are set to be in line with the Company’s annual performance and in accordance with each individual’s achievements, assessed by applying Key Performance Indicator (KPI) to evaluate. The determination of remuneration will be in accordance with the process prescribed by the Company’s policy in term of remuneration for Chairman of the Executive Committee / Chief executive officer (CEO) and top executives. (Please refer to further details in the topic “Policy on Remuneration for Chairman of the Executive Committee / Chief Executive Officer (CEO) and Top Executives”, Performance Assessment for Chairman of the Executive Committee” and “Performance Assessment for Chief Executive Officer” Sections)

3. Remuneration for Directors

The 2016 Annual General Meeting of Shareholders resolved to determine the remuneration of the Company’s Directors, in the total amount of not more than 9 Million Baht, details are as follows:

Remuneration for Directors	2016	
Monthly meeting allowance	Chairman of Board of Directors	150,000 Baht/Month
	Directors	None
Meeting allowance (Only Directors who attend the meeting)	Directors	25,000 Baht/Person/Meeting
	Chairman of Board of Directors	None
	Directors who holds an executive position	None
Bonus (Excluding Director who holds an executive position)	Chairman of Board of Directors	600,000 Baht
	Chairman of the Sub-Committees/ Authorized Directors	550,000 Baht/Person
	Directors	500,000 Baht/Person
Other Remuneration	None	

Remuneration for Members of Sub-Committees	2016	
Meeting allowance (Only Directors who attend the meeting)	Chairman of Sub-Committees	30,000 Baht/Person/Meeting
	Member of Sub-Committees	25,000 Baht/Person/Meeting
	Directors who holds an executive position	None
Other Remuneration	None	

The remuneration paid to directors for the year ended December 31, 2016 was 8.866 Million Baht, details are as follows:

(Unit : Baht Thousand)

Name	Board of Directors and Committees					
	Board of Directors	Executive Committee	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Social & Environmental Committee	Risk Management Committee
1. Mr. Rath Kitivejsoth	2,400					
2. Mr. Kunodom Tharmmaphornphilas	725		240	50		
3. Mr. Precha Sekhararidhi	725		200		60	150
4. Mr. Prasert Samanawong	725		200	60		125
5. Mr. Nathpath Ouajai	725	400		50		
6. Mr. Songsak Premasuk	675	375			50	
7. Ms. Vilasinee Puddhikarant	606	325				
Total	6,581	1,100	640	160	110	275

Remark: The above remuneration comprises salary, bonus and meeting allowance (the above remuneration excludes the remuneration for 2 directors who hold an executive position namely Ms. Busaba Damapong (Chairman of the Executive Committee) and Mr. Nuttaphong Kunakornwong (Chief Executive Officer).

4. Remuneration for Executive

The total remuneration, comprising salary, bonus, provident fund and other remuneration, paid to 9 members of the top management and the first four executives for the year 2016 was 94.17 Million Baht, details are as follows:

Remuneration for Executive	2016	
	Person (Persons)	Amount (Million Baht)
Salary and Bonus	9	92.22
Provident Fund	9	1.94

5. Other Remuneration

5.1 The Company issued its stock options and offered them to its executives and employees under the Employee Stock Option Plan (ESOP) with the purpose to motivate and compensate the executives and employees for their contributions, as well as to retain them for a long-term career to maximize the benefits for the Company. A total of 5 stock option schemes (ESOP schemes) have been issued for 5 consecutive years since the year 2005-2014. Provided that, the exercise price prescribed is higher than the prevailing market price at the time of such allotment, as well as the subscription rights to shares shall not be allocated to any person more than 5% of the total number of shares issued and offered for sales to directors, executives and employees in each of the employee stock option scheme.

5.2 The Company has the policy to provide an opportunity to executives and employees of the Company who have worked with the Company not less than 3 years to have the welfare benefit to buy the Company's residential property, namely land and house or condominium at the discount price, in order to motivate them to fully perform their duties to drive the Company forward and achieve the Company's goal and also to work for the Company on a long-term basis.

Executives and employees who receive this welfare benefit include first four executives, in total 9 persons, provided that their benefits under this welfare are limited to 250 Million Baht and shall comply with the following terms and conditions.

Working years	Percent of cash discount at the exercise date for first four executives
3 years up	13%
7 years up	15%

The first four executives are entitled to exercise the right once within five years from the approval date and this right is an exclusive right solely reserved for the first four executives. They cannot transfer an ownership of purchased property to anyone within 1 year from the date of transfer of ownership unless a transferee is their spouse or descendants.

This welfare for the first four executives might be considered as a connected transaction; therefore, to provide this welfare benefit to them, the Company followed and complied with Notifications of the Securities and Exchange Commission and Notifications of the Stock Exchange of Thailand Exchange Commission.

Employee

Number of Employee

(Unit: Persons)

Business Segment	December 31, 2016
Operation	628
Finance and Support	230
Total	858

Remark: Excluding executives

Remuneration for Employee

The total remuneration, comprising salary, bonus, provident fund and other remuneration, paid to the Company's and its subsidiaries' employee for the year 2016 was 647.08 Million Baht, details are as follows:

Remuneration for employee	2016	
	Person (Persons)	Amount (Million Baht)
Salary and Bonus	858	628.89
Provident Fund	773	18.20

Remark: Excluding executives

Employee Engagement and Human Resource Development Policy

Employee Engagement

It is the Company's policy to encourage employee engagement and strengthen the relationship between employees and the Company. The Company believes that employees, who share the same core value as its organization, will be committed to be a high performing workforce that will create sustainable growth for the organization.

Indeed, the Company also pays attention to the opinion of employee and gives them the opportunity to voice their views by undertaking an employee engagement survey and using the results therein to guide its engagement activities, namely:

1. Organizational Culture Campaign

- The Company organizes its annual seminars on "We're SC" workshops for its managers and operational employees to encourage understanding of the organizational culture and its "2C2A" values. These seminars aim to create common practice guidelines, unity and bonding relationships, and internal communications that enhance organizational behavior insights that align with its corporate core values.

- In addition, the "Culture in SC" programs aim to create employee's awareness of the Company's core values and their insightful meaning. The Company also supports appropriate employee conducts that are in accord with its 4 core values which are "Create, Active, Ability, and Care". In 2016, the Company focused on various campaign activities that encourage employee's creativity and ability. The employee behavior survey conducted during the year showed that its employees awareness of the organization value scored according to the following hierarchy which are; Care, Ability, Create and Active.

2. Internal Communications

- The Company held its "2016 Kickoff Business Plan" to encourage effective internal communications among participants within its organization. The meeting aimed to communicate the Company's objectives, policies, and strategies to its executives, managers and unit heads, as well as to provide them with a platform for open discussion, and to assure that all the Company's employees know and understand its organizational goals and performance indicators for 2016. It is also the Company's policy to use the platform to facilitate its business and strategy planning to be in accordance with its organizational goals.

- In addition, the Company held its "Department Outing" seminars in which the company's managers and unit heads arrange its internal workshops to convey the Company's objective, policies, and strategies that were communicated during the "2016 Kickoff Business Plan" to their staff, and having them involved in setting the work strategy, target, and performance indicators of their business units in supporting of the achievement of the Company's overall organizational goals. The Company also promotes employees learning, proficiency development, and improvement of work quality within each business unit.

- Internal communications and internal communication channels are the key aspects that the Company used to timely and broadly disseminate its corporate release and information to all its employees. Likewise, the Company applies various social media applications such as Facebook Page "SC Teamwork", Line@ "SC Teamwork", and "Group Line", which are convenient and modern to promote its public relations, organizational activities and internal communications within the Company, and among its executives and its employees. The Group Lines are created and grouped according to types of interests and interest groups. These social networks generally inspire employee engagement and participations.

3. Building Teamwork and Collaboration among Different Business Units

- **New Year Celebration:** The Company organized “2016 SC STUDENT NEW YEAR PARTY” for its executives and employees to have their New Year celebration together after a full year of hard work.

- **Thai New Year Celebration:** The Company also performed a New Year tradition of water pouring over the palms of executives’ hands as a way for employees to show respect to their elders and to receive the New Year blessing from them. This ceremony represents a symbolic festival gesture of unity for all members of the Company’s workforce.

- **SC Sport Day:** The Company organized an annual corporate sports day to promote employees’ health, collaboration, and teamwork, and to promote regular exercise in their preferences.

- **Birthday Activity:** The Company has organized this “Birthday Activity” project for the 10th consecutive year to place emphasis on the importance of its staff members and to show its employees the Company’s recognition and concerns. In addition, the activity also enhances good coworker relationships among staff of different business units by working cooperatively with each other in their joint social efforts in activities such as social charity, as well as nature and environmental conservation. The project results in better collaboration among the Company’s employees. In 2016, the Company organized quarterly activities namely:

1st Trip named **“Ngam Wilai Muang Boran”**: The trip schedule included environmental conservation activities, reforestation efforts of mangrove swamp forests, and a cultural and heritage tour to the Ancient City in Samutprakarn Province.

2nd Trip named **“Yorn Wai Sai, Pan Jai Hai Nong”**: The trip schedule included social charity work as well as donations of supplies and money for the Rajvithi Home for Girls, Bangkok Metropolitan Region, and watching favorite movies.

3rd Trip named **“Im Boon, Im Jai, Lamai Krung Kao”**: The trip schedule included merit making and a visit to various temples to pay respect to Buddha Statues. The temples visited included Wat Phananchong Maha Voraviharn and Wat Yai Chaimongkol in Ayutthaya Province. In addition, the employees were also involved in activities which promote a learning environment for elementary school students at Wat Kai Tia School, Ayutthaya Province.

4th Trip named **“Damnearn., Wai Pra Tam Poa”**: The trip schedule included charity work at Wat Ariya Wongsaram, Ratchaburi Province, to perform acts of good deeds in remembrance of His Majesty King Bhumibol Adulyadej Rama IX of the Chakri Dynasty as he had visited the temple for merit-making and visited the people in this rural area. Furthermore, the employees also learnt the rural knowledge of the coconut palm sugar making process at Bang Lae Coconut Palm Sugar Farm.

4. Scholarships for Employees

The Company continually provides scholarships for executives and employees to support their potential professional development opportunities, as well as their drive for further knowledge, skill, and proficiency. This knowledge can thus efficiently be applied in conducting their management, administrative, and operational tasks. In 2016, the Company offered two scholarships for Master Degree in Business Administrative to its executives.

5. Employer of Choices

The “SC Trainee 2016” is a training program organized to offer career choices to competent students to have the opportunity to work with the Company. Additionally, the program also provides a forum for the Company’s employees to demonstrate their professional capabilities and career commitment to persons outside the Company, including these student trainees, their parents, their educational institutions, and other related parties, and make the engaged employees feel proud of their organization. The program creates good learning, understanding, and awareness among the engaged students and employees via various activities such as:

- SC Trainee Welcome Day: The event includes trainee orientation and warm welcome, introduction of basic work knowledge, and visits of actual development sites.
- SC Culture Learning Day: The event involves activities which enrich the Company's culture and create the bonding of relationship among the student trainees, and between these trainees and the Company's employees. The event also signifies the employer's duty in the care its employees.
- Proud to be SC Trainee: The event involves a presentation of the trainees' work performance during their 2 month training period. It allows the trainees to effectively develop their presentation skills and offers them an opportunity to share their learning experience and work impression.

Human Development Policy

The Company plans its competency development programs to effectively suit its human development policies, economic conditions, consumer behavior, as well as other impact factors that influence its business operations. It also defines a suitable and sustainable "Competency Based Development" path that applies to each level of its staff and each stage of its internal operation process according to targeted career development, as well as required skill and knowledge enhancement plan. The Company also prepares basic training for its new recruits and provides relevant preparations for existing staff in new positions after job promotion. The trainings and preparations aim to assist its staff to fully excel in their work proficiency and achieve their career success, as well as to drive its organization towards sustainable growth in the real estate development business. Its human development programs are largely categorized into three development scopes as follows:

1. Corporate Knowledge Development

The Company enhances continued knowledge in business practices, management structure, rules and regulations, the Company's culture which is known as the "SC Culture". The SC Culture includes values, principles and business practices that guide the business conduct of the Company. The Company also provides suitable knowledge development on basic skills required for effective work results that well-comply with its corporate policies, and applicable rules and regulations. The training and guidance courses are as follows:

- Orientations for New Employee: The new employees are given a warm greeting in a receptive workplace atmosphere that makes them feel like part of the team and the organization. The company also provides overview information on its business operations, organization culture, corporate rules and regulations, welfare benefit plans and fringe benefits, work process, and business conduct, to equip these new recruits with qualified understanding and knowledge to efficiently perform their tasks
- Be Proactive: The Power to Success: This course is designed for operational staff to encourage self-improvement and proactive thinking. Such qualities are important and essential for operational tasks, and can enable efficiency in their work performance, afford prompt responses to customer needs, as well as be a driving power behind the Company's business success.
- Basic knowledge on Sustainability Development: In 2016, the Company provided two training courses on sustainable development for its executives and supervisors, which were "Awareness & Sustainability Development Strategy" and "Creating Sustainability Development Initiatives". The courses aim to encourage awareness and recognition on sustainable development goals, as well as work attitudes that connect sustainable development into practices and work responsibilities. The Company expects its executives and supervisors to make strategic plans and carry on business practices that shall lead the Company towards a sustainable organization.

- Knowledge on environmental protection and conservation: The Company provides training and knowledge on environmental protection and conservation in accordance with its CSR policies. It also organized seminars for managers and supervisors in the construction department on the regulatory standards for waste water discharged from subdivision of land. These intend to create a correct understanding on effluent standards, its regulatory compliance, relevant practices guidelines, and the method of examination for waste water quality, as well as to always improve the Company work process to be in line with its CSR policies.

- SC Innovation Challenge 2016: The project aims to promote new innovation within the organization and to create organic growth for the Company's sustainable growth path. New innovation is required to create a competitive advantage that the Company can use as leverage over its competitors. The Company values and recognizes the importance of staff participation on every function level in new innovations, and thus foster innovative thinking via its organization value of "Creativity". The outcome of this project resulted in an increasing staff awareness on how important the new innovations are to the Company's future growth. Employees have been exposed to a creation process of new innovative ideas, discussed their work assignments, exchanged opinions, and shared their experiences during the project workshop. The project workshop was led and facilitated by national renowned experts in innovations. The Company has selected two projects presented by the employees during the workshop to further develop into its new products and services for 2017. The Company is also committed to supporting the continuity of this project as well as other similar programs thereof.

2. Career Development

The Company enhances supporting career development and regularly organizes trainings in competency enhancement for its employees at all levels to strengthen the standards of its work quality and staff professionalism. Provided training courses include:

- SC Product Knowledge: This training course, together with a self-preparation course for new recruits, is designed for the Company's employees and new recruits from all professional backgrounds to gain crucial knowledge in both theory and practical applications which are essential for the company's employees to successfully complete their work assignments. The employees is also able to learn communication skills and coordination in a business organization in aspects such as brand awareness, product development and design, fundamental knowledge about construction materials, construction standards, basic knowledge on real estate rules, regulations and laws, marketing policies, sales, after sales services, and customer service.

- SC System, Customer Care System and Application Home Care. These courses intend for all employees to understand relevant work systems that relate to their career responsibility so that the Company can assure its work standard by offering quality products and services to its customers in a complete and timely manner.

- Train the Trainer: The Company pays attention to knowledge management and knowledge transfers within its organization via competent staff who can become internal trainers. Therefore, the Company organized a "Train the Trainer" course for its supervisors in the business line of engineering and its internal facilitators to be well-equipped with relevant techniques, content, facilitating process and advisory skills required to efficiently deliver their staff training.

- Career Development according to Engineering Profession

(1) Project Management for Housing Development Projects: This course, organized for the Company's project managers for both its low-rise housing project and high-rise project developments, is aimed at enhancing their knowledge regarding project management and risk management resulting from performing their work. Project management requires skills and abilities to manage complicated multiple tasks, and to respond quickly to customers and market dynamics. This course thus not only provides further knowledge, understanding, and skills that are important, but also develops leadership and multiple perspectives, as well as fosters team collaboration.

(2) Seminar on “Policy for Public Services Management under Lean Frameworks and Transfers of Infrastructures under New Laws” was arranged for the Company’s project managers to understand relevant new laws and to lead their after sales services for each development project in the same effective direction according to the applicable laws.

(3) Engineering Workshops on architecture, structure and infrastructure, engineering system, sanitation, and ventilation are the courses which focus on the Company’s specialized knowledge which are part of the practice guidelines in engineering for low-rise development tasks. The courses are developed and facilitated by the Company’s qualified and internally trained facilitators.

- Career Development according to Sales

The Company promotes competency of its sale forces by organizing the Persuasive Selling course. This course is designed for sales managers and team heads of sales units who play a major role in the sales team management and are the drivers of success in achieving sales targets, to learn new sales techniques, guidelines, and methods. This course combines comprehension in psychology, communication, and relationship management that provides sales personnel with the ability to understand and satisfy the client’s needs, and thus can efficiently apply suitable sales closing techniques. In addition, the Refresh Banking Consultant 2016 course is introduced to Company’s sales staff in all of its projects in order to acquaint them with the bank credit lending policy and to comprehend the bank’s credit approval criteria, credit granting procedure and timeframe for credit approval, so that the Company’s sales staff in all of its development projects can efficiently and correctly assist their clients in processing bank credit applications. This course provides the sales force with essential knowledge that can save the time and effort usually needed by customers in processing their bank credit applications, and thus give them a good customer service impression.

- Career Development according to Customer Service

Customer Service Standards and Policy 2016 program is designed for low-rise housing projects managers, who are responsible for customer services, to manage and improve the work process for customer services to be timely and standardized, in compliance with relevant rules and laws because the Company believes that customer service plays an important role in consumer decision to purchase goods and services.

Additionally, the Company intends to improve its employees competency in this respect via specific external learning and training in relevant professional skills required to successfully complete their roles and duties, both in terms of proficiency and compliance related to each field such as finance and accounting, law and legal work, internal controls, information technology, marketing, and human resources. This shall ensure that the Company’s employees are qualified to complete their jobs efficiently as promised.

3. Leadership Management Development

- The Company’s Individual Development Plan (IDP) Program on Leadership Competency is designed for employee with job positions of Assistant Vice President (AVP) and Vice President (VP). The program includes various learning methods such as lecture classes, reading material, watching movies, and sharing sessions. Learning topics in 2016 were DISC, Formulating Game-Changing Strategies, and Brain-Based Leadership. The outcome of the IDP program drives leadership development within the Company by making the Company’s executives aware of human nature, as well as brain function and psychological states. Participants are then able to apply this obtained knowledge in the planning of team management, strategies, changes, and achievement targets under leadership style that can be adapted to circumstances of a specific situation or context.

- The 4 Disciplines of Execution 2016 is a program which develops leadership and leadership power essential for driving organizational performance and promoting effective teamwork. The program focused on the four principles required to achieve the “Wildly Important Goal” (WIG). It also fosters effective work discipline within an organization. The outcome of the program is to increase workplace productivity as well as create internal and external customer satisfaction.

- Team Management Skills: The Company regularly provides training for newly promoted or newly recruited managers to develop their team management skills. The training courses include:

- (1) Smart Supervisor & Smart Manager: This course is designed for managers and supervisors to have a deeper awareness and understanding of the importance of their roles, duties and responsibilities in administration, supervisory capacity, and work assignments, as well as to focus on personality and teamwork behavior analysis, self-reflection, and leadership development. The course aims to enhance capabilities in effective team management, budget management, risk management, and promote awareness in protective measures, effective and responsible roles, and professionalism.

- (2) Leading and Managing Effectively: This course is designed for managers to effectively maximize their people management skills, unlock teamwork potential, create motivation and positive thinking, and builds confidence in their team members and inspires them to work hard. The managers are guided to see the importance of all their assigned duties and the efficiency required to achieving the organizational goals.

- (3) Situational Leadership: This course is designed for executives and senior managers to develop their leadership competency and to enhance their skills and capabilities in managing the competency of individual employees, which focus on achieving both employee's work devotion and efficiency at work. The course applies analysis of staff behavior and motivational methods required to enable staff to achieve their full potential.

- (4) Performance Management System (PMS): This course is designed for managers to apply the obtained knowledge in managing and developing personnel achievements and the organization's performance. Personnel and business unit performance is linked to the Company's overall performance and its achievements in reaching its organizational visions, missions and objectives. This type of training is also intended to efficiently improve the Company's workforce competency.

- (5) Workshop on Corporate Risk Management: This workshop is intended to provide understanding and awareness on organizational risk management policy and allow the participants opportunities to offer their ideas on the Company's risk management path. These suggestions can be useful as inputs to the organizational risk management.

- (6) Seminar on “Thai and global economy in 2015”: The participation in this special seminar is arranged so that the participants can be aware of the economic outlook and understand trends in strategic planning.

- The Company encourages its directors and executives to attend various seminars organized by leading personnel development institutes and to take overseas professional courses and training, aiming to offer its directors and executives' opportunities to exchange work experiences with leaders and management of other organizations as well as to foster open-minded thinking. Such seminars, professional courses and training which can be useful for business development are:

- (1) Audit Committee Forum: New Auditor's Report: What's in it for you? This seminar is organized by the Thai Institute of Directors (IOD) and aims to build professionalism among the corporate board members and to promote good corporate governance among Thai corporations. The knowledge obtained from this forum can be applied to the supervision of the Company's business operation.

(2) **Successful Formulation & Execution of Strategy (SFE):** This course aims to provide further knowledge and understanding on appropriate strategic planning that is suitable to an organization and its business operations. It also presents management approaches that can turn organizational development strategy into action, as well as communicating a corporate strategic plan to achieve effective implementation and to accomplish strategic objectives and goals.

(3) **Risk Management Program for Corporate Leaders (RCL):** This course aims to provide further knowledge on effective management and supervision of risks that an organization may face, and framework of good risk management practice. This course offers different examples of case studies from various industries, a discussion forum among participants who are directors and executives from leading organizations, and an exchange of ideas and experience between the course facilitator and the participants. This can eventually be adapted for use in the Company.

(4) **The Next Real:** This course aims to promote professional competency in real estate development from a learning experience of leading real estate developers in the country. The course facilitators and the participants are encouraged to exchange opinions on relevant business issues.

(5) **Overseas Training and Studies:** The Company recognizes the importance of overseas training and studies, and believes that the opportunity to pursue overseas training and studies can offer its employees a great breadth of knowledge, motivation and new experiences in real estate development fields such as architecture, as well as new technologies and innovations that can be applied in product and service improvement and create competitive advantages for the Company's real estate activities. The overseas study trips included

- the iCities : Urban & Township Development in Malaysia: the trip provided new learning and information on urban development and was obtained to improve the Company's real estate development activities.
- Knowledge Sharing Trip @ SINGAPORE: Digital Marketing and Empowered Customer Era in Singapore: the trip involved visits to leading companies such as Facebook, Singapore Tourism Board and SingTel. The visits provided broader perspectives and direct experience on international and regional digital marketing, which can be useful for the Company's marketing which will pay more emphasis on digital marketing.

CORPORATE GOVERNANCE

1. Corporate Governance Policy

Good governance is a foundation for effective supervision and inspection of corporate administration, and a key element, which enhances long-term growth, as well as sustainable development. Hence, The Company's Board of Directors recognizes the importance of good corporate governance principles, and therefore continually fosters such practices as the key corporate policy as it views that good governance is an essential element for long-term business prosperity and sustainability. Such practices ensure the confidence of its shareholders and all stakeholders in the Company while conveniently, promptly, equitably, and efficiently allowing them and the public to be sufficiently informed about the Company's business operations and be able to monitor its corporate accountability. It is also the Company's policy to emphasize the compliance of the prescribed Principles of Good Corporate Governance for Publicly Listed Companies. In the Meeting of Company's Board of Directors No. 1/2554, held on January 12, 2011, the Board of Directors resolved the appointment of the Corporate Governance and Social & Environmental Responsibility Committee (Please refer to further details in the topic "Corporate Governance and Social & Environmental Responsibility Committee" Section of this Annual Report). The main focuses of this Committee's concerns are shareholders' rights, equitable treatment towards all shareholders, stakeholder's roles, corporate social & environmental responsibilities, information disclosure, transparency, directors' responsibility, and compliance to the good corporate governance policy. The Committee arranged to have a printed version of the Good Corporate Governance Policy, of which its contents and material details are useful and relevant for elevating the Company's conducts to be of an international standard. This policy is also in compliance with practice guidance and recommendations of its governing authority and other related official agencies. This printed policy has been disseminated to the Company's directors, executives, and all its employees for acknowledgement and compliance. The policy is also distributed to the Company's shareholders and the public via the Company's Website. In addition, the Company also prescribes its Corporate Philosophy and Code of Conduct and distributes them to the Company's directors, executives, and all its employees as practice guidelines for them to follow and adhere to. The Company establishes its "Corporate Governance Policy" according to the Principles Of Good Corporate Governance For Publicly Listed Companies as prescribed by the Stock Exchange of Thailand and posts these guidelines on the Company's Website (www.scasset.com) for its shareholders, investors and all stakeholders to review and be aware of. Furthermore, as a part of its internal corporate management process, the Company also publishes its printed guidelines on its good corporate governance policy, corporate philosophy and code of conducts and informs all its management team and employees so that they understand and adhere to these practice guidelines. The Company also regularly disseminates information to its employees via the intra office email to continually inform and communicate internally with them regarding these guidelines, new announcements and releases.

In order to ensure effective compliance of the Company's Good Corporate Governance Policy, the Company's Board of Directors and its Corporate Governance and Social & Environmental Responsibility Committee regularly review and periodically update this policy and its implementation on an annual basis to ensure that they are up-to-date, in accordance with its current corporate goals and business strategies, and adhere to the international standards of good practice. In 2016, the Company continues to apply the principles of good corporate governance for publicly listed companies as prescribed by the Stock Exchange of Thailand and the practice guidelines of relevant official agencies for its observance. Additionally, it also follows the principles of ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard) which use international best practice as a benchmark.

Due to the Company's continued recognition of the importance of its compliances with good corporate governance practices, in 2016, it scored best in various corporate governance assessments and was awarded the following honors:

1. The Company received the full assessment score of 100 for the quality assessment for the arrangement of its 2016 Annual General Meeting of the Shareholders from the Thai Investors Association. The Company received the full assessment score of 100 consecutively from 2008 to 2016,

2. Investors' Choice Award 2016: The Company received the "Investors' Choice Award 2016" in the public listed company category, of which it has received a full score of 100% for 8 consecutive years for the quality evaluation of the arrangements of its Annual General Shareholders Meeting. The awards are jointly presented by the Thai Investors Association, the Securities Exchange of Thailand, and the Office of the Securities and Exchange Commission (SEC). This award reflects the important attention of the Company in information disclosure and equality treatment of the shareholders via the arrangements of its Annual General Shareholders Meeting.

3. The Company enjoyed the "excellence" status with a score of "90 or higher" for its 2016 corporate governance assessment, reviewed by the Thai Institute of Directors (IOD), out of 601 Thai publicly listed companies under assessment. The Company's average assessment score was 97 out of the total marks of 100.

4. BEST CEO" and "BEST CFO" Awards: The Company received the "Best CEO" and the "Best CFO" awards on the business category of real estate development, construction, and construction materials from the Investment Analysis Association.

5. Thailand Sustainability Investment 2016: The Company has received the "Thailand Sustainability Investment Award" from the Securities Exchange of Thailand for the past two consecutive years. This award is presented to a public listed company with business sustainability. The Company is also listed in the Thailand Sustainability Investment by Securities Exchange of Thailand, and is recognized for its outstanding social and environmental management, as well as its commitment in upholding good corporate governance as the Stock Exchange of Thailand announced the name list of Thai publicly listed companies which are qualified as "Sustainable Stock".

6. Sustainability Report Award 2016: The award is bestowed to the Company on the award level of "Recognition" from the CSR Club of the Thai Listed Companies Association, with the support of the Office of the Securities and Exchange Commission and the Thaipat Institute. The award consideration is based on the reviews of disseminated business information on environment, social and corporate governance in the Company's Sustainability Report.

7. BCI ASIA AWARDS 2016: The Company received the "BCI Asia Awards" on the "Top 10 Developer Awards for 2016 " from the BCI Asia Construction Information Company for the past five consecutive years from its "SALADAENG ONE" Project and "PAVE RANGSIT" Project based on its design and project development which attained good consumer acceptance.

8. The outstanding award for the development of luxurious single-detached house: The Company received the outstanding award for its development of luxurious single-detached houses for its "LIFE BANGKOK BOULEVARD CHAENGWATTANA" Project from the Agency for Real Estate Affairs (Area) Co. Ltd.

9. The Company received four awards from its advertisement series called "It's Worth Everything", which are a bronze award from the "Adman Award & Symposium 2016" in the film category from the Advertising Association of Thailand, and 3 awards from the B.A.D Awards 2016 from the Bangkok Art Directors' Association under the category of "Best of Craft" which were the Best of Craft Award in Cinematography, the Certificate of Excellence in Production Design, and the Certificate of Excellence in Music and Jingle.

10. The Company received 2 first honors awards from the "Think of Living People's Choice Awards 2016" for its "GRAND BANGKOK BOULEVARD SUKHUMVIT" Project under the category of the "Luxury: Best Housing Development" and for its "CENTRIC SEA PATTAYA" Project under the category of the "Best Vacation Home".

The Company believes that a good management system, responsive directors and executives with vision, well-functioning control mechanisms, suitable check and balance measures, and corporate governance processes are important and essential components for sustainable business operations, which shall enable an organization to achieve its corporate mission, planned visions and eventual success goals. Such belief inspires effectiveness and efficiency in its operational conducts that highlight the following principles:

1. For good corporate governance practice, the Board of Directors placed emphasis on leadership, vision, Board of Director's appointment composition, independence, which are implemented through appropriate prescription of qualifications, scope of work, authority, duties, and responsibilities of board members.

2. Equitable treatment of shareholders and stakeholders.
3. Full, adequate, credible, and prompt disclosure of information to all relevant parties.
4. Promotion of appropriate internal controls, internal audit and risk management systems for the purpose of mitigation of potential risks.

In the previous year, the Company continues to implement and abide by the principles of good corporate governance for publicly listed companies as prescribed by the Stock Exchange of Thailand. The principles are grouped into five categories as follows:

Shareholders' Rights

1. Fundamental Rights of Shareholders

The Company's Board of Directors recognizes its duty to promote and protect the fundamental rights of all shareholders so as to ensure them of their complete basic rights under the prescribed laws as follow:

1.1 Rights to buy, sell, transfer, and be transferred of shares and the rights to receive share certificates.

Every shareholder has the right to freely buy, sell, transfer, and be transferred of shares as well as maintain his/her rights to receive share certificates as per the conditions prescribed by applicable laws and under the Company's Articles of Association. The Company authorizes the Thailand Securities Depository Co., Ltd. (TSD) to act as the Registrar of the Company's shares and to facilitate its shareholders in the matters relating to the Company's share and security registration.

1.2 Rights to vote on items in the agenda presented in the meetings of shareholders.

Every shareholder has the right to participate in the shareholders' meetings, and to exercise his/her right to vote on an equitable basis according to the number of shares that he/she holds. The Company's Articles of Association prescribe the "one share-one vote" principle, and allow its shareholders to freely cast their vote without any restriction, whether or not such shareholders attend the shareholder meetings in person, or via proxy voting by assigning their voting rights to the proxy holders such as a designated independent director of the Company, or any other person, for proxy voting purposes. Shareholders can also exercise their pre-cast votes as prescribed in the proxy forms (Form B.) in each meeting agenda and decide on each matter in the agenda as to "affirm", "oppose", or "abstain" from voting. In the event that its shareholder exercises his/her voting rights via proxy voting as prescribed in the proxy forms (Form B.), the Company shall respect his/her voting decisions. The proxy-holders must vote according to the proxy voting instructions made by the appointed shareholder in the proxy, and not otherwise.

The Company prepares ballot forms for vote casting to be distributed to its shareholders who participate in the shareholders' meetings at the meeting registration desk. It also applies a barcode system for the shareholder registration process and vote counting (Please refer to further details in the topic "Facilitating Participation in Shareholders' Meetings and Procedure Prior to Convening Shareholders' Meetings" Section of this Annual Report).

The Company also invites its legal advisors who are independent outsiders with neither direct nor indirect interest in the Company, to be its shareholders' representatives to monitor the vote casting process during shareholder's meeting. The Company shall promptly announce the voting results for each meeting agenda immediately after each vote casting.

1.3 Rights to participate in shareholders' meetings or to appoint another person as his/her proxy to attend a meeting and vote on his/her behalf. (Please refer to further details in the topic "Right to attend shareholders' meetings and the Company's 2015 Annual General Meeting" Section of this Annual Report).

1.4 Equal rights to dividends and other proportionate distributions of profits

Every shareholder is entitled to his/her proportionately receive of profits in terms of dividends. The Company shall make dividend payments according to the proportionate shareholding position of each shareholder (Please refer to further details in the topic “Dividend Payment Policy” Section of this Annual Report).

1.5 Rights to equitable treatment for share repurchase

The Company's Articles of Association prohibit it from owning its own shares or to take them in pledge, except in the following circumstances:

A) For protection of the rights of shareholders who cast disapproval votes against the resolution of any meeting of shareholders to amend the Company's Articles of Association relating to the rights to vote and the rights to dividend payment which in the view of such shareholders is deem as unfair treatment. The Company may thus repurchase its shares from such shareholders, or

B) For the purpose of financial management, in the event that the Company has an accumulated profit and surplus liquidity. The Company may thus repurchase its shares given that such share repurchase shall not be a cause of any financial difficulty or problem to the Company.

Nevertheless, the repurchased shares held by the Company shall not be counted towards forming a quorum for a shareholders' meeting and shall carry neither voting rights nor rights to dividend payment. The Company shall dispose of the shares repurchase within the time prescribed under its authorized share repurchase scheme. In the event that the Company fails to complete the disposition of such shares repurchase within the prescribed timeframe, it shall make a reduction of its paid-up capital and decrease its shareholder equity through cancellations of the unsold portion of such repurchased shares.

1.6 Right to review directors remuneration

Shareholders have the right to consider and determine all type of Directors' remuneration, whether in cash or in kind other than cash, such as meeting allowances, bonus, pensions, and other types of benefits. The Company shall annually make proposals to the shareholders' meeting to consider and determine its Directors' remuneration. It maintains clearly prescribed policies and rules that govern the decision and approval process for the Directors' remuneration; such policies and rules are also presented to shareholders together with the proposed remuneration details and amounts for consideration of shareholders during the said shareholders' meeting. (Please refer to further details in the topic “Director and Executive Remuneration” Section of this Annual Report).

1.7 Right to appoint and remove directors

The Company's Articles of Association prescribe that at every annual general meeting of shareholders, one-third (1/3) of the present directors must be retired from office, and an election of new directors is carried out to replace them. Retiring directors are eligible for re-election by the shareholders at the annual general meeting of the Company.

Shareholders have the right to remove any director from office before the expiration of his/her period of office via the resolution of the shareholder's meeting by having votes of not less than three-fourths (3/4) of the number of shareholders attending the meeting and having the right to vote and holding no less than one-half of the shares held by all the shareholders attending the meeting and having the right to vote.

1.8 Right to approve the appointment of the Company's auditors and to determine the audit fee

The Company submits its proposal for appointment of auditors and their proposed audit fee, together with completed attached details thereof, to the annual general meeting of shareholders for consideration and authorization. In selecting the candidates for the auditor appointment proposal, the Company looks into their independency and also ensures that there are no conflicts of interest in performing their roles as the Company's auditors.

1.9 Rights to set or amend the Company's Articles of Association and/or Memorandum of Association

Shareholders have the right to set or amend the Company's Articles of Association and/or Memorandum of Association as per the conditions prescribed by the Company's Articles of Association. Such amendment requires the resolution of the shareholders' meeting by having votes of not less than three-fourths (3/4) of the number of shareholders attending the meeting and having their rights to vote.

1.10 Right to authorize specific transactions, connected transactions, or transactions related to acquisition or disposal of assets in the size as prescribed by laws or related regulations or to make decisions and grant approval to any other matters that may materially impact the Company.

In addition, the Company provides its shareholders with more rights than legally prescribed and at a higher standard than the basic structure for direction and the control of corporate good governance. These include the facilitation of shareholder participation in the Company's annual general meeting of shareholders (Please refer to further details in the topic "Right to Attend Shareholders' Meetings and the 2016 Annual General Meeting of Shareholders" Section of this Annual Report). The Company also recognizes the importance of full disclosure and proper dissemination of information to its shareholders in a prompt, timely, and adequate manner via shareholder notifications, dissemination of information on the Company's Website (www.scasset.com), publishing and distributing of the Company's newsletter, arrangement of the Company's site visits, and reporting of the Company's operating performances.

2. Right to attend shareholders' meetings and the Company's 2016 Annual General Meeting of Shareholders.

It is the Company's policy to support and facilitate its shareholders as well as its institutional shareholders to fully exercise their rights in shareholder meetings so that every shareholder can participate in the decision-making of issues which may impact or relate to their own interests and rights as shareholders. For the 2016 Annual General Meeting of Shareholders, the Company maintains its policy to facilitate and encourage the attendance of its shareholder meetings by all shareholders, including those of the institutional shareholders. The Company assigns the duties to the Compliance Unit to oversee that shareholders' meetings are conducted according to applicable laws and relevant practice guidelines. In attending a shareholders' meeting, shareholders are ensured of the following rights and treatments:

2.1 Facilitating Participation in Shareholders' Meetings and Procedure Prior to Convening Shareholders' Meetings

It is the Company's policy to set date, time, and venue for the convening of its shareholders' meetings to be convenient for its shareholders' participation. Therefore, the Company shall not arrange a shareholder meeting on any holiday or any commercial bank holiday and non-business day for more than 3 consecutive days, and shall convene meetings during normal working hours in the Bangkok Metropolitan area or in the district where the Company's head office is located. The Company's Board of Directors resolved to have an annual general shareholders' meeting within four months after the Company's financial year-end and any other subsequent shareholders' meeting shall be called an extraordinary general meeting of the shareholders which can be convened in the case of necessity.

In 2016, the Company held its Annual General Meeting of Shareholders on April 22, 2016 from 2.00 p.m. to 5.30 p.m. at Sky Park room, 14th Floor, Shinnawatra Tower III, Viphavadi Rangsit Road, Bangkok Metropolitan,

where the Company's Head Office is located, and its shareholders are able to conveniently travel to participate as the building is easily accessible by public transportation systems such as the BTS (Mor Chit station), and the MRT (Chatuchak station and Paholyothin station). The Company also attached a location map with travel information and contact numbers together with the meeting notification which was distributed to its shareholders. The notifications of shareholders' meeting distributed to all shareholders clearly stating the proposed meeting agenda for each relevant shareholder's meeting. Sufficient information concerning the proposed meeting agenda is also attached to the meeting's notifications that are forwarded to shareholders prior to the meeting date.

In order to facilitate participation of institutional investors who are its shareholders in the shareholders' meeting, the Company informs them to prepare in advance their proxy form and coordinates with them in reviewing its correctness and completeness prior to the meeting date.

The Company offers its shareholders the chances to propose any additional meeting agenda and nominate names of qualified candidates for the Company's available director positions during September 15, 2015 - January 31, 2016 which was the period prior to the date of the 2016 Annual General Meeting of Shareholder. The Company also posted the information on process, procedure, and guideline on its website and disseminated such informed to its shareholders via the electronic communication network of the Stock Exchange of Thailand. As for the election of its new directors, the Company's shareholders shall be requested to cast their votes on each individual nomination on a one to one basis in order to ensure that shareholders can elect the candidate that they actually want.

In addition, the Company provides opportunities for shareholders to submit their enquiries regarding details of the meeting agenda or other material information of the Company during the period of September 16, 2015 - March 31, 2016. The Company clearly prescribed the rules for the submission of questions in advance of the shareholders' meeting date and posted them on its Company's Website (www.scasset.com). No shareholders proposed any additional meeting agenda, or nominated names of qualified candidates for the Company's available director positions, or submitted their enquiries prior to the meeting date.

The Company set the record date for the precise determination of shareholders' right to participate in the shareholders' meeting of the Company and to receive dividend distribution. In order to allow its shareholders to have additional time to study the Company's information in advance of the meeting dates, the Company set different dates for the "date of record" to determine which shareholders would be able to participate in the annual general meeting; and the "ex-dividend date" to determine which shareholders have their rights to dividend payment. After the Company's Board of Directors resolved to set the date of the annual general meeting, the record dates for annual general meeting attendance and of divided payment rights, as well as the book closure dates for share transfers and dividend payment, the Company shall promptly reported such board resolution to the Stock Exchange of Thailand for timely dissemination to its shareholders.

For the 2016 Annual General Meeting of Shareholders, which was held on April 22, 2016, the Company had set its record date on March 14, 2016 and prescribed the closing of the share register book for suspension of share transfer to be on March 15, 2016 so as to collect the list of shareholders' names in accordance with Section 225 of the Securities and Exchange Act, B.E. 2535 (and its amendments). It also set the record date to determine the names of shareholders who were eligible to receive dividend distribution on May 3, 2016 and prescribed the closing of the share register book for suspension of share transfer for this regard to be on May 4, 2016 so as to gather the list of shareholders' names in accordance with Section 225 of the Securities and Exchange Act, B.E. 2535 (and its amendments). The determination of the relevant list of shareholders who eligible to receive dividend payment were made at least 5 days following the resolution of the annual general meeting authorizing the dividend payment; this practice has always been observed by the Company to best ensure the efficient exercise of shareholder rights.

The Company also provides without cost the duty stamp required for the voting right proxy for the authorized representative to its shareholders who participate in the shareholders' meetings at the meeting registration desk. These acts not only ease the shareholders from any unnecessary inconvenience from the duty stamp burden but

also reflect the Company's attempts to well facilitate its shareholders with an effort of good- in all other aspects. The meetings are convened by reducing any unnecessary meeting procedures or reducing any limitations that precludes a shareholder from reviewing the Company's information, as well as not undertaking any actions that prevent or obstruct communications among shareholders.

The Company applies the barcode system to facilitate its shareholders in the shareholders' meetings in respect of registration, voting, and counting of votes. The system speeds up the processing time and enables the Company to promptly display the number of meeting participants, and the voting results for each agenda item.

2.2 The Invitation Letter of the Shareholders' Meeting

The Company prescribes that the Company Secretary is responsible for making the meeting appointment, preparing the invitation letter of the meeting, meeting documents, and relevant attachments, as well as to ensure that all these relevant materials and its attachments are complete and adequate. The Thailand Securities Depository Company Limited, who acts as the registrar of the Company's shares, shall distribute the notices of meeting invitations along with their attachments to all shareholders prior to every meeting date and earlier than the time frame prescribed by law, allowing shareholders to have sufficient time to review the agenda information before participating in the meetings.

For the 2016 Annual General Meeting of Shareholders, the Company distributed the letter of invitation calling for the shareholders' meeting together with relevant attachments in Portable Document Format (PDF) both Thai and English for easy access by foreign shareholders, which can also be downloaded from the Company's Website (www.scasset.com) on March 21, 2016 onward, which was 32 days before the meeting date. The Company also distributed a printed letter of invitation calling for the shareholders' meeting and relevant attachments, of which the content of the printed document and the PDF file are similar, to all shareholders at least 14 days in advance of any meeting dates, or on April 7, 2016. The Company notified its shareholders in detail on rules and procedures governing the shareholders' meeting participation, as well as information and details on each agenda item which were sufficiently provided for shareholders for reviews and decision-making. The invitation letter and its attachments also specified purposes and reasons of such agenda items, as well as opinions of the sub-committees and the Board of Directors in order that shareholders had sufficient and clear information to support their decisions on each agenda item. Shareholders were also informed on the rules for vote casting on each agenda item i.e. how many votes were required, and in such a case specifically prescribed by law as to what is the minimum numbers of votes that were required in such a circumstance, or what was the maximum numbers of disapproval votes required to object to an agenda item, or for the quorum to approve such agenda item.

In any invitation letter calling for the shareholders' meeting, the Company shall also inform shareholders regarding their voting rights under applicable laws, without any hidden agenda, and clearly list the meeting agenda items. No additional agenda item shall be proposed to the meeting for consideration if has not been listed as a set agenda item therein. On the meeting date, the Company shall avoid adding any other agenda items which have not been previously set therein as such action may be considered as being inequitable treatment to other shareholders who did not attend such meeting. However, the Company also informs the shareholders in its invitation letter calling for the shareholders' meeting that, according to Section 105, Paragraph 2 of the Public Limited Companies Act, B.E.2535 the shareholders may propose to the shareholders' meeting to consider matters other than those proposed in the invitation letter calling for the meeting if such matters are proposed by the shareholders holding the total number of shares no less than one-third of the Company's total issued shares.

In addition, in the agenda covering the appointment of the Company's directors, the Company shall provide the names of the director-nominee together with their relevant résumés for shareholders' consideration. In the agenda covering the appointment of the external auditors, the Company shall also provide comprehensive details of the names of the proposed auditors, their audit office, experience, proficiencies, independency, and their work period as the Company's external auditors, as well as auditor fees. As for the request for approval of dividend payment,

the Company shall provide details of its dividend policy, proposed dividend rate, as well as payment reasons and their supporting information to the shareholders for their decision-making. (Please refer to further details in the topic “Dividend Payment Policy” Section of this Annual Report).

In each shareholders’ meeting, the Company shall inform shareholders in an invitation letter calling for the shareholders’ meeting the names of 2 of its Independent Directors so that shareholders who are not able to attend any shareholders’ meetings, can select whether to appoint any of these two directors as their authorized representative, or to appoint any person of their own choice as their authorized representative, via relevant proxy, to vote on their behalf. Shareholders, who are not able to attend any shareholders’ meetings, are allowed to vote in advance by stating their decisions in the signed proxy or by transferring their voting rights to their authorized representative to attend the shareholders’ meetings and to vote during such meetings. However, for proxy voting, the Company encourages its shareholders to use Proxy Form B, which clearly specifies voting decisions and authority to be delegated to the proxy.

2.3 The 2016 Annual General Meeting of Shareholders.

In the recent 2016 Annual General Meeting of Shareholders, all 9 members of the Company’s Board of Directors, especially the Chairman of the Board of Directors, the Chairman of the Audit Committee, the Chairman of the Nomination and Remuneration Committee, the Chairman of the Corporate Governance and Social & Environmental Responsibility Committee, the Chairman of the Risk Management Committee, as well as the Company’s four top executives, and the Company’s certified independent auditors and independent legal advisors jointly attended the meeting from the start. The Company’s Board of Directors and its four top executives were introduced to the meeting to answer shareholders’ questions. On the date of each meeting, the names and titles of the Company’s directors, who participated in the meeting were recorded in the minutes of such shareholder’s meeting in order that its shareholders could monitor the directors’ participation in each of the shareholders’ meetings. Prior to the beginning of the meeting, the Company clearly informed its shareholders about their voting rights, as well as the rules for vote casting and vote counting. It also provided qualified staff to facilitate the meeting arrangements and to explain to shareholders who, may have any questions or doubts on the vote casting procedure.

The agenda covered during the meeting followed the sequence, which was prescribed in the invitation letter calling for the shareholders’ meeting, and did not instantly distribute any additional important information, add any insertion of any additional agenda in excess of those which had already been informed, or alter any important information without prior notification to its shareholders. The Company did not limit any participation rights of the shareholders who arrived late, and allowed those shareholders who came after the meeting had started to exercise their voting right or cast their vote ballots on the agenda item then under consideration, but was not yet voted on.

The Chairman of the meeting allocated sufficient deliberation time for each agenda and oversee that the meeting was properly and transparently convened as per the agenda sequence prescribed in the invitation letter calling for the shareholders’ meeting. The Company also provided the opportunity for shareholders to conveniently exercise their rights and equality by expressing their opinions and questioning the board members on matters relating to the Company’s operations in order to fully ensure accountability in governance.

During the meeting, the Company provided every shareholder with rights and equality to obtain information, express opinions, and post questions to its board members on corporate matters relating to the prescribed meeting agenda items or on any proposed issue in the meeting. The Chairman of the meeting also performed his duty of encouraging shareholders to exchange opinions and raise questions during the meeting. The Company arranged to have live broadcasting of the meeting on its website (www.scasset.com) to air the event for shareholders and investors who were interested in but unable to physically attend the meeting.

For transparency in the voting count at the shareholders' meeting and to ensure that it was transparent and legal, based on the law and also complied with the Company's Articles of Association, the Company invited Mr. Sumethi Inn-Nu, an independent legal advisor with no interest in the Company, to represent shareholders to verify the voting and vote counting of each agenda item in the meeting. In addition, the Company invited its external auditor, Miss Tanaporn Tana-Arapong and Miss Chamonphan Hengwattana, representatives from PricewaterhouseCoopers ABAS Company Limited, the certified external auditor of the Company to participate in the shareholders' meeting to answer any inquiries and questions regarding financial statements and financial information.

In 2016, the Company's Board of Directors summoned one Annual General Meeting of Shareholders on the April 22, 2016 at Shinawatra Tower III, Viphavadee Rangsit Road. The following table shows details of the accumulated records of attendance to the shareholders' meeting by the Company's Board members since 2004 as follows:

Name	Number of Meeting Attended / Total Meetings Held	
	Shareholder Meeting 2004 - 2016	Shareholder Meeting 2016
1. Mr. Rath Kitivejsoth ⁽¹⁾	13/13	1/1
2. Ms. Busaba Damapong ⁽²⁾	5/5	1/1
3. Mr. Nuttaphong Kunakornwong ⁽³⁾	5/5	1/1
4. Mr. Nathpath Ouajai ⁽⁴⁾	11/11	1/1
5. Mr. Kunodom Tharmmaphornphilas ⁽⁵⁾	11/11	1/1
6. Mr. Prasert Samanawong ⁽⁶⁾	10/10	1/1
7. Mr. Precha Sekhararidhi ⁽⁷⁾	10/10	1/1
8. Mr. Songsak Premasuk ⁽⁸⁾	1/1	1/1
9. Ms. Vilasinee Puddhikarant ⁽⁹⁾	1/1	1/1

Remarks:

- (1) Mr. Rath Kitivejsoth was appointed to be the Chairman of the Board of Directors in replacement of Dr. Chaibawat Wibulswasdi since March 1, 2007.
- (2) Ms. Busaba Damapong was assigned to be the Director in replacement of Ms. Yingluck Shinawatra since July 13, 2011.
- (3) Mr. Nuttaphong Kunakornwong was assigned to be the Director in replacement of Mr. Chanon Chotevijit since March 1, 2012.
- (4) Mr. Nathpath Ouajai was assigned to be the Director in replacement of Ms. Pranee Vechapruetpitak since March 20, 2006.
- (5) Mr. Kunodom Tharmmaphornphilas was assigned to be the Director in replacement of Mr. Sompong Nakornsri since March 20, 2006.
- (6) Mr. Prasert Samanawong was assigned to be the Director in replacement of Mr. Krit Umpote since January 31, 2007.
- (7) Mr. Precha Sekhararidhi was assigned to be the Director in replacement of Dr. Chaibawat Wibulswasdi since March 26, 2007.
- (8) Mr. Songsak Premasuk was appointed by 2015 Annual General Meeting of Shareholders to serve as a director (independent director) and he was also appointed by the resolution of the Board of Directors Meeting No.3/2015 to act as Member of the Corporate Governance and Social & Environmental Responsibility Committee.
- (9) Ms. Vilasinee Puddhikarant was appointed by the resolution of the Board of Directors Meeting No.1/2016, dated January 15, 2016 to be a director of the Company and member of the Executive Committee (independent director) in replacement of Ms. Phensom Damapong, who resigned from her directorship. She was re-elected by the resolution of the 2016 Annual General Meeting of Shareholders to serve as a director (independent director) for another term.

2.4 The Minutes of Shareholders' Meeting

After each shareholder's meeting, the Company shall prepare the Minutes of Shareholders' Meeting in both Thai and English. The Company also records the vote casting procedure and vote counting method that is presented to shareholders at the beginning of such meeting. In addition, the minutes also report the ballot casting, shareholders' enquiries, opinions and important comments, and completed answers to those enquiries, during each

meeting, for the benefit of the shareholders, who did not attend the meeting. For each meeting resolution, the Company also arranges a vote casting and properly records the meeting resolution in the minutes, together with voting details for each meeting agenda item such as the total number of votes, number of approval votes, number of disapproval votes, and abstention.

After the closing of each of the shareholder's meetings, the Company shall disclose, at latest by 9.00 a.m. of the next business day, relevant resolutions for each agenda item and voting results on such resolutions via its news release to the Stock Exchange of Thailand and post such resolutions and voting results on the Company's Website (www.scasset.com). As for the recent 2016 Annual General Meeting of Shareholders, the Company released the meeting resolutions as well as the vote count results on April 22, 2016, and posted the video clip of such meeting on the Company's Website (www.scasset.com) in order that any shareholders, who did not participate in any such shareholders' meeting and other interested investors could be informed about the meetings. Within 14 days after that meeting date, the Company also supplied the minutes of such shareholder's meeting to the Stock Exchange of Thailand and other relevant authorities, as well as disseminated such minutes to its shareholders on May 9, 2016.

Equitable Treatment of Shareholders

The Company respects the equal treatment of all shareholders and implements policies that equally and fairly treat the shareholders. The policies are to entirely disclose all the Company's information and to protect the rights of shareholders in every group including majority shareholders, minority shareholders, institutional shareholders, as well as foreign shareholders. In addition, the shareholders' interest is also looked after justly and is protected from being exploited from any person who has controlling power.

1. Type of Shares and Voting Rights

The Company has determined that there shall be one type of share, i.e. common share with the owner's name specified on the certificate, with an equal voting right, i.e. "one share, one vote."

2. Proposal for Additional Meeting Agenda and Nomination for Qualified Person of Being Appointed as Director before the Shareholders' Meeting

To promote good corporate governance, the Company assigns the Company Secretary to notify shareholders via the electronic communication network of the Stock Exchange of Thailand and the Company's Website at least 3 months in advance prior to the end of the fiscal year to encourage all shareholders, including the minority shareholders, a single shareholder or many shareholders, whose total shares account for not less than 50,000 shares (or 0.001% of the current number of shares) of the Company's total outstanding shares, to exercise their rights to propose any additional meeting agenda in the shareholders' meetings and to nominate names of qualified candidates, who have no prohibited character under the rules determined by the law and the Company's Articles of Association, for the Company's available director positions in advance of the Annual General Meeting of Shareholders. The Company announces the rules to shareholders regarding the right and nomination method via the electronic communication network of the Stock Exchange of Thailand and the Company's Website. Shareholders can propose to the Company any additional meeting agenda and nominate names of qualified candidates for directorship in advance of the Annual General Meeting of Shareholders (AGM) via the Proposal of the Additional Meeting Agenda for AGM (Form A) and the Proposal for the Nomination of Qualified Candidate(s) for a Director Position in Advance of the AGM (Form B) which can both be downloaded from the Company's Website (www.scasset.com) in the "Investors Relation" section under the heading of "Shareholders' information" / Shareholders' Meeting", and the consideration result shall be notified to shareholders at the AGM.

In 2016, the Company gave the opportunity to shareholders to propose additional agenda and to nominate persons to be appointed as directors at the 2016 Annual General Meeting of Shareholders between September 15, 2015 - January 31, 2016; however, no shareholders proposed any additional meeting agenda, nor nominated names of qualified candidates for the Company's available director positions prior to the meeting date.

3. Submitting Question before the Shareholders' Meeting

The Company takes into account the right and equality of shareholder according to the principle of good governance. Therefore, the Company encourages shareholder to submit question in advance to the Company at least 3 months before the end of the fiscal year to ask for information relating to the Annual General Meeting of Shareholders in each agenda, or other important information of the Company. The Company presents details of the procedures for submitting question in advance on the Company's Website at www.scasset.com. The shareholders are required to use the Form to propose question(s) for Annual General Meeting of Shareholders in advance (Form C) to submit their question(s). The Form C is available for download on the Company's Website at www.scasset.com in Investors Relation section under the heading of "Shareholder Information" / "Shareholders Meeting" and they can send their question(s) to the Company Secretary via post, email or fax (0-2949-2221).

In 2016, the Company gave the opportunity to shareholders to submit their question(s) in advance prior to the 2016 Annual General Meeting of Shareholders between September 16, 2015 and March 31, 2016.

4. Shareholders Meeting Agenda

At each meeting of shareholders, the Company would determine clear agenda item and the meeting will proceed in the order of the agendas notified in the meeting's invitation letter, and there will not be other agendas to be added to the meeting without notifying shareholders in advance. However, the shareholders who attend the meeting and have shares that are totaled to at least one-third of total outstanding shares sold may request the meeting to consider other matters other than the matter determined in the meeting's invitation letter.

From 2003 to 2016, additional agendas or other matters have never been inserted or added to the shareholders' meeting.

5. Shareholders' Meeting Invitation Letter and Meeting's Supporting Document

The Company treats each shareholder equally regardless whether they are majority shareholders, minority shareholders, or foreign shareholders. At the 2016 Annual General Meeting of Shareholders, all shareholders received information on the agendas in advance. Besides, although most shareholders are Thai, the Company also prepared the meeting's invitation letter and meeting's relevant supporting documents in 2 languages, i.e. Thai and English, to facilitate both Thai and foreign shareholders. The Company also published complete meeting notices in both Thai and English on the Company's Website, i.e. www.scasset.com, at least 30 days in advance before the 2016 Annual General Meeting of Shareholders, which is the same information that the Company sent to shareholders in a form of document. The Company sent the invitation letter as well as sufficient agenda documents to shareholders at least 14 days in advance. The English version of the invitation letter was published at the same time at the Thai version. Information in the invitation letter consisted of rule and method of attending the meeting, and there was sufficient information of each agenda for decision making.

In 2016, the Company published Invitation Letter for shareholder' meeting and relevant supporting document both Thai and English languages version on March 21, 2016, and the Invitation Letter of the 2016 Annual General Meeting of Shareholders was sent to shareholders on April 7, 2016 and the 2016 Annual General Meeting of Shareholders was held on April 22, 2016.

6. Explanation for Procedure and Rule Used in the Meeting

The Company has a policy for holding the shareholders' meeting to ensure that the procedure is simple and easy to understand, unsophisticated, and allow shareholders to be aware of the information and attending the meeting. Every time before the meeting discusses the agenda to be considered, the Company Secretary would introduce directors, executives, as well as certified public accountants of the Company to shareholders for enquiry. The Company, additionally, would explain procedure of exercising the right of shareholders at every shareholder's meeting to allow questions to be enquired, and comment to be made to directors, explanation from directors in each agenda, as well as procedure for voting, voting count, and presenting voting result before the meeting.

7. Voting, Voting Count and Voting Verification at the Shareholders' Meeting

Apart from notifying all shareholders of the procedure and the method for voting in each agenda before every meeting, the Company provides ballots for every agenda voting, and voting count. Barcode is applied at the shareholders' meeting to make voting and voting count quicker. The Company would immediately present result of shareholders' votes for every agenda that requires voting. For transparency in the voting and voting count at every shareholders' meeting, the Company always invites an independent legal advisor, who is independent and has no interest in the Company, to represent shareholders to verify the voting at the meeting, as well as overseeing the shareholders' meeting to ensure that it is transparent and legal in accordance with relevant laws and the Company's Articles of Association.

8. Voting Result Presentation

The Company shall immediately present the results of voting on each meeting agenda after the voting. After the meeting, the Company shall report all voting results via the Electronic Communication Network of the Stock Exchange of Thailand and the Company's Website (www.scasset.com) on the same day as the shareholders' meeting date, or no later than 9.00 A.M. on the next business day.

In 2016, the Company disseminated the Annual General Meeting of Shareholders' resolution together with the results of votes cast after such meeting convened on April 22, 2016 for all shareholders to review.

9. Auditor's Participation at the Shareholders' Meeting

The Company will invite the Company's certified public accountant to attend every shareholders' meeting to answer queries and questions relating to the Company's financial statement, which shareholders may enquire the question directly. Furthermore, during the meeting, all shareholders may comment and ask any question relating to the agenda or important information of the Company and the Company will document important question and matter comment in the minutes of meeting.

10. Broadcasting of the Annual General Meeting of Shareholders

The Company normally supplies its shareholders with the video clip of such meeting on the Company's Website (www.scasset.com) in order that its shareholders who are interested but do not participate in any of such shareholders' meetings can be fully informed about the meetings.

11. Proxy

The Company publicized to shareholders that in the case of shareholder cannot attend the meeting in person, a proxy Form B which allowed shareholders to direct their vote cast in each meeting agenda, i.e. Approve, Disapprove, or Abstain, sent together with the meeting's invitation letter, or download from the Company's Website (www.scasset.com) in Investors Relations section, under the heading of "Shareholder Information / Notice", authorize representative or name any one of the two selected Company's Independent Directors appointed particularly for this assignment to attend the shareholders' meeting on their behalf. Furthermore, for validity and to avoid any difficulty in attending the meeting by the proxy, the Company presents procedure, document, and evidence required for the proxy in the notice, and on the Company's Website without determining condition or rule that require document certification by government authority or other rules that cause difficulty to shareholder in the proxy, as well as the Company facilitates stamp duty service in the proxy letter for the proxy to attend the meeting, and photocopy service required as attachment without any service fee at the point of registration to reduce the burden of having to procure stamp duty and photocopy of shareholders.

In 2016, the Annual General Meeting of Shareholders for 2016, 586 shareholders attended the meeting in person, 299 shareholders appointed other persons to attend the meeting by proxy, and 34 shareholders appointed the assigned independent directors to attend the meeting by proxy.

12. Preparing and Publishing the Minutes of Shareholders' Meeting

For shareholders to be aware and verify detail of the shareholders' meeting within appropriate time, and to ensure that information provision to Thai and foreign shareholders to be equal, the Company has a policy to completely publish the minutes of shareholders' meeting, which consists of important information such as subject matter of the agendas, meeting resolutions, voting result; Approve, Disapprove, and Abstain, enquiries, explanations, and comments at the meeting both in Thai and English on the Company's Website, (www.scasset.com), within 14 days after the date of such meeting held to be the channel for shareholder to verify validity of the information without having to wait for the next meeting, as well as submitting it to Ministry of Commerce within the period determined by the law.

In 2016, the Company published its minutes of Annual General Meeting of Shareholders both in Thai and in English via the Company's Website www.scasset.com on May 9, 2016.

13. Information Accessibility and Communication to the Company

The Company allows all shareholders to access the Company's information, as well as provides distinct and various channels to communicate to the Company equally through the Company's Website, or through other channels such as telephone, facsimile, post, or email. The "Investors Relations" unit is established as the central unit to communicate with shareholders, investors, regulatory authority, as well as providing general information to persons, who are interested, and stakeholders. Interested parties can directly contact the Company's Investor Relations Unit for required information at SC Asset Corporation Public Company Limited located at 1010 Shinawatra Tower III, 10th Floor, Viphavadi Rangsit Road, Chatuchak Sub-District, Chatuchak District, Bangkok 10900, Telephone No., 0-2949-2344 or by email address: ir@scasset.com or at the Company's Website: www.scasset.com for further information search.

14. Policy relating to Information Storage and Proper Use of Insider Information

It is the Company's policy to adhere to its professional ethics, and to have honest conduct in dealing with its stakeholders. It also opposes corruption; particularly those linked to wrongful use of insider information; therefore, the Company stores its business information that has not been disclosed to the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission of Thailand (SEC), which only specific authorized person would be aware and be able to access the information, as well as prohibiting its directors, executives and staff to use such material information, which is classified as internal information that has not been officially released to the public, for their own benefit or for the benefit of others even if such use may not cause any disadvantages to the Company. The policy is prescribed as follow:

14.1 At the time of publication of the Company's financial statements, or the Company's financial status, as well as other important information, which are the Company's internal information, it is the Company's policy to prohibit its directors, executives and employees, who are in positions or in business lines which are in charge of such internal information, or who have access to such internal information, from engaging in any trading of the Company's securities for a period of 1 month before public disclosure thereof and within 24 hours after such disclosure. The Company Secretary shall inform those directors, executives and employees who are in the positions or in the business lines which are in charge of such internal information or who have access to such internal information, not to engage in any trading of the Company's securities during such mentioned period.

14.2 The directors and the first four executives must report;

- Holding of the Company's securities for the first time and report the change in securities holding according to the Securities and Exchange Act.
- Each trading of the Company's securities thereafter, which also includes the security trading activities of their spouses or cohabiting spouses and minor children, or entities and persons with whom they are associated which are considered related parties under the Securities and Exchange Act. .

- Prepare and disclose report of holding of the Company's securities, as well as report the change of securities holding every time securities is bought, sold, transferred, or accepted within 3 days of the date securities is bought, sold, transferred, or accepted to the Securities and Exchange Commission of Thailand (SEC).
- Report holding of the Company's securities of directors, executives, as well as their spouses or cohabiting spouse and minor as well as entities and person to the Company Secretary every time there is Board of Directors' Meeting.

The Company notifies its related directors, executives and employees, who are in positions or in business lines which are in charge of such internal information, or who have access to such internal information, to acknowledge their roles, obligations, duties in reporting securities holding according to the notification of the Securities and Exchange Commission of Thailand (SEC), and regulation of the Stock Exchange of Thailand (SET) since accepting the position.

14.3 Refrain and avoid trading land property close to the planned development sites of the Company which may be perceived as the exploitation of internal information for self-benefit or for the benefits of others.

14.4 The Company also establishes safety protections for its computer and information systems and prescribes practice guidelines for its directors, executives and staff of all levels to comply with. This procedure is intended to protect any unapproved disclosure of important information and data or unauthorized access to the information source. Severe penalty is set for unauthorized disclosure of internal information and wrongful use of such information for personal benefits or for the benefits of others or actions which may be the cause of any conflicts of interest. All these actions are regarded as serious offenses and are subject to punishment. The relevant practice guidelines are prescribed in the Company's Code of Ethics and its Corporate Governance Handbook which are also posted in its website.

In 2016, the Company's directors, executives and employees, who are in positions or in business lines which are responsible for such internal information, had no case of violation or non-compliance with the security trading regulations by using internal information stipulated by the Securities and Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET).

15. Policy of Connected Transaction and Information Disclosure

For transparency in business operation and to avoid exploitation either directly or indirectly from director, executive, and shareholders who have controlling power and without conflict of interest, as well as protecting the right of minority shareholders for equality for the best interest of the company and all interested parties, the Company has a policy of connected transaction, as well as disclosure of information as follows;

15.1 In case the Company wishes to make transaction with related person, it must be done mainly for the Company's business interest, which may be verified whether it is fair transaction based on market price and according to fair and at arm's length under the rule and regulation determined by of the Securities and the Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET), such as disclosure of information relating to name and relationship of related person, price setting and transaction value policy, including the comment of the Audit Committee and the Board of Directors relating to such transaction, which price and condition must be as if the transaction is done with third party, and avoid transaction between each other in the manner of providing financial support. To consider and approve for each connected transaction, such transaction must be reported to the Audit Committee for consideration of its appropriateness and then submitted to the Company's Board of Directors for approval and/or for further submission to the shareholders' meeting for approval, as the case may be. The Company will disclose information according to the rule determined by the Securities and Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET). To ensure that such connected transaction has no conflict of interest, the Company will present the connected transaction in the annual report which is certified by the certified public accountant.

15.2 If market price is not available for comparison, the Company will provide at least 3 independent appraisers approved by the Securities and Exchange Commission of Thailand (SEC) to evaluate market price to obtain suitable price and condition not exceeding the average of all independent appraisers for the best interest of the Company and shareholders. The Company will present to Audit Committee for comment regarding validity of the transaction and suitability of the price in approving transaction between each other before presenting for approval from the Board of Directors or shareholders as the case may be.

15.3 For all connected transactions, the Company will comply with the law and notification prescribed by the Stock Exchange of Thailand (SET) and all types of notification of Capital Market Supervisory Board, as well as disclosing information to all shareholders via publication system of the Stock Exchange of Thailand (SET) and the Company's Website (www.scasset.com) including its Annual Report.

16. Connected Transaction in 2016

The Company had a connected transaction which was the authorization of a normal business transaction relating to a purchase of land at Kanna Yao District, Bangkok Metropolis. The details is as follow:

The Company intended to purchase two plots of land, which belong to P.T. Corporation Co., Ltd. (The Shinawatra family who owns 60.39% of the Company's paid up capital is also a shareholder in P.T. Corporation Co., Ltd., since both companies have their major shareholder which are the same group of individuals, the transaction therefore, is considered as a connected transaction.) The land purchase is for development purpose of residential condominiums. The land area totals 4 Rai 2 Ngan and 32.60 Square Wah. (or a total of 1,832.60 Square Wah.). The first land plot has a registered Title Deed No. 5169, the Parcel No. 4390, and the Dealing File No. 22272; and the second land plot has its registered Title Deed No. 5175, the Parcel No. 3799, and the Dealing File No. 22270. Both plots are located in Kanna Yao Sub-District, Kanna Yao District, Bangkok Metropolis. The proposed sales price is Baht 79,000 per Square Wah, which totals Baht 144,775,400. The Company hired three independent real estate appraisers to assess the land value, and used the weighted average of the three appraisal prices as the indicated value for its purchase decision. The weighted average appraisal price is Baht 84,934.52 per Square Wah. The Company's Board of Directors considered that the plots of land are in a good location and its proposed sales price is reasonable and lower than the weighted average appraisal price of the three independent real estate appraisers who are licensed by the Office of the Securities and Exchange Commission. Therefore the Company's Board of Directors approved the purchase of these plots of land in Kanna Yao District, Bangkok Metropolis from P.T. Corporation Co., Ltd. which is a connected transaction, as per the resolution of the Company's Board of Directors No. 2/2016 on February 23, 2016. Thus, for this connected transaction, the Company fully complied with the rules prescribed on connected transaction.

Since the Company has become a listed company, from 2003 - 2015, the Company had no case of violation or non-compliance with the rules of connected transactions or sales and purchases of assets of the Securities and Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET). The values of connected transactions in each year compared with the total income and expense of the Company in each fiscal year have always been less than 25 percent of the net profit, or net loss.

17. Policy of preventing interested director and executive from having conflict of interest

The Company has the policy as follows:

17.1 Directors, executives, and employees shall not use the opportunity of being director, executive, or employee of the Company to exploit personal interest or intimate person, either in terms of finance or other aspects of business (please refer to further details in the topic "Policy of Guideline Relating to Conflict of Interests").

17.2 Discourage all its employees against making any connected transactions, except in such cases which can necessarily benefit the Company and only if they are duly allowed under the rules and regulations prescribed by the Securities and Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET); namely disclosure

of information on name and relationship of related individuals, policies on pricing and valuation and the board opinions on transactions related to such policies. In addition, the Company also discourages interrelated transactions which could be deemed as actions of offering financial assistance such as lending and providing credit guarantee to companies other than its own subsidiaries.

17.3 Prevents all its employees from undertaking any personal business that impacts corporate working-time and duties, and avoid any business transactions with the Company on a personal behalf, family behalf or transacting any business with the Company for any juristic entity which such employees having interest therein or conducting any business which competes with the Company's activities.

17.4 The Company also requires its directors, executives, and employees, who are in positions or in business lines which are in charge of such internal information, or who have access to such internal information to avoid from trading any of the Company's securities during the 1 month period prior to the public disclosure of its financial statements or its internal information thereof and within 24 hours after such disclosure in order to bar any possible insider trading actions. The requirement is set in accordance with its prescribed good governance policy. In the event that there any occurrences of any incidents which could be regarded as a conflict of interest and connected transactions, the Company's Board of Directors shall review each such incident with caution, and fully abide with the rules and regulations prescribed by the Securities and Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET). The pricing as well as the terms and conditions relating to any of the Company's connected transactions shall be made on an arm's length basis and details such as value, transaction party, reason and necessity of such transaction shall be disclosed in the Company's Annual Report. The Internal Auditor Office and the Audit Committee are also assigned to oversee and manage any possible problems relating to any conflict of interests. The Company has established its policy guidelines on protective measures for the use of the Company's internal information and to make certain that the measures are acknowledged and practiced. (Please refer to further details in the topic "Rules for proper use of inside information" Section of this Annual Report).

17.5 In case any director or executive has any interest in any agenda, the Company determines that the director or executive shall refrain from attending the meeting in that particular agenda to allow other directors or executives, who have no interest in the agenda, to consider the agenda.

In 2016, there was no connected transaction between the Company and its directors, executives and employees. There was also no assets trade that did not comply/or did not violate the rules of the Securities Exchange of Thailand and the Office of the Securities and Exchange Commission (SEC).

18. Shareholding Structure Disclosure

The Company follows policies and implementations on disclosure of shareholdings structure including the list of major shareholders, the list of shareholders with controlling interests, as well as the list of shareholders who are institutional investors. The Company only discloses the names of its top 10 largest shareholders and the free float of its shares. The Company maintains its free float ratio according to the rules prescribed by the Stock Exchange of Thailand (SET). At present, the Company has its free float ratio at not less than 15%. As of December 31, 2016, its free float ratio was 34.20% approximately, which is higher than the prescribed standard of the Stock Exchange of Thailand (SET). The Company reports its shareholding structure in its Annual Report, its disclosure report concerning additional information (Form 56-1), on its website (www.scasset.com) and on the website of the Stock Exchange of Thailand (SET).

In addition, the Company also discloses its business structure and its shareholding positions in its subsidiaries to ensure shareholders' confidence and the Company's accountability. Shareholders can review the transparency and accountability of the Company's business operations. The Company has no complex ownership and capital structure, no cross holding, and no pyramid scheme in shareholding.

19. Shareholding by Members of the Board of Directors

In order to encourage its board members to freely perform their duties, minimize potential conflicts of interest, and enhance segregation of duties between management and business ownership, the members of the Board of Directors are required to perform their duties as reliable representatives of the shareholders in the oversee of business management and operations. They are also responsible for the setting of corporate strategies, plans, and policies. In ensuring the duty to maximize shareholder value and the Company's value, avoiding conflict of interests, protecting rights and equality of every shareholder, the Company requests all its board members to maintain all their combined shareholding at a level of not more than 25% of the Company's outstanding shares. It also communicates with the board members on the emphasis of understanding the Company's goals and policies, as well as abiding with good corporate governance.

In 2016, the details on the shareholding ratio held by each board member and the first four executives are reported in the topic "Details on directors, executives, advisors, controlling persons, and the Company Secretary" Section of this Annual Report.

Role of Stakeholders

The Company has policy messages from the Chairman of the Board of Directors and business commitments from the Chairman of the Executive Committee that places emphasis on the importance of the Company's Corporate Social Responsibility (CSR) as a key part of its business policy, and the continuity of its policy doctrine that focuses on "Good Business Conducts, and Social & Environmental Awareness". In 2016, the Company published its Sustainability Development Report in accordance with the framework of the Global Reporting Initiative (GRI), as a separate report from its annual report (Please refer to further details in the topic "Sustainability Report 2016" which is a separate report that the Company publishes and disseminates to its shareholders). It is also the Company's strong belief that business should be conducted under good ethics and good governance. Good corporate governance should also be practiced with social & environmental awareness. All these factors are important elements for the continuity of added business value to the Company; in fact, these elements coexist and can become a powerful synergy that benefits business, society and the environment. The Company aims to generate awareness and consciousness within its organization and to further advocate to its business alliances of its ethical policy in the fight against any copyright infringement or any infringement of intellectual property rights in relation to computer programs, and any human rights violations. In addition, the Company also prescribes its anti-corruption policy and measures as per the resolution of the Company's Board of Directors No. 5/2016 on August 11, 2016 which prohibits facilitation payments for the granting of the Company's potential business benefits and all forms of bribery, as well as recognition of the importance of the rights of all stakeholder groups; both internal and external stakeholders, namely shareholders, customers, employees, management, trade partners, creditors, trade competitors and the public and society. The Company monitors to ensure that all stakeholders' rights are protected and equitably treated. Stakeholders can directly contact to the Company's Board of Directors or Company Secretary and make their suggestions or voice their complaints especially on issues which may cause damage to the Company to each of the board members including the Company Secretary and Internal Audit via their address or emails (Please refer to further details in the topic "Whistleblowing Policy" Section of this Annual Report), or contact the Investor Relation Department (Please refer to the further details in the topic "Disclosure & Transparency" Section of this Annual Report). The Company also recognizes the support provided by various stakeholder groups in performing their roles and duties that help enrich the soundness and prosperity of the Company's business. It also intends to offer fair remuneration and equitable interests to all parties concerned. The disclosure of the Company's policies and practices in relation to its shareholders, customers, employees, trade partners, creditor, trade competitors, and public and society can be summarized as follows:

1. Shareholders

Guidelines of Policy and Practice towards Shareholders

The Company intends to be a good representative of its shareholders in conducting its activities with honesty and good professional ethics. It manages its business with the ultimate objective of driving for a long-term sustainable growth in the Company's value and complying with its promised corporate mission. It also aims to maximize shareholders' economic satisfaction and to create a continued flow of good earnings to its shareholders, and respects its disclosure obligations in reporting accurate and transparent information to its shareholders whilst complying with following conduct:

1. Undertakes its duty with honesty and for the purpose of achieving maximized benefits to all shareholders, makes any decisions with integrity, prudence and fairness, as well as evenhandedly treating all shareholders the same; regardless of the fact that they are major or minor shareholders,
2. Oversees that the Company's assets are in place, not misappropriated, or not improperly impaired in value.
3. Report the Company's position to all shareholders; consistently, equitably, and completely as per factual conditions of the present and its outlook, both on the positive and negative points, and offer opportunities for its shareholders to add additional meeting agenda items, or nominate qualified candidates for any available director position, prior to the shareholders' meeting date, while allowing its shareholders to submit their questions to the Company in advance of the shareholders' meeting date via the Company's Website www.scasset.com (Please refer to further details in the topic "Shareholders' Rights" Section of this Annual Report). The Company also regularly makes public release on its website encouraging its shareholders to visit its development projects
4. Manages to excel in the Company's operations and maintain its competitive edge to effectively and efficiently achieve its short and long term objectives.
5. Oversee that the Company's directors, executive and employees, or their families, or related persons do not abuse the Company by exploiting any inside information for their own benefit, and/or acting in a manner that may lead to any possible conflicts of interests against the Company

In 2016, there were no complaints from shareholders on any matters.

2. Customers

Guidelines of Policy and Practice towards Customers

It is the Company's policy to establish and publicly express a clearly defined and applicable policy on its equitable treatment and accountability towards customers including customers' health and safety, and particularly on its intention to attain customer satisfaction and trust, both of which are one of the most important success factors for its business. Therefore, the Company consistently searches for efficient and effective methods to satisfy its customer's needs. In order to assure good long-term relationships with its customers, the Company set up the following business guide lines:

1. Products and services
 - (1) Hire standardized and accountable contractors to construct the Company's buildings.
 - (2) Deliver quality products and services that are in line with or beyond the customers' expectations, at a fair price and safety for customers' health. In this respect, the Company received award, namely: The BCI Asia Top 10 Developer Awards 2016 from the BCI Asia Construction Information Co., Ltd. (Please refer to further details in the topic "Assessment Scores and Rewards" Section of this Annual Report).

(3) Supply its customers with adequate, accurate, and updated information to protect them from any possible misunderstandings on quality, quantity and conditions of such products and services without misrepresentation of the relevant facts.

(4) Contact customers in a courteous, proficient and trustworthy manner. Establish proper systems and processes to manage customers' complaints, quickly respond to customers' needs, and be committed towards customers' ultimate satisfaction.

2. Confidentiality of customer's information

Directors, executives and employees of all levels will duly keep customer's confidential information and will not illegally use such information for their benefit or for the benefit of any related parties. They will not disclose such information prior to the receipt of any proper consent from the customers or from the authorized personnel of the Company, except for information which is required for disclosure by law or under the relevant legal process.

3. After-Sales Services

With commitment to create customer satisfaction and trust that in order to enhance the Company's business sustainability, the Company also recognize that customers are important and should be treated with sincerity, the Company thus provides the following after-sales services to build a better customer relationship:

(1) After property ownership transfer, the Company provides an information brochure that introduces its service team to customers.

(2) Follow-up and monitor customer's satisfaction. Promote good relationship with homebuyers by providing the installations of CCTV (closed-circuit television) systems at the projects' entrance and exit points, to ensure quality of life and safety of homebuyers even after the transfer of the Company's responsibility as the developer of such projects to relevant juristic persons that oversee the projects.

(3) Develop a maximum security system for residences by designing and installing full-scale integrated security systems in the common and residential areas of the projects such as home alarm systems, automatic light control systems etc.

(4) Review and properly correct problems and flaws during the warrantee period.

(5) Monitor customer's satisfaction after any maintenances and repairs.

(6) Organize social and environmental awareness activities to enhance closer relationships between the Company and its customers.

(7) Provide contact channels for customers to suggest, complain on matters, or request for help or advice on matters concerning the Company; either directly to the Company's address or to contact its 24-Hour Call Center at 1749, or to the Company's Website (www.scasset.com).

(8) The "SC MINE" online services, the service aims to further raise its service quality to a new level that can well-accommodating its customers' lifestyle and provide "convenience around the clock" to its clientele. For example, the online services enable its customers to directly check payment records, make payments, make a request for repairmen and maintenance work, and participate in the Company's events/ promotion programs.

(9) The "SC Service on Delivery", the service aims to take care of homebuyers' needs after the home ownership transfer, which includes the electrical system and home security system check by a well-trained team of professionals.

(10) Apply Net Promoter Score (NPS) System, this system is to assess customer satisfaction and customer brand loyalty and use the assessment and information outcome to continually improve its work process, aiming to fulfill customer needs for products and services.

(11) The Company presently operates a Customer Relation Management (CRM) system that helps provide necessary information and solutions that best serve customers' needs. It regularly organizes free customer events and family gatherings that encourage building of a "quality" community. These events and gatherings include:

- Organize the “SC Asset Green Market” fair for the Company’s office building tenants to encourage green and healthy living under its promoted “Lively Neighbourhood” concept which promotes direct sales of community products to consumers. The Company’s customers as its building tenants and employees are inspired to be health conscious and are introduced to health products. The Company also organizes educational activities, waste sorting programs, and “Rak Loak, Ruam Jai Recycle” program which encourages the selling of recyclable items etc.

- Social charity organized in collaboration with the Company’s employees and its office building tenants such as performing morning merit by making and giving alms to monks in the morning, the annual “Religious Bathing” rite for the Buddha Image on Songkran Day, and blood donation campaigns.

3. Employees

Guidelines of Policy and Practice towards Employees

The Company regards its employee as the most valuable economic resource that greatly contributes to the Company’s successful achievement. Therefore, it strongly promotes a good corporate culture and a supportive working environment. Team work, unity, and good working relationships are also encouraged. The Company treats its employees ethically and morally, and abides by its manifest prescribed practice guidelines on workplace safety & hygiene procedures, staff remuneration, benefits, and provident fund. It also adheres to the following guidelines:

1. Treat employees with respect by being polite and respecting their individuality as well as their human rights.
2. Offer staff remunerations which are higher than the legal requirement.
3. Provide fair opportunity and compensation to employees, based on the Company’s short and long term performances. Other than regular monthly salaries, annual bonus is allocated according with the assessment results of relevant Key Performance Indicators (KPI) set as agreed targets between the Company and its employee every beginning of each year. To encourage a continual development of its employees’ operational competency, the Company appropriately adjusts their salary levels to be in line with the Company’s business targets and growth direction, as well as its individual work achievements based on its prescribed balance scorecard approach. The Company also offers proper fringe benefits and organizes appropriate activity programs for its employees and their family such as a New Year Party with many special door prizes, and Scholarship Programs for the Children of Employees.
4. Appoint, transfer, reward and punishment are made on fair justifications and based on employee’s capability, knowledge and suitability under the provisions of the Company’s established rules and regulations.
5. Pay attention to employee’s proficient opinions and recommendations.
6. Establish a complaint process to assure fair treatment among employees and to protect them against any possible unfair treatment.
7. Arrange to have a supervisory committee to handle any employee’s misconduct or any complaint against a wrongful act of an employee. In order to assure fairness and justice for all involved, the Company also provides a whistleblower protection program and anti-retaliation protections for complainants.
8. Emphasize the importance of the employee’s knowledge development and skill improvement, by consistently providing them with equal opportunities, and providing continuity of internal and external training; for example. proficiency training in fields of work skills, technology, law, and staff fringe benefits. The Company also provides its employees with the chance to have training with external agencies, both domestically and overseas, to enhance their work efficiency. The Company aims to encourage its employees to apply their acquired knowledge to their daily task or to improve their work performance, and intends to stimulate workplace collaboration and teamwork, create a bonding relationship among employees, as well as between supervisors and subordinates by organizing in-house training and interoffice activities.

9. Assure a work environment that supports the protection of life and property of the employees, and ensures the health and safety of the workplace, by clearly stating the importance of the employee's security and well-being in the employee's manual. The Company prescribes as its policy and implementation actions to take care of employee work conditions and security, as well as employee benefits and rewards; such as provident fund, medical benefits, dental care, special living allowances for low income employees, an annual medical check-up, money wedding gift, monetary contributions for funerals, disaster relief money, life insurance, accident assurance etc. The Company also encourages its employees to continue making use of their entitled benefits to maintain a healthy and good quality style of living (Details of which appear in the "Guidelines of Policy and Practice towards Safety and Hygiene Policy" and "Guidelines of Policy and Practice towards Employee Remuneration and Benefits" Section of this Annual Report). Employees can access the relevant information via the Company's intranet. The Company also continues to support staff interests by forming various activity clubs for staff with appropriate common interests in sports and other hobbies such as a badminton club, a table tennis club, a soccer club, a photographic club, and a yoga club. From 2011 until present, the Company also organized sessions for meditation practice every Tuesday after working hours in order to promote good ethics and morale for the staff.

10. Lawfully abide to governing rules and regulations on employee.

Indeed, the Company maintains policies and practice guidelines on knowledge development and competency enhancement of employees on other aspects as well. The Company intends to focus on skills and ideas for continual work improvement in all aspects. It also supports creativity and innovative development that provides added value.

The Company has always believed that employees are the most valuable resources of an organization, and therefore it commits to consistently and systematically look after and develop its employees to broadly enhance employee value and their self- motivation.

In 2016, it remained the Company's key policy to unceasingly pay good attention and take care of its Employees by;

1. Promote its employees' efficiency and good corporate performance together with encouraging the Company's philosophy of "Work Life Balance" which emphasized the well-balance life style of each employee that requires three basic elements; namely work, family, and health. The Company thus procures the exercise room and indoor stadium without charge such as badminton court, table tennis court and exercise equipment including recreation room, karaoke room in order to help its employees to release their tension.

2. The Company's employees had total training hours, both internal and external trainings of 26,100 hours. As of December 31, 2016, the total number of the Company's employee was 867, an average training hour of 30.10 hours per person.

Human Resource Management Policies

1. Screening and selecting employees who are knowledgeable and skilled to work for the Company. In this regard, the Company takes into account that the human resource shall be efficiently exploited to achieve the maximum interest.

2. Supporting employees' career advancement by evidently setting its employee development path and assuring that all levels of its employees are entitled to have systematic and continual career development path as planned so that they can efficiently perform their current work duties and well-prepared for the challenges of their future responsibilities and promotions.

3. Equitably managing its employees' wages, salaries and fringe benefits and offering comparable remunerations as other leading companies in the same business.

4. Applying a merit promotion system for salary increment and promotion, basing assessment on an individual employee's knowledge, performance, and competency.

5. Employment consideration for any job vacancies shall begin with internal selection of existing employees that are knowledgeable, skilled, and basically qualified for the positions before recruiting any candidates from the outside.

6. Promoting teamwork spirit among employees and encouraging team collaboration in the office as if all employees are from the same family.

The Company deems that supervisors of all levels have their responsibilities to oversee their subordinates, motivate their team, and encourage knowledge and skill development of their staff so that they can work efficiently. Supervisors should also be role models for their people.

Policy and practice guidelines on Safety and Hygiene

The Company recognizes the importance of safety, health and wellness, and work environment in the workplace that may impact the work performance of its employees. Therefore, the Company prescribes its "Safety, Health, and Wellness Policy", and sets preventive measures for work-related accidents, while supporting and promoting safe work practices. The Company also provides fringe benefits that help promote staff health, by abiding by the policy as follows:

1. Medical Care Benefits

Employees are provided with a health insurance card from the health insurance company prescribed by the Company, and are entitled to the relevant benefit plan which covers medical and treatments costs in the participating hospitals under such plan for the amount not more than the prescribed limits, which vary according to work levels. Employees also receive dental care benefits in addition to their general health care package.

2. Health Care Benefits

In order to keep its employees healthy, the Company arranges an annual health checkup which is planned according to each employee's age bracket. It also provides employees a nursing room at the workplace, whereas employees who work at development sites can request for basic medicine at the site office of such sites.

Moreover, the Company opened a new fitness and leisure facility for its employees named "SC Social Club" which occupies a total space of 1,143 sq.m.. The employees can use this facility for exercise, relaxation, leisure, and after-work socializing. The decision was made following the Company "Work Life Balance" concept which emphasizes the well-balanced life style of its employees.

3. Safety and accident prevention measures

The Company also pays attention to safety and accident prevention. It annually provides standard training on fire evacuation leaders and fire evacuation plan for employees, trade partners, its office buildings' tenants, and residents in its condominium projects.

In 2016, there were the following statistics of work-related injuries, work absence rate, and work-related illness:

(1) Work-related injuries statistics

There was no case of work-related injury.

(2) Work absence rate

2.1 Sick leave 383 persons; Number of leave days 1,451 days: Average days of sick leave per person 3.8 day/person.

- 2.2 Leave of absence 448 persons; Number of leave days 1,522 days: Average days of leave of absence per person 3.4 day/person.
- 2.3 Annual leave 614 persons; Number of leave days 4,460 days: Average days of annual leave per person 7.3 day/person. (The figures account only for employees who were entitled to annual leave; newly recruited employees are not included.)
- (3) Work-related illness
There was no employee who suffered from any work-related illness

Policy and practice guidelines on Employee Remuneration and Benefits

It is the Company's objective to create quality of life for its employees to motivate them to commit to their work and focus on working together to bring their organization to success and to keep on developing their work proficiency. The Company equitably prescribes its policy on employee benefits and compensation based on individual work performance, whilst also considering the Company's operating performance. The Company also provides the following additional benefits to its employees:

1. Provident Funds

The funds are intended to create savings and security for employees and their families. Employees also receive tax credit, whereas the employee's contribution amount is subject to their choice and their years of work. The rates of compulsory employee and the Company contributions to the scheme are between 3% - 7%.

2. Loans

The Company coordinates with financial institutions and has agreements with some of them for employee loans under the following conditions:

- (1) These loans are available for full-time employees who have worked with the Company for no less than one year.
- (2) Borrowers must have a qualified income amount at the level as specified by the lending banks, and the banks shall lend at the amount of no more than 90-100% the pledged collateral appraised by the Bank.
- (3) Repayments shall be made from the borrowers' payroll account, as per the lending bank's approval.
- (4) Loan amount shall be finalized by the lending bank, and subject to changes in accordance with the bank's lending rules.

3. Social Security Fund

It is available in the event of illness and accident not related to work. The contributions to the fund are compulsory and made by employees, the Company, and the government.

4. Workmen's compensation fund

In the event of work-related illness/injuries the contribution to the workmen's compensation fund shall be paid entirely by the Company.

5. Gifts for hospital visits

For hospitalization or childbirth of employees or employee's spouse

6. Monetary Assistance

It is available for events such as marriage, disaster relief money, payment for funeral flowers and wreaths and sponsoring money for funeral ceremony. This monetary assistance is available for employees and their parents, spouses, and children etc.

In 2016, there were 780 executives and employees who participated as members in the Company's provident fund, from a total of 784 persons entitled to join the fund.

4. Creditors

Guidelines of Policy and Practice towards Creditors

It is the Company's policy to recognize the importance of its creditors, and its obligated duties; whether to its trade partners or financial institutions. It always preserves its excellent credit worthiness by duly honoring prompt payment schedules to its lenders and trade creditors, and fully complying with all prescribed loan covenants. It also treats all creditors with equitability and fairness by observing the following practices:

1. Provide correct, relevant, and adequate information about the Company to creditors for their accurate credit reviews.
2. Utilize the loan and credit facilities obtained from the creditors or financial institutions in accordance with their prescribed lending purposes.
3. Promptly repay its debt obligations according to their prescribed repayment conditions.
4. Maintain its debt to equity ratio (D/E Ratio) at the level not to exceed 2:1 which is the required level prescribed by its financial institution creditors. As of year-end 2016, the Company's debt to equity ratio (D/E Ratio) was at 1.32:1.
5. In the event of any occurrences of any material adverse situations that might impair the Company's repayment capability, the Company shall promptly inform its lenders and shall jointly work out potential solutions with them to protect all parties against any possible damages.
6. Strictly comply with obligated term and conditions set by creditors or financial institutions. This includes the terms and conditions relating to guarantee and the maintenance of collateral quality to be in line with the conditions stipulated by the creditor or financial institutions.

In 2016, the review of the Company's accounting and financial information revealed no defaulted or late payments to any creditors; both financial institutions and trade creditors, no breach of covenants on misrepresentations or inappropriate disclosure of information, no violation on any terms and conditions of any financial agreements, and no breach of any collateral contracts.

5. Trade Partners

Guidelines of Policy and Practice towards Trade Partners

The Company set policies and practice guidelines for trade selection processes and commercial transactions that are based on fair and productive treatment towards all its trade partners, with emphasis on good conduct, rightfulness, legitimacy, and duly complying with governing trade conditions. Its policies and practices include:

1. For the selection of its trade partners, who are construction contractors, the Company shall set a committee to oversee the selection based on submission of work proposals. Candidates will be measured against the same criteria in order for them to be treated in a fair and equal manner. The criteria include:
 - Business size (Registered Capital)
 - Financial position
 - Availability of workforce
 - Availability of machinery
 - Availability of materials sources for construction or production
 - Experiences and track records

- Ability to complete and deliver work assignment
- Performance warranty
- After-sale services
- Credibility of the trade partners

2. Offer the opportunity for new trade partners to work with the Company and develop their technical skills and new skills.

3. Provide correct and accurate information and reports.

4. Refrain from demanding, receiving or paying deceitful benefits to its trading counterparts.

5. Encourage trade partners to become aware of the need to adopt an anti-corruption stance and cooperate with trade partners to prevent and combat fraud and corruption by not giving bribe in all forms to government officials or the Company's employees.

6. Strictly comply with conditions prescribed in its agreements.

7. In the event that the Company cannot abide by any of its obliged conditions, it will promptly notify its trade partners about the situation and try to jointly search for remedies on the grounds of a good business relationship.

8. Meet with trade partners who are the Company's contractors on a monthly basis and annually basis to assure proper understanding of the work process to ensure benefits to all parties.

9. Clearly establish proper payment schedules for costs of goods, wages and service expenses, and promptly make payments in accordance with such prescribed schedules. The Company developed its supply chain system that allows its trade partners to quickly issue trade documents, settle the payments, and verify the accuracy and correctness of such transactions via the system. This allows its trade partners to receive quick and correct payment amounts, which help improve their liquidity positions.

10. Oversee and assist trade partners in their working for the sustainable growth purpose along with the Company and assure them of the Company's fair treatment.

11. Provide contact channels for trade partners to voice any potential unfair treatment that may arise during the working relationship with the Company by directly submit the matter to each of the board members, the Company Secretary or report to the Company's Internal Auditor Department via its email address of Internal_Audit@scasset.com (Please refer to further details in the "Corporate Governance" Section on the topic of "Whistleblowing Channel" of this Annual Report).

12. Support and control trade partners to treat their employees fairly regarding work remuneration and respect of human rights including child labor prohibition.

13. Consistently organize annual social activities to promote a good working relationship with trade partners, and to jointly be involved in charity acts that benefit the society. (Please refer to further details in the topic "Sustainability Report 2016" which is a separate report that the Company publishes and disseminates to its shareholders).

In 2016, the Company organized an annual contractors' meeting on December 13, 2016 to provide information on its policies and plans to all participated contractors, and offer a forum for them to ask questions or raise problems and concerns which needed to be clarified and rectified by the Company. The meeting also provided an opportunity for these contractors to directly question the Company's executives on any queries that may require additional explanation on technical and operational aspects.

In addition, the Company provides whistleblowing channels for its trading partner to submit complaints, or report concerns on any infringements of the Company's policy and practice guidelines on trade rules with trade partner, unfair selection of trade counterparts, breach of counterpart selection standards, fair business dealing with trade partner, benefits demand or benefits provided for receiving of any favorable treatments or improper gains from trade counterparts, as well as any other similar issues. Indeed, in 2016, there were no complaints from the company's trade counterparties or contractors.

6. Trade Competitors

Guidelines of Policy and Practice towards Trade Competitors

Fair trading practices are the Company's focal policy and an important code of conduct by which the company abides. The Company commits to promoting fair competition, transparency, non-discrimination, and also to abide to legally prescribed trade agreements and conventions, principles of best practice, and internationally accepted trade rules and regulations. The Company practice guidelines are as follows:

1. Abide by generally accepted business framework.
2. Support and promote free and fair trade, refrain from any monopolistic attempts or from any restrictive efforts that might obligate its counterparts to solely trade with the Company.
3. Do not breach any confidentiality obligations or unlawfully and unethically obtain competitor's trade secrets.
4. Do not damage competitors' reputation by spreading harmful rumors.
5. Avoid entering into any trade agreement or action which may cause unethical competition, or trade monopoly.
6. Avoid competition by using unscrupulous methods such as spreading rumors, distorted information, or false information about competitors.

In 2016, there were no complaints from the Company's trade competitors on unfair competition or unfair trade practice against trade competitors.

7. Social and Environment

Fair Practices and Social Responsibility Policy

By observing the doctrine of fairness in its business practices, and committing not to be lured by any illicit gains from wrongful business conducts, the Company creates business confidence and assures its stakeholders of its social consciousness. This best practice shall enhance its lasting business prosperity. It is the Company's philosophy to pursue a sustainable growth path, and therefore well-realizes that long run business survival requires quality products, professional integrity, public awareness and social contribution. The Company therefore adopts the following practice guidelines:

1. Avoid any actions which may result in any conflict of interest, or upon any occurrence of any conflict of interest shall apply the appropriate mediation process and fair dispute resolution, whereby proper disclosure shall consequently be made thereafter.
2. Promote competitiveness in free trade while avoiding any attempts at nepotism.
3. Do not support or encourage any misappropriation of intellectual property rights. (Please refer to further details in the topic "No Infringement of Intellectual Property Rights Policy and Practice" Section of this Annual Report.)

4. Set up management systems to assure the protection against bribery and fraud or instigate processes which can promptly detect any bribery and corrupt practices.

5. Inspire its employees to recognize the importance of avoiding acts of deception, intimidation, and all types of corruption.

6. Explore and comprehend governing laws and relevant regulations, prior to the undertaking of any business act or transaction, to avoid any possible business engagement that might impact on the existing community pattern or social way of life.

7. The Company consistently fosters moral and ethical behavior, social responsibility, and environmental awareness in all levels of its employees. It also gives significant weight to trade partners who are fair-minded and have a good sense of social responsibility. (Please refer to further details in the topic "Guidelines of Policy and Practice towards Staff Training on Environmental Issues" Section of this Annual Report)

8. The Company places emphasis on compliance with government stipulated policies as well as actively participating in a social governance network. Its actions include complying with the new worker's compensation scheme stipulated by the government and offer no less than minimum wage to its workers, allowing the National Electronics and Computer Technology Center to install a closed-circuit television system (CCTV) in front of the Shinawatra Tower III to monitor traffic conditions on Viphavadi-Rangsit Road and Uttraphimuk Elevated Tollway.

9. In the event of any situations or news that is linked and related to the Company, it will promptly communicate to the public by disclosing facts and updating ongoing circumstances without any cover-up or distortion of truth, in order to make the public fully and promptly aware of the Company's position.

10. The Company pledges and commits to create residential products which support the environmentally friendly or "Green" concept, makes the best use of natural resources utilization, by selecting construction design, materials, equipment, and technology which are of an energy saving nature for its development projects. It consistently supports various research works, developed both in-house and through cooperation with external efforts, to produce environmentally friendly or "Green" concept housings. Furthermore, its project designs are based on key elements of energy saving, global warming reduction, and waste treatment efficiency. In its development projects, water and waste treatment systems are installed in accordance with the required standard to treat waste water prior to its release into any public drainage system (Please refer to further details in the topic "Sustainability Report 2016" which is a separate report that the Company publishes and disseminates to its shareholders).

Social and Community Development Policy

The Company considers that a well-built community with ongoing development is an important foundation for a good and pleasant society. Therefore, it is the Company's policy to support social activities and/or participate in community events which are supportive to community strength, and develop residential products that bring no potential adverse impacts to the surrounding community, while also avoiding being the cause of any source of possible pollution emission. It also actively engages in health and environmental improvement activities in the communities which surround its development sites and supports their social development to enforce the concept of amicable cohabitation and cooperation for mutual benefits among society members (Please refer to further details in the "Sustainable Development Report 2016" which is a separate report that the Company publishes and disseminates to its shareholders). The Company pursues the following practice guidelines:

1. Survey and inspect any communities close by and far from its development estates in order to assess the possibility of any adverse impacts caused by the Company's current and future operations, and apply such assessment to rectify/improve its operations in order to protect the community and society against any direct or indirect damage and adverse conditions.

2. Support volunteer work that relates to the community and social development.

3. Help protect the community and social surroundings and make them cleaner and safer for peaceful cohabitation, and support the community sanitary condition.
4. Support the basic infrastructure requirements of the surrounding community and society such as schools, health care centers, roads etc.
5. Support and participate in charity work such as organization of activities which promote righteous acts, and reduce unethical activities in order to maintain a virtuous lifestyle under the sufficiency economy doctrines.

The Company carried out many internal measures and procedures that indicate the assurance of its proper business conducts, which are beneficial to both the economy and society. The Company also allows a site visit to outsiders such as the media & press, security analysts, domestic and foreign institutional investors, financial institutions, university faculties & students, etc., as well as providing overview presentations on the real estate industry and orientations on the “Management Technology and Product Concept” for development projects of the Company and its subsidiaries. It also emphasized the importance of safeguarding of public interests and a better quality of life in the Thai society by participating in community development programs and charitable attempts in order to give something back to society (Please refer to the further details in the “Sustainability Report 2016” which is a separate report that the Company publishes and disseminates to its shareholders).

In 2016, the Company carried on the activities to develop the social and community as details provided in the Sustainability Report 2016, which the Company separately publishes and disseminates to its shareholders.

Policy and practice guidelines on Business Operation under Environmental Standard

The Company realizes that the global population increase and economic growth has not only caused excessive consumption of natural resources, but has also increased water, air, waste, and toxic pollution. In addition, global warming also impacts human beings and the ecology system. The Company set its policies on environmental protection which prescribes that the Company shall conduct its business according to the general legal compliance and shall abide by the real estate development laws such as the Enhancement and Conservation of National Environmental Quality Act, the Land Allocation Act, the Condominium Act, and any other applicable laws. It is also the Company's policy to conduct its business according to the prescribed environmental rules and standards, and to support and promote efficient and sustainable use of resources, as well as to improve quality of human life by tackling environmental problems. The Company believes that environmental protection is everyone's responsibility and should be carried out jointly. (Please refer to further details in the topic “Employee training on environmental issues and utilization of natural resources Policy and Practice”). The practice guidelines are as follows:

1. Arrange to have an appropriate environmental management system while undertaking construction management for residential projects and regularly monitoring the outcome, provided that operations related to the company's high-rise building construction are compliant with applicable laws and regulations. The Company also additionally studies and learns on environmental aspects such as the ecology system, global warming, pollution etc.
2. Apply technology and production processes, which are qualified under the environmental standards, and pay attention to the reduction and pollution treatment prior to its release back to nature.
3. No support the use of materials affecting environment.
4. Develop products/services without impact on environment and for safety use.
5. Provide its employees and the public information regarding any environmental impact, safety, and health care issues.
6. Encourage customers to be aware of any environmental concerns on the utilization of the Company's products and services.

7. Provide knowledge and training for employees on environmental impact, safety, and health care.

8. Have an emergency plan that can respond to potential environmental problems, with prompt reporting procedures to concerned governing authorities in the event of such emergency.

9. Promote and encourage all stakeholders including customers, trade partners, employees, and communities which surround the Company's office premises and development sites to be concerned and aware of the importance of the environment and induce them to assist the Company in its environmental conservation efforts and to promote all aspects of sustainable development.

10. Arrange to have operation measures that encourage eco-friendly conduct by abiding to the practices of minimizing stakeholder impacts such as consistent monitoring and inspection of construction works, installment of water gates and waste treatment controls, assess and monitor quality of water emission from the Company's development projects to protect water glut and water pollution. These measures are for the benefits of the residents in the Company's projects as well as their nearby communities and the surrounding environment.

11. Arrange to have a special task force to oversee workplace safety in order to have a safe workplace.

The Company establishes internal measures and practice guidelines that cover environmental responsibilities, while fostering business conducts that emphasize protection of the environment, protection and reducing the use of natural resources.

In 2016, the Company operated its business in due compliance with all the policies and practice measures on environmental conservation, particularly on the environmental management of construction work, electricity conservation, optimizing the use of water resources, and waste treatment measures. (Please refer to further details in the "Sustainability Report 2016" which is a separate report that the Company publishes and disseminates to its shareholders).

Policy and practice guidelines on efficient use of resources

The Company commits to operate its business with responsibility to society, the community, and the environment. It recognizes the importance of environmental protection and thus encourages its employees' awareness in resource value as well as efficient and optimized use of resources, and additionally, it also fosters and develops practical guidelines to protect and mitigate environmental impacts in a conclusive way. To achieve these objectives, the Company prescribes its policy on efficient use of resources and stipulates that it is the duty of its executives and employees to control and reduce the use of natural resources, while promoting awareness of the value of natural resources and its effective uses, efficient uses of recycled materials, and wastes reduction as measures to protect and reduce impacts on the environment. To achieve its policy success, the Company also implements practice guidelines as follow:

1. Promote measures and activities which encourage its staff to use natural resources efficiently and reduce energy consumption through the 3Rs policy; reduce, re-use and recycle. These measures and activities include substituting the printed copies of staff salary payment slips with an electronic version, using energy saving light bulbs in the Company's office buildings, reusing paper by printing or writing on the reverse side of paper that has been used already, and applying the use of garbage separation rules. The Company also gave the research fund to Shinawatra University and also sent its employees to join the Shinawatra University's research team to study and research green home building such as residential planning, green home design and selection of material.

2. Promote a reduction in paper use for meetings under the "Green Meeting" concepts that substitute paper documents with an electronic version thereof that can conveniently be downloaded and/or open for viewing via wireless devices. At present, these Green Meeting concepts are applied in all of the Company's Board of Directors Meetings and all other meetings of its sub-committees. The action is intended as a tool to set a good example and a best practice guide for the Company's employees.

3. Establish the use of “E-Document” as a practice guide in the work process to enhance convenience, speed, as well as reduction of irrelevant work steps, uses of paper and supplies in the organization via the application of green technology. The Company invested in its centralized electronic document and records management system that gather and store digital information for all work units on its online network. These e-records can be retrieved for viewing via the same system.

4. Establish its own e-procurement system named “Supply Chain” to be used between the Company and its trade partners. This integrated procure-to-pay process is a standardized online automated system, implemented to ensure the trade partners of the Company’s accountability and credibility in its procurement process. It also reduces steps in the procurement cycle and shortens operation time for the parties involved.

5. Establish the electricity and energy conservation program by applying the Building Automation System (BAS) to manage energy saving for its building. The system controls and plans energy uses via its software and also takes into account the “Peopleware” planning aspect to set an energy conservation plan and time schedule for equipment with high electricity consumption. The Company also participates in the “energy conservation building” project organized by the Metropolitan Electricity Authority and launched a campaign on electricity saving by means of an internal public relations channel such as dissemination of information via tenants’ emails to promote energy saving. A 5% monthly electricity saving target is also set.

6. Develop suitable technology for its work services by investing in the “Virtual Machine System (VMS)” project. VMS is a computer operating system that can support the Company’s operational process and run various application systems under the same process server. This provides safety and efficiency to the work systems of the Company’s goods and service, and promptly processes its responses to all its various stakeholder groups. Other benefits of the VMS also include electricity saving, and increased work efficiency.

In 2016, the Company also set the following working groups to oversee its energy conservation plans:

1. Energy Management Working Group: This working group is designed to undertake activities which promote involvement and awareness among each employee regarding environmental protection, while encouraging and fostering employee’s concerns on the value of natural resources and the importance of natural resources and energy saving and their optimization uses.

2. Review Committee on Energy Management: The Committee acts to assure that the Company’s energy management is efficiently conducted. It reviews and evaluates energy management procedures to ensure that it is in compliance with the ministerial regulations and building control rules.

The efficient uses of resources as per the details prescribed in the “Sustainability Report 2016” under the “Environmental Actions” Section. This report shall be made as a separate report that the Company publishes and disseminates to its shareholders.

Policy and practice guidelines on employee training regarding environmental issues and utilization of natural resources

The Company pays attention to the importance of environmental protection and regards this issue as a key element in its business conducts. It places emphasis on two focal aspects which are (1) being environmentally friendly and (2) workplace safety, these concepts are well-applied to cover its corporate, employees, customers and trade partners and all other stakeholders of the Company.

On the employee level, the Company expects to create and encourage staff self-awareness, knowledge, and understanding, as well as motivate them to realize the benefits of nature and environmental conservation. Therefore, in order to achieve its expected pledge for environmental protection, the Company consistently arranges

appropriate skill enhancement programs for its employees, internally and externally, to develop their ecological knowledge and environmental awareness, (Please refer to further details in the “Sustainability Report 2016” which is a separate report that the Company publishes and disseminates to its shareholders), as well as undertaking the following activities:

1. Arrange employees training, directly and indirectly, on energy and environmental knowledge which consists of energy saving technologies, energy conservation, choices of green energy. The training courses offered included the “Persons Responsible for Energy (PRE) - General, Refresh PRE, Reporting on Wastewater Treatment System of Pollution Sources (as per Ministerial Regulations B.E. 2555), and Insight on Technology Updates on Energy Conservation.
2. Organize employee’s birthday activity every 3 months for employees whose birth date is within those months, encourage employee to join in social activities as well as to participate the environmental conservation.
3. Disseminate academic information on energy conservation to the Company’s employees and homebuyers via its newsletter. The information includes the best ways to save electricity, and how to save battery life of smartphone and tablet.
4. Promote innovation of energy saving techniques and apply them in the Company’s pilot project such as installing roof-top solar panels on the clubhouse roof to produce renewable solar energy during the daytime.
5. Provide personnel who are specialists in environmental safety in the office to create a safer working environment.

In 2016, The Company offered the following training and activities related to the environment and uses of resources:

1. Arranged additional trainings programs as follows:
 - “Persons Responsible for Energy (PRE) – General” held by the Department of Alternative Energy Development and Efficiency, Ministry of Energy,
 - “Carbon Offsetting Program and Carbon Footprint Evaluation” Workshop held by Thailand Greenhouse Gas Management Organization (Public Organization),
 - “Standard Course on Wastewater Effluent from Allotted Land” held by the Pollution Control Department, and
 - “Legal Courses on Laws on Environmental Impact Analysis Report for Building, Land Allotment and Public Services” held by Office of Natural Resources and Environmental Policy and Planning.
2. Arranged staff birthday activities for employees who were born during January – March 2016 to participate in the environmental conservation activities for mangrove forest planting in Samutprakarn Province.

Policy and practice guidelines on the Prohibition of Intellectual Property Rights Infringement

It is the Company’s policy to support recommendations from the Corporate Governance and Social & Environmental Responsibility Committee, as well as suggestions from management and employees on practice guidelines on corporate social responsibility, by applying the concept of corporate social responsibility and adopting the ethical moral of equality in doing business. These conducts brings confidence to the Company’s stakeholders and support its long-term business path. The Company shall not be tempted by benefits from engaging in any unethical activities. The first principle in its Code of Ethics underlines the respect for intellectual property rights which rule out its support for any violation of intellectual property rights of others, whether they are infringements of copyright, trademark, trade secrets, and other aspects of intellectual property entitlements. Regarding the compliance of its respect for intellectual property rights, the Company undertakes the actions as follows:

1. Supports and promotes innovative creation of new products including architectural work, housing patterns, and condominium designs, with no infringement of copyright rights of others.
2. Reviews information, data, press release, and printed materials utilized for its business purpose are not in infringement of the copyright work of others. If so it will respectively comply with their terms and conditions of use.
3. Not wrongfully use information, data, press release, printed materials, and trade secrets, or make use of them without the proper lawful authorization of their owners.
4. If the Company utilizes information, data, press release, and printed material which belong to others, it will refer to their sources or make known of their owner's names, or provide the links to the original thereof.
5. Not disclose information of its trade partners, customers, and stakeholders, without being authorized by their respective owners, unless according to its due compliance with laws, rules, and regulations of the relevant authority, or directives of a government agency, or court orders.
6. Stipulated the prohibition of intellectual property's right infringement as a conditions in the contract standard made and enter between the Company and other trade partners in order to prohibit the Company's trade partner not to infringe other's intellectual property right.

In 2016, the Company reviewed its business operations for the year on any possible infringement of intellectual property rights, and found no incidents thereof.

Policy and practice guidelines on the Prohibition of Computer Program Infringement

Other than the stipulation of its ethical principles on the respect for intellectual property rights, the Company also prescribes the following guidelines of policy and practice towards the safeguarding of the Company's information and information system, aims for corporate benefit and protection, particular with regards to the use of various computer software applications in the workplace by Company's staff.

1. Prohibit and discourage any illegal use of unlicensed computer software applications by the Company's executives and employees.
2. Legally install duly licensed software applications on all the Company's employees' workstations.
3. If there is any need to install any additional software applications on any employee workstation, a written request to the Information Technology Department must be made by such employee. The Department will examine the appropriateness and correctness of its application and license prior to the installation thereof.
4. The computer software stated in the above Clause 2 and 3 are legally purchased by and licensed to the Company. The Company's Information Technology Department is responsible for their proper installation and monitoring.
5. For any particular software applications especially requested by any department for the course of its work, a formal request for purchase approval of such software license must be made and upon approval, the Information Technology Department shall be informed in writing of its purchase and installation.
6. The Information Technology Department must be informed of any hard disk formatting request, and shall be the party in charge of such formatting. None of employee is allowed to install new computer software, format hard disks, or upgrade any software application by themselves, as the action may incur software license problems and computer security threats.
7. Prohibited to install any hacking & tracking tools or any decryption software. Proper monitoring of data protection system is encouraged.

In 2016, the Company also reviewed the compliance of its policy on such infringement and found that no employee and no business unit of the Company used any unlicensed computer program, and there were no complaints on any such related matter.

Guidelines of Policy and Practice on Anti-Corruption

The Board of Directors has dedicated to operate the Company's business within integrity, transparency and anti-corruption, so the Board has formulated the Company's anti-corruption policy to prevent and counter corruption (both internally and externally).

1. Guidelines of Policy and Practice for Prevention of Internal Corruption

The Company conducted its business with fairness, transparent and does not engage bribery and corruption, the clear policy is therefore prescribed to prohibit its directors, executives and employees to exploit their positions for self or family benefits, or for benefits of others, whether such benefits are in monetary terms or in any other form. The guidelines are as follows:

(1) Prohibit its directors, executives and employees of all levels to demand or receive any monetary or personal rewards offered by the Company's customers, trade partners, or any other individuals for the work they perform on behalf of the Company.

(2) Prohibit its directors, executives and employees of all levels to borrow or raise funds from the Company's customers and trade partners, except that when such borrowings represent loans from their banks or financial institutions of which they are customers.

(3) Prohibit its directors, executives and employees of all levels to receive any gifts from trade partners or any other outside individuals as a result of their work position or for the work they perform, except for those traditionally given on typical gift giving occasions and under generally accepted practices accordingly prescribed rules and regulations of the Company.

(4) Directors, executives and employees of all levels have duties and responsibilities to safeguard and make best use of the Company's assets for its corporate benefits and shall not exploit the use such assets for their own benefit, or for the benefit of others.

(5) Prohibit its directors, executives and employees of all levels to participate in unfair treatment or to extend preferential treatment to the Company's trade partners.

(6) In the event that any of the Company's transactions or business which its directors, executives and employees have any personal interest or are personally involved in, their involvement must be reported to the Company and they must also withdraw themselves from such transactions or business.

(7) Provide training courses on anti-corruption for employees aiming to promote honesty and accountability in work, and to provide knowledge on various types of corruption, their relevant impact and consequential damage, ways to avoid and limit corruptions, as well as punitive measures prescribed for the failure of employees to observe the Company's anti-corruption rules.

2. Guidelines of Policy and Practice for Prevention of External Corruption

In addition to the practice guidelines stipulated by the Company against internal fraud and bribery, it also prescribes the practice guidelines for its directors, executives and employees of all levels which prohibit them from participating in any act of corruption outside the organization. To adhere to its transparency, business integrity, and fair treatment, the Company will not participate in all forms of bribery or undertake in any illegal acts to achieve its business goals. The guidelines are as follows:

(1) Prohibits its employees from using the Company's reputation, assets or work time to support any activities that generate personal benefits.

(2) In seeking support from other organizations, particularly from any government agencies, the Company shall comply with its normal applicable rules and procedures, and shall not be involved in or support any bribery.

(3) In maintaining a relationship with outsiders by providing entertainment and reception, or offering of the Company's products, the actions shall be taken in a reasonable manner and in accordance with generally acceptable practices for such occasion and tradition, and the value thereof shall not be too lavish and can be accounted for.

3. Policy against the Bribery of Government Officials

Corruption is a major problem which erodes economic and social stability. Therefore, combined efforts from all economic and social sectors are required for its reduction and elimination. In the course of the Company's business, it is normal to contact relevant government agencies which administer real estate development. In the process of obtaining various official construction approvals, the Company prescribed its policy against corruption by not supporting bribery to government officials and promoting ethical values and an anti-corruption spirit within its organization. It also encourages its executives and employees to respect fair trade, honesty, and integrity. The Company, in collaboration with other economic and social sectors, supports actions or activities against corruption aiming to get rid of corruptive endeavors through the following practices guidelines:

(1) Prohibit any direct or indirect payment of bribery to government officials for obtaining its business targets.

(2) Fully co-operate with trade partners to prevent and combat fraud and corruption by not giving bribe in all forms to government officials or the Company's employees.

(3) In order to avoid the opportunity for any bribery request, the Company shall duly operate its business in compliance with rules and regulations of laws.

(4) In the event of any business mistakes, the Company shall lawfully rectify its mistakes in accordance with rules and regulations of the law, and avoid bribing its way out.

(5) The Company willingly complies with rules and conditions prescribed by government agencies aiming to fight against corruption and wrongful acts of government officials. For instance, in the event of it becoming a counterparty of any government agencies, it shall make proper disclosures to the Revenue Department of its payment accounts for the projects in which it participates as a counterparty in accordance with the prescribed conditions of the National Anti-Corruption Commission in order that its accountability and tax calculation and filing can be reviewed.

(6) The Company's prescribed policy towards offering of presents and entertainment to government officials states that the actions must be taken in a reasonable manner and in accordance with generally acceptable practices for such occasions and traditions, in compliance with the Company's rules and regulations, adhering to proper business integrity or cultural appropriation on typical gift giving occasions such as New Year Greetings, and well-within the framework of good corporate governance.

(7) The Company promotes ethical and professional values among executives and employees in its organization, and makes known that bribery is an abusive act of social exploitation that cannot be a cause of sustainable business achievement.

(8) Provide adequate and efficient internal control to prevent the inappropriate performance of employees.

(9) Provide a review of the Policy against the Bribery of Government Officials and improve it to be in accordance with the changes of business and law.

4. Policy on Ethical Awareness of Executives and Employee against Corrupt Practices

The Company realizes that corruptive acts can harm the organization and society as a whole. Therefore, in order to induce ethical awareness against fraud while promoting operational efficiency, quality work, and integrity, the Company prescribes the following practice guidelines:

(1) Provided knowledge training for its employees on its anti-corruption policy and measures as well as any relevant laws, rules, and regulations thereof to foster employees' understanding on various forms of corruption, their impact, the damage caused by corruption, ways to avoid and curb corruption, punishment on conduct in violation of the Company's anti-corruption policy and regulations, as well as notifying, reporting, and whistleblowing suspicions of corruption. This training also fosters and facilitates employee engagement in the Company's organizational culture.

(2) Disseminate knowledge about the harm of fraud and corruptive acts and their impact on themselves, family and society.

(3) Organize activities that congratulate and praise executives and employees who are conduct themselves well, and are hardworking, and honest.

(4) Arrange activities such as group meditation and religious teachings for executives and employees to participate and encourage them through these activities to pursue ethical conduct and avoid dishonest acts.

In 2016, the Company prepared e-learning modules on its anti-corruption policy and measures, with the intention to provide understanding to its executives and employees on the subject. It also arranged to have relevant knowledge assessment on this subject via its intranet.

5. Policy on supervision, controls and monitoring of corruption risk

In order to ensure the efficiency of its anti-corruption measures, the Company delegates to its internal business units to be in charge of supervision, controls and monitoring of any situation that entails corruption risk within the organization falls within their area of duties and responsibility. It also set the practice guidelines for tracking and monitoring corruption risks as follows:

(1) The Company appointed the Internal Audit, which directly reports to the Audit Committee of which its committee members are independent directors, to audit and review the Company's internal controls and its operations to ensure their business efficiency and effectiveness, as well as their compliance with the Company's prescribed rules, regulations, and policies. The internal controls cover important business operations such as sales and marketing, procurements, contract procedures, accounting and financial reporting, and other relevant processes or situations that may entail corruption risk.

(2) The Company requires that the Audit Committee shall inform the Chairman of the Executive Committee and directly report to the Company's Board of Directors on any event which may entail corruption risks, or any relevant urgent issue to be discussed to find appropriate solutions.

(3) All executives are required to supervise and monitor the subordinates on the compliance to the Company's anti-corruption policy and measures. In the event that corruption is detected, it shall be reported immediately to the Internal Audit.

(4) The Company provides its employees and its stakeholders with various communication channels to monitor corruption risks and to inform, report, and notify suspicions of corruption or actions that may damage the Company. These channels include direct communication to the address or email address of the Company's Directors and the Company Secretary, or via the e-mail address of the Internal Audit. The Company's corporate communication channels also appear on the Company's Website (www.scasset.com) on the "Corporate Governance" Section.

The Company also prescribes measures for informant and whistleblower protection to ensure the fair and equitable treatment of such informants and whistleblowers.

In 2016, there no situations were found or reported through any of the communication channels on corruption, within and outside the organization.

6. Policy on monitoring and assessment on the compliance of Anti-Corruption Policy

The Company prescribed guidance on monitoring and assessment on the compliance of anti-corruption policy to ensure that its anti-corruption policy and measures are updated, modified and improved to suit changes in the current situation, economic conditions, and social environment, as well as to assure that its directors, executives and all employees act in compliance with its policy, business ethics, rules, and regulations that relate to anti-corruption. The guidance is as follows:

(1) The Company appointed the Audit Committee to review and supervise on anti-corruption compliance to be in accordance with the prescribed policy and measures, particularly with regards to the effectiveness of relevant internal control systems; whilst also reviewing that the Company's risk assessment sufficiently covers corruption risk, and its risk management is appropriate and adequate.

(2) The Company appointed the Audit Committee to be responsible for the audit, review, and control of its operation processes to ensure its accountability, accuracy, and appropriateness, as well as regularly assess, review, and reconsider its anti-corruption policy and measures at least once a year to reflect on changes in the risk landscape, and to adjust its applicable practice guidelines to be in line with its policies, principles, rules, regulations, notifications, laws, and changes in business circumstances, as well as to find measures to mitigate the risk.

In 2016, in the Audit Committee Meeting No. 8/2016 on December 8, 2016, the Audit Committee considered and reviewed the sufficiency of the Company's internal controls system as per the evaluation form on the assessment of sufficiency of the internal controls system prescribed by the Securities and Exchange Commission (SEC). The review covered the risk assessment process on the Company's operations and also included the corruption risk. The review outcome showed that the Company has a risk assessment process that covers all risk aspects.

7. Risk assessment on the corruption risk

The Company annually undertakes to assess its risks regarding the corruption. Information on its past business operations are compiled and submitted to the Company's Risk Management Committee for review and approval on risk management guidelines and measures, as well as the appropriate action plans for comprehensive risk management to eliminate or mitigate risks to be in low or acceptable levels.

In 2016, the Risk Management Committee assessed the corruption risk within the organization and found that this risk incident had never occurred in the Company so that remaining as a low level risk that required no corrective measures, but the Company shall continue to monitor its relevant risk signal on a regular basis.

8. Participation of Activities Related to Anti- Corruptions

With awareness and recognition of the importance of good governance, transparency and anti-corruption practices, the Company fosters preventive measures against fraud and corruption in its organization. It encourages ethical conduct of good governance among its directors, executives and employees, and inspires them to strictly abide by anti-corruption practices. Therefore, in the Meeting of the Company's Board of Directors No. 7/2015 on December 16, 2015, the board unanimously resolved the participation of the Company as a member of the Thailand's Private Sector Collective Action Coalition against Corruption and its intention to abide by the coalition's anti-corruption practice guidelines.

In addition, it is the Company's operational commitment to observe anti-money laundering policy and practices, and not to encourage any purchase of its products by the use of illegally obtained money. Even though the Company is not in a business which is required to legally report its transactions to the Anti-Money Laundering Office (AMLO), the Company still gives importance to all aspects of anti-corruption practices, and thus requires its home buyers to duly identify themselves by providing copies of their identity documents such as personal identification and house registration. As for the payments of its goods and services, if there is any doubt of irregularities, the company shall then examine and promptly send such information to relevant authorities for due investigation.

9. Actions Performed in Relation to the Anti-corruption Policy

In 2016, the Company campaigned against corruption both within and outside its organization, and continually followed up as well as evaluated the outcome of the compliance with its anti-corruption policy. During the year, no case in which such noncompliance by any of the Company's directors, executives, and employees was so found, and no corruption case occurred either within or outside its organization.

Guidelines of Policy and Practice on Human Rights Violation

The Company puts emphasis on human dignity and fundamental human rights. These beliefs are the Company's key pillars in its human resource development that results in equitable treatment of its employees and stakeholders. This fair treatment creates a better workplace environment, as well as enhances ethical spirit and cooperative efforts among individuals within and outside the organization, which in turn helps support staff creativity and a service minded attitude.

Human resource development adds value to business and is a crucial element of value creation and productive enhancement. The Company therefore consistently improves the workplace environment and provides better work conditions for its employees, as well as opportunities to express their competency and prospects of quality life, and chances for skill training. The practice guidelines for human rights are as follows:

1. Reinforce and respect human rights protection by regularly monitoring that the Company does not engage in business conducts which violate any human rights, such as the use of forced labor and any illegal foreign workforce, child labor, and sexual harassment etc.
2. Encourage its executives and employees of all levels to freely express their opinions and views to directors or top management.
3. Arrange workplace hygiene and occupational safety such as the implementation of pollution controls in the work process, promotion of health standards in the workplace, and the proper application of safety measures against accidents and diseases.
4. Promote skill and proficiency training to staff and offer them learning opportunity and appropriate career advancement.
5. Provide fair and appropriate employment conditions for employees and offer suitable remuneration that match their competency.
6. Provide access to appeal process against any unfair treatment. A disciplinary committee shall be formed to investigate any misconduct case, in accordance with the Company's prescribed process prior to any imposition of any disciplinary punishment.
7. Provide welfare benefits to the employees, of at least no less than the minimum legal requirement, such as annual leave, a suitable overtime schedule, and a relevant medical care scheme.
8. Encourage employees to maintain a good balance between their career and personal life, to be ethical, to follow the good philosophy of sufficiency economy, while motivating them to participate in social volunteer activities, and promote staff's religious practices, on an unbiased basis.
9. Provide whistleblower protection procedure for employees who honestly report inappropriate actions in the workplace to the Company's management or relevant government agencies.
10. Provide the employee and the employee's representatives with accurate operational results and business status of the Company.
11. Support a two-way dialog and cooperation between employer and employee, and the employee's representatives in order to improve the quality of the workplace.

12. Treat the employee's personal information confidentially, and refrain from disclosing, disseminating, or using this information without the employee's prior permission, except when such disclosure is made due to enforcement of laws, court orders, official directives, or when such disclosure is for the benefit of human resource management.

13. Offer fair opportunity to all employee and not discriminate against race, religion, sex, skin color, nationality, disability in making employment decisions, or job evaluation.

14. Prescribe as a normal practice guideline that work instructions, administrative orders, and job interviews shall not be made by using improper words, or inappropriate gestures that pose a threat or incite others.

15. Reinforce its employee to respect another person's rights and when communicating with others, refrain from speaking, writing or making gestures by using aggressive, abusive, improper, threatening, accusing or negative words and expressions.

Additionally, the Company always recognizes that if it is to promote the society without violation of human rights, it must initially set its own protective guidelines not to complicit in any business operation that engages in human rights abuses in any form.

From 2014 to 2016, the Company prescribed in its hire of work contract the compliance requirement with applicable labor laws which demand its trade partners to comply with all applicable labor laws and regulations, including remunerations, health and safety in the workplace. Such contract provision also requires payment of at least legal minimum wages and prompt payment of wages to workers, and in the event that contractors or contract counterparties do not comply with such requirements, the Company acting as their hirer can deduct any payment that shall be made under such contracts to relevant contractors or contract counterparties and make direct payments to their workers in order to preserve and restore the workers' rights. The workers of the Company's contractors or contract counterparties are required to be trained on health and safety in the workplace and to wear proper personal protective equipment at work. The Company's contractors or contract counterparties are to refrain from using illegal workers, namely child labor or illegal immigrants. These requirements and compliance which are set by the Company to be carried out by its contractors or contract counterparties aim to ensure that these contractors or contract counterparties respect the human rights of all human beings without any distinction, the principles of anti-human trafficking, and the commitments not to engage in any violations of human rights.

Guidelines of Practice on Communications of Corporate Information via Various Media Channels

The Company clearly prescribed its policy on dissemination of information by its executives and employees via various media channels as follows:

1. The Chief Executive Officer shall be the person who release the information regarding policies, business overview, vision, management, branding and corporate public relations.

2. The Chief Financial Officer shall be the person who releases the information to press and media on assets for sales, assets for rent, financial and investment information, new projects, development concepts for each proposed projects, market movement, related industry, customer relationship management, and corporate social responsibility.

The Chief Executive Officer or the Chief Financial Officer of the Company reports its operational results to the public on a quarterly basis via press conference and press release. Provision of corporate information to the public is undertaken with due care particularly on information which can be misinterpreted or possibly induce material impact on its share prices.

Shareholders and stakeholders can contact the Company's Investor Relations Unit for information as well as obtain a disclosure of corporate information from the Company's Website (www.scasset.com), which is accurate, complete and transparent. (Please refer to further detail in the topic "Disclosure and Transparency" Section of this Annual Report).

Information Disclosure and Transparency

The Company recognizes the importance of providing investors and concerned parties convenient, thorough, and equitable access to the Company's information. It also makes correct, complete, transparent, thorough, equitable, and timely disclosure of information which includes financial information, operational results, and any other information that investors and concerned parties can use in making their investment decisions. It disseminates the information through the Stock Exchange of Thailand (SET) various distribution channels and information services, press releases, analyst meetings, overseas road shows, annual report, as well as on the Company's Website in Thai and English versions. The information includes nature of business, financial statements, public relation news, shareholders' structure, organization structure, committee and subcommittee profiles, management profiles, investor relations information, annual report, and meeting notifications.

In 2016, the Company had no record of late submission of financial report for both quarterly and annually to relevant regulatory authority.

The Disclosure and Transparency of the Company can be summarized as follows:

1. Information on the Meeting Attendance of Individual Director of the Board of Directors and Sub-Committees

The Board of Directors and its 5 Sub-Committees, namely the Executive Committee, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance and Environmental & Social Responsibility Committee, and the Risk Management Committee held the meetings in 2016, the attendance records of each Sub-Committee thereof as well as the accumulated attendance records of the Board of Directors as from the year 2004, are presented as follows:

Name		Number of Meetings Attended/ Total Meetings Held						
		Board of Director		Executive Committee 2016	Audit Committee 2016	Nominating and Remuneration Committee 2016	Corporate Governance and Social & Environmental Responsibility Committee 2016	Risk Management Committee 2016
		2004-2016	2016					
1. Mr. Rath	Kitivejsoth ⁽¹⁾	80/80	7/7					
2. Ms. Busaba	Damapong ⁽²⁾	28/28	7/7	15/16			2/2	6/6
3. Mr. Nuttaphong	Kunakornwong ⁽³⁾	23/24	6/7	15/16			1/2	6/6
4. Mr. Nathpath	Oujai ⁽⁴⁾	65/65	7/7	16/16		2/2		
5. Mr. Kunodom	Tharmmaphornphilas ⁽⁵⁾	65/65	7/7		9/9	2/2		
6. Mr. Prasert	Samanawong ⁽⁶⁾	59/59	7/7		9/9			6/6
7. Mr. Precha	Sekhararidhi ⁽⁷⁾	57/57	7/7		9/9	2/2	2/2	6/6
8. Mr. Songsak	Premasuk ⁽⁸⁾	12/12	5/5	15/16			2/2	
9. Ms. Vilasinee	Puddhikarant ⁽⁹⁾	5/6	5/6	13/15				

Remark:

- (1) Mr. Rath Kitivejosoth was appointed to be the Chairman of the Board of Directors in replacement of Dr. Chaibawat Wibulwasdi, effective from March 1, 2007.
- (2) Ms. Busaba Damapong was elected by the meeting of the Board of Directors No. 4/2011 on July 13, 2011 to be the Director and the Chairman of the Executive Committee in replacement of Ms. Yingluck Shinawatra who resigned from her directorship.
- (3) Mr. Nuttaphong Kunakornwong was elected by the meeting of the Board of Directors No. 2/2012 on February 28, 2012 to be a new director of the Company in replacement of Mr. Chanon Chotevijit who resigned from his directorship.
- (4) Mr. Nathpath Ouajai was assigned to be the Director in replacement of Ms. Pranee Vechapruangkitak, effective from March 20, 2006.
- (5) Mr. Kunodom Tharmmaphornphilas was assigned to be the Director in replacement of Mr. Sompong Nakornsri, effective from March 20, 2006.
- (6) Mr. Prasert Samanawong was assigned to be the Director in replacement of Mr. Krit Umpote, effective from January 31, 2007.
- (7) Mr. Precha Sekhararidhi was assigned to be the Director in replacement of Dr. Chaibawat Wibulwasdi, effective from March 26, 2007.
- (8) Mr. Songsak Premsuk was elected by the Annual General Meeting of Shareholders for 2015 held on April 23, 2015 to be the director in replacement of Ms. Naengnoi Na Ranong who retired from her directorship by rotation.
- (9) Ms. Vilasinee Puddhikarant was appointed by the resolution of the Board of Directors Meeting No. 1/2016 on January 15, 2016 to be a director of the Company and member of the Executive Committee (independent director) in replacement of Ms. Phensom Damapong, who resigned from her directorship. She was re-elected by the resolution of the 2016 annual general meeting of shareholders to serve as a director (independent director) for another term.

2. Report on the Acquisition and Disposal of Company's Security (SC) by Directors and First Four Executives

The Board of Directors determined that, in compliance with the Securities and Exchange Commission's regulations, all directors and first 4 top executives of the Company have to report every transaction of their acquisition and disposal of Company's security including their spouse or cohabiting spouses and minor children, or entities who holds more than 30 percent of shares according to the Securities and Exchange Act B.E.2535 (the amendment B.E. 2559) to the Board of Directors and submit the said report to Company Secretary unit for reference and submission to the Securities and Exchange Commission of Thailand (SEC) accordingly. It is the Company's policy that every director and executive must report change in Company's security holding within 3 business days counting from the day of acquisition / disposal, details thereof are presented below:

Report of acquisition or disposition of Company's security (SC) of directors and first 4 executives in the Year 2016.

Name	2015	2016		
	Number of Shares on December 31, 2015*	Acquired	Disposed	Number of Shares on December 31, 2016
1. Mr. Rath Kitivejosoth	-	-	-	-
2. Ms. Busaba Damapong ⁽¹⁾	201,234,387	-	-	201,234,387
3. Mr. Nuttaphong Kunakornwong ⁽²⁾	1,176,915,495	-	-	1,176,915,495
4. Mr. Nathpath Ouajai	-	-	-	-
5. Mr. Kunodom Tharmmaphornphilas	-	-	-	-
6. Mr. Prasert Samanawong	-	-	-	-
7. Mr. Precha Sekhararidhi	37,968	-	-	37,968
8. Mr. Songsak Premsuk	-	-	-	-
9. Ms. Vilasinee Puddhikarant	-	-	-	-
10. Mr. Attapol Sariddipuntawat	8,289,843	-	-	8,289,843
11. Mr. Vitit Visalpattanasil	3,839,906	-	-	3,839,906

Name	2015	2016		
	Number of Shares on December 31, 2015*	Acquired	Disposed	Number of Shares on December 31, 2016
12. Ms. Pradthana Patsaman	4,796,718	-	-	4,796,718
13. Ms. Charanya Tangbunjerdsook	1,763,085	-	-	1,763,085
14. Ms. Pannee Tharaphat	126,562	-	-	126,562
15. Mr. Suriya Pleansri	2,374,312	-	-	2,374,312
16. Mr. Somboon Kuptimanus	10,500,012	-	5,500,000	5,000,012

Remarks:

- The shareholdings of directors and first 4 top executives stated above included shares held by their spouses/ cohabiting spouses and minor.
- (1) 201,234,375 shares belong to Mr. Bhanapot Damapong, Ms. Busaba Damapong's husband, and 12 shares belong to Ms. Busaba Damapong. All shares have been held before Ms. Busaba Damapong was appointed as a company's director on July 13, 2011.
 - (2) 1,176,915,495 shares belong to Miss Pintongta Shinawatra Kunakornwong, Mr. Nuttaphong Kunakornwong's wife. All shares have been held before Mr. Nuttaphong Kunakornwong was elected to be the Company's director on March 1, 2012

3. Report of Interest of Directors, Executives, and Related Persons

The Board of Directors set guidelines for the company's directors, executives, and related persons to disclose information regarding their own interests and any interests of their related persons to the Company's Secretary. This information will enable the company to duly prepare its disclosure report on related parties' transactions, which could cause conflict of interest and even lead to improper transfers of benefits from the Company or its subsidiaries. In a given circumstance, this information may also prevent such directors, executives, and related persons from participating in any decision-making process that might produce a potential conflict of interest. The Board of Directors require that the Company's directors, executives, and related persons file a report with the company on the interest of directors, executives, and related persons, under the format originally set by the Thai Listed Companies Association which will later be adjusted to be applicable to the company's business activities, and to the requirements of relevant governing authorities.

In the event of changes in the information provided in the Report of Interests of Directors and Executives, the Company's Board of Directors requires that its directors and executives shall duly submit their relevant amendments of such report to the Company Secretary within 3 business days from the date of such changes. The Company Secretary shall then submit a copy of such amendments to the Chairman of the Board of Directors and the Chairman of the Audit Committee within 7 working days from the date that the Company has received such amendment reports.

In 2016, the Company once disclosed and submitted a report on "Directors and Management's Conflict of Interest to the Chairman of the Board of Directors and the Chairman of the Audit Committee on January 22, 2016. The report, submitted by the Company's Secretary to the Chairman of the Board of Directors and the Chairman of the Audit Committee on that date, was on Ms. Vilasinee Puddhikarant who was appointed by the resolution of the Board of Directors No. 1/2516 dated January 15, 2016 to be a director of the Company and the member of the Executive Committee an independent director) in replacement of Mrs. Phensom Damapong, who resigned from her directorship. The report revealed no conflict of interest against the Company on the part of Mrs. Vilasinee Puddhikarant.

4. Disclosure of the External Auditors and the External Auditor's Certified Audit Statements

For the appointment of the Company's external auditors, the Company shall consider the hiring of certified auditors to properly, completely, and independently perform the auditing process, without any conflict of interest with the Company, its subsidiaries, affiliates, executives, major shareholders, or any other connected parties thereof,

and with approval from the Securities and Exchange Commission of Thailand (SEC) in order to assure auditor independence in auditing, expressing of opinions, and certifying of the Company's financial statements.

The auditor remunerations including the audit fee and other related service charges are disclosed in the topic of "Auditors' Fee" and in the past the Company's financial statements have been audited and certified with "unqualified auditor's opinion".

5. Providing Diversified Communication Channels

To ensure effective communications with shareholders and allow them easy, open, and equitable access to the Company's information, the Company arranges to provide information disclosure via various and diversified ways such as annual reports, annual registration statement (56-1), quarterly reports of the Company operating results, the Company's Website (www.scasset.com), analyst information meetings, press conferences, press releases, as well as newsletters presenting the Company's financial positions.

6. Annual Registration Statement (Form 56-1) and Annual Report

The Board of Directors prepared the Company's Annual Registration Statement (Form 56-1) and disseminate within 3 months after the end of fiscal year. The Board of Directors also prepared the Company's Annual Report in compliance with the regulations of the Securities and Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET) and disseminate within 120 days after the end of fiscal year, as one of the disclosure channels for precise, accurate and complete information relating to the Company's business operation and annual operating result, to provide the shareholders, stakeholders, investors or general public with the information for their consideration and decision-making. The disclosure included the information on shareholder structure, securities held by the directors and executives, policy and practice of good corporate governance, vision and short-term & long-term business goals, financial positions and business performance, Board of Directors' responsibility for financial reporting, nature of business operation and competition, business group structure, key risk factors, policy on dividend payment, policy on whistle blowing, details of directors and independent directors, policy on remuneration for directors and top executives and criteria for monetary and non- cash remuneration, the meetings and attendance records of the Board of Directors and Sub-Committees, information on directors' development and training, policy on disclosure of individual director's acquisition and disposal of / or Company's security holding, policy on related transactions, internal control and risk management, reports from the Board of Directors and Sub-Committees on their performing the duties, report on interested directors, report on environmental and social responsibility, and information relating to investor relations.

In 2016, the Company publicly disseminated its Annual Registration Statement ended as December 31, 2015 (Form 56-1) on March 29, 2016 and its 2015 Annual Report on April 8, 2016.

7. Information Disclosure via SET Community Portal -SCP and Website WWW.SET.OR.TH

In addition to information disclosure through Company's diversified channels in compliance with the Stock Exchange of Thailand's regulations relating to the disclosure of information, the Company also disclosed the material information and news in Thai and in English via SET Community Portal and website www.set.or.th to allow the shareholders, stakeholders, investors, and general public an easy, thorough and equitable access to such material information.

8. Company's Website www.scasset.com

The Company maintains its website both in Thai and in English to release and present its information to the shareholders or investors to assure that they are timely informed of the situations, such as nature of business operation, quarterly and yearend financial statements, newsletters, shareholding structure, organizational structure, subsidiary

company structure, information relating to directors and executives, information relating to investor relations, the Company's Articles of Association, objectives of incorporation, updated Company's affidavit and Memorandum of Association, and Annual Reports.

9. Investor Relations Unit

The Investor Relations Unit is also set up to provide assistance and convenience to shareholders. The unit arranges investor relation plans in advance to make useful information, news, and public relation release available for investors, shareholders, analysts, and the general public. It also arranges quarterly presentations of corporate results and operational performance to analysts, institutional investors and financial institutions, media, and press conferences, as well as supplying relevant disclosure of information to the Stock Exchange of Thailand (SET). All the actions are undertaken to assure that the Company has fully complied with rules, regulations, and applicable laws.

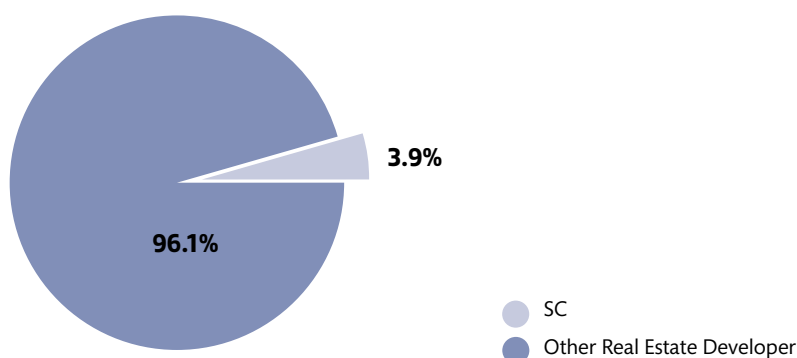
Interested parties can directly contact the Company's Investor Relations Unit for required information at SC Asset Corporation Public Company Limited 1010 Shinawatra Tower 3, 10th Floor, Viphavadi Rangsit Road, Chatuchak, Chatuchak, Bangkok 10900, telephone No. 0-2949-2344 or via e-mail at ir@scasset.com or at the Company's Website: www.scasset.com for further information search.

10. Policy on Disclosure of the Company's Non-monetary Performance

In 2016, the aggregate market sales of the real estate sector for both types of single detached house and condominium in Bangkok Metropolitan Region and Vicinity was 264,380 Million Baht, divided into the aggregate sales for single detached house was 79,771 Million Baht, and the aggregate sales for condominium was 184,609 Million Baht.

With regards to the overall market sales of real estate sector for both single detached house and condominium in Bangkok Metropolitan Region and Vicinity, the Company was able to capture 3.9% of this market, accounting for 10,309 Million Baht. The Company earned 7,501 Million Baht for single detached house field and 2,808 Million Baht for condominium field.

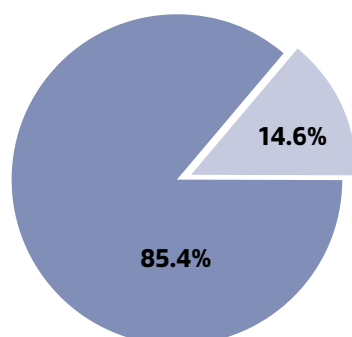
**Aggregate Sales of Real Estate Sector
(Single detached house and Condominium in Bangkok Metropolitan Region and Vicinity)**



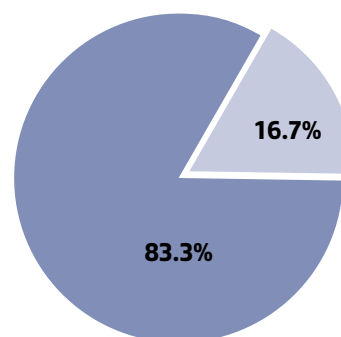
Source: Agency for Real Estate Affairs (AREA) and the Company's information

In the previous year, the aggregate market sales for single detached house in Bangkok Metropolitan Region and Vicinity at a price range of over Baht 10 Million Baht was 14,001 Million Baht; the Company maintained 14.6% of its market shares, whilst the aggregate market sales for single detached house in Bangkok Metropolitan Region and Vicinity at a price range of over Baht 20 Million Baht was 10,197 Million Baht; the Company maintained 16.7% of its market shares.

**Sale of single detached house
for the price range of over 10 MB
(in Bangkok Metropolitan Region and Vicinity)**



**Sale of single detached house
for the price range of over 20 MB
(in Bangkok Metropolitan Region and Vicinity)**



Source: Agency for Real Estate Affairs (AREA)
and the Company's information

● SC
● Other Real Estate
Developers

11. Financial Reporting

The Company prepared the quarterly and year-end financial reports, financial statements, management discussion and financial analysis (MD&A) and released via SET Community Portal (SCP). The quarterly financial reports, financial statements, management discussion and financial analysis (MD&A) were also posted on Company's Website www.scasset.com. In addition, such information was disclosed in the Annual Information Disclosure (Form 56-1) and Annual Report after the Board of Directors endorsed the financial statements according to the conditions and timeframe specified by the Securities and Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET) to facilitate the shareholders, stakeholders and interested public to access, investigate and update Company's financial information at all times.

Since its registration as SET listed company in 2003 to 2016, the Company has been neither recorded for late submission of the quarterly and yearend financial reports and financial statements, nor instructed by the Securities and Exchange Commission of Thailand (SEC) to rectify the financial statements.

12. Site Visit

To promote transparency and confidence in the Company's business operation, the Board of Directors initiated site visit program for the shareholders and investors as well as financial institutions to observe the Company's project development process to understand the actual work process based on good governance alongside environmental and social responsibility.

13. Other Disclosures

Other than all aforesaid mentioned disclosure, the Company also discloses the Company's substantial information as follows:

13.1 The structure of shareholders (Please refer to further details in the topic "Structure of Shareholders" Section).

13.2 The Shareholding of directors and executives including their spouses or cohabiting spouses and minors. (Please refer to further details in the topic "Details of Directors, Executives, Advisor, Controlling Persons and Company Secretary" Section).

13.3 The good corporate governance policy (Please refer to further details in the topic “Corporate Governance Policy” Section).

13.4 The Company's objectives/ targeted plans (Please refer to further details in the topic “Nature of Business” Section).

13.5 The financial status and results of operations (Please refer to further details in the topic “Financial Status and Results of Operations” Section).

13.6 The business nature and competition (Please refer to further details in the topic “Nature of Business” Section).

13.7 The business structure (Please refer to further details in the topic “Structure of the Company and its Subsidiaries” Section).

13.8 The key operational risks (Please refer to further details in the topic “Risk Factors” Section.)

13.9 The dividend payment policy (Please refer to further details in the topic “Dividend Payment Policy” Section).

13.10 The whistleblowing policy (Please refer to further details in the topic “The whistleblowing policy” Sections).

13.11 The profile of directors (Please refer to further details in the topic “Details of Directors, Executives, Advisor, Controlling Persons and Company Secretary” Section).

13.12 The Independent Directors (Please refer to further details in the topic “Independent Director” Section).

13.13 The disclosure of directors' remuneration criteria (Please refer to further details in the topic “Remuneration for Directors and Executive” Section).

13.14 The disclosure of executive's remuneration criteria (Please refer to further details in the topic “Remuneration for Directors and Executive” Section).

13.15 The disclosure of total number of meeting held of the Board of Directors and the number of meeting attendance of each individual director (Please refer to further details in the topic “Board of Directors' Meeting” and “Information on the Meeting Attendance of Individual Director of the Board of Directors and each Sub-Committees” Section).

13.16 The disclosure of directors' seminars and training courses attendance (Please refer to further details in the topic “Additional Training Courses or Relevant Seminars Attended by Directors” Section).

13.17 The disclosure of acquisition or disposition of Company's security (Please refer to further details in the topic “Report of acquisition or disposition of Company's security” and “Details of Directors, Executives, Advisor, Controlling Persons and Company Secretary” Sections).

13.18 The disclosure of connected transaction policy which states that every connected transaction is required the Board of Directors' consideration and approval (Please refer to further details in the topic “Policy of Connected Transaction and Information Disclosure” and “Connected Transaction” Section).

Responsibility of the Board of Directors

The Company emphasizes equitable, prompt, fair and transparent disclosure of sufficient information to shareholders, investors and related parties. It is the Company's policy to appoint an independent director to hold the position of the Chairman of the Board of Directors with qualifications as prescribed by the Stock Exchange of Thailand (SET). This position cannot be held by the same person as the Chairman of the Executive Committee for the purpose of check and balance. The Chairman of the Board of Directors shall also have no relationship with the management. In order to assure efficiency, transparency, and lawfulness, as well as full compliance of the corporate activities and its good governance, all board members are encouraged to freely express their opinions regarding the Company's business operations. Additionally, there is a clear segregation of duties and responsibilities among the board members

and the management team (details of which appear in the “Board of Director and Management Team” Section of this Annual Report). In the past year, the Company has lawfully conducted its business activities and did not perform any acts of seriously breaching any regulatory compliance. The Company focuses on Board of Directors’ responsibility policies as follows;

1. Good Corporate Governance Principles and Business Ethics Policy

1.1 The Board of Directors takes into account and adheres to Good Corporate Governance Principles as well as role and duty of good governance. Therefore, the Board of Directors participates in the preparation of the Company’s Good Corporate Governance Principles by initiating, determining practices, and monitoring the audit, as well as approving Good Corporate Governance Principles in writing and publishing it on the Company’s website under the category “Corporate/Corporate Governance”. The content of Good Corporate Governance Principles will cover at least 5 matters; viz, shareholders’ rights, equitable treatment of shareholders, role of stakeholders, disclosure and transparency, and responsibilities of the board and will be reviewed regularly without delay when there is significant change.

1.2 Apart from preparing Good Corporate Governance Principles to ensure that the Company’s business operation is transparent, verifiable, and being social responsible for sustainable business operation, the Board of Directors determined business ethics for directors, executives, and employee of the Company to adhere and being implanted as working habits on the daily basis, and becoming culture and corporate value, which would help reflect transparency, integrity, respect in the company, and responsibility towards the duties, towards all interested parties for the interest of shareholders and other interested parties.

The Board of directors moreover prepared the Code of Ethics for directors, executives, and employees and published it on the Company’s Website, www.scasset.com, under “Corporate/Corporate Governance” category, and in the Annual Report, as well as determined a guideline to promote directors, executives, and employees to comply with. In addition, the Company has continuously monitored such compliance.

(Please refer to further details in the topic “Business Ethics” and “Role of Stakeholders”, and in the “Sustainability Report 2016” which is a separate report that the Company publishes and disseminates to its shareholders).

2. Policy on Vision and Mission

The Board of Directors has established the Company’s vision and mission with both short-term 1 year and long-term 5 years in order to steer the executives and employee towards a common goal, and has it posted on the Company’s website. Such vision and mission will be reviewed every six months in fiscal year to be consistent with current circumstances and economic conditions. The Board of Directors consistently follows up with the Management on their yearly business operation in accordance with the vision, business direction and strategy. Furthermore, the Board of Directors also took part in the setting of the annual business strategy, objectives and budgeting, to ensure that the annual investment and business operation was undertaken with prudence and maximized the value to the Company and its shareholders.

Thus, the Board of Directors has prescribed the Key Performance Indicator (KPI) to monitor the various aspects of business performance against the annual goal setting. The business risks were also defined annually so as to prepare preventive and remedial measures to timely handle any possible obstacles that might affect the business operation in order to achieve its business sustainability target of continually being a quality corporate in the Thai property development segment.

In 2016, the Company reported 14,504 Million Baht aggregate in revenues, showing a 2 percent increase from the previous year, and 1,968 Million Baht in net profit, or an increase of 4 percent from 2015. It set a target plan for its long-term business growth for 2015-2019 which earmarks its targeted sales of 20,000 Million Baht in 2019.

3. Policy on the Diversity Structure of the Board of Directors

The Board of Directors structure is consistent with article 18 of the Company's Articles of Association; i.e., the Company shall have at least five (5) directors but no more than fifteen (15). At least half of the directors must have domicile in the kingdom, and must be qualified according to the law. The Company also takes into consideration of the diversity of structure on the Board of Directors. Therefore, for efficient management, flexibility and for the interest of the Company, structural policy is determined as follows;

3.1 The Company's Board of Directors should comprise the members who possess the knowledge, professional experience and expertise in various fields contributable to the business operation and corresponding to both short-term and long-term business strategies, without prejudice to their genders, nationalities, religions, proficiency or other specialized skills.

3.2 The Company has taken into account the suitable number of directors in the Board for the benefit of flexibility in management. Thus, it is the Company's policy to limit the Board composition to not exceed 12 directors.

3.3 At least one of the non-executive directors must possess the professional experience relevant to the Company's business. Currently, there are 7 non-executive directors, namely Mr. Rath Kitivejsoth, whose knowledge and professional experience in the field of legal and finance, Mr. Precha Sekhararidhi and Mr. Kunodom Tharmmaphornphilas, whose knowledge and professional experience in the field of engineering, Mr. Prasert Samanawong, whose knowledge and professional experience in the field of accounting, Mr. Nathapath Ouajai has knowledge and work experience in engineering, real estate development, and advertisement. (He is not an executive of the Company but is a director and an authorized signatory, who can sign and act on behalf of the Company. Therefore, he is not qualified to be an independent director.), Mr. Songsak Premasuk, whose knowledge and professional experience in the field of marketing, and Ms. Vilasinee Puddhikarant has knowledge and experiences in economics. She also has work experience in customer management and services. Those knowledge and experiences of those 7 non-executive directors are directly relate to and support the Company's business operation.

3.4 The Company promotes at least 1 female independent director. As of December 31, 2016, the female independent director is Ms. Vilasinee Puddhikarant.

3.5 The Company supports and promotes the Board structure to compose more than 50% of independent directors. As of December 31, 2016 there were 6 independent directors, which was equivalent to 66.66% and there was 7 members of non-executive directors, which was equivalent to 77.77% in the Board. With this structure, the shareholders and stakeholders are confident that the Board of Directors could perform the duties on their behalf independently with an appropriate check-balance system (details of which appear in the "The Board of Directors and Executives" Section of this Annual Report.

In 2016, the details of Board of Directors structure and its working experiences is appeared in the topic "Details of Directors, Management Team".

4. Policy of Separating Chairman of the Board of Directors, Chairman of the Executive Committee and Chief Executive Officer (CEO) Positions

The Company determines a policy that the Chairman of the Board of Directors must be an independent director according to the definition of the Stock Exchange of Thailand (SET) and must not be the same person as the Chairman of the Executive Committee and/or Chief Executive Officer in order to reciprocally balance the power, as well as must not have any relationship with the management. The Company has determined clear power, duty, and monitoring of the Company's Chairman in writing. The Chairman of the Board of Directors shall play an important role to set management policy of the Board of Directors and supervise the Board of Directors' and shareholders' meeting by performing the duty of chairman of the meeting to ensure that the meeting is efficient and legal, as well clear voting in each agenda, especially the agenda that is significant and necessary for business operation, as well as supervise the preparation of proper minutes of meeting and supervise the Company's business operation to ensure

that it is compliant with the policy. Furthermore, in any connected transaction relating to the Chairman of the Board of Directors, the Chairman of the Executive Committee and/or Chief Executive Officer, there is a policy prohibiting interested party to take part in the approval, which other independent director will perform the duty in place of the Chairman in that transaction. (Please refer the further details in the topic “Board of Director and Management Team” and “Segregation of the role and duty of the Board of Directors from the Management Team” Sections of this Annual Report).

In 2016, the Directors in the positions of the Chairman of the Board of Directors and the Chairman of the Executive Committee, the Chief Executive Officer were all qualified according to the Company's prescribed policy

5. Policy on Nomination of Company's Directors

The Company has set the policy on nomination of its directors, whereby the nomination criteria and conditions including the qualifications and new director appointment process are clearly and transparently defined. The Board of Directors would take into account the appropriateness of Board structure and composition in accordance with the policy and corresponding to the Company's business strategies. Furthermore, the necessary professional skills and specialization to fulfill the Board proficiency as defined in the Board Skill Matrix, as well as the qualifications and professional experience which relate to and support both short-term and long-term business strategies, without prejudice to gender, nationality and religion are also taken into account. In certain cases, information from the Director Pool is used to screen the candidates in the selection and nomination process (Please refer to further details in the topic “The Board of Directors” and “Nomination of the Company's Director” Sections of this Annual Report).

In 2016, the Company has nominated one director which was Ms. Vilasinee Puddhikarant.

6. Policy on the Limitation on the Number of Directorship Positions and the Holding of Directorship Position of the Chairman of the Executive Committee and Chief Executive Officer (CEO)

Too many directorship positions held by a board member could impair his efficiency in well conducting his position as a good member of the Board of Directors. Therefore, the Company's Board of Directors in their meeting No. 1/2554 held on January 12, 2011 resolved to limit the number of directorship positions held by each of its board members in other public listed companies to two companies as follows;

6.1 Director may hold director position in maximum of 2 companies, and may hold position in subsidiary that is unlisted company and other organization, which must combine to no more than 5 companies as follows:

- (1) The Company's subsidiary
- (2) The Company's associated company which operates business other than real estate development, and he/she shall not take the position of the Chairman of the Executive Committee or the Chief Executive Officer of such company.
- (3) Charity organization/foundation promoting public benefits and education.

From 2003 to 2016, there is no director (executive director and independent director) holds director position in more than 2 other listed companies.

6.2 The Company's Chairman of the Executive Committee or its Chief Executive Officer shall not maintain any other similar position in any other public listed entity except for his/her position in the SC Asset Corporation Public Company Limited; furthermore, he/she shall hold no more than five other positions in the following entities:

- (1) The Company's subsidiary
- (2) The Company's associated company which operates business other than real estate development, and he/she shall not take the position of the Chairman of the Executive Committee or the Chief Executive Officer of such company.
- (3) Charity organization/foundation promoting public benefits and education.

From 2003 to 2016, the Chairman of the Executive Committee and the Chief Executive Officer (CEO) of the Company hold a position in only 1 listed company, i.e. SC Asset Corporation Public Company Limited only.

7. Policy for Director's Term

The Company determines director's term according to the Public Company Act, B.E. 2535, and the Company's Articles of Association; that is, at every Annual General Meeting of shareholders, one-third of the Directors, or, if their number is not a multiple of three, the number nearest to one-third shall retire from office. Director's retirement in the first and second year after the registration of the Company shall be drawn by lots. In every subsequent year, the Directors who have served the longest in office shall retire. A retiring director is eligible to be re-elected. The Nominating and Remuneration Committee is mainly responsible for seeking candidate(s) with qualifications appropriate and having efficient performance to propose him or her to the Board of Directors for consideration in order to be proposed to AGM for approval further.

The Company indicated the starting date of each director position, as well as independent director, and has revealed which director is independent director in the Details of Directors section. In case of nominating an independent director who has been in the position for longer than 9 years to continue to be the independent director, the Board of Directors will present the rationale for the necessity at the Annual General Meeting of Shareholders for further approval.

(Please refer to the further details in the topic "Board of Directors" and "Details of Directors, Management Team, Advisor and Controlling Persons" Sections.) In 2016, there was no director resigning from position due to the reason of corporate governance issue in the last year.

8. Directors' and Executives' Qualification Policy

The Company has a policy in terms of qualification of directors and executives, who at least must have the following qualifications;

8.1 The Chairman must be an independent director according to the definition of the Stock Exchange of Thailand (SET), and must not be the same person as the Chairman of the Executive Committee in order to reciprocally balance the power, and prevent any person from having exclusive power, as well as have no relationship with the management. All directors have freedom to comment on the Company's performance to supervise operation of the management to ensure efficiency, transparency, legality, and compliance with various rules, which role and responsibility of the Board of Directors and executives are clearly divided.

8.2 Directors and executives must not be or have never been auditors of the Company, its subsidiary and associated company, and must not be shareholder who has controlling power or partner of auditing firm that auditors of the Company, its subsidiary and associated company are working with (Please refer to further details in the topic "Board of Directors and Management" and "Segregation of the role and duty of the Board of Directors from the Management Team" Sections of this Annual Report.).

9. Non-compliance with the Rules of SEC and SET

The Company has a resolution and commitment as business practice that the Company's business operation must be compliant with the relevant laws, rules, procedures, and regulations, as well as consistent with general social accepted ethical benchmarks, which is supervised by the Board of Directors. In every the Board of Directors' meeting, the management must report performance, as well as other subject matters, including the case of warning letter and accusation from the Securities and Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET) (if any) of the Company to the Board of Directors for acknowledgement to ensure that the Company's business operation is effective and difficulties are remediable in time.

In 2016, the Company had no violation against the rules of the Securities and Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET).

10. Compliance Unit

The Board of Directors has set up the Compliance Unit to support the Board in monitoring the performance of the management, employees as well as other units in the organization to ensure compliance with the relevant laws, rules and regulations of the Securities and Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET); and to coordinate with the governing authorities to update the relevant laws, rules and regulations governing the Company's business operation. The Board of Directors would set a monitoring work plan and assessment system, review and adjust the work plan, on a yearly basis, to align with the changing situations and regulations.

In 2016, Mr. Somboon Kuptimanus, Senior Vice President of Legal Affairs and Company Secretary is acting Head of the Compliance Unit (Please refer to further details concerning the duty and scope of work of the Company Secretary appear in the "Company Secretary" Section of this Annual Report)

11. Independence of the Board of Directors from the Management

All members of the Board of Directors have freedom to comment on the Company's operational performance. Roles of the Board of Directors and management are clearly divided to enable actual freedom in forming duty from the management. The Board of Directors also determines policy, direction and business strategy plan which will be implemented by the management, as well as supervises the management by determining auditing method to oversight performance of the management efficiently, transparently, legally, and in compliance with various rules to enable the Company's operation to be appropriate and for the best interest of the Company and shareholders. (Please refer to further details in the topic "Directors and Management" Section of this Annual Report.)

12. Orientation of New Directors

The Company always arranges a compulsory orientation for a new director that includes background preparation and presentation on the Company's business, operational plan, target, vision and mission, organization structure, shareholding structure, management, duties and responsibility of the Board of Directors, corporate philosophy and business ethics, compliance of good corporate governance, current and past projects, and current performance. The Company also arranges site visit for a new director.

In 2016, Ms. Vilasinee Puddhikarant joined the board as a director. Before he assumed the directorship, the Company arranged for him to take part in an orientation for directors together with relevant site visits of the Company's various developments. The arrangements aimed to properly inform him of the corporate expectations for his role, duty, and responsibility as a director, as well as to provide him with the business details of the Company so that he can be well-prepared for the director's tasks and be well-informed of the Company's policies and practice guidelines on good corporate governance.

13. Director Knowledge Development

The Board of Directors encourages all directors, executives and the Company Secretary to attend training courses or participate in knowledge enhancement seminars both internal and external that support their work duties such as training courses offered by the Thai Institute of Directors (IOD), as well as courses arranged by other agencies so that they can bring the obtained knowledge to apply for the sound progress of their organization. (Please refer to further details in the topic "Additional Training Courses or Relevant Seminars Attended by Directors" and "Details of Directors, Management Team, Advisor and Controlling Persons" Section of this Annual Report.)

14. Policy relating to Board of Directors Meeting

To determine policy that benefits the Company and ensures the Board of Directors can monitor the Company's performance continuously and efficiently, the Company specifies its policy for the meeting of the Board of Directors as follows;

14.1 The Board of Directors Meeting shall be set at least 7 times a year (at least once in each quarter).

14.2 Agenda and date of the board's and shareholders' meetings for the forthcoming year shall be set in advance and notified to all directors since the last year to allow all directors to manage their time to attend the meeting together. The meeting schedule will be published on the Company's Website. Such schedule and agenda may change as appropriate and additional meeting may be held if necessary. Please refer to further details at the Company's Website www.scasset.com, Corporate Profile Menu, Corporate Governance Section and Schedules of the Meeting of Board of Directors and the Annual General Meeting for the year 2016.

14.3 Determine policy by requesting for co-operation from all directors to focus on meeting attendance every time, except there is necessity. In 2016, there were 7 Board of Directors meetings and the ratio of the Board of Directors' Meeting attendance by the members of the Board of Directors was at 96.77%. (Please refer to further details in the topic "Information on Meeting Attendance by the Members of the Board of Directors and the Members of the Sub-Committees").

14.4 For good corporate governance, the Company prescribed a policy of setting the minimum quorum for the voting of at least two-third of total directors.

14.5 Determine that it is responsibility of the Company Secretary to determine the meeting date, prepare adequate supplementary documents and send notice of Board of Directors meeting to all directors at least 7 days prior to the date of meeting both in the form of normal document and electronic form to ensure that all directors will have sufficient time to understand all matters unless there was an emergency or urgent matter. The Company Secretary shall also record all agendas of the meetings and carry out minutes of the meeting. The minute of Board of Directors Meeting which has been approved by the Board shall be kept by the Company Secretary in form of paper and electronic record for reference in the future.

14.6 The Chairman of the Board of Directors allocates adequate time for management to present documents and supplementary information for review and discussion of important issues. Each director is entitled to express independent opinions, to present any concerned agenda items, and scrutinize each agenda before voting. The Company Secretary performs duty of recording minutes of meeting in writing and then submitting the minute to the next Board's meeting for approval.

14.7 Director who may have any interest in any agenda must temporarily leave the meeting and refrain from voting in that agenda in order to allow the meeting to freely consider the agenda.

14.8 In the Board of Directors meeting, executive or related person may be invited to attend the meeting to provide information and answer question. The Board of Directors may require the Company Secretary to follow up on the question or inquiry from relevant department and notify the Board of Directors within the determined period or in the next meeting.

In 2016, the Company held 7 Board of Directors' Meeting and 1 Annual General Meetings of Shareholders.

15. Policy relating to Non-executive Directors' Meeting (Independent Directors)

The Board of Directors supports non-executive directors (independent directors) to hold meeting amongst themselves as necessary to discuss issues or proposals or recommendations relating to the Board of Directors meeting agendas, as well as the matters of management which come to their attention without an executive director or management team such as strategic plan and connected transaction etc. After the meeting, report, summary, and

recommendation will be prepared and presented to the Board of Directors or the management team for acknowledgement, as the case may be, in order to be implemented to improve management system and operation of the Company. These enhance benefits to the Company and all its stakeholders since opinions can be freely expressed and perspective thinking is encouraged. The Chairman of the Board of Directors as an independent director will be the chairman of the non-executive directors meeting (Please refer to further details in the sub-topic "Non-executive Directors' Meeting (Independent Directors)" in the part of Sub-Committees Section of this Annual Report).

16. Policy on Performance Assessment for the Board of Directors and Highest Level Executive

To abide by the good corporate governance policies, the self-assessment of the Company's board members, and the solution finding plans, The Company's Board of Directors arranges to have performance assessments for the Board of Directors, the Sub-Committees, and executives at least once a year. These include the performance assessment of the entire Board, the performance assessment of individual director which was divided into 2 parts, self-assessment, and cross self-assessment by other directors, the performance assessments for all sub-committees, the performance assessment for the Chairman of the Executive Committee and the performance assessment for the Chief Executive Officer. It also prescribes relevant processes and procedures for such performance assessments, which involve the self-participations of board members, sub-committee members, and executives in such assessments as well as in solution findings for potential problems. All of these will lead to proper work improvement and remuneration planning.

In 2016, the details concerning the performance assessment for the Board of Directors and Highest Level Executive are appeared in the topic "The Board of Directors' Performance Assessment" and "Performance Assessment for the Chairman of the Executive Committee and Performance Assessment for the Chief Executive Officer" Sections of this Annual Report.

17. Policy relating to Preparation of Successor Plan for Management and Top Executives

To prepare personnel with suitable qualification, knowledge, and sufficient capacity as a replacement for Management and Top Executives in case of resignation, retirement, end of term, or not being able to perform duty due to any reason, and to allow continuous and smooth performance, efficiency, and reduce the risk of not having successor as a replacement, the Board of Directors determines the following policy;

17.1 Determine successor plan for management and top executives.

17.2 Determine management and top executives positions that requires successor plan.

17.3 Determine that Human Resource Department shall organize training course and prepare staff, young executive, and middle executive to become young executive, middle executive, and senior executive further.

17.4 Determine and look after remuneration and interest for personnel appropriately and fairly to maintain personnel and prepare for growth of the company in the long run. (Please refer to further details in the topic "Preparation of Successor Plan for Management and Top Executives" Section of this Annual Report).

18. Policy on the Independence of the Internal Audit Unit

The Board of Directors, since the incorporation of the Company, has established Internal Audit Unit. At present, Miss Pannee Tharaphat, Senior Vice President, Internal Audit, is the Head of the Internal Audit Unit, and in order that the Internal Audit Office be independent from the Management to enable the Board of Directors to efficiently monitor the performance of the Company, the Board of Directors has set the reporting line of the Internal Audit Office to come under the Audit Committee which reports its performing of duties, the results or opinions in various issues, such as the number of meetings, assessment and review of the internal control system, related transactions, proposed appointment of the external auditors, review of the financial statements, review of the compliance issues related to the

policy and regulations, as well as opinions on those reviews. To ensure independence of the Internal Audit Office, the Audit Committee is authorized to appoint, transfer, dispose, and assess the performance of the Senior Vice President, Internal Audit Office (Please refer to further details in the topic “Attendance Record of Individual Members of the Board of Directors and Sub-Committees” and “Report of the Audit Committee” Sections of this Annual Report).

19. Internal Control and Risk Management Policy

The Board of Directors prescribes internal control policy and appoints the risk management committee to oversee the risk management and to have risk management measures which govern management activities. It also has responsibility of approving proposed operational plans, budgets and targets. The Board also emphasizes to the management the importance of efficient and appropriate internal control systems, the internal audit system, and risk management procedures, as well as the needs for the proper follow-up thereof. (Please refer to further details in the topic “Internal Control and Risk Management” Section of this Annual Report).

20. Guidelines of Policy and Practice towards the Conflict of Interests

The Board of Directors always adheres and complies with the policy that the Company's business operation will be performed fairly, honestly, transparently, and verifiably; thus, it prohibits its directors, executives and staff to exploit their positions for self- benefits or family benefits, or for benefits of those close to them, whether such benefits are of monetary nature or of any other nature whatsoever, as forbidden by the rules and regulations of the Stock Exchange of Thailand. The Company prescribes the following practice guidelines for its directors, executives and staff to abide by:

20.1 Receipt of money or rewards

Directors, executives and employees who may come into contact with any conceivable benefits or favors that may obstruct their independent judgment and action required in performing their duties, and hence may impact the interests of the Company and its customers shall comply with the following guidance:

(1) Directors, executives and employees of all levels shall not receive any money or personal rewards offered by the Company's customers, trade partners, or any other individuals for the work they perform on behalf of the Company.

(2) Directors, executives and employees of all levels shall not borrow or raise funds from the Company's customers and counterparties, except that such borrowings represent lending from their banks or financial institutions of which they are customers.

(3) Directors, executives and employees of all levels shall not accept any presents with a value exceeding that of the generally acceptable practices and shall be subject to any other rules and regulations relating the receipt of presents stipulated by the Company.

20.2 Conducting any other business activities outside the Company

Personal business activities of directors, executives and staff shall not impact their commitments to the Company's duties and work schedule. They are also required to disclose, in the formula as prescribed by with the Company, their business participations, whether it be for their own behalf, on behalf of their family, and/or in the name of any juristic party in which they hold any interests. Directors, executives and staff of all levels are forbidden from any participation in any commercial activities which are competitive to those of the Company's business, regardless of whether they direct or indirectly benefit from such participations. The Company prohibits its directors, or the companies of which its directors are related to or hold shares in, to be the Company's counterpart in any trade, except for the transactions which are disclosed and fully comply with applicable laws and the prescribed regulations of the Securities and Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET).

20.3 Transaction with Conflict of Interest

To prevent and create transparency in approving transaction that may have conflict of interest, the Company determines rule and procedure for approving connected transaction according to the rule of the Securities and Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET), which the price and condition must be as if it is transaction with third party and shall be according to general trading condition. Information of transaction that may have conflict of interest or connected transaction shall be disclosed. In addition, director who has interest must leave the meeting room temporary and refrain from voting in that agenda, which is the custom that the Board of Directors has always done.

20.4 Verifying Transaction with Conflict of Interest

In transaction that may have conflict of interest, the Company determines that the Audit Committee shall play an important role by determining that all transactions must be filtered by the Audit Committee first to determine whether such transaction is compliant with the rule of the Securities and Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET), and whether it is appropriate, fair, compliant with general trading condition, and is the best interest for the Company or not in order to be presented for further approval.

In 2016, the audit showed no case of any conflict of interest on their part against the Company.

21. Policy for Director and Top Executive Remuneration

21.1 Policy on Remuneration for Directors

The Company established a clear and transparent remuneration policy for its directors, both in terms of monetary and other non-monetary aspects such as meeting allowances, bonus, pension, and other benefits. The remuneration is considered from the Board of Directors' duties and responsibilities, and has been designed to the Company's Directors at the similar level to the industry compensation of Thai listed companies. 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 and transparently.

Director remunerations determination process is reviewed and proposed by the Nominating and Remuneration Committee for approval by shareholders' resolution. (Details of which appear in the "Shareholders' Rights" and "Director and Executive Remuneration" Section of this Annual Report).

21.2 Policy on Remuneration for the Executive Chairman/Chief Executive Officer (CEO) and Top Executives

The Company has established a remuneration policy for the Executive Chairman/Chief Executive Officer (CEO), and top executives both in terms of monetary remuneration and other non-monetary benefits such as the housing welfare program for executives whose years of service exceed 3 years offers the rights for them to purchase houses or condominiums developed by the Company at a special discount, whereby the special discount scheme is clearly and transparently defined. The remuneration policy is clear and transparent formulated based on relevant considerations such as experiences, duties, roles, and responsibilities of the executives, as well as their performances or anticipated serviceable outcomes. All of these incentives are given in a level suitable for the company to retain their qualified executive chairman, chief executive officer (CEO) and executives, and in the range comparable to its industry peers who are also Thai public listed companies in the same industry sector.

The Remuneration policy for the Executive Chairman/Chief Executive Officer (CEO) and top executives is prescribed in detail for both monetary remuneration and other non-monetary benefits and in both forms of short-term and long-term incentives:

Short Term Incentives

The short-term incentives aim to motivate and inspire directors and executives' work performances. High-performance executives are a key element that creates good corporate results. The short-term incentives consist of both monetary incentives and other non-monetary incentives which are:

(1) Short-term monetary incentives include an annual bonus payable according to individual performance and actual company performance, salary increase for the Executive Chairman/Chief Executive Officer (CEO), and top executives based on demonstrated individual achievement evaluated under the Balanced Scorecard (BSC) approach according to Key Performance Indicator (KPI) Evaluation Process.

(2) Other short-term non-monetary incentives include various benefits provided to the Executive Chairman/Chief Executive Officer (CEO), and top executives such as the above mentioned housing welfare program.

Long Term Incentives

The long-term incentives aim to reward directors and executives for their dedicated work performance and to create motivation for them to make long-term accomplishments. Retaining qualified employees to work for the Company for the long-term is its key strategy for corporate productivity and value maximization. In 2005, the Company provided its long-term incentives which included five employee stock option plans (ESOP). Each plan has duration of 5 years, continually and consecutively carried on from 2005 to 2014. The stock option plans help create an ownership culture and motivate the Executive Chairman/Chief Executive Officer (CEO), and top executives to work with dedication and efficiently. The stock option plans also effectively support the retaining of qualified employees, motivate corporate productivity, enhance long-term value maximization to stakeholders, and ensure growth as well as business sustainability.

In addition to the above mentioned remunerations and incentives, the Company also clearly prescribed a remuneration process for the Executive Chairman/Chief Executive Officer (CEO), and top executives according to their roles and positions, as follows:

(1) The Executive Chairman: The process in remunerating for the Executive Chairman based on the consideration of the performance assessment assessed by the Executive Chairman's Performance Assessment Sub-Committee, which consists of the Chairman of the Board of Directors (Independent Director), the Chairman of Audit Committee (Independent Director) and the Chairman of Nomination and Remuneration Committee (Independent Director). The Executive Chairman's performance assessment results will be reported to the Nomination and Remuneration Committee for determining the monetary remuneration as well as and other non-monetary and in both short-term incentives and long-term incentives forms for further proposing to the Board of Directors for approval.

(2) The Chief Executive Officer (CEO): The process in remunerating for the Chief Executive Officer (CEO) based on the consideration of the performance assessment assessed by the Chief Executive Officer's Performance Assessment Sub-Committee, which consists of the Executive Chairman, the Chairman of Audit Committee (Independent Director) and the Chairman of Nomination and Remuneration Committee (Independent Director). The Chief Executive Officer's performance assessment results will be reported to the Nomination and Remuneration Committee for determining the monetary remuneration as well as and other non-monetary and in both short-term incentives and long-term incentives forms for further proposing to the Board of Directors for approval.

(3) The Top Executives: the Nomination and Remuneration Committee has been assigned to determine the reasonable and appropriate remuneration for top executives. The remuneration is considered from the individual executive's performance as well as the Company's

In the year 2015, the Company determined the remuneration both monetary remuneration and other non-monetary benefits and in both short-term and long-term incentives forms for the Directors, the Executive Chairman, the Chief Executive Officer (CEO) and the top executives in accordance with the policy prescribed by the Company. (Please refer to further details in the topic “Shareholders’ Rights” and “Director and Executive Remuneration” Sections of this Annual Report.)

22. Policy related to the Company Secretary

The Board of Directors determines that the Company shall have the Company Secretary, which the appointment shall take into account and compliant to the rule determined by the law and good corporate governance principles. The Secretary must completed a degree in law or accounting, and has been trained in course relating to performing secretary’s duty to perform the duty of giving legal advice and recommendation relating to various rules to the Board of Directors. The duties included the supervising activities of the Board of Directors, making appointment and preparing meeting invitation letter together with meeting documents completely and sufficiently, as well as coordinating to ensure compliance with the resolution of the Board of Directors. Information and role of the Company Secretary has already been disclosed. (Please refer to further details in the topic “Company Secretary” Section.)

23. Offence on Corruption, Corporate Governance, and Negative Reputation

In 2016, the Company and all directors, including executives had no offence or violation against the rule of the Securities and Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET). There was no offence in terms of corruption or ethics, and there was no executive resigning due to the issue of corporate governance, as well as the Company had no bad reputation due to failure of performing monitoring duty of the Board of Directors. The Company realizes the importance of anti-corruption. Therefore, the Company’s representative was sent to attend the meeting with organization and authority that publish knowledge relating to preventing and verifying corruption in the organization such as international conference on anti-money laundering, etc.

24. Policy on Prohibiting the Company to lend money to its directors

To ensure trust and reliability in the managerial transparency and to protect against conflict of interest, it is the Company’s policy to prohibit its Directors to directly and indirectly apply for a Company loan in all cases. Up to the present, there are no such cases where the Directors have applied for a Company loan neither directly nor indirectly.

25. Policy on Change of Status and Responsibility of the Directors

In case any director changes status or responsibility which may have a material impact on the qualifications or his performing his duty as director: for example, his taking office in another juristic person with a similar nature of business, or conflicting or competing with the Company’s business, or changing his duty and responsibility which result in his being disqualified as the Company’s director, or his having a conflict of interest, or not being able to devote time and effort in performing the duty as director; the Company has established the practice guidelines that such director must notify such change in writing together with a resignation note to Chairman of the Board of Directors or Company Secretary.

26. Policy on Guarding the Classified Business Information

As the Company’s directors are among those who could access the classified internal information, the Company has set the policy on guarding the business information confidentiality whereby the active or retired directors are prohibited from disseminating or taking any acts that benefit others with classified business information, or to make use of the information for their own benefit or benefit of others, or to violate the laws governing the use

of internal information; with the exception that such disclosure is legally required or by court order. The directors must act with due consideration not to disclose or to prevent disclosure of the classified information including dialogues among directors or between directors and management team during the meeting sessions of the Board of Directors or Sub-Committees.

In 2016 the audit showed no case of violating any of the Company's policies made by Directors.

Compliance with Good Corporate Governance

Throughout the year 2016, the Company has thoroughly and continually adhered to and emphasized good corporate governance practice. The policy including the practices and procedures related to good corporate governance have been reviewed and developed to comply with the generally accepted principles by adopting the new principles to apply to the Company's strategies and direction, in order that the Company's business operation could be developed and prosper transparently, open to investigation, and protecting the equitable rights of every shareholder including all other stakeholders. The following practices were developed during the year in review: Nonetheless, the Company has undertaken other different approaches than those specified in good corporate governance principles as mentioned below:

(1) The Company has not set the maximum term for independent directors on the grounds that the Company has considered as essential factors the knowledge, competency and professional experience of each independent director, contributable to the benefits of all stakeholders and the Company's business growth, as well as the individual performance assessment throughout the term of directorship. Each independent director has proved that his independence is maintained without any conflict of interest and /or material interest with the Company. Over the past years there were no objections or allegation made by the stakeholders or governing authorities concerning the qualification of the Company's independent directors. Nevertheless, while not failing to observe the good corporate governance practice, the Company regularly developed and reviewed the internal control system, the audit system and the stakeholders' petition process to improve the efficiency of the audit system and to assure that all Company's independent directors will not be disqualified from independent directorship as specified by the Securities and Exchange Commission (SEC). It is also the policy of the Board of Directors that the Nomination and Remuneration Committee should review the term and years in office of the independent directors on a yearly basis.

(2) The Company has not yet prescribed cumulative voting as a voting method for its Board of Directors election as the practice of cumulative voting is perceived by the Company to have certain flaws, which facilitate minority shareholders to concentrate their votes on candidates who are not nominated by the Company, and not selected via the Nomination Committee's selection process. The Nomination Committee knows what qualifications are suitable to corporate strategy and required to help the Company achieve its development and business suitability targets, and thus mostly required for a director to have. Therefore, a director candidate who is not reviewed and selected via the Nomination Committee's selection process may not be acceptable to work with other board members, which could then result in a non-cohesive corporate administrative and governance direction that could further cause damage to the Company's business operation.

(3) The Company has not yet prescribed a policy which requires its directors and top executives to report to the Board of Directors about any of their security trading transactions at least 1 day in advance of such trading; because the Company already has prescribed in place an insider trading prohibition policy, which particularly governs against the use of non-public information and undisclosed information of the Company. Provided that, at the time of public release of the Company's financial statements, or the Company's financial position and status, as well as other important details which are the Company's internal information, it is the Company's policy to prohibit its directors, executives and employees who are in positions or in business lines which are responsible for such internal information, or who have access to such internal information, from engaging in any trading of the Company's securities for a period

of 1 month before public disclosure thereof and within 24 hours after such disclosure. Nonetheless, the company has not yet formulated a policy which requires its directors and top executives to report to the Board of Directors about any of their security trading transactions at least 1 day in advance of such trading is because trading decision is also connected to personal satisfaction over a desired range of trading prices. Thus the formulation of such reporting policy may cause a restriction on fundamental individual rights.

2. Sub-committees

The Company's Board of Directors has appointed directors appropriately equipped with knowledge and professional proficiency in the various sub-committees to help oversee corporate governance by a performing detailed study and screening of the issues within the scope of their respective responsibilities, with an aim to increasing the effectiveness of Board of Directors' performance. In this way, the sub-committees could more specifically consider and discuss the related issues and reported the result of their meetings to the Board of Directors on a regular basis, as well as their annual performance to the Company's shareholders in the Annual Information Disclosure (56-1Form) and the Annual Report respectively. Currently, 5 sub-committees have been appointed as follows:

1. The Executive Committee
2. The Audit Committee
3. The Nomination and Remuneration Committee
4. The Corporate Governance and Social & Environmental Responsibility Committee
5. The Risk Management Committee

The Executive Committee

As of December 31, 2016, all members of the Executive Committee did not hold any directorship in other listed companies. The Executive Committee consisted of:

- | | | | |
|----|----------------|--------------|-------------------------------------|
| 1. | Ms. Busaba | Damapong | Chairman of the Executive Committee |
| 2. | Mr. Nuttaphong | Kunakornwong | Member |
| 3. | Mr. Nathpath | Oujai | Member |
| 4. | Mr. Songsak | Premsuk | Member |
| 5. | Ms. Vilasinee | Puddhikarant | Member |

The Secretary of the Executive Committee is Mr. Vitit Visalpattanasil, the Senior Vice President – Accounting

In 2016, the Executive Committee held 13 meetings to follow up and manage the operation of the Company's business, of which the attendance details were disclosed under the topic "Attendance Record of an Individual Member of the Board of Directors and Sub-Committees"

Scope of Authorities and Responsibilities:

1. To formulate the policies, business direction, strategies and the construction business management of the Company by reviewing the current, and future economic trends and competitive situation as previously outlined to shareholders and submit to the Board of Directors for their approval.
2. To set business plan, annual budget, and management guideline of the Company and submit to the Board of Directors for their approval.

3. To monitor and follow up operations to ensure compliance with policies and other management directions of the Company for its operational efficiency.
4. To monitor and follow up the performance of the Company as set forth in the approved business plans.
5. To consider all major project investments.
6. To carry out financial transactions with financial institutions in respect of the opening of bank accounts, loans, pledge, mortgage, guaranty, and any other transactions including sales and purchases, and the registration of any land title as laid down in the objectives of the Company for the benefit of the Company's operations under the determined budget.
7. To operate any other activities specifically assigned by the Board of Directors.

Segregation of Roles and Duties between the Board of Directors and the Management Team

It is the Company's policy to clearly segregate duties and responsibilities between the Board of Directors and the management team. The Board of Directors has an important duty to set corporate policy and business direction, and to supervise and oversee the management's business administration to be in accordance with the Company's corporate policy and targeted strategy, as well as to provide relevant advice regarding the Company's business. The management team is responsible for managing and administering the Company's business and to maximize its corporate value according to the corporate policy and business direction set by the Company's Board of Directors. The Company also prescribes that the Chairman of the Board of Directors and the Executive Chairman shall not be the same person in order to create a check-and-balance mechanism and a clear segregation between a supervisory role and a management role.

Chairman of the Board

The Chairman of the Board of Directors is responsible as leader in establishing the policy and guidelines for the Board of Directors to perform their duties. Furthermore, the Chairman has the duty to preside over the Board of Directors' meetings and Annual Shareholders' Meeting.

Executive Chairman

The Executive Chairman is responsible for executing the policies laid down by the Board of Directors and Shareholders through setting the business administration framework and presiding over the Executive Committee's meetings

Chief Executive Officer (CEO)

The Company's Chief Executive Officer (CEO) is responsible for the management and business operation as per the direction and supervision assigned by the Board of Directors and the Executive Board. He is also committed to manage the Company according to its corporate plan and/or corporate budget approved by the Board of Directors and the Executive Board, for the best achievable benefits of the Company and its shareholders according to the targeted corporate plan.

The Audit Committee

As of December 31, 2016, the members of the Audit Committee (serving period 3 years) consisted of 3 independent directors who have knowledge and understanding or experiences concerning accounting or finance, details are as follows:

- | | | |
|----------------|--------------------|---|
| 1. Mr. Kunodom | Tharmmaphornphilas | Chairman of the Audit Committee (Being an independent director and having his professional background in structural engineering and financial accounting). He has competence and experience to review the Company's financial statements. |
| 2. Mr. Prasert | Samanawong | Member (Being an independent director and having his professional background in financial accounting). He has competence and experience to review the Company's financial statements. |
| 3. Mr. Precha | Sekhararidhi | Member (Being an independent director and having his professional background in engineering, management and financial accounting). He has competence and experience to review the Company's financial statements. |

The Secretary of the Audit Committee is Ms. Pannee Tharaphat, the Senior Vice President - Internal Audit.

The Audit Committee was formed on September 1, 2003, with committee composition, member qualifications, prescribed scope of duties and responsibilities, period of directorship, as well as meeting rules set in accordance with the Audit Committee Charter. The current version, which was approved by the Board of Directors at its meeting No. 6/2013 held on November 13, 2013, is prepared in accordance with the regulatory requirements prescribed by the Securities and Exchange Commission of Thailand (SEC) and conforms to notifications issued by the Stock Exchange of Thailand (SET), effective from the July 16, 2009. The Audit Committee Charter covers roles and responsibilities, qualifications, constitution, and quorum of the Audit Committee. Interested parties are encouraged to visit our website: www.scasset.com for more information in the "Corporate"/ "Corporate Governance"/ "Audit Committee Charter" Section.

The Audit Committee regularly convenes and holds at least 8 meetings annually. In 2016, the Committee held 9 meetings including 4 meetings in connection with the audit results, the performance of the Audit Department and the compliance audit; and 1 exclusive meeting with the external auditors without the presence of the Management. The Audit Committee submits its report to the Board of Directors consistently without delay. The quarterly meetings were held with the certified auditors and senior director of the Accounting Department to review the Company's financial statements. The attendance details were disclosed under the topic "Attendance Record of an Individual Member of the Board of Directors and Sub-Committees."

Scope of Authorities and Responsibilities:

1. To review the Company's financial statements to ensure they are accurate, reliable and have sufficient disclosure with the generally accepted accounting principles.
2. To review the efficiency and appropriateness of the Company's internal controls and internal audit systems. Oversee the independency of the Internal Audit Department. Give accord for considerations made regarding appointment, transfer, and cancellation of employment of the Chief of the Internal Audit Office, as well as review his/her performance and remuneration.

3. To review practices to ensure compliance with rules and regulations of the Stock Exchange of Thailand (SET), and other related authorities.

4. To consider, select, nominate, and appoint, individuals who are independent and are auditors approved by the Securities and Exchange Commission of Thailand (SEC) to be the Company's external auditors, as well as to re-nominate the external auditors who are finishing their term for reappointment for another term, to propose the termination of the predecessor auditors' service as well as to propose remuneration of such external auditors. The Committee shall, at least once a year, arrange to have a meeting with the auditors the presence of the management therein.

5. To oversee that connected transactions or transactions which may represent conflict of interest are reviewed according to applicable laws and regulations of the Stock Exchange of Thailand (SET) in order to ensure their rationality and for the benefit of the Company.

6. To review the efficiency and effectiveness of the Company's risk management systems.

7. To review and submit an opinion on Internal Audit plans, practices of the Internal Audit Department.

8. To prepare the Audit Committee Report and disclose it in the Company's Annual Report. The Audit Committee Report must be signed by the Chairman of the Audit Committee and should at least include the following information:

- (1) Opinions on the accuracy and accountability of the Company's financial statements.
- (2) Provide Opinions on the Company's risk management and the adequacy of its internal controls System.
- (3) Opinions on the Company's compliance with laws governing securities and exchange, rules and regulations of the Securities Exchange of Thailand (SET), or other relevant laws which govern business activities of the Company.
- (4) Opinions on the suitability of the Company's auditor.
- (5) Opinions on the transactions which may represent conflict of interest.
- (6) Number of the Audit Committee Meetings and the attendance record of each committee member.
- (7) Opinions or general remarks obtained by the Audit Committee in performing its duties in accordance with the Audit Committee Charter.
- (8) Other transactions of which the general shareholders and investors should be aware under the scope of duties and responsibilities assigned by the Board of Directors to the Committee.

9. In performing the duties assigned to the audit Committee, if there is any finding of or doubts on any item or action which may have any material impacts to the Company's financial positions and operation results, the committee shall report to the Company's Board of Director for acknowledgement and consideration, the said item or action as follow:

- (1) Conflict of interest transactions
- (2) Fraud or irregularity or deficiency in material respects, in the internal control system
- (3) Violation of laws on securities and stock exchange and/or the notifications of the Securities and Exchange Commission of Thailand and/or the regulations of the Stock Exchange of Thailand and/or other laws relating to the business of the Company.

10. To report the performance of Audit Committee to the Board of Directors at least 4 times a year.

11. Having authority to invite management, executives or relevant employees of the Company to give opinions or participate in meetings or submit any necessary information required within the scope of duties and responsibilities assigned to the Audit Committee.

12. Having authority to hire external advisors or outsiders, under the Company's prescribed rules to give opinions or advise, if necessary.

13. To carries out actions assigned by the Board of Directors which is agreed upon by the Audit Committee.

Qualification and Composition of the Audit Committee

1. The Audit Committee must comprise of independent directors appointed by the resolution of the General Meeting of Shareholders or the Company's Board of Directors. A member of the Audit Committee shall be appointed as the Chairman of the Audit Committee.

2. Members of the Audit Committee must not be a director who is assigned by the Board of Directors to make any business decision for the Company, its parent company, its subsidiaries, its affiliates, fellow subsidiaries, major shareholders or controlling persons.

3. Members of the Audit Committee must not be a director of the Company's parent company, its subsidiaries, its affiliates, and fellow subsidiaries which are listed companies.

4. The Audit Committee must comprise of three directors as a minimum. At least one of the directors among the members of the Audit Committee must have adequate experience to make an assessment review on the accountability of the financial statements.

5. Members of the Audit Committee must possess qualifications prescribed by the Securities and Exchange Commission of Thailand (SEC).

In addition to the above required qualification and specific composition of the Audit Committee, members of the Audit Committee also maintain qualification and specific composition as independent directors (Please refer to further details in the topic "The Board of Directors"/ "Qualifications of Audit Committee")

The Nomination and Remuneration Committee

As of December 31, 2016, the Nomination and Remuneration Committee (serving period 3 years) consisted of:

- | | | | |
|----|--------------|--------------------|---|
| 1. | Mr. Prasert | Samanawong | Chairman of the Nomination and Remuneration Committee
(Independent Director and Non-executive) |
| 2. | Mr. Kunodom | Tharmmaphornphilas | Member (Independent Director and Non-executive) |
| 3. | Mr. Nathpath | Oujai | Member |

The Secretary of the Nomination and Remuneration Committee is Ms. Charanya Tangbunjerdsook, the Senior Vice President - Human Resources and Administration.

The Nomination and Remuneration Committee was appointed on September 1, 2003 which, at first, was separately divided in 2 sub-committees, the Nomination Subcommittee and Remuneration Subcommittee. Its scope of authorities, responsibilities serving period were both prescribed in the charter of Nomination Subcommittee and Remuneration Subcommittee. Since the members of both Subcommittees were the same and worked together, the Board of Directors has designed to combine two sub-committees in to one committee and adjusted new the charter of Nomination and Remuneration Committee. Its scope of authorities, responsibilities, qualified, element, serving period and meeting. Thus interested person is encouraged to visit our website: www.scasset.com, in "Corporate"/ "Charter" section.

In 2016, the Nomination and Remuneration Committee held 2 meetings, of which the attendance details were disclosed under the topic "Attendance Record of an Individual Member of the Board of Directors and Sub- Committees".

The Nomination and Remuneration Committee has authorities and responsibilities as follows:

1. To set principles and policies relating to nominations of directors and sub-committee members for the Company's Board of Directors and other committees and subcommittees;
2. To consider and nominate suitable candidates for the director posts and submit their names to the Company's Board of Directors for approval and/or for further submission to the shareholders' meeting for approval, on a case by case basis;
3. To consider and nominate suitable candidates for the Chairman of the Executive Committee position, in case of a vacancy, and stipulate selection criteria for top executives;
4. To annually set an appropriate and relevant remuneration scale, both monetary and non-monetary, to attract and retain the Board members, sub-committee members and top executives;
5. To prepare remuneration principles and policies for the Board members and top executives and submit them to the Company's Board of Directors for approval and/or for further submission to the shareholders' meeting for approval, as the case may be;
6. To provide explanations and answers to questions relating to remuneration of the Board members and top executives, which are raised in the shareholders' meeting.

The Corporate Governance and Social & Environmental Responsibility Committee

As of December 31, 2016, the Corporate Governance and Social & Environmental Responsibility Committee (serving period 3 years) consisted of:

- | | | | |
|----|----------------|--------------|--|
| 1. | Mr. Precha | Sekhararidhi | Chairman of the Corporate Governance and Social & Environmental Responsibility Committee, (Independent Director and Non-executive) |
| 2. | Ms. Busaba | Damapong | Member (Chairman of the Executive Committee) |
| 3. | Mr. Nuttaphong | Kunakornwong | Member (Executive Director and Chief Executive Officer) |
| 4. | Mr. Songsak | Premasuk | Member (Executive Director and Independent Director) |

The Secretary of the Corporate Governance and Social & Environmental Responsibility Committee is Mr. Somboon Kuptimanus, the Company Secretary, the Senior Vice President - Legal Affairs, and the Head of Compliance Unit.

The Corporate Governance and Social & Environmental Responsibility Committee was appointed as per the resolution of the Meeting of the Board of Directors No.1/2011 on January 12, 2011, to take responsibility on the formulation the policy and establishment the working plan regarding the good corporate governance as well as corporate Social Responsibility. In addition, there was a working group on environmental & social responsibility or CSR, which was formed to be directly responsible for undertaking the CSR activities.

Such CSR working group comprises of 7 members as follows;

- | | | | |
|----|----------------|--------------------|-------------------------------|
| 1. | Mr. Suriya | Pleansi | Chairman of CSR working group |
| 2. | Ms. Charanya | Tangbunjerdsook | Member |
| 3. | Mr. Paphandech | Pacharachanant | Member |
| 4. | Mr. Mongkut | Techolarn | Member |
| 5. | Mr. Prayongyut | Itthiratchai | Member |
| 6. | Ms. ChomChada | Kaldiloke | Member |
| 7. | Ms. Sudarat | Charoengatemongkol | Member and Secretary |

The working group was entrusted with the duty to formulate the strategies and implement the CSR activities in compliance with the policy laid down by the Corporate Governance and Environmental & Social Responsibility Committee, and to follow up the CSR activities of the Company to be in line with the approved strategies and work plans.

In 2016, the Corporate Governance and Environmental & Social Responsibility Committee held 2 meetings, of which the attendance details were disclosed under the topic "Attendance Record of an Individual Member of the Board of Directors and Sub-Committees".

Roles, Duties and Responsibilities of the Corporate Governance and Social & Environmental Responsibility Committee

1. Propose good practices and recommendations regarding corporate governance and social & environmental responsibility to the Company's Board of Directors. The practices should be appropriate and in line with the Company's business activities.
2. Encourage the Company's directors, executives, and employees to always expand their knowledge on corporate governance and social & environmental responsibility for appropriate work application and uplift the standards of practice to those of international status and in accordance with recommendations from the relevant governing authority and agency.
3. Monitor the application by the management on good corporate governance and social & environmental responsibility in corporate development and in project development for the sustainable growth of the Company.
4. Regularly review good practices related to corporate governance and social & environmental responsibility so that the Company is able to develop its standard of governance to the international benchmark.
5. Assess the Company's performances on issues relating to good corporate governance.

The Risk Management Committee

As of December 31, 2016, the Risk Management Committee (serving period 3 years) comprised of 6 persons, which 2 of them are independent directors, details are as follows:

1.	Mr. Precha	Sekhararidhi	Chairman of the Risk Management Committee (Independent Director and Non-executive Officer)
2.	Mr. Prasert	Sammanawong	Member (Independent Director and Non-executive Officer)
3.	Ms. Busaba	Damapong	Member (Chairman of the Executive Committee)
4.	Mr. Nuttaphong	Kunakornwong	Member (Executive Director and Chief Executive Officer)
5.	Mr. Attapol	Sariddipuntawat	Member (Chief Financial Officer)
6.	Dr. Torwong	Chenvidyakarn	Member (Vice President - Corporate Strategic Planning)

The Secretary of the Risk Management Committee is Ms. Pannee Tharaphat, the Senior Vice President – Internal Control Affair.

The Risk Management Committee has authorities and responsibilities as follows:

1. Consider and approve risk management policy and framework prior to their submission to the Company's Board of Directors for approval.
2. Consider and approve the risk assessment report, guidelines, risk management measures, as well as relevant action plans on residual risks to assure that the Company maintains appropriate and acceptable risk management procedures.

3. Monitor, oversee, and encourage all units to comply with the risk management framework and measures, as well as observe the prescribed action plans to assure that risks are kept at an acceptable level.

4. Review and evaluate risk management policy and framework at least once a year to assure that the ongoing policy and framework are suitable for and applicable to the current circumstances of the Company's business operations.

5. Report its performances and actions of the Risk Management Committee to the Audit Committee and the Company's Board of Directors on a quarterly basis.

6. Provide opinions and recommendations on outsourcing of work in the event that the Company needs to hire any outsiders for work due to insufficient internal manpower and/or lack of specific knowledge or expertise required to complete any targeted work plan. Nevertheless, such hiring shall only be temporary.

In 2016, the Risk Management Committee reviewed the Company's Risk Management Policy and in the Meeting of the Risk Management Committee No. 4/2016 on Tuesday November 8, 2016, the Risk Management Committee resolved to improve such policy to be in line with the Company's Risk Management Committee Charter and its relevant enforcement guidelines, as well as other applicable regulations.

In 2016, The Risk Management Committee held 5 meetings, details of which are as follows:

Name		Number of Meetings Attended / Total Meetings Held	
		Risk Management Committee 2007-2016	Risk Management Committee 2016
1. Mr. Precha	Sekhararidhi ⁽¹⁾	11/11	5/5
2. Mr. Prasert	Samanawong ⁽²⁾	11/11	5/5
3. Ms. Busaba	Damapong ⁽³⁾	11/11	5/5
4. Mr. Nuttaphong	Kunakornwong ⁽⁴⁾	14/16	3/5
5. Mr. Attapol	Sariddipuntawat ⁽⁵⁾	44/46	5/5
6. Mr. Torwong	Chenvidyakarn ⁽⁶⁾	15/15	5/5

Remarks:

The Board of Directors, at its meeting no.7/2014 held on December 16, 2014, passed a resolution appointing the new Risk Management Committee

(1) Mr. Precha Sekhararidhi, Independent Director, has been assigned to be the Chairman of the Risk Management Committee since December 16, 2014.

(2) Mr. Prasert Samanawong, Independent Director, has been assigned to be the member of the Risk Management Committee since December 16, 2014.

(3) Ms. Busaba Damapong, Director and the Chairman of Executive Committee, has been assigned to be the member of the Risk Management Committee since December 16, 2014.

(4) Mr. Nuttaphong Kunakornwong, Director and Chief Executive Officer, has been assigned to be the member of the Risk Management Committee since November 15, 2013.

(5) Mr. Attapol Sariddipuntawat, Chief Financial Officer, has been assigned to be the member of the Risk Management Committee since March 9, 2004.

(6) Dr. Torwong Chenvidyakarn, Vice President-Corporate Strategic Planning, has been assigned to be the member of Risk Management Committee since January 31, 2014.

3. Independent Director

Independent Directors means any director who is independent from major shareholder and management and is able to express their opinions and report any suggestion independently as assigned, such as being the Chairman of the Board of Directors, member of the Audit Committee, member of the Nominating and Remuneration Committee and the Chairman of Corporate Governance and Social & Environmental Responsibility Committee without any concern over possible remuneration benefits or perceivable rewarded titles and not acting under of any control or influence by any individual or group that might force them not to express their independent opinions.

Thus, the person who shall be qualified to be independent director must be in fully compliance with the following qualifications and independent criteria as prescribed by the Notification of Capital Market Supervisory Board. However, the Company has defined its independent director more intensive than the minimum requirements in accordance with the Notification of the Capital Market Supervisory Board which are:

Roles and Duties of Independent Directors

While the roles and duties of independent directors are the same as executive directors, they also play crucial roles and duties to act independently to protect the interests of all stakeholders without dominance from any group of person(s).

Since 2009, the Company has encouraged the independent directors to hold their own meeting. As of December 31, 2016, comprising 6 independent directors including Mr. Rath Kitivejsoth, the Chairman of the Board of Directors, to hold their own meeting, without any participation from executives or individuals who could be deemed as company-related person or individual who may cause partiality in the meeting, before each meeting date of the Board of Directors to consider on each Board of Directors agenda item, and mutually make recommendations to the Board of Directors with respect to an improvement of the development and efficiency of the Company's management and operation for benefit to all stakeholders. Presently, all 6 independent directors hold a directorship position in a listed company not exceeding 5 companies.

Qualifications of Independent Directors

1. holding shares not exceeding 0.5 percent of the total number of shares with voting rights of the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such independent director;
2. neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the applicant, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person;
3. not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the applicant or its subsidiary company;
4. neither having nor used to have a business relationship with the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgment, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person;
5. neither being nor used to be an auditor of the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person;

6. neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services;

7. not being a director appointed as representative of directors of the applicant, major shareholder or shareholder who is related to major shareholder;

8. not undertaking any business in the same nature and in competition to the business of the applicant or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one percent of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the applicant or its subsidiary company;

9. not having any other characteristics which cause the inability to express independent opinions with regard to the applicant's business operation.

Non-executive Directors' Meeting (Independent Directors)

To improve the Company's management system and its operation, the Company is supporting the meeting for and among non-Executive Directors to consider and discuss the matters of management which come to their attention without an Executive director nor management team. These enhance benefits to the Company and all its stakeholders since opinions can be freely expressed and perspective thinking is encouraged. The Chairman of the Board of Directors as an independent director will call the meeting of non-Executive Directors quarterly prior to Board of Directors Meeting.

As of December 31, 2016, there are 6 non-Executive Directors consisted of:

1.	Mr. Rath	Kitivejsoth	Chairman of the Non-executive Director
2.	Mr. Kunodom	Tharmmaphornphilas	Non-executive Director (Engineering background and having knowledge and experience relating to the Company's business)
3.	Mr. Prasert	Samanawong	Non-executive Director (Accounting and financial knowledge and experience relating to the Company's business)
4.	Mr. Precha	Sekhararidhi	Non-executive Director (Engineering background and having knowledge and experience relating to the Company's business)
5.	Mr. Songsak	Premasuk	Non-executive Director (Marketing knowledge and having experience relating to the Company's business)
6.	Ms. Vilasinee	Puddhikarant	Non-executive Director (Economic knowledge and having experience relating to the Company's business)

The Secretary of the Non-executive Directors' Meeting is Mr. Prasert Samanawong.

In 2016, there were 7 meetings periodically held among only the Company's non-executive directors (Independent Directors) before the meeting of the Board of Directors. The details of the meeting attendance by each of the non-executive directors are as follows:

Name		Number of Meetings Attended / Total Meeting Held	
		Non-executive Director 2009-2016	Non-executive Director 2016
1. Mr. Rath	Kitivejsoth	42/42	7/7
2. Mr. Kunodom	Tharmaphornphilas	42/42	7/7
3. Mr. Prasert	Samanawong	42/42	7/7
4. Mr. Precha	Sekhararidhi	42/42	7/7
5. Mr. Songsak	Premasuk ⁽¹⁾	12/12	7/7
6. Mrs. Vilasinee	Puddhikarant ⁽²⁾	5/6	5/6

Remark:

⁽¹⁾ Mr. Songsak Premasuk was appointed by General Shareholders Meeting for 2015 held on April 23, 2015.

⁽²⁾ Ms. Vilasinee Puddhikarant was appointed by the resolution of the Board of Directors No. 1/2016 dated January 15, 2016 to be a director of the Company and member of the Executive Committee (independent director) in replacement of Ms. Phensom Damapong, who resigned from her directorship. She was re-elected by the resolution of the 2016 annual general meeting of shareholders to serve as a director (Independent Director) for another term.

Business Relationship or professional Advisor

There was neither business relationship transaction nor professional advisor transaction between independent director (and director) and its parent company, subsidiary, or juristic person who may have conflicts of interest having the amount more than prescribed in Notification of the Capital Market Supervisory Board No. Tor Chor. 28/2551 Re: Application for an Approval of Offer for Sale of Newly Issued Shares Which is Defined Significantly and is not Independent, which are:

1. A normal business relationship transaction with the amount of three percent or more of the net tangible assets or twenty million Baht or more, whichever is lower. It shall include the transaction taking place during the course of six months prior to a date of transaction. The amount of such indebtedness shall include indebtedness taking place during the course of one year prior to the date on which the business relationship commences.

2. Being an auditor or professional advisor of the company such as legal advisor, financial advisor or asset appraisal.

4. Nomination of Directors and Top Executives

Nomination of Company's Directors

The selection and nomination of the directors was made through a transparent process by which the Nomination and Remuneration Committee considered the candidates equipped with sufficient breadth of knowledge and professional proficiency relating to the Company's business, as well as the necessary skills required to fulfill the Board proficiency as defined in the Board Skill Matrix. Candidates must possess qualifications and experiences, without prejudice to gender, nationality, religion, in the fields contributable to the accomplishment of short - term and long - term business strategies; devoting their time and efforts in performing the duties; not possessing the prohibited characteristics stipulated in the law and the good governance of the listed companies; and has never been

an employee or partner of the external audit office appointed by the Company within the past 3 years. In certain cases, information from the Director Pool was used to screen the candidates in the selection and nomination process to propose to the Board of Directors and/or Shareholders' Meeting for approval, whichever the case may be.

Nomination of Chairman of the Executive Committee and Chief Executive Officer

1. Having qualifications according to the requirements of the Company.
2. Both directorship positions will be selected and appointed from qualified persons who are able to hold only 1 directorship in public listed company i.e. SC Asset Corporation Public Company Limited and cannot hold more than 5 directorships in other entities as follows:

- 2.1 The Company's subsidiary
- 2.2 The Company's associated company which operates business other than real estate development, and he/she shall not take the position of the Chairman of the Executive Committee or the Chief Executive Officer of such company
- 2.3 Charity organization/ foundation promoting public benefits and education

The Board of Directors shall be responsible for selecting any new qualified and experienced director. Such new director(s) must also have sufficient time to devote their knowledge and capabilities for the benefit of the Company. The Nominating and Remuneration Committee has the authority and responsibility to select new director for approval by the Board of Directors and/or approval at the Annual General Meetings of Shareholders in accordance with the following criteria and procedures as set forth in the regulations of the Company:

1. At every Annual General Meeting of shareholders, one-third of the Directors, or, if their number is not a multiple of three, the number nearest to one-third shall retire from office. Director's retirement in the first and second year after the registration of the Company shall be drawn by lots. In every subsequent year, the Directors who have served the longest in office shall retire. A retiring director is eligible to be re-elected.

2. In the event of positions vacated due to causes other than expiry by their terms, the Board of Directors must elect someone to be the Board members to replace such vacant positions, in the subsequent meeting of the Board of Directors. This election must be by resolution with the vote of not less than three-fourths of the remaining Board members, and the person must be qualified and not prohibited by Section 68 of the Public Limited Company Act B.E. 2535. In the case of any director having less than two months remaining on his/her term, the replacing director must be nominated as a director only for the remaining period of time of the previous director.

3. At the Annual General Meeting of shareholders, the following rules and procedures shall apply to the election of a director:

- 3.1 Each shareholder has a voting right equal to the number of shares owned.
- 3.2 Each shareholder can exercise all votes applicable under 3.1 in voting for one or more persons as one or more directors. In the event of exercising voting rights for more than one director, such voting rights can be allocated by given fewer or more votes to any particular candidate.
- 3.3 The candidate who acquires the highest number of votes shall be elected as the Company's director for that particular selection. In the event that there is more than one candidate with equal votes, the Chairman will be granted one casting vote to allow a final decision.

Nomination of Executive(s)

The Human Resources and Administration Department is responsible for seeking internal candidate(s) with qualifications appropriate, possessing knowledge, ability and experience from each particular line of activities to be appointed as executive of the company. If the Company cannot seek appropriate qualified candidate(s) from the internal staff(s), the Company will seek and recruit appropriate qualified candidate(s) with knowledge, proven capability, vision and positive attitude to the Company and then propose him/her to the Chief Officer of each particular line of activities or the Chairman of the Executive Committee for appointment.

Appointment of New Directors Procedure

In the event that there is a vacancy in any board position due to any reason as prescribed in the Company's Articles of Association or in the event that the Company wishes to increase the number of its board members due to its requirement of specific business qualifications and its strategic necessity, the Company shall follow the following appointment procedure:

- (1) The Board of Directors shall resolve to have the Nomination and Remuneration Committee to identify qualified candidates to be nominated to the Board.
- (2) Upon the nomination of such candidates to the Board of Directors for consideration, the Board shall:
 - consider the appointment of a suitable candidate for the vacancy on the board,
 - propose candidate and recommend to the Board of Directors for further presentation to the shareholders' meeting for consideration and approval for the appointment of a new director as per the Company's Articles of Association and applicable laws, in the event of the increase in the number of the board members.

5. Corporate Subsidiary Governance

The Company has a policy of investing in subsidiary and associated company by considering that business of subsidiary and associated company must support the Company's business, and the Company will receive investment return and benefit from the investment. In regulating performance of subsidiary and associated company, the Company has the following policy;

1. The Company as the major shareholder, with the approval from the Board of Directors, appoints the Company's executive director who has qualification and experience appropriate for that business to be director of subsidiary and associated company according to the proportion of shareholding to perform management duty according to the scope of authority as assigned by the Board of Directors, which performance must be reported on quarterly and annual basis to the Board of Directors to be able to monitor compliance of the Company in the subsidiary. In case of important matter, approval from the Board of Directors is required such as the approval to increase or decrease capital, dissolution of subsidiary and associated company etc., unless for the urgent case which the delay would affect business of subsidiary and associated company, the Company's representative may perform action as appropriate to prevent such cause. However, such event must be notified and reported to the Chairman, and must be reported to the Board of Directors after such operation has been done without delay.
2. The Board of Directors will appoint executive director or other person such as executive to be the Company's proxy to attend the subsidiary's or associated company's Annual General Meeting, which the proxy from the Company has the duty of voting at the Annual General Meeting of Shareholders in various agendas, especially important agenda as the Board of Directors has already approved such as setting remuneration for director and chairman, or chief executive officer and managing director, increase or decrease of capital, approving budget and balance sheet, approving management structure, etc.

3. In case of subsidiary or associated company has insufficient workforce, or requires special personnel that the Company has those personnel as employees, the Company will support by sending its staff to give advice and work in subsidiary or associated company temporarily as much as it is needed. However, such personnel still has the status of being the Company's employee.

4. The Board of Directors assigns the Audit Committee to review the Company's internal control system to ensure that it is sufficient, appropriate, and efficient in order to maintain the Company's investment benefits in its subsidiary and associated company, and to ensure that operation of subsidiary and associated company achieve the determined business plan target efficiently, comply with law, and produce well worth return in investment. The Internal Audit Unit shall perform duty of auditing, reporting, and evaluating the result of internal control of subsidiary and associated company to the Audit Committee for consideration and giving opinions, and then proposed to the Board of Directors further.

5. To ensure that operation of the Company, its subsidiary, and associated company is transparent and has good corporate governance. The Company has a policy that the Company, its subsidiary and associated company shall use auditor from the same auditing firm to work honestly and allow auditors to audit various transactions including looking for appropriate and sufficient evidence to comment on consolidated financial statement of the Company, its subsidiary, and associated company. Furthermore, the Company arranges the Audit Committee to meet together with auditors without having the management in the meeting at least once a year.

6. Executive director, who is a director in subsidiary and associated company, will receive remuneration from meeting allowance as executive director of the Company only. Subsidiary and associated company will not pay director remuneration.

As at December 31, 2016, the Company held 99.99% shareholding in each of the following 3 subsidiary companies, namely OAI Asset Limited (OA), Upcountry Land Limited (UL), and V Land Property Limited (VL). The Company had no associated company.

6. Rules for Proper Use of Inside Information

It is the Company's policy to adhere to its professional ethics, and to have honest conduct in dealing with its customers, employees, trade partners, shareholders, creditors, trade competitors, community, society, and environment, including investors, and opposes corruption. Regarding the use of inside information, at the time of public release of the Company's financial statements, or the Company's financial position and status, as well as other important details which are the Company's internal information, it is the Company's policy to prohibit its directors, executives and employees who are in positions or in business lines which are responsible for such internal information, or who have access to such internal information, from engaging in any trading of the Company's securities for a period of 1 month before public disclosure thereof and within 24 hours after such disclosure. The prohibitions include restriction on trading of land property close to the planned development sites of the Company which may be perceived as the exploitation of internal information for self-benefit or for the benefits of others. The Company also establishes safety protections for its computer and information systems and prescribes practice guidelines for its directors, executives and staff of all levels to comply with. This procedure is intended to protect any unapproved disclosure of important information and data or unauthorized access to the information source. Severe penalty is set for unauthorized disclosure of internal information and wrongful use of such information for personal benefits or for the benefits of others or actions which may be the cause of any conflicts of interest. All these actions are regarded as serious offenses and are subject to punishment. The relevant practice guidelines are prescribed in the Company's Code of Ethics and its Corporate Governance Handbook which are also posted in its website.

Pursuant to the Securities and Security Exchange Act B.E.2535 (Amended in 2016), security trading activities of the Company's directors, executives as well as their spouses or cohabiting spouses, minors and their related persons, that involve the Company's shares must be reported both in terms of trading transactions and changes of ownership in the form duly prescribed and submit such report to the Office of the Securities and Exchange Committee within 3 days after the trading and transfer date thereof. The Company's directors and executives are duly aware of their reporting duties in such trading and transfer of the Company and its Group's securities as per the rules and regulations of both the Stock Exchange of Thailand and the Office of the Securities and Exchange Committee.

7. Auditor Remuneration

Details of 2016, Auditors' Fee were as follows:

Auditor Remuneration	2016	2015
(1) Audit Fee		
• The Company	1,783,000	1,650,000
• Its Subsidiaries	1,273,000	1,200,000
(2) Non-audit Fee		
• The Company	None	None
• Its Subsidiaries	None	None

8. Other Good Governance Practices

Business Ethics

The Company has clearly set its business philosophy and ethics in writing and applies them as its code of Conduct for its directors, executives and employees to follow. Directors, executives and employees are encouraged to observe their duties with integrity, reliability and justice and applying these qualities in their actions and interactions with the Company and all stakeholder communities. The Company regularly communicates with its directors, executives and employees and oversees that these conduct guidelines are properly and effectively conformed to. Penalties are also prescribed for those who fail to abide with them.

Interested parties are encouraged to visit our website: www.scasset.com for further information. Executives have also been instructed to monitor proper employees conduct and ethics through encouragement, guidance and role model examples

Support and Enhancing the Understanding of Good Corporate Governance and Business Ethics

To support and enhance the provision of the sufficient knowledge and understanding of good corporate governance and business ethics to the directors, executives, and employees to adhere to in performing their respective duties with proper understanding in order to elevate the effectiveness of the corporate governance and business ethics, achieve the business goal, and build up transparency and integrity as the good corporate culture, the Board of Directors laid down the policy on good corporate governance and business ethics as follows:

1. That good corporate governance and business ethics be included as one of the orientation topics prepared for the new directors, executives and employees, whereby such policies were communicated to them from the first day in office.

In 2016, the Company organized the orientation sessions for the director, executives and employers who newly join working with the Company, details as 1 session for the new director; 1 session for the executives, and 20 sessions for the employees.

2. That the internal and external courses to expand the knowledge and understanding of the good corporate governance and business ethics be provided to the directors, executives and employees on a continual basis. In 2016, the courses provided by the Company to its directors, executives and employees such as Risk Management Program for Corporate Leaders (RCL), SD Awareness & SD Strategic, CSR strategic management and Creating SD Initiatives Workshop.

Guidelines to Encourage Directors, Executives and Staff to Abide by the Company's Code of Business Ethics

Apart from dissemination of information on code of business ethics to its directors, executives and staff to comply with, the Company also prescribes other guidelines to encourage them to abide by, via the creation of corporate culture under the concept of "Create the Best Care the Most" aiming to promote executives and staff characteristic in sharing a common corporate culture.

1. **"Create"** means focus on continued creation of good products and services which include:
 - Creative thinking: always open minded towards new information or technology.
 - Commit to continually apply creativity to improve products and work process.
 - Dare to make suggestions and recommendations or make improvement to create good client impression.
 - Promote atmosphere of creativity and free opinions.
2. **"Active"** means strive ahead with enthusiasm towards continual learning and improvement which include:
 - Actively respond to client's needs, ready and willingly helping clients to solve their problems.
 - Work proactively with efficient follow-up, well-adapt to internal and external changes.
 - Prioritize the importance and urgency of work to promptly achieve its time schedule.
 - Seek and share new knowledge for self-improvement and adaptation or innovation.
3. **"Ability"** means expertise, proficiency, and selection of best choice and quality for customers which include:
 - Knowledge and skill development for work duty.
 - Work capably, professionally, systematically, and efficiently.
 - Capable of solving problems, defining protective measures, and providing advice and recommendation for effective work actions.
 - Select best options, deliver good products to customers to ensure quality of the Company's products and services
4. **"Care"** means take attentive care of customers and trust in teamwork spirit which include:
 - Put best effort into work, take good care of customers, deliver quality products and services, attain higher-than-expected achievement results, and think as the customer.
 - Listen to customers' remarks, value them and make effective follow-up and investigations to assure customers' ultimate satisfaction.
 - United efforts and team spirit
 - Sharing information and opinions, respect views from different perspectives, respect each other and trust in teamwork.

Assessment and Monitoring of Business Ethics Compliance

The Company believes that if its directors, executives and employees comply with its prescribed business ethics, this will benefit its growth and development path towards business sustainability, and will enable a wider public acceptance of its products which will cause a sound and further increase in its annual revenues. Therefore the Company pays attention to various key indicators that can be used to assess and monitor business ethics compliance of its staff both internally and externally as follows:

1. Assessment and Monitoring of Business Ethics Compliance within the Organization

The Company prescribes that all its business units that work together or in collaboration with each other must make a satisfactory assessment of each other and provide suggestions for work improvement that could benefit the Company's business operations.

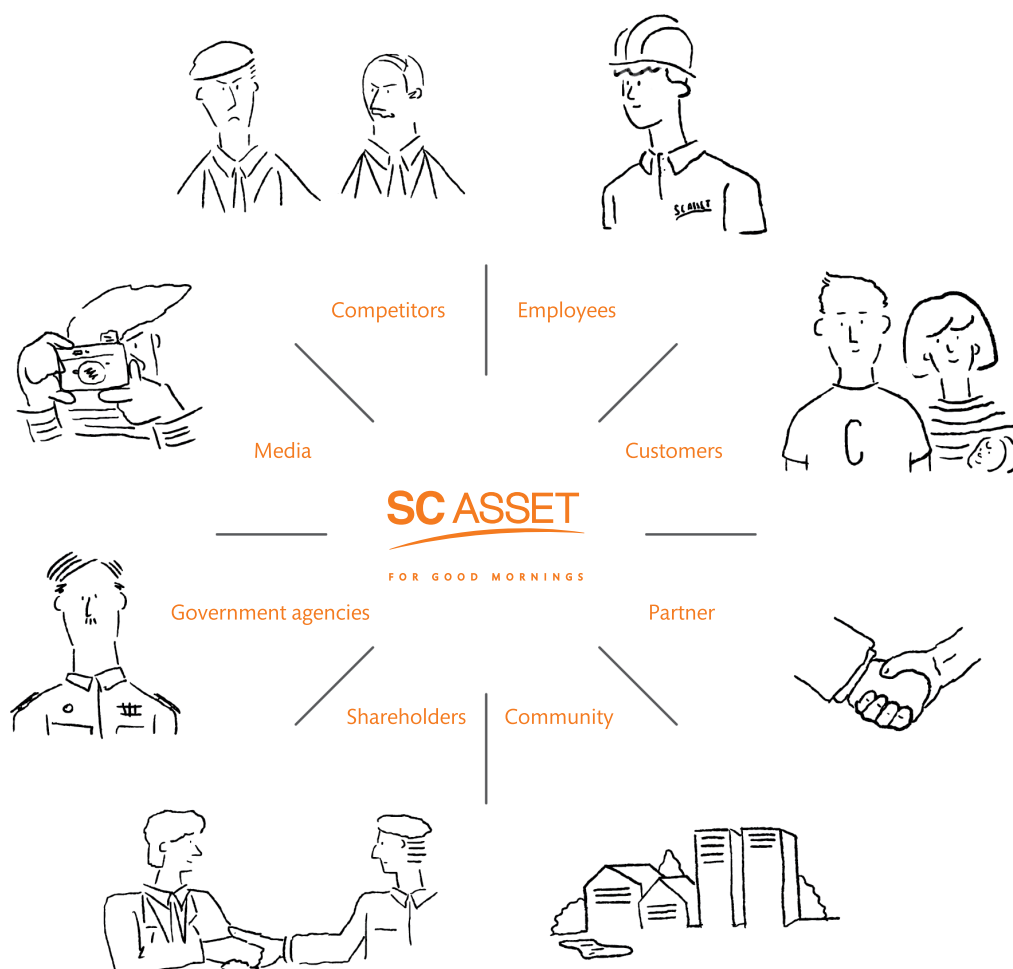
2. Assessment and Monitoring of Business Ethics Compliance outside the Organization

The Company monitors and assesses customer satisfaction on its products and its employees' services. The assessment results are used to improve its products and services and to provide highest customer satisfaction. It monitors and assesses its business ethics compliance with trade partners to assure that they receive good cooperation while working with the Company, as well as monitors and assesses its business ethics compliance with its shareholders to assure that they are satisfied with provided information and the shareholders' meetings.

CORPORATE SOCIAL RESPONSIBILITIES

SC ASSET disclosure its Corporate Social Responsibilities policy and corporate governance performance in sustainability report 2016, which were undertaken in compliance with international standards under the Global Reporting Initiative Guideline Version 4 (GRI 4).

Details of which appear in the "Sustainability Report 2016" which is a separate report that the Company publishes and disseminates to its shareholders or at the Company's Website: www.scasset.com.



INTERNAL CONTROLS AND RISK MANAGEMENT

At the Company's Board of Directors Meeting No. 7/2016 held on December 14, 2016, all 6 Independent Directors participated, 3 of whom are members of the Audit Committee. The Board of Directors had assessed the Company's internal control system by applying the Adequacy Assessment Form for the Internal Control System prescribed by the Securities and Exchange Commission of Thailand and also inquired about other relevant information from the management. The Board also reviewed the Audit Committee's report covering its assessments of the Company's internal system in 5 elements namely control environment, risk assessment, control activities measures, information and communication system, and monitoring and evaluation system.

The Board of Directors opined that the Company's internal control system and risk management is adequate and appropriate. The Company would disclose the Adequacy Assessment on the Company's Website (www.scasset.com).

In order to assure the adequacy and appropriateness of the Company's internal control system, the Company prepares an annual budget and arranges to have sufficient manpower available to efficiently undertake operational control tasks that are required to carry on systematically. The budget is allocated to each business unit in order that they can ensure a suitable workforce to monitor operations of the Company's subsidiaries and to assure that their assets are properly protected from any possible embezzlement or any unauthorized use by Directors or management. The monitors also cover transactions that pose a potential conflict of interest and transactions with related parties. The Board is of the opinion that sufficient monitoring is in place and other aspects of internal control measures are adequately applied (Please refer to further details in the topic "Corporate Subsidiary Governance").

In 2016, the audit Committee presented its opinion in the report of the Audit Committee that the Company has appropriate and adequate internal controls. The opinion is similar to that of the Company's Board of directors, Independent directors and The Company's external auditors (PricewaterhouseCoopers ABAS Co., Ltd.), who audited its 2016 financial statements, did not make any remark on the Company's internal controls. (Please refer to further details in the topic of "Financial Statements and Notes to Financial Statements")

The Company's Board of Directors prescribed the establishment of the Company's Internal Audit Unit as soon as it was first incorporated. At present Ms. Pannee Tharaphat, Senior Vice President – Internal Audit, is the Head of Internal Audit. She has been in this position since 2008 and has 34 years of experience in the internal auditing. She attended various internal audit training courses such as internal audit improvement, audit items and follow-up audit, audit techniques etc. She has good understanding of the Company's business and operations, and thus is suitable to perform her assigned tasks.

The Audit committee has its authority, duties and responsibilities as prescribed in the Charter of the Audit Committee. (Please refer to the further details in the Company's Website: www.scasset.com in the topic of "Corporate Profile/Corporate Governance/Charter/Charter of the Audit Committee") as well as the approval on the appointment, transfer, lay-off and performance appraisal of the Head of Internal Audit.

In case of the Compliance Unit, the Company appointed Mr. Somboon Kuptimanus, Company Secretary, acting the Head of Compliance Unit to be the person in the position of authority. The Compliance Unit oversees the Company's regulatory compliances. (Please refer to further details concerning qualifications of the persons in the position of authority in the topic of "Details of Head of Internal Audit, and Company Secretary and Head of Compliance"), and Mr. Vitit Visalpattanasil, Senior Vice President – Accounting is the Company's accountant. (Please refer to further details concerning qualifications of the persons in the position of authority in the topic of "Details of Directors, Management Team, Advisor and Controlling Persons")

Internal Audit

The Board of Director has set the Internal Audit Unit, which is independent and able to access the necessary information for its auditing and directly report to the Audit Committee. The Unit's scope of work, duties and authority are prescribed in its Internal Audit Charter which was approved by the Chairman of the Executive Committee and the Chairman of the Audit Committee. The internal audit duties include providing auditing and advisory services as well as monitoring, control and assessment of internal corporate systems with the goal of maintaining proper internal check-and-balance and ensure appropriate confidence in the achievement of the Company's operational objectives. Systematic assessment and development processes are implemented to assure that the existing risk management, control, and governance systems are effective and meet the Standard for the Professional Practice of Internal Auditing and fully satisfy relevant laws, rules and regulation of compliance audit. In addition, in order to enhance its audit process to be efficient, modern, and up-to-date, the Internal Audit Office has continually improved the quality of its internal audit tasks and taskforce by providing the general internal audit training to all its staff members, and also offering courses on specific skills such as Digital Treats & CobiT5, etc.

Internal Control

The Company's Board of Directors has emphasized on the importance of good internal control systems, and the efficiency of such controls on the management level and on the operational level. It encourages the management to prescribe rules, practice methods, and segregation of duties that create an appropriate level of checks and balances. In order to maximize the effective controls over utilization of corporate assets, the Company clearly set in writing the relevant scope of duties, responsibilities, and authorities of all executives and staff. In addition, their roles are also properly segregated.

The Company also applies the COSO (The Committee of Sponsoring Organizations of the Treadway Commission) methods and standards together with Enterprise Risk Management (ERM) framework for its internal controls which govern all aspects of corporate activities; namely financial, operations and administration. Executive and staff scopes of authority are clearly defined in writing and the following corporate objectives are established to ensure operational rationality and success:

1. Corporate plans, projects and targets need to be implemented as set.
2. Financial, managerial and operational information must be accurate.
3. Operations and staff duties need to be carried out in accordance with the Company's rules and regulations, and abide with all applicable laws.
4. Corporate assets and resources must receive effective and efficient administration. Safeguarding corporate assets and adequate safety protection are essential.
5. Quality of operational process and control mechanism, at all steps, need to be regularly monitored and continuously improved.

The Internal Audit Department is responsible for the reviews of accuracy, sufficiency and efficiency of the Company's internal control system and submits its findings to the Audit Committee for further consideration and compliance review. All these actions are intended for enhancement of integrated coverage of proper controls in the following aspects:

- (1) **Management Control:** The Internal Audit Department oversees that targeted corporate missions are achieved and business plans are prepared and carried out as per its prescribed objectives. It also monitors and assesses operational performance, and regularly reports the internal audit outcomes to the Audit Committee and the Board of Directors. The Executive Committee sets up the meeting on monthly basis.

- (2) **Operational Control:** Review operational controls of various work systems such as cost system, purchase system, sales system, accounting system, and customer service system etc. Controls are also exercised through SC System, SAP (Systems Applications and Products), Housing system, Customer Care system, Call Center system, inventory system, E-Auction system and E-Slip Online is a system that provides the transmission of salary slips via the Company's intranet, etc. Most of these systems are internally developed programs applied for administrations and operations, aiming to enhance customer or user satisfaction.
- (3) **Financial Control:** The Company applies the SAP system and SC System for accounting, financial and budget controls, as well as for financial ratio analysis. The system also assists in providing early warning signs for accounting irregularities and adverse financial concerns.

The Company's Board of Directors emphasizes having adequate, effective and efficient internal control systems as follows:

1. Control Environment

The Company's Board of Directors encourages a good internal control environment by motivating executives and staff to conduct their duties on the basis of good business ethics and honesty, providing an organizational structure and work environment that enhance the effectiveness of the internal control mechanism as per the Company's targeted plan, clearly defining the scope of staff duties and reasonability, having apparent business objectives and measurable performance targets that are approved by the Board of Directors and offering reasonable remunerations based on internal and external factors. The existing organization structure enhances the management's ability to efficiently operate the Company's activities.

It is the Company's strategy to cautiously prescribe its policy and work procedures in writing, particularly for transactions related to financial operations, procurement, and general administration. It has internally developed a suitable control system to better monitor its operations in all business modules of the SC System which is a control process applicable for budget control, cost control, and expense payment etc. The SC system also performs data verification on a timely and systematic manner on the same data base system. The system emphasizes effective data storing for efficient operational and management controls. The Company also prescribes ethical codes and prohibitions as part of its corporate governance policy, and requires its directors, executives and employees to comply with such conduct codes in order to avoid an occurrence of any conflicts of interest. Such ethical codes and prohibitions are disseminated via a printed handbook, the Company's Website (www.scasset.com), and internal e-mail regularly forwarded to its entire employees.

2. Risk Assessment

The Board of Directors established the Risk Management Committee. There have been regular adjustments made in the Company's risk assessment process to update the appropriateness of the process under the best practice framework prescribed in the Company's Risk Management Policy which is disseminated to executives and staff for their awareness. Additionally, they can also view this policy on the Company's intranet via its website (www.intra.scasset.com). In 2016, the Risk Management Committee, which is comprised of the Company's non-executive directors, the Chairman of the Executive Committee, the Chief Executive Officer, Chief Financial Officer and Vice President-Corporate Strategic Planning, is responsible to set the objective of risk management and assess the risk factors, both internally and externally, that could potentially impact the Company's business operations, as well as perform their impact assessments and analysis of their likelihoods of occurrences in order to respond to such risks. The assessment outcomes were also presented to the Audit committee, and the Board of Directors. During 2016, there were 5 assessments and follow-ups of the risk factors. The Risk Management Committee have requested related business units to participate in the determination of the risk management measures and encourage them to implement such measures in their work unit. These business units are also asked to follow-up on incidents which are the root

causes of such risk factors. The Company's risk management procedures are clearly stated and regularly updated. The risk management unit is responsible for monitoring the compliance of the risk management procedures by all business units, and reports the situations to the Risk Management Committee.

The Risk Management Committee includes risk assessments as a part of the Adequacy Assessment Form for the Internal Control System. The Internal Audit Office makes its annual audit plan and assesses the Company's risks which also includes fraud risks such as loss of assets, corruption etc.

3. Control Activities

The Company's Board of Directors establishes relevant controls for all scope of work processes. Reporting of operational outcomes is regularly required in order to provide the management with relevant information required for decision-making and problem solving. Segregation of duties in each business unit is clearly set to provide check-and-balance features. Authority and authorization limits are prescribed in writing for all decision making levels, the further details which appeared in the internal website of the Company "www.intra.scasset.com". Safeguarding procedures for corporate assets are exercised to protect against possible damage and inappropriate use.

Any corporate transactions with major shareholders, directors and executives or related parties of major shareholders, directors and executives are required, without any exception, to be accordingly approved by all authorized levels. The Company assigns the Accounting Department and the Legal Department to be responsible for reviewing and proposing required transaction authorization of which the authorization procedure is in compliance with the rules and regulations of the Securities Exchange of Thailand. All relevant transaction authorizations are to be considered by the Audit Committee. Approvals are made on the ground of maximized corporate benefits. In addition, control measures are also set to prohibit related parties from taking advantage of any situations for personal interests. Oversight frame-work is established to monitor business operations of subsidiaries. Procedures are prescribed to assure that the Company always acts in compliance with applicable laws and regulations.

4. Information and Communication

The Company's Board of Directors incessantly develops its information and technology system, most of which are internally developed to suit the internal data processing requirements of various work units. The company maintains a division which oversees data base management and controls. Data is properly sorted and processed for decision making of directors, executives, staff, shareholders and stakeholders with concerns over their accuracy, completeness, easy to access, understandable, and timeliness. Data are also classified and appropriately stored. The Company's directors receive, at least 7 days prior to each meeting, meeting notifications as well as relevant information and documents required for meeting attendance. Minutes of previous meetings and notes recording important questions or remarks, whether supportive or disagreeing, are also attached with the dispatched notifications.

Executives and employees of the Company at all levels are reminded to be cautious in using the Company's data base and IT system and to observe the rules and ethic codes prescribed by the Company. It is the Company's policy to maintain strict security measures on application of its information, data base and IT systems, which all staff are obliged to promptly comply with. The Information Technology Department is assigned to oversee system security and efficiency of the Company's computer and information systems, which are well monitored and continually updated by the Information Technology Department, in collaboration with the Internal Audit Office and other relevant departments. Contingent and back up plans are established for emergency purposes and against loss of data. The Company's accounting policy and records comply with the generally accepted accounting standards as well as appropriate practices of the industry.

5. Monitoring and Evaluation

For good practice for monitoring and assessment of the Company's operation, in 2016, the Company held 7 board meetings, monthly meetings of the Executive Committee, and weekly meetings among executives to review and monitor management performance and operational results to assure whether the results were in line with the targeted plan; or whether there were any changes or adjustment in strategy; or whether there were any adaption of targeted goals to changing circumstances. The Internal Audit Unit also performed their duty in auditing and assessing the overall organizational controls and followed up on any improvement and rectification of previous mistakes and errors and reported the outcomes to the Audit Committee to assure that compliances were made in accordance with the control plans, and subsequently reported to the Board of Directors on a quarterly basis.

Risk Management

The Company's Board of Directors emphasizes the importance of risk management and assigned the Risk Management Committee to oversee the Company's risk management and apply risk management as tools for managing the Company's corporate business. The Risk Management Committee is a Sub-committee to the Board of Directors, comprised of 6 committee members, 2 of whom are Independent Directors and Non-executive Officers and 4 members are the Company's top executives. The Chairman of the Risk Management Committee is an Independent Director. The Company intends to apply risk management as a means to mitigate probable loss and enable the Company to achieve its sustainable growth, and create long-term added value for its shareholders. The Committee is also responsible for consideration and determining the Company's risk management policy as well as assessing and managing the Company's risks to be at an acceptable level. The committee also monitors and assesses the risk management performance of the Company and encourages all management levels to participate in risk management.

To help the company achieve its goal, please refer to further detailed in the topic of Internal Audit – COSO and the topic of Responsibility of the Board of Directors

Risk Management Policy

1. To form a Risk Management Committee of which its members are appointed by the Company's Board of Directors, and also have the Company's high-level executives participating as members of the Risk Management Committee.
2. To have a risk management process that is qualified under internal standards, managing the risks faced across the entire organization. Risk management shall be the responsibility of all levels of employees under a common framework and direction. A risk management system shall be used as a part of the Company's decision process in planning its business strategies, corporate budgets, work plans, and operations, as well as measuring its corporate performance and achievement.
3. To set protective guidelines and risk mitigation measures for the Company's activities and business, to reduce potential damage or loss, and to regularly monitor and assess risk management performance.
4. To have risk reporting systems that operate efficiently and are capable of providing suitable risk management reports to the Company's management, the Risk Management Committee, the Audit Committee, and the Board of Directors.
5. To have a Risk Management Committee that supervises the Company's risk management system and ensures that it is in line with the Company's policy. The Risk Management Committee shall review, offer opinions, make suggestions, and monitor the risk management process to safeguard its efficiency and effectiveness.
6. To review and assess the risk management policy and its risk management scope at least once a year. In 2016, there were 4 reviews thereof to assure that the existing risk management policy and its risk management scope were suitable and appropriate with the Company's current business operations.

Training Program for Employee

To ensure that the Company's Risk Management and Anti-corruption policies are abided by employees at every level, the Company provided Risk Management and Anti-corruption training programs and distributed relevant documents in order to effectively communicate Risk Management and Anti-corruption policies to employees. Executives who have knowledge base in both topics were invited to be a speaker at a seminar.

Guidelines on the Management of Key Risks

The Company has an Enterprise Risk Management (ERM) framework, which follows the guidelines of the Stock Exchange of Thailand, and has undertaken the following actions in 2016:

1. Objective Setting: The Company clearly set its business objectives to ensure that these objectives suit its strategic targets and its own acceptable risk level. The Company manages its risks to be within the defined framework of its risk appetite and risk tolerance.

2. Event Identification: The Risk Management Committee considers potential risk events, related both to internal and external factors, which could occur and impact in each business unit such as management policy, personnel, operation, finance, information system, regulations, laws etc., to assess relevant situations and assure that executives in such units can set suitable guidelines and policies to properly manage and mitigate those potential risks.

3. Risk Assessment: The Risk Management Committee categorizes and prioritizes risks into three levels; high, medium, and low, based on their likelihood and impact and considers all relevant aspects which include both internal and external factors.

4. Risk Response: Once the Risk Management Committee identifies relevant risk events and assesses such risks, it shall find appropriate response measures to manage and mitigate any potential loss or impact, and keep such risks to be at an acceptable level.

5. Monitoring: The Risk Management Committee regularly arranges to have relevant follow-up on risk management to assure that appropriate actions are taken and risks are efficiently managed.

Additionally, the Risk Management Committee also prescribed the use of the Key Risk Indicators (KRIs) that provide an early signal of increasing risk exposure for each particular risk, the regular monitoring of risk events, and the preparedness for tackling any potential risks.

DETAILS OF DIRECTORS, MANAGEMENT TEAM, ADVISOR, CONTROLLING PERSONS AND COMPANY SECRETARY

(Date as of December 31, 2016)

Mr. Rath Kitivejsoth (Age: 65 years)

Appointed date: August 29, 2003 ¹

Current Position: Chairman of the Board of Directors / Independent Director

Share Ratio held by:	Director	None
	Marriage / Spouse	None
	Minor Children	None
Relationship with Management		None

Highest Education

- Degree of National Defence College
- Bachelor Degree in Law, Chulalongkorn University

Related Training Program held by Thai Institute of Directors (IOD)

- Director Accreditation Program (DAP), Class 30/2004
- Director Certification Program (DCP), Class 53/2005
- Audit Committee Program (ACP), Class 14/2006
- Improving the Quality of Financial Reporting, Class 4/2006

Working Experiences

March 1, 2007 - Present	Chairman of the Board of Director	SC Asset Corporation Public Company Limited
2003 - February 28, 2007	Director / Member of the Audit Committee / Chairman of the Nomination and Remuneration Committee	SC Asset Corporation Public Company Limited
2004 - 2005	Member of the Audit Committee	Thai Real Estate Credit Foncier Company Limited
2005 - 2008	Executive Vice President	Small and Medium Enterprise Development Bank of Thailand

Position in other companies

Listed Company	None
Other Companies	None

Illegal Record in past 10 years

None

¹ 1st re-appointed at the 2006 AGM of April 26, 2006
 2nd re-appointed at the 2009 AGM of April 22, 2009
 3rd re-appointed at the 2012 AGM of April 23, 2012
 4th re-appointed at the 2015 AGM of April 23, 2015

Ms. Busaba Damapong (Age: 63 years)

Appointed date: July 13, 2011 ²

Current Position: Director / Chairman of the Executive Committee / Member of the Corporate Governance and Social & Environmental Responsibility Committee/ Member of the Risk Management Committee (Authorized Director)

Share Ratio held by:	Director	12 shares
	Marriage / Spouse	201,234,375 shares (4.815%)
	Minor Children	None

Relationship with Management Her husband is a relative with Mr. Nuttaphong Kunakornwong

Highest Education

- Master Degree of Business Administration, Kasetsart University

Related Training Program held by Thai Institute of Directors (IOD)

- Director Accreditation Program (DAP), Class 9/2004
- Finance for Non-Finance Director (FND), Class 12/2004
- Risk Management Program for Corporate Leaders (RCL), Class 3/2016

Working Experiences

July 13, 2011 - Present	Director / Chairman of the Executive Committee / Member of Corporate Governance and Social & Environmental Responsibility Committee	SC Asset Corporation Public Company Limited
December 16, 2014-Present	Member of the Risk Management Committee	SC Asset Corporation Public Company Limited
July 13, 2011-Present	Chairman of the Board of Directors	OAI Asset Company Limited
July 13, 2011-Present	Chairman of the Board of Directors	Up Country Land Company Limited
July 13, 2011-Present	Chairman of the Board of Directors	V.Land Property Company Limited
2007 - 2011	Director	B.B.D. Property Company Limited
2006 - 2011	Director	B.B.D. Development Company Limited
2003 - 2006	Chairman of the Executive Committee	SC Asset Corporation Public Company Limited
2003 - 2006	Chairman of the Board of Directors	OAI Asset Company Limited
2003 - 2006	Chairman of the Board of Directors	Up Country Land Company Limited
2003 - 2006	Chairman of the Board of Directors	V.Land Property Company Limited

Position in other companies

Listed Company None

Other Companies

2012 – Present	Director / Treasurer	Thaicom Foundation
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Illegal Record in past 10 years

None

² 1st re-appointed at the 2014 AGM of April 23, 2014

Mr. Nuttaphong Kunakornwong (Age: 37 years)

Appointed date: Merch 1, 2012 ³

Current Position: Director / Member of the Executive Committee / Member of the Corporate Governance and Social & Environmental Responsibility Committee / Member of the Risk Management Committee / Chief Executive Officer (Authorized Director)

Share Ratio held by:	Director	None
	Marriage / Spouse	1,176,915,495 shares (28.160%)
	Minor Children	None
Relationship with Management	He is Ms. Pintongta Shinawatra Kunakornwong (a major shareholder of the Company)'s husband and is relative of Ms. Busaba Damapong	

Highest Education

- Master Degree of Business Administration, Depaul University, Chicago, Illinois, USA

Related Training Program held by Thai Institute of Directors (IOD)

- Director Certification Program (DCP), class 157/2012

Working Experiences

March 1, 2012 - Present	Director/Member of the Executive Committee	SC Asset Corporation Public Company Limited
March 1, 2015 - Present	Chief Executive Officer	SC Asset Corporation Public Company Limited
December 16, 2012 - Present	Member of the Risk Management Committee	SC Asset Corporation Public Company Limited
November 13, 2012 - Present	Member of Corporate Governance and Social & Environmental Responsibility Committee	SC Asset Corporation Public Company Limited
March 1, 2012 - Present	Director	OAI Asset Company Limited
March 1, 2012 - Present	Director	Up Country Land Company Limited
March 1, 2012 - Present	Director	V.Land Property Company Limited
2010 - 2012	Managing Director	Koon Development Company Limited
2010 - 2012	Managing Director	Pitchman Company Limited
2007 - 2010	Executive Manager	Nexus Property Consultants Company Limited

Position in other companies

Listed Company	None
Other Companies	None

Illegal Record in past 10 years

None

³ 1st re-appointed at the 2013 AGM of April 23, 2013
2nd re-appointed at the 2016 AGM of April 22, 2016

Mr. Nathpath Ouajai (Age: 59 years)

Appointed date: March 20, 2006 ⁴

Current Position: Director / Member of the Executive Committee / Member of the Nomination and Remuneration Committee (Authorized Director)

Share Ratio held by:	Director	None
	Marriage / Spouse	None
	Minor Children	None
Relationship with Management		None

Highest Education

- Master Degree of Business Administration, Thai Chamber University

Related Training Program

held by Thai Institute of Director (IOD)

- Director Accreditation Program (DAP), class 53/2006
- Corporate Governance Report of Thai Listed Companies
- Director Certification Program (DCP), class 91/2007

held by others

- MINI MBA, class 21, Thammasat University
- Modern Marketing Management, class 19, Chulalongkorn University
- Graduate Diploma Program in Property Valuation, Thammasat University

Working Experiences

March 20, 2006 - Present	Director/Member of the Executive Committee	SC Asset Corporation Public Company Limited
May 13, 2015 - Present	Member of the Nomination and Remuneration Committee	SC Asset Corporation Public Company Limited
2003 - 2005	Project Manager	Prothiphom Company Limited
2003 - 2005	Project Manager	Sinthoranee Property Company Limited
2003 - 2005	Project Manager	Property One Fund
2003 - 2005	Project Manager	Thairung Union Car Public Company Limited

Position in other companies

Listed Company None

Other Companies

2005 – Present Managing Director Back All Billboard Company Limited

Illegal Record in past 10 years

None

⁴ 1st re-appointed at the 2007 AGM of April 25, 2007
 2nd re-appointed at the 2010 AGM of April 21, 2010
 3rd re-appointed at the 2013 AGM of April 23, 2013
 4th re-appointed at the 2016 AGM of April 22, 2016

Mr. Kunodom Tharmmaphornphilas (Age: 72 years)

Appointed date: March 20, 2006 ⁵

Current Position: Director / Chairman of the Audit Committee / Member of the Nomination and Remuneration Committee / Independent Director

Share Ratio held by:	Director	None
	Marriage / Spouse	None
	Minor Children	None
Relationship with Management		None

Highest Education

- Master Degree of Structural Engineering, Asian Institute of Technology (AIT)

Related Training Program held by Thai Institute of Directors (IOD)

- Improving the Quality of Financial Reporting, class 4/2006
- Audit Committee Program (ACP), class 13/2006
- Director Accreditation Program (DAP), class 53/2006
- Director Certification Program (DCP), class 87/2007
- Accounting Standard for Director
- Seminar for Corporate Governance Report of Thai Listed Companies

Working Experiences

March 20, 2006 - Present	Director / Member of the Nomination and Remuneration Committee	SC Asset Corporation Public Company Limited
March 1, 2007 - Present	Chairman of the Audit Committee	SC Asset Corporation Public Company Limited
2001 - 2005	Deputy Director-General (Executive 9)	Department of Public Works and Town And Country Planning

Position in other companies

Listed Company	None
Other Companies	None

Illegal Record in the past 10 years

None

⁵ 1st re-appointed at the 2008 AGM of April 22, 2008
 2nd re-appointed at the 2011 AGM of April 20, 2011
 3rd re-appointed at the 2014 AGM of April 23, 2014

Mr. Precha Sekhararidhi (Age: 70 years)

Appointed date: March 26, 2007 ⁶

Current Position: Director / Chairman of the Corporate Governance and Social & Environmental Responsibility Committee / Chairman of the Risk Management Committee / Member of the Audit Committee / Independent Director

Share Ratio held by:	Director	37,968 shares (0.0009%)
	Marriage / Spouse	None
	Minor Children	None
Relationship with Management		None

Highest Education

- Master Degree of Engineering, Asian Institute of Technology (AIT)
- Master Degree of Business Administration, Chulalongkorn University

Related Training Program held by Thai Institute of Directors (IOD)

- Director Accreditation Program (DAP), class 13/2004
- Director Certification Program (DCP), class 97/2007
- Risk Management Program for Corporate Leaders (RCL), class 2/2015

Working Experiences

March 26 2007 - Present	Director	SC Asset Corporation Public Company Limited
December 16, 2014 - Present	Chairman of the Risk Management Committee	SC Asset Corporation Public Company Limited
January 12, 2011 - Present	Chairman of Corporate Governance and Social & Responsibility Committee	SC Asset Corporation Public Company Limited
November 14, 2007 - Present	Member of the Audit Committee	SC Asset Corporation Public Company Limited

Position in other companies

Listed Company

1989 - Present	Managing Director	M.D.X Public Company Limited
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Other Companies

2007 - Present	Chairman of the Board of Directors	Creatis International Company Limited
1995 - Present	Director	GMS Power Public Company Limited
1974 - Present	Chairman of the Board of Directors	Southeast Asia Technology Company Limited

Illegal Record in the past 10 years

None

⁶ 1st re-appointed at the 2009 AGM of April 22, 2009

2nd re-appointed at the 2012 AGM of April 23, 2012

3rd re-appointed at the 2015 AGM of April 23, 2015

Mr. Prasert Samanawong (Age: 65 years)

Appointed date: January 31, 2007 ⁷

Current Position: Director / Chairman of the Nomination and Remuneration Committee / Member of the Risk Management Committee / Member of the Audit Committee / Independent Director

Share Ratio held by:	Director	None
	Marriage / Spouse	None
	Minor Children	None
Relationship with Management		None

Highest Education

- Master Degree in Commerce, Thammasat University

Related Training Program held by Thai Institute of Directors (IOD)

- Audit Committee Program (ACP), class 21/2008
- Director Accreditation Program (DAP), class 61/2007
- Director Certification Program (DCP), class 85/2007
- Accounting Standard of Director
- Risk Management Program for Corporate Leaders (RCL), class 2/2015

Working Experiences

January 31, 2007 - Present	Director / Member of the Audit Committee	SC Asset Corporation Public Company Limited
May 13, 2015 - Present	Chairman of the Nomination and Remuneration Committee	SC Asset Corporation Public Company Limited
December 16, 2014 - Present	Member of the Risk Management Committee	SC Asset Corporation Public Company Limited
1991 - 2000	Executive Vice President	Premier Product Company Limited

Position in other companies

Listed Company	None
Other Companies	None

Illegal Record in the past 10 years

None

⁷ 1st re-appointed at the 2008 AGM of April 22, 2008
 2nd re-appointed at the 2011 AGM of April 20, 2011
 3rd re-appointed at the 2014 AGM of April 23, 2014

Mr. Songsak Premasuk (Age: 59 years)

Appointed date: April 23, 2015

Current Position: Director / Member of the Executive Committee / Member of the Corporate Governance and Social & Environmental Responsibility Committee / Independent Director

Share Ratio held by:	Director	None
	Marriage / Spouse	None
	Minor Children	None

Relationship with Management	None
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Highest Education

- Diploma of Strategic Marketing Management Program, Harvard Business School, USA
- Bachelor's Degree in Architecture, King Mongkut's Institute of Technology

Related Training Program held by Thai Institute of Directors (IOD)

- Director Accreditation Program (DAP), class 9/2004

Working Experiences

April 23, 2015 - Present	Director	SC Asset Corporation Public Company Limited
May 13 2015 - Present	Member of the Executive Committee / Member of Corporate Governance and Social & Environmental	SC Asset Corporation Public Company Limited
2013 - 2015	Member of Governing Board	NSTDA, Ministry of Science and Technology
2012 - 2015	Council Member	Institute for the Promotion of Teaching Science and Technology, Ministry of Education
2010 - 2014	Chairman of the Board of Directors / Director	Office of Knowledge Management and Development (OKMD)
2009 - 2014	President	Voice TV Company Limited
2002 - 2007	Managing Director	ITV Public Company Limited

Position in other companies

Listed Company	None
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Other Companies

2014 - Present	Director	Voice TV Company Limited
2007 - Present	Director	Thaicom Foundation

Illegal Record in the past 10 years

None

Ms. Vilasinee Phddhikarant (Age: 61 years)

Appointed date: January 15, 2016⁸

Current Position: Director / Member of the Executive Committee / Independent Director

Share Ratio held by:	Director	None
	Marriage / Spouse	None
	Minor Children	None
Relationship with Management		None

Highest Education

Bachelor's Degree of Economics, East Texas State University, Texas, USA

Related Training Program

held by Thai Institute of Directors (IOD)

- Director Certification Program (DCP), class 134/2010

held by others

- MINI MBA, Chulalongkorn University
- Certificate of Good Governance for Medical Executives, class 3, King Prajadhipok's Institute

Working Experiences

January 15, 2016 - Present	Director / Member of the Executive Committee	SC Asset Corporation Public Company Limited
2013 - 2015	Chief Customer Officer	Advance Info Service Public Company Limited
2007 - 2012	Executive Vice President – Customer Management	Advance Info Service Public Company Limited
2004 - 2007	Vice President – Customer and Service Management	Advance Info Service Public Company Limited
2002 - 2004	Managing Director	Advance Contact Center Company Limited
1999 - 2002	Assistant Vice President - Call Center	Advance Info Service Public Company Limited
1995 - 1999	Assistant Vice President - Information Technology	Shin Corporation Public Company Limited

Position in other companies

Listed Company	None
Other Companies	None

Illegal Record in the past 10 years

None

⁸ 1st re-appointed at the 2016 AGM of April 22, 2016

Mr. Attapol Sariddipuntawat (Age: 52 years)

Current Position: Chief Financial Officer

Share Ratio held by:	Executive	8,289,843 shares (0.198%)
	Marriage / Spouse	None
	Minor Children	None

Relationship with Management	None
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Highest Education

- Degree of National Defence College, class 24
- Master Degree in Business Administration, Kasetsart University

Working Experiences

January 9, 2009-Present	Chief Financial Officer	SC Asset Corporation Public Company Limited
March 9, 2003-Present	Member of the Risk Management Committee	SC Asset Corporation Public Company Limited
2003 - 2009	Executive Vice President - Corporate Support	SC Asset Corporation Public Company Limited
2002 - 2003	Vice President - Corporate Support	SC Asset Company Limited ²
2000 - 2002	Assistant Managing Director - Corporate Support	N.C.C. Management and Development Company Limited

Position in other companies

Listed Company	None
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Other Companies

2012 - Present	Director	Praram 9 Hospital Company Limited
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Illegal Record in the past 10 years

None

Mr. Vitit Visalpattanasil (Age: 60 years)

Current Position: Senior Vice President - Accounting

Share Ratio held by:	Executive	3,839,906 shares (0.092%)
	Marriage / Spouse	None
	Minor Children	None
Relationship with Management		None

Highest Education

- Bachelor's Degree in Business Administration (Accounting), Ramkhamhaeng University
- MINI MBA, Tammasat University
- Certified Public Accountant

Working Experiences

2003 - Present	Senior Vice President - Accounting	SC Asset Corporation Public Company Limited
2009 - December 16, 2014	Member of the Risk Management Committee	SC Asset Corporation Public Company Limited
2002 - 2003	Director of Accounting	SC Asset Company Limited ²
1994 - 2002	Financial & Accounting Manager	SC Asset Company Limited ²

Position in other companies

Listed Company	None
Other Companies	None

Illegal Record in the past 10 years

None

Ms. Pradthana Patsaman (Age: 55 years)

Current Position: Senior Vice President - Finance

Share Ratio held by:	Executive	4,796,718 shares (0.115%)
	Marriage / Spouse	None
	Minor Children	None

Relationship with Management	None
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Highest Education

- Master Degree in Business Administration, the National Institute of Development Administration

Working Experiences

2003 - Present	Senior Vice President - Finance	SC Asset Corporation Public Company Limited
2002 - 2003	Director of Finance	SC Asset Company Limited ²
1997 - 2002	Director of Accounting & Finance	N.C.C. Management and Development Company Limited

Position in other companies

Listed Company	None
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Other Companies	None
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Illegal Record in the past 10 years

None

Ms. Charanya Tangbunjurdsook (Age: 63 years)

Current Position: Senior Vice President – Human Resource & Administration

Share Ratio held by:	Executive	1,763,085 shares (0.042%)
	Marriage / Spouse	None
	Minor Children	None
Relationship with Management		None

Highest Education

- Master Degree of Public policy and Project Management, the National Institute of Development Administration

Working Experiences

2003 - Present	Senior Vice President – Human Resource & Administration	SC Asset Corporation Public Company Limited
2002 - 2003	Director of Human Resource & Administration	SC Asset Company Limited ²
1999 - 2002	Human Resource & Administration Manager	SC Asset Company Limited ²
1996 - 1999	Human Resource & Administration Manager	Advance Info Service Public Company Limited

Position in other companies

Listed Company	None
Other Companies	None

Illegal Record in the past 10 years

None

Mr. Suriya Pleansri (Age: 62 years)

Current Position: Senior Vice President – Customer Management

Share Ratio held by:	Executive	2,374,312 shares (0.057%)
	Marriage / Spouse	None
	Minor Children	None
Relationship with Management		None

Highest Education

- Master Degree of Public Administration Program, The National Institute of Development Administration

Working Experiences

January 1, 2016 - Present	Senior Vice President – Customer Management / Acting Senior Vice President – Property Management	SC Asset Corporation Public Company Limited
2007 – December 31, 2015	Senior Vice President – Property Management	SC Asset Corporation Public Company Limited
March 9, 2004 – December 16, 2014	Member of the Risk Management Committee	SC Asset Corporation Public Company Limited
2006 - 2007	Director of Property Management	SC Asset Corporation Public Company Limited
2004 - 2006	Property Management Manager	SC Asset Corporation Public Company Limited

Position in other companies

Listed Company	None
Other Companies	None

Illegal Record in the past 10 years

None

Ms. Pannee Tharaphat (Age: 57 years)

Current Position: Senior Vice President – Internal Audit

Share Ratio held by:	Executive	126,562 shares (0.003%)
	Marriage / Spouse	None
	Minor Children	None
Relationship with Management		None

Highest Education

- Master Degree of Business Administration, Kasetsart University

Training Program

- Certified Professional Internal Auditor (CPIA), Institute of Internal Auditors of Thailand

Working Experiences

2008 - Present	Senior Vice President – Internal Audit	SC Asset Corporation Public Company Limited
February 7, 2007 – December 16, 2014	Member of the Risk Management Committee	SC Asset Corporation Public Company Limited
2006 - 2008	Director of Internal Audit	SC Asset Corporation Public Company Limited
2548 - 2549	Comptroller	Shinawatra University

Position in other companies

Listed Company	None
Other Companies	None

Illegal Record in the past 10 years

None

Mr. Somboon Kuptimanus (Age: 57 years)

Current Position: Senior Vice President - Legal / Company Secretary

Share Ratio held by:	Executive	5,000,012 shares (0.119%)
	Marriage / Spouse	None
	Minor Children	None
Relationship with Management		None

Highest Education

- Degree of National Defence College, class 24
- MINI MBA, Chulalongkorn University
- Barrister at Law, Institute of Legal Education (Thai Bar Association)

Related Training Program held by Thai Institute of Directors (IOD)

- Company Secretary Program (CSP), class 2006

Working Experiences

2003 - Present	Senior Vice President - Legal	SC Asset Corporation Public Company Limited
2008 - Present	Company Secretary	SC Asset Corporation Public Company Limited
November 15, 2013 - December 16, 2014	Member of the Risk Management Committee	SC Asset Corporation Public Company Limited
2002 - 2003	Director of Legal	SC Asset Company Limited ²
2000 - 2002	Legal Manager	SC Asset Company Limited ²

Position in other companies

Listed Company None

Other Companies

2006 - Present	Director	B.B.D. Property Company Limited
2003 - Present	Director	Praram 9 Hospital Company Limited
1998 - Present	Director	Bangkok Telecom Engineering Company Limited

Illegal Record in the past 10 years

None

Mr. Pornchai Sriprasert (Age: 68 years)

Current Position: Advisor ¹

Share Ratio held by:	Advisor	802,584 shares (0.019%)
	Marriage / Spouse	None
	Minor Children	None

Relationship with Management	None
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Highest Education

- Bachelor Degree in Electronic Engineering, Mapua Institute of Technology

Working Experiences

January 2010 - Present	Advisor	SC Asset Corporation Public Company Limited
January 2009 – December 2009	Chief Technical Officer	SC Asset Corporation Public Company Limited
2003 - 2009	Executive Vice President – Property Development (High Rise)	SC Asset Corporation Public Company Limited

Position in other companies

Listed Company	None
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Other Companies	None
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Illegal Record in the past 10 years

None

Khunying Potjaman Damapong (Age: 61 years)

Shareholder

Shareholding Ratio: 117,109,887 shares (2.802%)

Highest Education

- Associate of Arts Degree, Eastern Kentucky University

Working Experiences and Position in other companies

1998 – September 2003	Director	OAI Education Company Limited
1997 – March 2003	Director	V.Land Property Company Limited
1995 – March 2003	Director	SC Asset Company Limited ²
1994 – September 2003	Director	SC Office Plaza Company Limited
1994 – September 2003	Director	SCK Estate Company Limited
1994 – September 2003	Director	P.T. Corporation Company Limited
1994 – July 2003	Director	SC Office Park Company Limited
1994 – July 2003	Director	OAI Asset Company Limited
1991 – August 2003	Director	OAI Leasing company Limited
2008 – Present	Vice Chairman	Thaicom Foundation

Illegal Record in the past 10 years

None

Mr. Panthongtae Shinawatra (Age: 39 years)

Shareholder

Shareholding Ratio: 14,000,000 shares (0.335%)

Working Experiences and Position in other companies

April 1, 2013 – Present	Director	Voice Creation Company Limited
September 19, 2011 – Present	Director	Rende Ploenchit Hotel Company Limited ⁵
May 4, 2006 – Present	Director	Thaicom Foundation
November 15, 2004 – Present	Director	How Come Studio Company Limited
January 9, 2004 – Present	Director	Okanit Company Limited
September 30, 2003 – Present	Director / Executive Vice President	Voice TV Company Limited ⁴

Illegal Record in the past 10 years

None

Ms. Pintongta Shinawatra Kunakornwong (Age: 35 years)

Shareholder

Shareholding Ratio: 1,176,915,495 shares (28.160%)

Highest Education

- Master Degree of Science in Management, Cass Business School, City University, UK.
- Master Degree of Art in Enterprise Management for the Creative Arts, London College of Communication, University of the Arts, London, UK

Working Experiences and Position in other companies

May 12, 2016 - Present	Director	Alpine Gold and Sports Club Company Limited
May 12, 2016 - Present	Director	Alpine Garden Design Company Limited
May 10, 2016 - Present	Director	OAI Consultant and Management Company Limited
October 18, 2013 - Present	Director	Thames Valley Khaoyai Hotel Company Limited
July 5, 2013 - Present	Director	Rende Ploenchit Hotel Company Limited ⁵
April 1, 2013 - Present	Director	Voice Creation Company Limited
February 29, 2012 - Present	Director	Rende Development Company Limited
April 20, 2011 - February 28, 2012	Director / Member of the Executive Committee	SC Asset Corporation Public Company Limited
2011 - Present	Director	Shinawatra University
2008 - Present	Director	The Sister nail Company Limited ³
2006 - Present	Director / Secretary	Thaicom Foundation
2004 - Present	Director	How come Studio Company Limited
2004 - Present	Director	Okanit Company Limited
2003 - Present	Director	Voice TV Company Limited ⁴

Illegal Record in the past 10 years

None

Ms. Paetongtarn Shinawatra (Age: 31 years)

Shareholder

Shareholding Ratio: 1,216,149,870 shares (29.099%)

Highest Education

- Master Degree of MSc International Hotel Management, University of Surrey, UK.

Working Experiences and Position in other companies

May 12 2016 - Present	Director	Alpine Gold and Sports Club Company Limited
May 12, 2016 - Present	Director	Alpine Garden Design Company Limited
May 10, 2016 - Present	Director	OAI Consultant and Management Company Limited
October 18, 2013 - Present	Director	Thames Valley Khaoyai Hotel Company Limited
February 29, 2012- Present	Director	Rende Development Company Limited
2012- Present	Director	Voice TV Company Limited ⁴
2012- Present	Director	The Sister nail Company Limited ³
2011 - Present	Director	Rende Ploenchit Hotel Company Limited ⁵
2006 - Present	Director	Thaicom Foundation
2004 - Present	Director	Okanit Company Limited

Illegal Record in the past 10 years

None

Note:

- ¹ An advisor performs his duty in providing opinions to the Board of Directors and management, as well as attending meetings of the Board of Director but he is not considered as having control or participation in the management of the company
- ² The name of "SC Asset Company Limited" was changed to "OAI Management Company Limited" in August 2003
- ³ The name of "ManCity Marketing Company Limited" was changed to "OAI Marketing Company Limited" in December 2009, and changed to the name of "The Sister nail Company Limited" in June 2012.
- ⁴ The name of "How Come Entertainment Company Limited" was changed to "Voice Station Company Limited" in December 2008 and changed to "Voice TV Company Limited" in June 2009
- ⁵ The name of "Ploenjit Arcade Company Limited" was changed to "Rende Ploenchit Hotel Company Limited" in May 2013

Details of shareholding as of December 31, 2016

Positioning Summary of Directors, Management Team, Advisor, Controlling Persons and Company Secretary (Date as of December 31, 2016)

Directors / Management Team / Advisor / Controlling Persons	SC	Subsidiary Company			Related Company
		OA	UL	VL	
Mr. Rath Kitivejsoth	A, B, K				
Ms. Busaba Damapong	B, C, D, F, I, J	A, B, C	A, B, C	A, B, C	BBD, OM, BBP, VOICE (M)
Mr. Nuttaphong Kunakornwong	B, C, E, F, I, J	B, C	B, C	B, C	RENDE, OE, RPH, Thames (M)
Mr. Nathpath Ouajai	B, C, F, H				BAB (B,C)
Mr. Kunodom Tharmmaphornphilas	B, G, H, K				
Mr. Precha Sekhararidhi	B, G, I, J, K				CREATIS (A), GMS (B), MDX (B,F), SAT (A)
Mr. Prasert Samanawong	B, G, H, J, K				
Mr. Songsak Premsuk	B, F, I, K				VOICE (B)
Ms. Vilasinee Puddhikarant	B, F, K				
Mr. Attapol Sariddipuntawat	L				PHARAM 9 (B)
Mr. Vitit Visalpattanasil	L				
Ms. Pradthana Patsaman	L				
Ms. Charanya Tangbunjurdsook	L				
Ms. Pannee Tharaphat	L				
Mr. Suriya Pleansri	L				
Mr. Somboon Kuptimanus	L				BBP, BTE (B,C) , PHARAM 9 (B)
Mr. Pornchai Sriprasert	N				
Khunying Potjaman Damapong	M				
Mr. Panthongtae Shinawatra	M				HOW, OKN, PS (M)
Ms. Pintongta Shinawatra Kunakornwong	M				RENDE, OE, RPH, Thames (M)
Ms. Paetongtarn Shinawatra	M				AGD, BTE,(M)

Note

A = Chairman of the Board of Directors
 B = Director
 C = Authorized Director
 D = Chairman of the Executive Committee
 E = Chief Executive Officer
 F = Member of the Executive Committee
 G = Member of the Audit Committee
 H = Member of the Nomination and Remuneration Committee
 I = Member of Corporate Governance & Social and Environmental Responsibility Committee
 J = Member of Risk Management Committee
 K = Independent Director
 L = Management Team
 M = Controlling Persons
 N = Advisor

The Company's name

SC = SC Asset Corporation Plc.
 OA = OAI Asset Co., Ltd.
 UL = Up Country Land Co., Ltd.
 VL = V. Land Property Co., Ltd.
 BBD = B.B.D. Development Co., Ltd.
 OM = OAI Management Co., Ltd.
 BBP = B.B.D Property Co., Ltd.
 VOICE = VOICE TV Co., Ltd.
 RENDE = Rende Development Co., Ltd.
 OE = OAI Education Co., Ltd.
 AGD = Alpine Garden Design Co., Ltd.
 BTE = Bangkok Telecom Engineering Co., Ltd.
 RPH = Rende Ploenchit Hotel Co.,Ltd
 Thames = Thames valley Khao Yai Hotel Co.,Ltd.
 PS = Pramaisuree Property Co., Ltd.
 BAB = Back All Billboard Co.,Ltd.
 CREATIS = Creatis International Co.,Ltd.
 GMS = GMS Power Plc.
 MDX = M.D.X. Plc.
 SAT = Southeast Asia Technology Co., Ltd.
 HOW = How Come Studio Co.,Ltd.
 OKN = Okanit Co.,Ltd.

Information of the Directors of Subsidiary Companies

Directors	OAI Asset Co., Ltd.	Up Country Land Co., Ltd.	V. Land Property Co., Ltd.
Ms. Busaba Damapong	A , C	A , C	A , C
Mr. Nuttaphong Kunakornwong	B , C	B , C	B , C
Mr. Nathpath Ouajai	B , C	B , C	B , C

Note:

A = Chairman of the Board of Directors
 B = Director
 C = Authorized Director

Information as of December 31, 2016

Details of shareholding of ordinary shares and debentures of the Company's Directors and Management Team for the year 2016

Name	Position	SC Asset Corporation Plc.		OAI Asset Co., Ltd.		Up Country Land Co., Ltd.		V. Land Property Co., Ltd.	
		Ordinary Shares	Debentures	Ordinary Shares	Debentures	Ordinary Shares	Debentures	Ordinary Shares	Debentures
1. Mr. Rath Kitivejsoth	Chairman of the Board of Directors (Independent Director)	-	-	-	-	-	-	-	-
2. Ms. Busaba Damapong	Director/ Chairman of the Executive Committee/ Member of Corporate Governance and Social & Environmental Responsibility Committee/ Member of the Risk Management Committee (Authorized Director)	201,234,387	140,000	-	-	-	-	-	-
3. Mr. Nuttaphong Kunakornwong	Director/ Member of the Executive Committee/ Member of Corporate Governance and Social & Environmental Responsibility Committee/ Member of the Risk Management Committee/ Chief Executive officer (Authorized Director)	1,176,915,495	-	-	-	-	-	-	-
4. Mr. Nathpath Ouajai	Director/ Member of the Executive Committee/ Member of the Nominating and Remuneration Committee (Authorized Director)	-	-	-	-	-	-	-	-
5. Mr. Kunodom Tharmaphornphilas	Director/ Chairman of the Audit Committee/ Member of the Nominating and Remuneration Committee (Independent Director)	-	-	-	-	-	-	-	-
6. Mr. Precha Sekhararidhi	Director/ Chairman of Corporate Governance and Social & Environmental Responsibility Committee/ Chairman of the Risk Management Committee/ Member of the Audit Committee (Independent Director)	37,968	-	-	-	-	-	-	-
7. Mr. Prasert Samanawong	Director/ Member of the Audit Committee/ Chairman of the Nominating and Remuneration Committee/ Member of the Risk Management Committee (Independent Director)	-	-	-	-	-	-	-	-
8. Mr. Songsak Premasuk	Director/ Member of the Executive Committee/ Member of Corporate Governance and Social & Environmental Responsibility Committee (Independent Director)	-	-	-	-	-	-	-	-
9. Ms. Vilasinee Puddhikarant	Director/ Member of the Executive Committee (Independent Director)	-	-	-	-	-	-	-	-
10. Mr. Attapol Sariddipuntawat	Chief Financial Officer	8,289,843	3,000	-	-	-	-	-	-

Name	Position	SC Asset Corporation Plc.		OAI Asset Co., Ltd.		Up Country Land Co., Ltd.		V. Land Property Co., Ltd.	
		Ordinary Shares	Debentures	Ordinary Shares	Debentures	Ordinary Shares	Debentures	Ordinary Shares	Debentures
11. Mr. Vitit Visalpattanasil	Senior Vice President - Accounting	3,839,906	-	-	-	-	-	-	-
12. Ms. Pradthana Patsaman	Senior Vice President - Finance	4,796,718	1,000	-	-	-	-	-	-
13. Ms. Charanya Tangbunjurdsook	Senior Vice President - Human Resource & Administration	1,763,085	-	-	-	-	-	-	-
14. Ms. Pannee Tharaphat	Senior Vice President - Internal Audit	126,562	-	-	-	-	-	-	-
15. Mr. Suriya Pleansri	Senior Vice President - Customer Management	2,374,312	1,000	-	-	-	-	-	-
16. Mr. Somboon Kuptimanus	Senior Vice President - Legal / Company Secretary	5,000,012	-	-	-	-	-	-	-

Note: As at December 31, 2016, the number of ordinary shares includes holding by marriage/spouse and minor children.

Details of Head of Internal Audit and Head of Compliance (Date as of December 31, 2016)

Ms. Pannee Tharaphat (Age: 57 years)

Current Position: Senior Vice President – Internal Audit

Share Ratio held by:

Executive	126,562 shares (0.003%)
Marriage / Spouse	None
Minor Children	None

Relationship with Management None

Highest Education

- Master Degree of Business Administration, Kasetsart University

Training Program

- Certified Professional Internal Auditor (CPIA), Institute of Internal Auditors of Thailand

Working Experiences

2008 - Present	Senior Vice President – Internal Audit	SC Asset Corporation Public Company Limited
February 7, 2007 – December 16, 2014	Member of the Risk Management Committee	SC Asset Corporation Public Company Limited
2006 - 2008	Director of Internal Audit	SC Asset Corporation Public Company Limited
2548 - 2549	Comptroller	Shinawatra University

Position in other companies

Listed Company None

Other Companies None

Illegal Record in the past 10 years

None

Mr. Somboon Kuptimanus (Age: 57 years)

Current Position: Senior Vice President - Legal / Company Secretary

Share Ratio held by:	Executive	5,000,012 shares (0.119%)
	Marriage / Spouse	None
	Minor Children	None
Relationship with Management		None

Highest Education

- Degree of National Defence College, class 24
- MINI MBA, Chulalongkorn University
- Barrister at Law, Institute of Legal Education (Thai Bar Association)

Related Training Program held by Thai Institute of Directors (IOD)

- Company Secretary Program (CSP), class 2006

Working Experiences

2003 - Present	Senior Vice President - Legal	SC Asset Corporation Public Company Limited
2008 - Present	Company Secretary	SC Asset Corporation Public Company Limited
November 15, 2013 - December 16, 2014	Member of the Risk Management Committee	SC Asset Corporation Public Company Limited
2002 - 2003	Director of Legal	SC Asset Company Limited ²
2000 - 2002	Legal Manager	SC Asset Company Limited ²

Position in other companies

Listed Company None

Other Companies

2006 - Present	Director	B.B.D. Property Company Limited
2003 - Present	Director	Praram 9 Hospital Company Limited
1998 - Present	Director	Bangkok Telecom Engineering Company Limited

Illegal Record in the past 10 years

None

Note:

¹ Details of shareholding as of December 31, 2016

² The name of "SC Asset Co., Ltd." was changed to OAI Management Co., Ltd. in August 2003.

RELATED TRANSACTIONS

Any Company arrangements by the Company and/or subsidiaries in transactions with related companies and/or persons have been for regular business operations, and necessary to acquire the strongest support for the operations of the group of companies. They have all been to the benefit of the Company. Such related transactions are necessary and justified. The Company's returns gained from these related transactions are subject to the toughest criteria regarding consideration of market prices or cost plus. In the case of cost plus price was determined by estimated cost calculated from the Company's budget plus a reasonable determined profit rate. The Company, through the Audit Committee and with the approval of the Board of Directors, annually takes into account the cost and profit rates that it sees as reasonable and proper prices.

Details of Related Transactions with Related Companies and/or Persons

For the year ended December 31, 2016, the Company and subsidiaries have engaged in transactions with related companies and/or persons as listed below

1. Revenues from Sales – The Company sold residential product to related persons.

(Unit : Baht Million)

Related Persons	Related Transactions for the year ended December 31, 2016
Mr. Panthongtae Shinawatra ³	11.36
Ms. Paetongtarn Shinawatra ²	8.37
Mr. Vitit Visalpattanasil ⁷	5.84
Ms. Laddawan Wiputamon ¹⁴	3.26
Total	28.83

2. Revenues from Rental and Rendering of Services – The Company provided rental space and services to related companies.

(Unit : Baht Million)

Related Companies	Related Transactions for the year ended December 31, 2016
Shinawatra University ¹⁶	4.20
Rende Development Company Limited ³⁰	2.72
B.B.D. Development Company Limited ¹⁸	2.46
Thai-Com Foundation ¹⁵	2.25
Rende Ploen Chit Hotel Company Limited ³¹	0.06
Voice TV Company Limited ²²	0.03
P.T. Corporation Company Limited ²⁵	0.01
Total	11.73

3. Cost of Rental and Rendering of Services – These transactions involved the payment made by the Company and subsidiaries to related companies and/or person.

(Unit : Baht Million)

Related Companies and/or Person	Related Transactions for the year ended December 31, 2016
SC Office Park Company Limited ²⁴	24.04
P.T. Corporation Company Limited ²⁵	6.21
SC Office Plaza Company Limited ²¹	2.88
Alpine Garden Design Company Limited ²⁶	0.35
Khunying Potjaman Damapong ¹	0.07
How Come Studio Company Limited ²³	0.01
Total	33.56

4. Selling and Administrative Expenses – These transactions involved the payment made by the Company and subsidiaries to related companies.

(Unit : Baht Million)

Related Companies	Related Transactions for the year ended December 31, 2016
Alpine Garden Design Company Limited ²⁶	9.32
OAI Consultant & Management Company Limited ²⁸	1.81
Voice TV Company Limited ²²	1.39
SC Office Plaza Company Limited ²¹	1.25
Praram 9 Hospital Company Limited ¹⁷	0.79
Alpine Golf & Sports Club Company Limited ¹⁹	0.66
OAI Leasing Company Limited ²⁰	0.52
Thames Valley Khao Yai Hotel Company Limited ³²	0.33
Thai-Com Foundation ¹⁵	0.31
How Come Studio Company Limited ²³	0.31
Fortay (Thailand) Company Limited ²⁹	0.14
Chiangmai Golf & Country Club Company Limited ²⁷	0.04
SC Office Park Company Limited ²⁴	0.02
Total	16.89

5. Trade Receivables – These transactions incurred from sales of residential units to executives under the criteria and term as prescribed by the resolution of the Company's Board of Directors and rendering services.

(Unit : Baht Million)

Related Companies and/or Persons	Related Transactions as at December 31, 2016
Mr. Nuttaphong Kunakornwong ⁵	24.74
Mr. Attapol Sariddipuntawat ⁶	13.62
Ms. Busaba Damapong ⁴	12.41
Ms. Pradthana Patsaman ⁹	10.87
Mr. Suriya Pleansri ⁸	6.68
Ms. Charanya Tangbunjurdsook ¹⁰	6.27
Mr. Vitit Visalpattanasil ⁷	5.74
Shinawatra University ¹⁶	0.70
OAI Management Company Limited ³³	0.04
Total	81.07

6. Loans from related persons – These transactions incurred from issuance of debentures to related persons.

(Unit : Baht Million)

Related Persons	Related Transactions as at December 31, 2016
Mr. Bhanapot Damapong ¹²	80.00
Ms. Busaba Damapong ⁴	50.00
Ms. Polapoom Damapong ¹³	10.00
Mr. Attapol Sariddipuntawat ⁶	3.00
Ms. Pranee Visalpattanasin ¹¹	2.00
Mr. Suriya Pleansri ⁸	1.00
Ms. Pradthana Patsaman ⁹	1.00
Total	147.00

The Relationship of Related Companies and/or Persons are as follows

Related Companies and/or Persons			Relationship	Type of Business
1.	Khunying Potjaman	Damapong	Major shareholder's mother	-
2.	Ms. Paetongtarn	Shinawatra	Major shareholder	-
3.	Mr. Panthongtae	Shinawatra	Shinawatra Family	-
4.	Ms. Busaba	Damapong	Director	-
5.	Mr. Nuttaphong	Kunakornwong	Director	-
6.	Mr. Attapol	Sariddipuntawat	Management	-
7.	Mr. Vitit	Visalpattanasil	Management	-
8.	Mr. Suriya	Pleasri	Management	-
9.	Ms. Pradthana	Patsaman	Management	-
10.	Ms. Charanya	Tangbunjurdsook	Management	-
11.	Ms. Pranee	Visalpattanasin	Sister of management	-
12.	Mr. Bhanapot	Damapong	Spouse of director	-
13.	Mr. Polapoom	Damapong	Son of director	-
14.	Ms. Laddawan	Wiputamon	Sister of management	-
15.	Thai-Com Foundation		Major shareholder Family is a founder	-
16.	Shinawatra University		Major shareholder Family is a founder	Education Business
17.	Praram 9 Hospital Company Limited		Khunying Potjaman Damapong is a major shareholder.	Hospital Business
18.	B.B.D. Development Company Limited		Mr. Bhanapot Damapong is a major shareholder.	Real Estate Business
19.	Alpine Golf & Sports Club Company Limited		Khunying Potjaman Damapong Ms. Pintongta Shinawatra Kunakornwong and Ms. Paetongtarn Shinawatra are major shareholder.	Golf Business
20.	OAI Leasing Company Limited		Ms. Pintongta Shinawatra Kunakornwong is a major shareholder.	Car Rental Business
21.	SC Office Plaza Company Limited		Ms. Pintongta Shinawatra Kunakornwong is a major shareholder.	Land Rental
22.	Voice TV Company Limited		Mr. Bhanapot Damapong Ms. Pintongta Shinawatra Kunakornwong are major shareholder.	Import and distribution of all types of communications equipment and providing entertainment services.
23.	How Come Studio Company Limited		Major shareholder cousin	Production, production services and other entertainment services.

Related Companies and/or Persons	Relationship	Type of Business
24. SC Office Park Company Limited	Ms.Pintongta Shinawatra Kunakornwong and Ms. Paetongtarn Shinawatra are major shareholder.	Land Rental, property management business.
25. P.T. Corporation Company Limited*	Ms.Pintongta Shinawatra Kunakornwong and Ms. Paetongtarn Shinawatra are major shareholder.	Real Estate Business
26. Alpine Garden Design Company Limited	Ms. Paetongtarn Shinawatra is a major shareholder.	Garden Design Business
27. Chiangmai Golf & Country Club Company Limited	A Subsidiary of B.B.D. Development Company Limited.	Golf Business
28. OAI Consultant & Management Company Limited	Khunying Potjaman Damapong is a major shareholder.	Hotel Business
29. Fortay (Thailand) Company Limited	A Subsidiary of OAI Consultant & Management Company Limited.	Coffee Business
30. Rende Development Company Limited**	Ms. Pintongta Shinawatra Kunakornwong is a major shareholder.	Real estate business
31. Rende Ploen Chit Hotel Company Limited	A Subsidiary of B.B.D. Development Company Limited.	Hotel Business
32. Thames Valley Khao Yai Hotel Company Limited	Ms.Pintongta Shinawatra Kunakornwong and Ms. Paetongtarn Shinawatra are major shareholder.	Hotel Business
33. OAI Management Company Limited	Mr. Bhanapot Damapong is a major shareholder.	Real Estate Business

Remark :

- * This company is in the business of rental of small office space, and began its operation before the listing of the Company in the Stock Exchange of Thailand. The company has no other competing business with the Company and only owns the office buildings for the rental business that was earlier listed in this report. In addition, the company's customer base is different from that of the Company. Its office buildings are not in the same location as the Company's. The highest rental rate commanded by the company is Baht 365 per sq. m., whereas the Company's office rental rates are in the range of Baht 365-850 per sq.m..
- ** This company is in the business of rental of small office space, and began its operation before the listing of the Company in the Stock Exchange of Thailand. The company has no other competing business with the Company and only owns the office buildings for the rental business that was earlier listed in this report. In addition, the company's customer base is different from that of the Company. Its office buildings are not in the same location as the Company's or its office locations are in provincial areas.

Procedures and Policies for Approval of Related Transactions

Approval procedures for related party transactions, which are transacted to support the Company's normal course of business operations, such as space rent, shall be governed by the conditions prescribed by the Company to suite the general nature of such trading activities. For other related party transactions, the Company shall prescribe measures and procedures which are in line with their underlying trade characteristic and nature, and use prevailing market prices for their pricing, similar to the transactions normally made to any other non-related customers. In the case that there are no applicable market prices for comparison, the Company will contract at least three independent specialists, approved by the Securities and Exchange Commission of Thailand, to appraise the transaction and define proper market price and suitable conditions. Then, it shall benchmark the appropriate price at the amount not higher than the average mean of all those independent assessments. Such implementation intends to assure the maximization of the Company and its shareholders' benefits. The Company shall also propose the outcomes and the matter to its Audit committee for reviewing and consider the rationality of such related party transactions and appropriateness of its pricing, prior to the further submission to the Board of directors, or in some cases to the shareholders, for the approval.

In accordance with the practice of disclosure of related transactions, the acquisition or sales of significant assets owned by the Company and subsidiaries conform to all the laws on securities and exchange, including regulations, notifications, orders of the Stock Exchange of Thailand and Thai Accounting Standards issued by the Federation of Accounting Professions.

Trend of Future Related Transactions

In the future related transactions will still be a regular part of business operations transactions such as the space rental etc. There may have transactions for the sale and purchase of land with related persons but they will be mostly extraordinary transactions. Any such transactions to be engaged in the future shall conform to the measures and procedures of approval as outlined.

**FINANCIAL POSITION AND
RESULTS OF OPERATIONS**

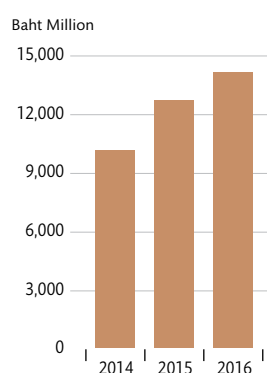
FINANCIAL HIGHLIGHTS

(Unit : Baht Million)

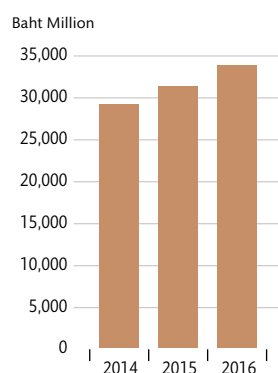
For the year ended 31 December	2016	2015	2014
Operating Results			
Total Revenues	14,504	14,184	12,692
Operating Revenues	14,434	14,050	12,601
Gross Profit	5,216	5,145	4,577
Operating Profit	2,486	2,433	2,043
Profit for the Years	1,968	1,895	1,558
Financial Position			
Total Assets	33,487	30,957	28,934
Total Liabilities	19,046	17,732	17,298
Total Shareholders' Equity	14,441	13,225	11,636
Financial Ratio			
Current Ratio (Times)	2.43	2.34	2.03
Gross Profit Margin (%)	36.14	36.62	36.33
Operating Profit Margin (%)	17.23	17.32	16.21
Net Profit Margin (%)	13.57	13.36	12.28
Return on Equity (%)	14.23	15.25	14.06
Return on Assets (%)	6.11	6.33	5.57
Debt to Equity Ratio (Times)	1.32	1.34	1.49
Basic Earnings per Share (Baht)	0.4709	0.4535	0.3728
Dividend per Share (Baht)	0.19 ⁽¹⁾	0.18	0.205
Book Value per Share (Baht)	3.46	3.16	3.13

Remark:

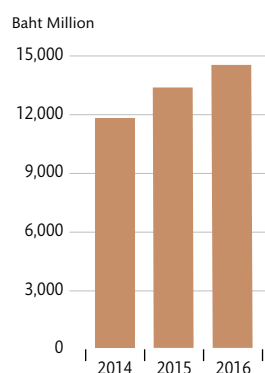
- ⁽¹⁾ Dividend per Share (Baht) was made at the rate approved by the Company's Board of Directors in its board meeting on 22 February 2017 and shall be submitted for the shareholders' approval during the Annual General Shareholders Meeting for 2017.



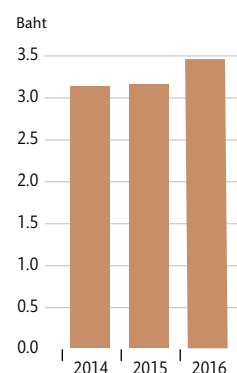
Operating Revenues



Total Assets



Total Shareholders' Equity



Book Value per Share

MANAGEMENT DISCUSSION AND ANALYSIS

1. Performance Overview

In 2016, the Company launched 40 development projects with remaining project value to be sold of Baht 38,350 million; comprising of 30 low-rise developments, and 10 high-rise developments. As of yearend 2016, the Company has a backlog of sales of Baht 6,025 million. The Company's operating revenues reached Baht 14,434 million, recording a growth rate of 3% from the past year. These revenues comprised of Baht 7,710 in sales of low-rise developments, Baht 5,968 million in sales of high-rise developments, Baht 755 million in revenues from rental and rendering of services, and Baht 1 million in revenues from consulting and management services. The Company had Baht 1,968 million in profit, a 4% growth from the previous year, and a profit per share of Baht 0.4709.

In 2016, The Company set its revenue and sales targets of Baht 14,800 million and Baht 16,000 million, respectively. It plans to launch 17 new projects with a total project value of Baht 27,000 million, of which 6 new projects worth Baht 14,000 million will be launched during the first half of the year comprising of 4 single detached house developments and 2 residential condominium projects, whereas the other 11 new low rise residential projects with a total project value of Baht 13,000 million will take off in the second half of the year. As for the new SC Tower office building, it is currently fully booked and will be open for commercial operation by the end of the first quarter of 2017. In order to build a sustainable growth in both business volumes and quality, the Company set forth its proactive strategic planning for its sustainable development that accords well with the current trend in the "Connectivity-4.0 Era" in which the entire world is becoming open and interconnected through technologies of the digital innovations. The Company canvasses its 3-year persistent growth plan with a 2019 revenue target of more than Baht 20,000 million. The strategy includes the 4 following aspects:

1. Top-line growth: Proactive strategies in pursuing residential developments in all price ranges, preserving a leading market position and market shares in the high-end segment, and increasing market shares in the mass market segmentation.
2. Human-centric innovation: Promoting smart innovation of "Baan Roojai" for all price range houses to offer needed solutions in a fast-moving world.
3. Top quality: Maintaining quality standards of its goods and services.
4. Lean: Digitization of its internal and external process to ensure precision and flexibility, and reorganizing its organizational structure in coping with changes.

2. Analysis of the Company's Consolidated Operational Results between 2015 and 2016

2.1 Operational Analysis

2.1.1 Revenues

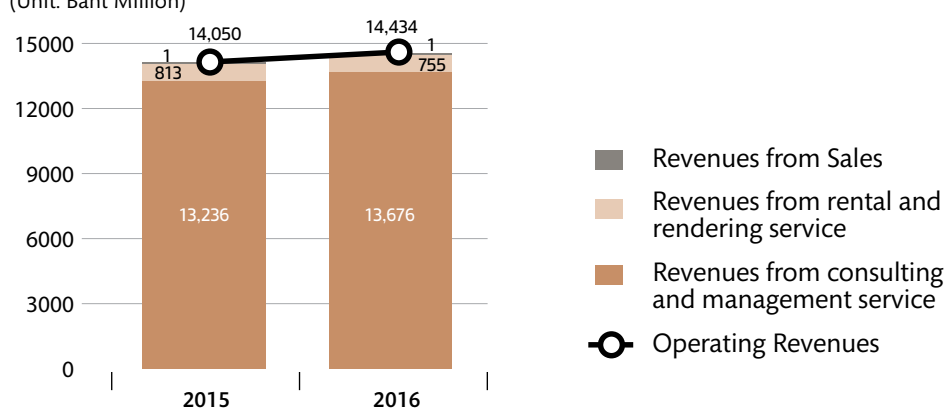
The Company's total consolidated revenues in 2016 was Baht 14,434 million as compared to Baht 14,050 million in 2015, showing an increase of Baht 384 million or 3%. The increase was mainly attributed to the following developments

(Unit: Baht Million)

	2016	2015	Increase (Decrease)	
			Amount	%
Revenues from Sales	13,678	13,236	442	3
- Low - rise development projects	7,710	8,056	(346)	(4)
- High - rise development projects	5,968	5,180	788	15
Revenues from rental and rendering of services	755	813	(58)	(7)

2016 Operating Revenues 14,434 MB

(Unit: Baht Million)



• Revenues from sales increased by Baht 442 million or 3%, which mainly resulted from the recognition of a 15% increase in income from high-rise development projects. Revenues from sales of high-rise developments accounted to 44% of total revenues from sales in 2016, compared to 39% in 2015. In 2016 and 2015, the Company reported the revenue from 8 and 7 high-rise development projects respectively, and the revenue from sales from 30 and 29 low-rise development projects, respectively.

Revenues from sales of low-rise developments comprised of sales of single detached houses, townhouses, and shophouse, which can be broken down as follows:

(Unit: Baht Million)

	2016		2015		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Revenues from Low - rise development projects						
- Single detached houses	7,364	95	7,488	93	(124)	(2)
- Townhouses	224	3	277	3	(53)	(19)
- Shophouse	122	2	291	4	(169)	(58)
Total	7,710	100	8,056	100	(346)	(4)

Revenues from sales of the Company's low-rise developments came mostly from its single detached housing projects, accounted to 95% of revenues from sales of the Company's low-rise developments. In 2016, the Company recognized its income from sales of 27 housing projects whereas in 2015, it recognized its income from sales of 26 such housing projects.

As of yearend 2016, there were Baht 6,025 million in backlog, comprised 91% of high-rise and 9% of low-rise development projects, waiting for transfers and income flows of future revenue recognition during the period of 2017-2020.

- Revenues from rental and rendering of services declined by Baht 58 million, or 7%, last year.

2.1.2 Operating Cost

The Company's operating cost was Baht 9,218 million and Baht 8,905 million in 2016 and 2015 respectively. It increased by Baht 313 million or 4%. The increase was mainly caused by the following developments:

- The Company's cost of sales increased Baht 329 million, mainly in line with the increase in revenues for the year.
- The Company's cost of rental and rendering of services decreased by Baht 16 million. It was in line with the decrease in revenues from rental and rendering of services.

2.1.3 Other Income

Other income was Baht 31 million and Baht 41 million in 2016 and 2015, respectively. It decreased Baht 10 million or 24%.

2.1.4 Profit from fair value adjustment in investment properties

Profit from fair value adjustment in investment properties in 2016 and 2015 were Baht 39 million and Baht 93 million, respectively. It decreased by Baht 54 million, which was mainly caused by the fair value adjustment of Shinawatra Tower 1 and 2.

2.1.5 Selling Expenses

The Company's selling expenses was Baht 1,368 million, and Baht 1,303 million in 2016 and 2015, respectively. Selling expenses increased by Baht 65 million or 5%, mainly in line with the increase in revenues from sales.

2.1.6 Administrative Expenses

Administrative expenses were Baht 1,362 million and Baht 1,409 million in 2016 and 2015, respectively. The expenses decreased by Baht 47 million or 3% due mainly to improved efficiency in expense management of its development projects.

2.1.7 Finance Costs

Finance costs was Baht 91 million and Baht 187 million in 2016 and 2015, respectively, showing an decrease of 51%, or Baht 96 million, which came from the lower interest rate.

2.1.8 Income Tax Expense

Income tax expense was Baht 497 million and Baht 485 million in 2016 and 2015, respectively, or an increase Baht 12 million caused by the higher operating profit for the year.

2.1.9 Profit for the year

The Company's profit for the year was Baht 1,968 million and Baht 1,895 million in 2016 and 2015, respectively, equivalent to an increase of Baht 73 million or 4% caused by a better performance and profit margin.

2.2 Profitability

(Unit: Baht Million)

	Real Estate sales		Rental and rendering of Service		Consulting and management services		Total Segment	
	2016	2015	2016	2015	2016	2015	2016	2015
Operating Revenues	13,677.69	13,236.30	754.90	812.41	1.09	1.09	14,433.68	14,049.80
Operating Cost	8,947.75	8,618.91	269.14	284.72	0.90	0.90	9,217.79	8,904.53
Gross Profit	4,729.94	4,617.39	485.76	527.69	0.19	0.19	5,215.89	5,145.27
Selling and Administrative Expenses	2,230.11	2,104.12	41.45	34.84	-	-	2,271.56	2,138.96
Operating result by segment	2,499.83	2,513.27	444.31	492.85	0.19	0.19	2,944.33	3,006.31
Gross Profit Margin (%)	34.58	34.88	64.35	64.95	17.43	17.43	36.14	36.62
Operating Profit Margin (%)	18.28	18.99	58.86	60.67	17.43	17.43	20.40	21.40

- Consolidated gross profit for 2016 was higher than in 2015 due to an increase in operating revenues, particularly from the sales of residential units as earlier mentioned. The number of units sold and whose ownership were also transferred to homebuyers during the year was 365 units higher than in 2015. However, the average price per unit was slightly lower than 2015.

- Consolidated gross profit margin for 2016 was 36.14% lower than in 2015 but higher the average gross profit margin for the listed real estate companies in 2016 which was 35.02%.

- Operating profit margin for the Company in 2016 lower than in 2015 resulting from the higher selling and administrative expenses as earlier mentioned.

- In 2016, profit for the year was higher than 2015 due to an increase in operating revenues and the above mentioned efficiency in expense management of its development projects.

3. Analysis of 2015 and 2016 Financial Positions

3.1 Assets

As at year ended 2016, the Company had total consolidated assets of Baht 33,487 million, an increase of Baht 2,529 million or 8% from the previous year. The increase can be mainly attributed to the following developments:

- Cash and cash equivalents decreased by Baht 280 million, caused by a Baht 200 million net cash flow used in operating activities, the use of cash from investing activities Baht 814 million and cash flow from financing activities Baht 734 million.

- Short-term investments increased by Baht 70 million, resulting from investments in fixed deposit not exceeding 3 months and fixed income funds of its subsidiaries.

- Real estate development cost increased Baht 3,240 million due mainly to the increases in purchases of land for a future business expansion in development projects, project development cost, and work in process for both high-rise and low-rise developments.

- Deposits for land dropped Baht 778 million as certain land acquisition transactions were completed during the year.

- Advance for construction increased Baht 85 million which was in accordance with the construction plan.

- Trade receivables due more than one year declined Baht 21 million which incurred from sales of residential units to executives under the criteria and term as prescribed by the resolution of the Company's Board of Directors.

- Land awaiting development decreased by Baht 456 million due to as a result of the recognition of such asset as property development costs during the year.
- Investment properties increase of Baht 85 million resulted from profit from fair value adjustment in investment properties and additional purchase of investment properties.
- Property, plant and equipment decreased by Baht 58 million resulting from the depreciation of plant and equipment.
- Leasehold rights increased by Baht 636 million due to an addition of leaseholds of SC TOWER during construction.

Asset Utilization

- Normally, the Company's days receivable is around 15 days. The Company's management has confidence in collecting all its overdue receivables.
- Items accounted in the inventory are the real estate development costs as of yearend 2016. Inventory turnover was 3.18 times. The costs related to houses in low-rise development projects that were available for sales. Their total value was Baht 2,937 million. There is no impairment of assets on these items.

3.2 Liabilities

As at year ended 2016, total consolidated liabilities was Baht 19,046 million in comparison to Baht 17,732 million in 2015, or an increase of Baht 1,314 million, or 7%. The increase was mainly caused by the following developments:

- Short-term borrowings from financial institutions increased by Baht 995 million, resulting from the increase of bills of exchange, mainly from purchases of land prior to the use of project facilities.
- Trade and other payables increased by Baht 40 million, cause by the increase in payables for real estate constructions.
- Accrued expenses increased by Baht 54 million, resulting from the increase in accruals relating to real estate construction expenses.
- Advances received from customers declined by Baht 197 million due to a decline in booking deposits and down-payments for condominium developments as their development units were completed and the unit ownership were in the process of transferring to relevant buyers.
- Income tax payable declined by Baht 124 million due to higher corporate income taxes payment for half-year in 2016 compared to the same period in 2015.
- Long-term borrowings from financial institutions increased by Baht 392 million due to a reclassification of some long-term borrowings from financial institutions to short-term borrowing of Baht 128 million, despite a Baht 520 million increase in the long-term loans from financial institutions during the year.
- Debentures increased by Baht 100 million due to the issuance of new Baht 2,000 million debentures during the year and a payment on the maturity Baht 1,900 million debentures.
- Rental and rendering of services deposits increased by Baht 23 million caused mainly by rental and rendering of services deposits of SC TOWER.
- Deferred tax liabilities increased by Baht 26 million due mainly to an increase in tax liabilities due to the higher fair value of investment properties.
- Employee benefit obligations increased by Baht 11 million due to the increase in current service costs and incurred interest on the increasing obligations resulted from the increase in employee numbers.

3.3 Shareholders' Equity

As at year ended 2016 and 2015, Shareholders' equity of the Company was Baht 14,441 million and Baht 13,225 million, respectively. The Baht 1,216 million increase in shareholder's equity in 2016 resulted from the increase in the total comprehensive income for the years of Baht 1,968 million, and the decline in dividends paid of Baht 752 million.

Additionally, in 2015 the Company increased its ordinary shares to Baht 4,200 million and made a Baht 464 million worth of stock dividend to its shareholders.

3.4 Liquidity and Adequacy of Liquidity

As of December 31, 2016, the Company had total current assets of Baht 25,857 million, and total current liabilities of Baht 10,625 million. Its current ratio was 2.43. Its cash and cash equivalent as of December 31, 2016 was Baht 630 million, an decrease of Baht 280 million from the previous year due to the following activities:

- Net cash used in operating activities was Baht 200 million. Major changes were caused by the purchases of land for a future business expansion in development projects, project development cost, and work in process for both high-rise and low-rise developments.
- Net cash used in investing activities was Baht 814 million. Its main items were investments in temporary sale offices at high-rise development sites and leasehold rights of the SC TOWER which is the Company's new office building for rent.
- Net cash received from financing activities was Baht 734 million. The main inflows were the proceeds from the issuance of debentures during the year and short-term and long-term borrowings from financial institutions during the year.

Adequacy of Liquidity

As at December 31, 2016, 65% of the Company's main funding sources were long-term borrowings. In 2016, the Company issued additional Baht 2,000 million of unsecured and unsubordinated, name-registered debentures without holders' representative. The issuance was made in accordance with the resolution of the Company's Annual General Shareholders Meeting held on 22 April 2016, which approved the issuance and sale of debentures for an aggregated amount not exceeding Baht 10,000 million. As at yearend 2016, the Company had outstanding debentures to be redeemed between the periods of 2017-2019. In addition, the other part of the Company's long-term funding came from long-term borrowings from financial institutions detailed as follow:

Contract No.	2016 Baht Million	Company	Borrowing Purpose	Borrowing Limit	Interest rate and repayment terms	Guarantees and collaterals
1	30	SC Asset Corporation Public Company Limited	Purchase land together with construction Shinawatra Tower 1 and 2	Baht 750 million	- Fixed rate for the 1st - 2nd years (5% per annum) and for the 3rd year onward at MLR deduct fixed rate per annum. The interest is payable on a monthly basis. - The repayment of principal must be made quarterly at Baht 30 million per installment. The first installment shall be paid on the last day of the sixth month after the first withdrawal month. The Company must repay the principal within 6.5 years from the first withdrawal date.	a) The Company has to maintain financial ratios as specified by banks, e.g. debt to equity ratio, and fire insurances for the construction must be made and benefits from such policies must be given to lenders as collaterals. b) The Company mortgaged Shinawatra Tower 1 and 2 as collaterals as mentioned in Note 13.

Contract No.	2016 Baht Million	Company	Borrowing Purpose	Borrowing Limit	Interest rate and repayment terms	Guarantees and collaterals
2	419	SC Asset Corporation Public Company Limited and V. Land Property Company Limited	Developing real estate projects for the periods ranging from 2 - 4 years	Baht 6,580 million (7 agreements)	- The interest is rate at MLR deduct fixed rate per annum and is payable on a monthly basis - The principal repayment at 70 % of selling price (depending on condition of each agreement) but not less than the amount specified by the commercial bank when the mortgage is released for the ownership right transfer to the purchaser.	a) The Company has to maintain financial ratios as specified by banks, e.g. debt to equity ratio, and fire insurances for the construction must be made and benefits from such policies must be given to lenders as collaterals. b) Land together with constructions included in real estate development cost are pledged as collaterals as mentioned in Note 10.
3	2,350	SC Asset Corporation Public Company Limited	Working capital period not exceeding 3 - 5 years	Baht 2,350 million	- The interest is fixed throughout the contract period and is payable at the end of each month - The principal is repayment at the end of the contract	a) The Company has to maintain financial ratios as specified by banks, e.g. debt to equity ratio.
4	370	SC Asset Corporation Public Company Limited	Developing facilities and SC TOWER construction	Baht 600 million	- Fixed rate for the 1st - 3rd years (4% per annum) and for the 4rd year onward at MLR deduct fixed rate per annum. The interest is payable on a monthly basis. - The repayment of principal must be made quarterly. The first installment shall be paid on the last day of the 39th month after the first withdrawal month. The Company must repay the principal within 150 months from the first withdrawal date.	a) The Company has to maintain financial ratios as specified by banks, e.g. debt to equity ratio, and fire insurances for the construction must be made and benefits from such policies must be given to lenders as collaterals. b) The Company mortgaged Shinawatra Tower 1 and 2 as collaterals as mentioned in Note 13.
Total	3,169					

- Current ratio as of yearend 2016 was 2.43, increased from the previous year. The major item in the Company's current assets was the real estate development cost, which increased from the previous year. The Company used its cash flow for acquisition of land, and development of its housing and condominium projects for sales of new launches aimed at supporting its future earnings growth.

- Quick ratio as of yearend 2016 was 0.10. The ratio slightly dropped from the previous year, caused by a decrease in quick assets which were temporary investments namely Cash and cash equivalents.

3.5 Capital Structure

- Debt to equity ratio as of the yearend 2016 was 1.32, showed an improvement from that of yearend 2015, however it was higher than the industry average for such ratio of Thai public listed companies in the real estate sector, which was as of yearend 2016 at 1.28. Under the current covenants of the Company's debenture, it is required to maintain its debt to equity ratio at a level of no more than 2 for the entire duration of the debentures.

- Interest cover ratio (Cash basis) and Cash flow coverage ratio (Cash basis) as of yearend 2016 were 1.71 and -0.04, respectively. The ratios declined from the prior year due to lower net cash flows from operating activities. In 2016, the Company had land acquisition expenditures for its future business expansion, project development costs, and construction in progress for high-rise and low-rise projects of more than 2015.

3.6 Contingent Liabilities

As of yearend 2016 and 2015, the Company had the following contingent liabilities relating to obligations from capital commitments:

(Unit: Baht Million)

Item	2016	2015
Capital expenditure in land for project development	1,447	2,726
Capital expenditure in property, plant and equipment and leasehold rights	97	676

The Company and its subsidiaries had the contingent liabilities relating to operating leases as lessee with the obligation to make lease payments for the following remaining period:

(Unit: Baht Million)

Operating Lease	2016	2015
Not later than 1 year	17	11
Later than 1 year but not later than 5 years	59	57
Later than 5 years	300	310
Total	376	378

3.7 Factors or circumstances which may impact the financial position or future operation

- Risk of higher development costs due to higher land prices. Land cost is a major element of the development costs of real estate projects. The prices of land have been consistently increasing, particularly in the central business districts (CBD). This price escalation may impact the proper cost structure for project development. The situation could also be intensified by shortage of labor due to the launching of major government capital investment plans.

The Company has its research team who studies consumer behavior trend and competition conditions. Prior to any land acquisition, there will be a comprehensive feasibility study which covers all aspects of the project such as marketing, legal, technical, and financial. The Company also continually develops its housing designs to satisfy consumers' needs. Its products include completely finished houses for sales, whereby it plans its relevant construction work by making decisions pertaining to construction phases and zoning, as well as enters into proper construction contracts with each of its contractors with allocation of appropriate work volumes for each of them. The Company's policy that promotes sales of completely finished houses allows it to know its exact development costs prior to any sales launch. For condominium projects, of which their sales are launched before the construction starts, the Company applies an open tender to select its general contractors for turnkey construction, civil engineering works, and electrical engineering works. This enables the Company to set the product prices that are in line with their cost, as well as find quality contractors for their projects. The Company has more than 30 contractors that are consistently working with the Company for its low-rise developments, and large size contractors for its condominium projects. The Company also applies pre-cast technology for construction of its projects so as to be able to efficiently manage its construction process and reduce the labor usage.

- Risks from a slowdown of domestic economy which will adversely influence consumer and investor confidence and directly impact the real estate business. Developers may face a situation in which homebuyers may delay their purchase decisions and/or delay decisions to transfer home ownership. This is likely to occur among buyers who purchase real estate for investment. High household debt can also impact the granting of mortgage loans by financial institutions which regard household debt as one of the key credit criteria for lending. Thus, financial institutions may become very prudent and strict when appraising loan requests and granting credit facilities. They may also more carefully scrutinize a customer's financial standing than usual.

The Company develops its residential projects both the high-rise and low-rise ones with a development ratio of 35% to 65%, respectively. Such a business structure enables the Company to better manage its financial risks, particularly in terms of cash flow management, revenue recognition, and construction controls. The Company's products are focused on the upper midscale pricing whereas its customers are mostly homebuyers with strong purchasing power who are more capable at meeting their financial obligations than those in the lower pricing brackets. Their purchases are also for real demand rather than for speculative purposes. It is interesting to note that many of the Company's customers are making cash settlements for their home purchases, with most of the Company's clients being Thai homeowners, and only a small number of its buyers being foreigners. The Company emphasizes on the importance of efficient and well-disciplined financial management. Its borrowings are all in Thai Baht. In addition, the Company also implements work process improvement to enable reductions in the sales closing period, construction time and ownership transfer process to improve its cash conversion cycles. Additionally, the Company still intends to expand its commercial office rental business to assure a proper share of its long-term revenue flows and to protect its entity against any possible economic downturn. Indeed, the Company still wishes to continue its expansion in the office building rental business, while maintaining an appropriate proportion of its long-term revenue stream which is a good protective measure against any future economic risk. In first quarter of 2017, the Company will have revenue from the rental of its new office building, SC TOWER, on Phahonyothin Road with a total rentable area of 12,250 sq.m.

Future Plans

In 2017, the Company plans to launch 17 new projects with total estimated project value of 26,760 million, details of which are as follows: (This information can be modified subject to changes in market circumstances).

Owner & Operator	Project Nature	Location	Launching Schedule	Project Value (Baht Million)	Progress
SC	Housing Project	Sukhumvit 101 Rd.*	Quarter 1	1,300	Under construction
SC	Housing Project	Inthra Phon Rd.	Quarter 1	940	Under construction
SC	Condominium	Ratchada - Ramintra Rd.	Quarter 1	780	Under construction
SC	Condominium	Chidlom Rd.**	Quarter 1	8,000	Under construction
SC	Housing Project	Nakhon-In Rd.	Quarter 2	760	Under construction
SC	Housing Project	Srinakarin Rd	Quarter 2	2,400	Under construction
SC	Housing Project	Rangsit - Nakhon Nayok Rd.	Quarter 3	1,200	Under construction
SC	Housing Project	Charunsanitwong 13 Rd.	Quarter 3	2,800	Under construction
VL	Housing Project	Kanchanaphisek Rd.	Quarter 3	1,500	Under development stage
SC	Housing Project	Ramkhamhaeng 9 Rd.	Quarter 3	400	Under development stage
SC	Housing Project	Sri Saman Rd.	Quarter 4	2,300	Under development stage
SC	Commercial House	Chaengwattana Rd.	Quarter 4	300	Under development stage
SC	Commercial House	Phetkasem Rd.	Quarter 4	500	Under development stage
SC	Housing Project	Vibhavadi 62 Rd.	Quarter 4	440	Under development stage
SC	Housing Project	Inthra Phon Rd.	Quarter 4	490	Under development stage
SC	Housing Project	Ratchaphruek Rd.	Quarter 4	350	Under development stage
SC	Housing Project	Bang Kruai - Chong Thanom Rd.	Quarter 4	2,300	Under development stage

* The Company organized soft-opening of its development for single detached houses for the Company's VIP clients and guests in December 2016 and will officially launch this development in 2017.

** The Company organized soft-opening of its development for condominiums for the Company's VIP clients and guests in October 2016 and will officially launch this development in 2017.

BOARD OF DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

Dear Shareholders,

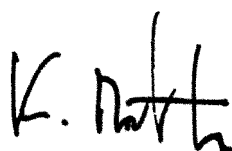
The Board of Directors of SC Asset Corporation Public Company Limited is responsible for the financial statements and the consolidated financial statements of the Company and its subsidiaries including all other financial information that appears in its reports. The financial statements are prepared in accordance with generally accepted accounting principles, applying appropriate and consistent accounting policies with careful and accurate estimations. The Company has properly and transparently disclosed all important information in the notes to the financial statements for the benefit of shareholders and investors.

The Board of Directors has provided and maintained appropriate and efficient internal control systems to ensure that the accounting records are accurate, complete and protect its assets and adequate to prevent any fraud or materially irregular operation.

In this regard, the Board of Directors has appointed the Audit Committee to review the accounting policies and quality of the financial reports, internal controls and internal audit system. The Audit Committee's opinion appears in this annual report.

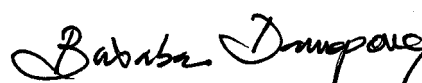
The Company's Auditor, namely PricewaterhouseCoopers ABAS Ltd. has audited the financial statements and the consolidated financial statements of the Company and its subsidiaries. The Board of Directors supplied all relevant information and documents to the Auditor to allow them to express an opinion in accordance with generally accepted accounting standards. The Auditor's opinion is presented in the auditor's report as part of the annual report.

The Board of Directors believes that the overall internal control system of the Company is satisfactory and ensures that the financial statements and the consolidated financial statements of SC Asset Corporation Public Company Limited and its subsidiaries for the year ending December 31, 2016 are prepared in accordance with generally accepted accounting principles and comply with all relevant and applicable rules and regulations.



(Mr. Rath Kitivejosoht)

Chairman of the Board of Directors



(Ms. Busaba Damapong)

Chairman of the Executive Committee

FINANCIAL STATEMENTS AND NOTES TO FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of SC Asset Corporation Public Company Limited

My opinion

In my opinion, the consolidated financial statements of SC Asset Corporation Public Company Limited ("the Company") and its subsidiaries ("the Group") and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2016, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

I have audited the accompanying consolidated and separate financial statements of the Group and the Company, which comprise the consolidated and separate statements of financial position as at 31 December 2016, and the related consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing ("TSAs"). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine one key audit matter: Valuation of investment properties. The matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

Key audit matter	How my audit addressed the key audit matter
Valuation of investment properties	
Refer to note 13 of the financial statements.	
The management has recorded the investment property at fair value which calculated using the income approach model: discounted cash flow projections by independent professional valuers. Changes in fair value are recognised in profit or loss. As of 31 December 2016, management has estimated the fair value of the Group's investment properties by independent professional valuers to be Baht 5,325.52 million with a valuation gain for the year ended 31 December 2016 in the consolidated statement of comprehensive income of Baht 39.40 million. In determining a property's valuation, the valuers take into account property-specific current information such as current tenancy agreements and rental income earned by assets. Assumptions in relation to income approach (mainly current market rent, growth rate and discount rate, based on available market data and transactions), have been applied to arrive at the valuation outcomes. I focused on this area because the fair value valuation in models were complex and involved significant assumptions. Also, the informations used in the discounted cash flow projections are inherently subjected to judgment by management which made of the estimation from the internal and external sources of information.	I evaluated management's valuation of investment properties, the independent external valuers' competence, capabilities and objectivity, assessed the discounted cash flow projection used in the models, and the process by which they were drawn up. I tested the mechanics of the underlying calculations in the valuation model. I understood and checked on a sample basis for the accuracy and relevance of the input data used: • the assumptions used in the discounted cash flow projection, current market rent and growth rate by comparing them to economic, property forecasts and growth expectation of the nearby areas, and • the discount rate by assessing the method used and rates used in comparable industries In performing the above work, I used my auditor's expert supporting audit team to assess the reasonableness of the assumptions used by management. I found that the key assumptions used to calculate fair value were supported by the available evidence and were in line with my expectations.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

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

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company'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 the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 TSAs 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 consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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 and the Company'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 consolidated and separate 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 and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 the audit committee 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 the audit committee 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 the audit committee, I determine those matters that were of most significance in the audit of the consolidated 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.

PricewaterhouseCoopers ABAS Ltd.



Anothai Leekitwattana
 Certified Public Accountant (Thailand) No. 3442
 Bangkok
 22 February 2017

STATEMENT OF FINANCIAL POSITION

SC Asset Corporation Public Company Limited
As at 31 December 2016

(Unit : Baht)

Notes	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Assets				
Current assets				
Cash and cash equivalents	7	630,006,448	910,437,035	573,408,369
Short-term investments	8	362,469,305	292,134,215	258,220,841
Trade and other receivables, net	9	74,038,374	66,802,516	68,112,446
Short-term loans to a related party	29.4	-	-	306,000,000
Real estate development cost	10	24,359,354,458	21,118,645,465	22,950,972,939
Deposits for land		150,100,000	927,700,960	150,100,000
Advance for construction work and materials		263,393,407	178,295,740	258,681,055
Other current assets		17,606,877	15,154,004	17,537,169
Total current assets		25,856,968,869	23,509,169,935	24,583,032,819
Non-current assets				
Trade receivable due more than one year				
- Related persons	11, 29.3	59,596,947	81,366,923	59,596,947
Land awaiting for development		231,412,859	687,334,996	231,412,859
Investments in subsidiaries	12	-	-	752,999,880
Investment properties, net	13	5,325,516,838	5,240,948,821	4,261,882,000
Property, plant and equipment, net	14	1,072,623,350	1,130,778,765	1,072,482,518
Leasehold rights, net	15	920,167,989	283,579,453	869,710,277
Other non-current assets		20,279,008	24,201,717	18,735,179
Total non-current assets		7,629,596,991	7,448,210,675	7,266,819,660
Total assets		33,486,565,860	30,957,380,610	31,849,852,479

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

STATEMENT OF FINANCIAL POSITION

SC Asset Corporation Public Company Limited

As at 31 December 2016

(Unit : Baht)

		Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Notes					
Liabilities and equity					
Current liabilities					
Short-term borrowings from financial institutions	17	5,478,329,095	3,833,495,275	5,238,429,095	3,833,495,275
Trade and other payables	19	512,468,336	471,873,777	489,325,491	450,602,314
Accrued expenses		987,740,100	933,611,751	973,654,355	924,986,247
Advances received from customers		509,936,797	706,780,543	509,376,797	706,229,473
Current portion of long-term borrowings					
- Long-term borrowings from financial institutions	18	1,198,607,699	1,848,574,065	880,000,000	1,473,752,965
- Debentures	18	1,660,000,000	1,900,000,000	1,660,000,000	1,900,000,000
- Financial lease liabilities	18	681,999	973,918	681,999	973,918
Current portion of deferred leasehold revenue	20	6,271,350	8,749,078	533,280	824,268
Income tax payable		64,839,066	189,237,224	55,392,275	183,442,050
Other current liabilities		206,313,337	173,303,606	197,836,717	170,140,708
Total current liabilities		10,625,187,779	10,066,599,237	10,005,230,009	9,644,447,218
Non-current liabilities					
Long-term borrowings from financial institutions	18	1,970,000,000	1,577,639,550	1,970,000,000	1,577,639,550
Debentures	18	5,325,000,000	4,985,000,000	5,325,000,000	4,985,000,000
Financial lease liabilities	18	3,085,223	2,760,162	3,085,223	2,760,162
Deferred leasehold revenue	20	9,572,561	15,844,143	3,008,384	3,541,665
Rental and rendering of service deposits		146,952,828	124,394,653	143,336,087	120,777,912
Construction retention		246,610,758	278,519,624	230,762,213	271,057,956
Deferred tax liabilities, net	16	571,495,511	544,906,449	480,202,645	460,051,579
Employee benefit obligations	21	136,625,434	125,954,404	136,625,434	125,954,404
Other non-current liabilities		11,140,348	10,805,548	6,548,248	6,548,248
Total non-current liabilities		8,420,482,663	7,665,824,533	8,298,568,234	7,553,331,476
Total liabilities		19,045,670,442	17,732,423,770	18,303,798,243	17,197,778,694

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

STATEMENT OF FINANCIAL POSITION

SC Asset Corporation Public Company Limited

As at 31 December 2016

(Unit : Baht)

Notes	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Equity				
Share capital	23			
Authorised share capital				
Ordinary shares, 4,200,000,000 shares of par Baht 1.00 each	4,200,000,000	4,200,000,000	4,200,000,000	4,200,000,000
Issued and paid-up share capital	23			
Ordinary shares, 4,179,332,012 shares of paid-up Baht 1.00 each	4,179,332,012	4,179,332,012	4,179,332,012	4,179,332,012
Premiums on share capital	23	318,564,112	318,564,112	318,564,112
Retained earnings				
Appropriated - legal reserve	24	420,000,000	420,000,000	420,000,000
Unappropriated		9,522,999,294	8,628,158,112	7,508,333,933
Total equity		14,440,895,418	13,224,956,840	12,426,230,057
Total liabilities and equity		33,486,565,860	31,849,852,479	29,624,008,751

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

STATEMENT OF COMPREHENSIVE INCOME

SC Asset Corporation Public Company Limited
For the year ended 31 December 2016

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Revenues					
Revenue from sales		13,677,692,362	13,236,299,309	13,221,427,462	13,084,098,463
Revenue from rental and rendering services		754,897,463	812,412,515	591,238,662	653,362,828
Revenue from consulting and management services		1,092,000	1,092,000	47,700,000	47,700,000
Total revenues		14,433,681,825	14,049,803,824	13,860,366,124	13,785,161,291
Cost					
Cost of sales		(8,947,754,767)	(8,618,909,683)	(8,649,284,405)	(8,520,681,741)
Cost of rental and rendering services		(269,136,706)	(284,726,392)	(242,622,857)	(260,174,102)
Cost of consulting and management services		(900,000)	(900,000)	(29,575,138)	(25,000,249)
Total cost		(9,217,791,473)	(8,904,536,075)	(8,921,482,400)	(8,805,856,092)
Gross profit		5,215,890,352	5,145,267,749	4,938,883,724	4,979,305,199
Other income		31,098,685	40,866,798	33,712,806	46,641,201
Gain from fair value adjustment on investment property	13	39,397,316	93,111,575	28,578,299	95,386,713
Dividend income	12, 29.1	-	-	56,999,992	52,499,993
Selling expenses		(1,367,672,063)	(1,303,092,949)	(1,320,328,895)	(1,286,699,446)
Administrative expenses		(1,361,990,531)	(1,409,372,752)	(1,316,422,632)	(1,370,201,546)
Finance costs		(91,159,159)	(186,771,192)	(91,159,159)	(186,771,192)
Profit before income tax expense		2,465,564,600	2,380,009,229	2,330,264,135	2,330,160,922
Income tax expense	27	(497,352,041)	(484,728,900)	(458,165,975)	(461,086,677)
Profit for the year		1,968,212,559	1,895,280,329	1,872,098,160	1,869,074,245

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

STATEMENT OF COMPREHENSIVE INCOME

SC Asset Corporation Public Company Limited
For the year ended 31 December 2016

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations	21	-	(11,851,048)	-	(11,851,048)
Income tax relevance with other comprehensive income	27	-	2,370,210	-	2,370,210
Other comprehensive income, net of tax		-	(9,480,838)	-	(9,480,838)
Total comprehensive income for the year		1,968,212,559	1,885,799,491	1,872,098,160	1,859,593,407
Earnings per share	28				
Basic and diluted earnings per share		0.4709	0.4535	0.4479	0.4472

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

STATEMENT OF CHANGES IN EQUITY

SC Asset Corporation Public Company Limited
For the year ended 31 December 2016

Consolidated financial statements

(Unit : Baht)

Notes	Attributable to owners of the parent				Total equity
	Issued and paid-up share capital	Premium on share capital	Retained earnings		
			Appropriated - legal reserve	Unappropriated	
Opening balance at 1 January 2015	3,714,966,616	318,564,112	420,000,000	7,182,822,765	11,636,353,493
Change in equity for the year 2015					
Issued of shares23	464,365,396	-	-	(464,365,396)	-
Dividend paid25	-	-	-	(297,196,144)	(297,196,144)
Total comprehensive income for the year	-	-	-	1,885,799,491	1,885,799,491
Closing balance at 31 December 2015	4,179,332,012	318,564,112	420,000,000	8,307,060,716	13,224,956,840
Opening balance at 1 January 2016	4,179,332,012	318,564,112	420,000,000	8,307,060,716	13,224,956,840
Change in equity for the year 2016					
Dividend paid25	-	-	-	(752,273,981)	(752,273,981)
Total comprehensive income for the year	-	-	-	1,968,212,559	1,968,212,559
Closing balance at 31 December 2016	4,179,332,012	318,564,112	420,000,000	9,522,999,294	14,440,895,418

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

STATEMENT OF CHANGES IN EQUITY

SC Asset Corporation Public Company Limited
For the year ended 31 December 2016

Separate financial statements

(Unit : Baht)

		Issued and paid-up share capital	Premium on share capital	Retained earnings		Total equity
				Appropriated - legal reserve	Unappropriated	
Opening balance at 1 January 2015		3,714,966,616	318,564,112	420,000,000	6,410,302,066	10,863,832,794
Change in equity for the year 2015						
Issued of shares	23	464,365,396	-	-	(464,365,396)	-
Dividend paid	25	-	-	-	(297,196,144)	(297,196,144)
Total comprehensive income for the year		-	-	-	1,859,593,407	1,859,593,407
Closing balance at 31 December 2015		4,179,332,012	318,564,112	420,000,000	7,508,333,933	12,426,230,057
Opening balance at 1 January 2016		4,179,332,012	318,564,112	420,000,000	7,508,333,933	12,426,230,057
Change in equity for the year 2016						
Dividend paid	25	-	-	-	(752,273,981)	(752,273,981)
Total comprehensive income for the year		-	-	-	1,872,098,160	1,872,098,160
Closing balance at 31 December 2016		4,179,332,012	318,564,112	420,000,000	8,628,158,112	13,546,054,236

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

STATEMENT OF CASH FLOWS

SC Asset Corporation Public Company Limited
For the year ended 31 December 2016

(Unit : Baht)

Notes	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit before income tax expenses	2,465,564,600	2,380,009,229	2,330,264,135	2,330,160,922
Adjustments for:				
Dividend received from subsidiary 12, 29.1	-	-	(56,999,992)	(52,499,993)
Depreciation 14	129,707,969	94,163,272	129,645,064	94,111,219
Doubtful debt	3,462,151	-	3,462,151	-
Loss from fair value adjustment in short-term investments 8	126,307	-	126,307	-
Gain from fair value adjustment on investment property 13	(39,397,316)	(93,111,576)	(28,578,299)	(95,386,714)
Loss (gain) from sales of investment properties	701,377	(844,000)	701,377	-
Loss (gain) from disposal of property, plant and equipment	174,751	(452,180)	240,170	(452,180)
Amortisation of leasehold rights 15	3,345,519	3,345,518	-	-
Revenue from amortised leasehold rights 20	(8,749,310)	(16,145,431)	(824,269)	(7,517,364)
Employee benefit obligations 21	17,990,030	14,721,123	17,990,030	14,721,123
Financial cost	91,159,159	186,771,192	91,159,159	186,771,192
	2,664,085,237	2,568,457,147	2,487,185,833	2,469,908,205
Changes in working capital:				
- trade and other receivables	11,071,967	(11,472,649)	13,454,804	(9,098,043)
- real estate development cost	(1,433,737,890)	(687,024,409)	(800,750,339)	(293,394,954)
- deposits for land	(130,100,000)	(446,593,490)	(130,100,000)	(446,593,490)
- advance for construction work and materials	(85,097,667)	29,298,730	(87,665,315)	36,578,730
- other current assets	(2,452,873)	387,296	(2,432,878)	404,336
- land awaiting development	-	(26,311,742)	-	(26,311,742)
- other non-current assets	3,922,709	(3,302,776)	4,044,242	(2,829,641)
- trade and other payables	40,594,559	(33,986,703)	38,723,177	(45,016,675)

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

STATEMENT OF CASH FLOWS

SC Asset Corporation Public Company Limited
For the year ended 31 December 2016

(Unit : Baht)

Notes	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
- accrued expenses	59,244,247	100,678,052	53,797,792	95,931,329
- advances received from customers	(196,843,746)	(226,921,559)	(196,852,676)	(227,472,629)
- other current liabilities	33,009,731	46,559,074	27,696,009	44,062,609
- rental and rendering of service deposits	22,558,175	(49,457,959)	22,558,175	(48,046,192)
- construction retention	(31,908,866)	1,681,328	(40,295,743)	(5,780,340)
- employee benefit obligations 21	(7,319,000)	(17,533,520)	(7,319,000)	(17,533,520)
- other non-current liabilities	334,800	334,800	-	-
Cash flows generated from operating activities	947,361,383	1,244,791,620	1,382,044,081	1,524,807,983
Interest paid	(552,630,930)	(594,156,171)	(533,469,037)	(587,350,104)
Income tax	(595,161,137)	(440,604,412)	(566,064,685)	(421,247,729)
Net cash (used in) generated from operating activities	(200,430,684)	210,031,037	282,510,359	516,210,150
Cash flows from investing activities				
Cash (payment) receipt for short-term investment	(70,461,397)	215,573,824	(18,221,020)	220,013,826
Cash (payment) receipt for short-term loan to related parties 29.4	-	-	(306,000,000)	244,000,000
Dividend received from subsidiary 12, 29.1	-	-	56,999,992	52,499,993
Purchase of investment properties 13	(32,864,364)	(32,785,038)	(32,864,364)	(32,785,038)
Purchase of property, plant and equipment	(71,250,995)	(141,671,575)	(71,178,823)	(141,529,721)
Purchase of leasehold rights 15	(639,934,055)	(196,163,713)	(639,934,055)	(196,163,713)
Proceeds from sales of investment properties	153	7,200,000	153	-
Proceeds from sales of property, plant and equipment	583,690	570,036	518,065	570,036
Cash payment for investment in a subsidiary 12	-	-	-	(343,000,000)
Net cash used in investing activities	(813,926,968)	(147,276,466)	(1,010,680,052)	(196,394,617)

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

STATEMENT OF CASH FLOWS

SC Asset Corporation Public Company Limited
For the year ended 31 December 2016

(Unit : Baht)

Notes	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from financing activities				
Proceeds(repays) of short-term loans from financial institutions	1,644,833,820	(1,701,853)	1,404,933,820	(1,701,853)
Proceeds from long-term loans from financial institutions	1,982,500,000	2,300,500,000	1,710,000,000	1,817,000,000
Cash receipt for issuing of debentures 18	2,000,000,000	3,955,000,000	2,000,000,000	3,955,000,000
Repayment of long-term loans from financial institutions	(2,240,105,916)	(3,755,097,505)	(1,911,392,515)	(3,646,418,605)
Payment for liabilities under long-term lease contracts	(1,026,858)	(2,193,057)	(1,026,858)	(2,193,057)
Proceeds from issued debentures 18	(1,900,000,000)	(2,000,000,000)	(1,900,000,000)	(2,000,000,000)
Dividend paid 25	(752,273,981)	(297,196,144)	(752,273,981)	(297,196,144)
Net cash generated from (used in) financing activities	733,927,065	199,311,441	550,240,466	(175,509,659)
Net (decrease) increase in cash and cash equivalents	(280,430,587)	262,066,012	(177,929,227)	144,305,874
Cash and cash equivalents at 1 January	910,437,035	648,371,023	751,337,596	607,031,722
Cash and cash equivalents at 31 December	630,006,448	910,437,035	573,408,369	751,337,596
Non-cash transactions				
Significant non-cash transactions for the year ended 31 December are as follows:				
- Transferred land deposits to real estate development cost	907,700,960	-	907,700,960	-
- Transferred land awaiting for development to real estate development cost	455,922,137	-	370,927,934	-
- Acquisition of property, plant and equipment under financial lease contracts	1,060,000	2,484,000	1,060,000	2,484,000
- Transferred real estate development cost to investment properties	13,007,867	4,090,775	13,007,867	4,090,775
- Transferred investment properties to property, plant and equipment	-	68,268,527	-	68,268,527
- Stocks dividend	-	464,365,396	-	464,365,396

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

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

SC Asset Corporation Public Company Limited
For the year ended 31 December 2016

1 General information

SC Asset Corporation Public Company Limited ("the Company") is a public limited company incorporated and resident in Thailand. The address of the Company's registered office is as follows:

1010 Vibhavadi Rangsit road, Chatuchak Bangkok.

The Company is listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to as "the Group".

The principal business operations of the Group are real estate development for sale and rental, including services management.

These Group consolidated financial statements were authorised for issue by the Board of Directors on 22 February 2017.

2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below:

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 New/revised financial reporting standards, and related interpretations

2.2.1 New/revised financial reporting standards and interpretations are effective on 1 January 2016.

a) Revised financial reporting standards which are relevant to the Group:

TAS 19 (revised 2015)	Employee benefits
TAS 36 (revised 2015)	Impairment of assets
TAS 40 (revised 2015)	Investment property
TFRS 8 (revised 2015)	Operating segments
TFRS 13 (revised 2015)	Fair value measurement

TAS 19 (revised 2015), 'Employee benefits' is amended to apply to contributions from employees or third parties to defined benefit plans and to clarify the accounting treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. This standard has no impact to the Group.

TAS 36 (revised 2015), 'Impairment of assets' is amended to provide additional disclosure requirement when the recoverable amount of the assets is measured at fair value less costs of disposal. The disclosures include 1) the level of fair value hierarchy and 2) when fair value measurement categorised within level 2 and level 3, disclosures is required for valuation technique and key assumption.

TAS 40 (revised 2015), 'Investment property' clarifies that TFRS 3 should be applied when determining whether an acquisition of an investment property is a business combination. This standard has no impact to the Group.

TFRS 8 (revised 2015), 'Operating segments' requires disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported to chief operating decision maker. This standard has no impact to the Group.

TFRS 13 (revised 2015), 'Fair value measurement' is amended to clarify that the portfolio exception in TFRS 13 applies to all contracts (including non-financial contracts) within the scope of TAS 39 (when announced) or TFRS 9 (when announced). This standard has no impact to the Group.

- b) Revised financial reporting standards and interpretations with minor changes and do not have impact to the Group:

There are 40 revised financial reporting standards, revised accounting standards, and revised interpretations with minor changes and do not have impact to the Group.

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017. The Group has not yet early adopted these revised standards.

- a) Financial reporting standards, which have significant changes and are relevant to the Group:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 16 (revised 2016)	Property, plant and equipment
TAS 19 (revised 2016)	Employee benefits
TAS 27 (revised 2016)	Separate financial statements
TAS 34 (revised 2016)	Interim financial reporting
TAS 38 (revised 2016)	Intangible assets
TFRS 10 (revised 2016)	Consolidated financial statements

TAS 1 (revised 2016), the amendments provide clarifications on a number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals - line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes - confirmation that the notes do not need to be presented in a particular order.
- OCI arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

TAS 16 (revised 2016), key amendments are 1) The amendments clarify that depreciation of an item of property, plant and equipment based on revenue generated by using the asset is not appropriate and 2) The amendments include bearer plants in scope of TAS 16.

TAS 19 (revised 2016), the amendments clarify that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise.

TAS 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28. While current TAS 27 allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value (when announced). The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.

TAS 34 (revised 2016), the amendments clarify that what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'; entities taking advantage of the relief must provide a cross-reference from the interim financial statements to the location of that information and make the information available to users on the same terms and at the same time as the interim financial statements.

TAS 38 (revised 2016), the amendments include a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome if either the intangible asset is expressed as a measure of revenue (i.e. where a measure of revenue is the limiting factor on the value that can be derived from the asset), or it can be shown that revenue and the consumption of economic benefits generated by the asset are highly correlated.

TFRS 10 (revised 2016), the amendments clarify that: 1) the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities and 2) an investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities.

The management has assessed and considered that the above revised standards will not have a material impact on the Group.

- b) Revised financial reporting standards and interpretations with minor changes and do not have impact to the Group:

There are 47 revised financial reporting standards and interpretations with minor changes and do not have impact to the Group.

2.3 Group Accounting - Investments in subsidiaries

(1) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or losses on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separate financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

(2) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(3) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

2.4 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statements of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.5 Trade accounts receivable

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within selling expenses.

2.6 Real estate development costs including properties under development

Real estate development costs including properties under development are those properties which are held with the intention of development and sale in the ordinary course of business. They are shown at the lower of cost or net realisable value. Cost consists of land cost, expenses directly related to the project (design expense, public utilities expense, construction cost) and borrowing cost on loans funding a development property capitalised, on a specific identification basis, as part of the cost of the development property until the completion of development. Net realisable value being the estimated sale value in the course of normal business less by necessary expenses for such sale.

2.7 Short-term investments

Investment in mutual fund - debt investment which are recorded as trading investments are those held for an unspecified period which might be sold in need of liquidity and shown in total under of current assets. The management determine appropriate classification based on the objective at the time of investing and will review the classification regularly.

Mutual fund-debt investments are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost. Investment in mutual fund are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement

of financial position date by reference to the Stock Exchange of Thailand or Net Asset Value (NAV) announced by the Asset Management Company. The unrealised gains and losses of trading investments are recognised in income statement.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2.8 Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

After initial recognition, investment property is carried at fair value. Fair value is calculated using the estimated discount cash flows of the rental fee under the present leases agreements, including future rental fee under the current market condition and net from any expense cash flow anticipated to incur from real estate, or based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of leasehold land classified as investment property; others, including contingent rent payments, are not recognised in the financial statements.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those that a rational market participant would take into account when determining the value of the property.

Changes in fair values are recognised in profit or loss. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in profit or loss within net gain from fair value adjustment on investment property.

2.9 Property, plant and equipment

Land is stated at cost. Plant and equipment are stated at cost less by accumulated depreciation and loss of value impairment (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred. Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Land Improvements	5 years
Buildings and Construction	2 - 50 years
Furniture and Fixtures	5 - 10 years
Office Equipment	5 - 10 years
Other Fixed Assets	3 - 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains - net' in profit or loss.

2.10 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.11 Land awaiting development

Land awaiting development are consisted of cost of land and expenses directly related shown at cost net from accumulated allowance for impairment (if any).

2.12 Long-term lease

Where a Group company is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of property, plant or equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

Where a Group company is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Assets leased out under operating leases are included in investment property in the statement of financial position. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

Deferred leasehold revenue which is advance received of lease income under operating lease is gradually recognised as revenue using the straight-line method under the appropriation of the time period specified in the agreement.

2.13 Leasehold right

Leasehold right is consisted of the contractual right to obtain the leasehold right and the construction cost of the building on the said lease land which was operating lease bearing the condition to transfer the ownership of the said building to the landlord when the construction is completed and the leasing period is expired which held as prepaid lease payments of the compensation from the beneficial usage of the said land and building. It would be gradually amortised as cost of rental on the straight-line method under the beneficial live of the said right over the lease term.

2.14 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

2.15 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.16 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.17 Employee benefits

2.17.1 Short-term employee benefits

The Group recognise salaries, wages, bonuses and contributions to Social Security Fund as expense when incurred.

The Group liabilities and expenses arising from employees' unused annual leave which are permitted to carry forward to the next period at the expected cost of the carried forward annual leave. The amount is undiscounted.

2.17.2 Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the provident fund Act. B.E. 2530. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

2.17.3 Defined benefit plans-post employment

The Group have obligations in respect of the severance payments it must make to employees upon retirement under labor law and special severance payments for high level management of the Company whom had complied with criteria and conditions as authorised by the Company's board of directors. The Group treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plans-post employment is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service costs are recognised on a straight-line basis over the average period until the amended benefits become vested. Gains or losses on the curtailment or settlement of defined benefit obligations are recognised when the curtailment or settlement occurs.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

2.18 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.19 Revenue recognition

Revenue excludes value added taxes or other sales taxes and is arrived at after deduction of trade discounts with the details are as follows:

- 2.19.1 Revenues from sales of houses together with land and revenues from sales of condominium units are recognised as income when the significant risks and rewards of ownership have been transferred to the buyer that the Group retains neither continuing managerial involvement nor effective control over the houses together with land and the condominium sold, directly and indirectly. The recognised revenue in respect of the transaction can be measured reliably.
- 2.19.2 Rental income from investment property is recognised in the statement of comprehensive income on a straight-line basis over the term of the lease.
- 2.19.3 Revenues from other rental and rendering of services, consulting and management services are recognised by accrual basis at the rate specified in the agreement.
- 2.19.4 Interest income and other revenues are recognised by accrual basis. Dividend income is recognised on the date that has right to receive payments is established.

2.20 Cost of sales and other expenses recognition

- 2.20.1 In calculating cost of sales for houses together with land and condominium units, the Group appropriates all estimated development costs (based on actual costs) to houses together with land and condominium units sold according to saleable areas and then recognising it as cost of sales in the statement of comprehensive income according to the revenues from sales already recognised.

The Group recognised the loss from the decrease of the real estate project's value (if applicable) under the statement of comprehensive income.

- 2.20.2 Costs of rental and rendering of services, consulting and management services and other expenses are recognised by accrual basis.

2.21 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Board of director that makes strategic decisions.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and change of interest rate risk. The Group's overall risk management programme is to minimise potential adverse effects on the Group's financial performance. The Group will consider to using appropriate financial instruments when it considers necessary to manage such risks. However, the Group does not have policy to hold or issue any financial instruments for speculation or for trading.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. The Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of non-derivative financial instruments, and investment excess liquidity.

3.1.1 Credit risk

The Group has credit risk relating to trade receivable but the Group had set the policy to undertake business activities only with reliable traders with good financial status in order to reduce the opportunity to incur financial loss.

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

3.1.2 Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

3.1.3 Interest rate risk

The Group has significant financial instruments, which include deposits with financial institutions, temporary investments, loans due to commercial banks and related entities and debentures. These financial instruments are, therefore, subject to risk in relation to floating interest rates which may be fluctuating in future thus possibly affecting the operating results and cash flows. However, the Group considers that it is not necessary to use derivative financial instruments to hedge such risk, as the management believes that future movements in market interest rates will not materially affect the Group's operating results.

3.1.4 Exchange rate risk

The Group has no business transactions in foreign currencies thus there is no such risk arising from exchange rate fluctuation.

3.2 Fair value estimation

The financial assets and liabilities possess book values which are comparable to market prices as these financial instruments will be due in the short time and bears interest rate comparable to market situation. As a result these financial assets and liabilities have reflected their fair values.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

The following table presents the Group's financial assets that are measured at fair value at 31 December 2016. See note 13 for disclosures of the investment properties that are measured at fair value.

(Unit : Baht)

Assets	Consolidated and Separate financial statements
	Level 1
Financial assets at fair value through profit or loss	
Investment in mutual fund - debt investment	258,220,841
Total assets	258,220,841

There were no transfers between levels during the year.

Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in Level 1.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Measurement for the value of the investment properties

Fair value of investment properties, which has been assessed by an independent appraiser, is calculated using the estimated discounted cash flows of the rental fee under the present lease agreements, including future rental fee under the current market condition and net from any expense cash flows anticipated to incur from real estate. The discount rate applied is reflect the assessment of the current market condition under the appropriate financial value and risk factors on each type of assets. The discount rate is 5% - 11% per annum.

5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

6 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

Performance of each operating segment is measured by profit or loss from operation which is using the same basis that the Group measures its profit or loss from operation in the financial information. Revenue and costs are eliminated from transaction within the Group. Other income, finance costs and income tax are not allocated to each reporting segment.

Revenues and profits information by business segment of the Group for the year ended 31 December comprise the following:

(Unit : Baht'000)

	Consolidated financial statements					
	For the year ended 31 December 2016					
	Real estate sales	Rental and rendering of services	Consulting and management service	Total segment	Eliminate	Total
Operating revenues						
Revenue from outside customer	13,677,692	754,898	1,092	14,433,682	-	14,433,682
Inter-revenues segment	-	1,592	47,700	49,292	(49,292)	-
Total Operating revenues	13,677,692	756,490	48,792	14,482,974	(49,292)	14,433,682
Operating cost	(8,950,157)	(295,465)	(29,575)	(9,275,197)	57,406	(9,217,791)
Selling and administrative expenses	(2,230,114)	(41,450)	-	(2,271,564)	-	(2,271,564)
Operating result by segment	2,497,421	419,575	19,217	2,936,213	8,114	2,944,327
Unallocated expenses				(463,774)	5,675	(458,099)
Operating profit				2,472,439	13,789	2,486,228
Other income				77,935	(7,439)	70,496
Finance costs				(94,295)	3,136	(91,159)
Profit before income tax expense				2,456,079	9,486	2,465,565
Income tax expense				(497,352)	-	(497,352)
Profit for the period				1,958,727	9,486	1,968,213
Other comprehensive income				-	-	-
Total comprehensive income for the years				1,958,727	9,486	1,968,213

(Unit : Baht'000)

	Consolidated financial statements					
	For the year ended 31 December 2015					
	Real estate sales	Rental and rendering of services	Consulting and management service	Total segment	Eliminate	Total
Operating revenues						
Revenue from outside customer	13,236,299	812,413	1,092	14,049,804	-	14,049,804
Inter-revenues segment	2,810	794	47,700	51,304	(51,304)	-
Total Operating revenues	13,239,109	813,207	48,792	14,101,108	(51,304)	14,049,804
Operating cost	(8,622,727)	(311,055)	(25,000)	(8,958,782)	54,246	(8,904,536)
Selling and administrative expenses	(2,104,116)	(34,847)	-	(2,138,963)	-	(2,138,963)
Operating result by segment	2,512,266	467,305	23,792	3,003,363	2,942	3,006,305
Unallocated expenses				(575,401)	1,898	(573,503)
Operating profit				2,427,962	4,840	2,432,802
Other income				144,985	(11,007)	133,978
Finance costs				(188,704)	1,933	(186,771)
Profit before income tax expense				2,384,243	(4,234)	2,380,009
Income tax expense				(484,729)	-	(484,729)
Profit for the period				1,899,514	(4,234)	1,895,280
Other comprehensive income				(9,481)	-	(9,481)
Total comprehensive income for the years				1,890,033	(4,234)	1,885,799

7 Cash and cash equivalents

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash on hand	11,842,685	12,000,394	11,783,261	11,946,544
Deposit at bank	522,601,209	661,069,489	468,884,202	590,072,932
Cheque on hand	95,562,554	149,367,152	92,740,906	149,318,120
Short-term deposit at bank	-	88,000,000	-	-
Total	630,006,448	910,437,035	573,408,369	751,337,596

The interest rates on bank deposits were 0.10% - 1.30% per annum (2015: 0.10% - 1.80% per annum) and these deposits have an maturity less than 3 months (2015: less than 3 months).

8 Short-term investments

At 31 December, short-term investments comprise the following:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Fixed deposits	104,248,464	52,008,087	-	-
Investment in mutual fund classified as trading investments	258,221,020	240,000,000	258,221,020	240,000,000
Add Re-measuring trading investments	(179)	126,128	(179)	126,128
Total short-term investments	362,469,305	292,134,215	258,220,841	240,126,128

As at 31 December 2016, fixed deposits of a subsidiary represent 4 - 6 months deposit (2015: 4 - 7 months) bearing interest at the rates of 1.45% - 1.65% per annum (2015: 1.80% - 2.00% per annum).

The movement of investment in mutual fund for the year ended 31 December is as follows:

(Unit : Baht)

	Consolidated and separate financial statements
At 1 January 2015	460,139,954
Additions	1,920,000,000
Disposals	(2,140,000,000)
Re-measuring trading investment	(13,826)
At 31 December 2015	240,126,128
Additions	5,311,000,000
Disposals	(5,292,778,980)
Re-measuring trading investment	(126,307)
At 31 December 2016	258,220,841

9 Trade and other receivables, net

Trade and other receivables comprise the following:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade accounts receivables, net				
- Other	18,141,927	13,568,347	18,136,871	13,568,347
- Related parties (Note 29.3)	21,440,216	11,502,662	21,447,985	13,601,540
<u>Less</u> allowance for doubtful accounts	(9,290,924)	(5,828,773)	(9,290,924)	(5,828,773)
Total trade accounts receivable, net	30,291,219	19,242,236	30,293,932	21,341,114
Other receivables				
- Prepaid expenses	10,053,159	9,100,177	9,804,886	8,804,875
- Accrued income	31,609,077	33,017,815	26,575,987	28,141,137
- Advanced payment to employee	2,084,919	5,442,288	1,437,641	4,972,299
Total other receivables	43,747,155	47,560,280	37,818,514	41,918,311
Total trade and other receivables, net	74,038,374	66,802,516	68,112,446	63,259,425

Outstanding trade accounts receivable as at 31 December can be analysed as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade receivables - Related parties				
Not yet due	20,903,456	11,502,662	20,911,225	11,675,540
Overdue for payment				
Less than 3 months	536,760	-	536,760	963,000
3 - 6 months	-	-	-	963,000
	21,440,216	11,502,662	21,447,985	13,601,540
Trade receivables - Others				
Not yet due	423,484	659,614	423,484	659,614
Overdue for payment				
Less than 3 months	6,971,919	1,508,773	6,966,863	1,508,773
3 - 6 months	-	1,261,641	-	1,261,641
6 - 12 months	-	3,699,079	-	3,699,079
Over 12 months	10,746,524	6,439,240	10,746,524	6,439,240
Total	18,141,927	13,568,347	18,136,871	13,568,347
<u>Less</u> allowance for doubtful accounts	(9,290,924)	(5,828,773)	(9,290,924)	(5,828,773)
	8,851,003	7,739,574	8,845,947	7,739,574
Total trade accounts receivable	30,291,219	19,242,236	30,293,932	21,341,114

10 Real estate development cost

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Land	16,134,326,076	11,847,393,097	15,300,771,129	11,412,616,376
Project development cost and work in progress	2,397,002,292	2,627,847,581	2,114,195,104	2,451,747,493
Interest expenses	866,938,119	873,484,621	836,795,976	868,343,813
Unit and condominium being developed	2,023,631,482	3,081,766,160	2,023,631,482	3,081,766,160
Allotted houses ready for sale	2,937,456,489	2,688,154,006	2,675,579,248	2,632,947,537
Total real estate development cost	24,359,354,458	21,118,645,465	22,950,972,939	20,447,421,379

For the year ended 31 December 2016, borrowing cost of Baht 456.36 million and Baht 437.18 million had capitalised to the real estate development cost in the consolidated and company financial statement, respectively. (2015: Baht 465.93 million and Baht 459.00 million, respectively).

For the year ended 31 December 2016, real estate development cost had recognised as the cost of sales in the consolidated and company financial statement of Baht 8,947.75 million and Baht 8,649.28 million, respectively. (2015: Baht 8,618.91 million and Baht 8,520.68 million, respectively).

As at December 31 December 2016, real estate development cost of Baht 5,687.11 million (2015: Baht 2,713.03 million) is the projects expected to be developed and ready for sale for the period longer than 12 months.

As at 31 December 2016, land and construction under the Group's real estate project of Baht 5,821.87 million (2015: Baht 13,117.54 million) are pledged as collateral against credit facility and loan from financial institutions (Note 30) together with the maximum amount that the insurance company will accept and forfeit all the benefits from the insurance to the lender or beneficiary.

11 Trade receivable due more than one year - related persons

Trade receivable due more than one year at 31 December comprises of:

	(Unit: Baht)	
	Consolidated and Separate financial statements	
	2016	2015
Trade receivable-related persons	80,334,503	92,852,513
<u>Less</u> Current portion of trade receivable - related persons	(20,737,556)	(11,485,590)
Trade receivable due more than one year - related persons	59,596,947	81,366,923

The whole amount of trade receivable represented sales of residential units to high level management of the Company, who had complied with rules as authorised by the Company's board of directors. The Company would allow right to occupy the purchased residential units before ownership right transfer since the agreement date and to pay by installments part of contractual amount as stipulated in the sales and purchase agreement until it reach the basis set by the Company and the remaining amount is payable at the date of ownership right transfer.

12 Investments in subsidiaries

The movement of investments in subsidiaries for the year ended 31 December is as follow:

(Unit : Baht)

	Separate financial statements At cost method	
	2016	2015
As at 1 January	752,999,880	409,999,880
Additional investment	-	343,000,000
As at 31 December	752,999,880	752,999,880

Investments in subsidiaries comprises:

	Type of business	Country of incorporation	Percentage of shareholding and voting right		Separate financial statements	
					Cost method	
			2016	2015	2016	2015
			Percent	Percent	Baht	Baht
OAI Asset Company Limited	Real estate development	Thai	99.99	99.99	99,999,960	99,999,960
Up Country Land Company Limited	Real estate development	Thai	99.99	99.99	299,999,960	299,999,960
V. Land Property Company Limited	Real estate development	Thai	99.99	99.99	352,999,960	352,999,960
					752,999,880	752,999,880

At the extraordinary shareholders meeting of V. Land Property Company Limited, a subsidiary, on 27 April 2015 had passed the resolution to increase its registered share capital from Baht 10.00 million to Baht 500.00 million by issuing the ordinary shares of 49.00 million shares at the par value of Baht 10.00 per share. The subsidiary called for paid-up at Baht 7.00 per share, totaling of Baht 343.00 million. The Company paid all increased share capital in the subsidiary on 18 May 2015, according to a 99.99% shareholding.

At the Board of Director meeting of Up Country Land Company Limited held on 16 November 2015, the director passed a resolution approving dividend payment from its operating results for 2014 at Baht 1.75 per share totaling Baht 52.20 million. The dividends were distributed on 27 November 2015.

At the Board of Director meeting of Up Country Land Company Limited held on 14 November 2016, the director passed a resolution approving interim dividend payment at Baht 1.90 per share totaling Baht 57.000 million. The dividends were distributed on 28 November 2016.

13 Investment properties, net

(Unit : Baht)

	Consolidated financial statements	Separate financial statements
	Land and building	Land and building
As at 1 January 2015		
Cost	4,820,641,677	3,693,114,438
Accumulated gain from fair value adjustment	364,944,282	431,024,562
Net fair value	5,185,585,959	4,124,139,000
For the year ended 31 December 2015		
Opening net fair value amount	5,185,585,959	4,124,139,000
Additions	32,785,039	32,785,039
Disposal / Write-off	(6,356,000)	-
Transfer in from real estate development cost	4,090,775	4,090,775
Transfer out to property, plant and equipment (Note 14)	(68,268,527)	(68,268,527)
Gain from fair value adjustment	93,111,575	95,386,713
Closing net fair value amount	5,240,948,821	4,188,133,000
As at 31 December 2015		
Cost	4,782,892,964	3,661,721,725
Accumulated gain from fair value adjustment	458,055,857	526,411,275
Net fair value	5,240,948,821	4,188,133,000
For the year ended 31 December 2016		
Opening net fair value amount	5,240,948,821	4,188,133,000
Additions	32,864,364	32,864,364
Disposal	(701,530)	(701,530)
Transfer in from real estate development cost	13,007,867	13,007,867
Gain from fair value adjustment	39,397,316	28,578,299
Closing net fair value amount	5,325,516,838	4,261,882,000
As at 31 December 2016		
Cost	4,828,063,665	3,706,892,426
Accumulated gain from fair value adjustment	497,453,173	554,989,574
Net fair value	5,325,516,838	4,261,882,000

As at 31 December 2016, cost of real estate development cost at the book value of Baht 13.01 million (2015: Baht 4.09 million) had transferred to be recorded as investment property at its fair value using rental income approach due to change in its utilisation objective.

As at 31 December 2016 investment properties, in the consolidated and separate company financial statements, at the book value of Baht 1.69 million and Baht 1.69 million, respectively (2015: Baht 7.45 million and Baht 8.23 million, respectively) are work in progress which have been measured the value at cost.

As at 31 December 2016, investment properties at the carrying amount of Baht 3,992.40 million (2015: Baht 3,932.17 million) are pledged as collateral against the credit facilities and loan from financial institutions (Note 30) together with the maximum amount that the insurance company will accept and forfeit all the benefits from the insurance to the lender or beneficiary.

A valuation of the group's investment properties was performed by independent valuer to determine the fair value of the investment property at 31 December 2016 and 2015. The fair values of the properties have been determined by Chartered Valuation and Consultant Co., Ltd.

As at 31 December 2016, investment properties under the cost method in the consolidated and separate company financial statements would have been carried at Baht 4,828.06 million and Baht 3,706.89 million, respectively (2015: at Baht 4,782.89 million and Baht 3,661.72 million, respectively).

The fair value measurement information in accordance with TFRS 13 'Fair value measurement' at 31 December 2016 is presented as follow:

(Unit: Baht'000)

	Significant unobservable inputs (Level 3)
Recurring fair value measurements	
Land and buildings	5,325,517

Valuation techniques used to derive fair values

Level 3 fair values of investment properties intended for rent have been generally derived using the estimate discount cash flow of the rental fee under the present lease agreements, including future rental fee under the current market condition.

There were no changes in valuation techniques during the period.

Valuation processes

The Group's investment properties were valued at 2016 by independent professionally qualified valuers ("independent valuers") who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use. The Group's accounting department includes a team that review the valuations performed by the independent valuers for financial reporting purposes. This team reports directly to the senior vice president-accounting. Discussions of valuation processes and results are held at least once a year, in line with the Group's annual reporting dates. At each financial year end, the finance department:

- verifies all major inputs to the independent valuation report,
- assesses property valuation movements when compared to the prior year valuation report, and
- holds discussions with the independent valuer.

	Impact on investment properties					
	Consolidated financial statements			Separate financial statements		
	Change in assumption	Increase in assumption	Decrease in assumption	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease by 6.19%	Increase by 6.71%	1%	Decrease by 6.40%	Increase by 6.91%
Vacancy rate	5%	Decrease by 4.57%	Increase by 4.48%	5%	Decrease by 5.72%	Increase by 5.59%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

Amounts recognised in profit and loss that are related to investment property are as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Rental income	717,037,511	781,239,272	589,638,985	652,569,017
Direct operating expense arise from investment property that generated rental income	250,944,195	268,583,464	242,584,632	260,174,102
Direct operating expense arise from investment property that did not generated rental income	38,408,596	32,006,691	36,990,469	30,275,019

14 Property, plant and equipment, net

(Unit : Baht)

	Consolidated financial statements						
	Land	Land improvement, Buildings and construction	Furniture and fixtures	Office equipment	Other fixed assets	Assets under construction	Total
At 1 January 2015							
Cost	258,315,164	667,160,346	59,607,675	78,675,827	139,434,094	50,418,816	1,253,611,922
<u>Less</u> Accumulated depreciation	-	(93,214,230)	(34,080,833)	(34,391,533)	(79,289,535)	-	(240,976,131)
Net book amount	258,315,164	573,946,116	25,526,842	44,284,294	60,144,559	50,418,816	1,012,635,791
Year ended 31 December 2015							
Opening net book amount	258,315,164	573,946,116	25,526,842	44,284,294	60,144,559	50,418,816	1,012,635,791
Additions	24,094,620	50,736,580	16,811,433	35,668,387	16,844,555	-	144,155,575
Transfer in (out)	-	36,790,805	-	7,942,206	5,498,405	(50,231,416)	-
Transfer in from investment properties (Note 13)	-	68,268,527	-	-	-	-	68,268,527
Disposals, net	-	(6)	(19,339)	(23,813)	(74,698)	-	(117,856)
Depreciation charge (Note 26)	-	(55,215,888)	(8,752,572)	(10,581,856)	(19,612,956)	-	(94,163,272)
Closing net book amount	282,409,784	674,526,134	33,566,364	77,289,218	62,799,865	187,400	1,130,778,765
At 31 December 2015							
Cost	282,409,784	810,180,064	74,460,046	121,455,715	157,866,815	187,400	1,446,559,824
<u>Less</u> Accumulated depreciation	-	(135,653,930)	(40,893,682)	(44,166,497)	(95,066,950)	-	(315,781,059)
Net book amount	282,409,784	674,526,134	33,566,364	77,289,218	62,799,865	187,400	1,130,778,765
Year ended 31 December 2016							
Opening net book amount	282,409,784	674,526,134	33,566,364	77,289,218	62,799,865	187,400	1,130,778,765
Additions	-	57,448,573	955,029	1,902,560	11,692,757	312,076	72,310,995
Transfer in (out)	-	-	-	-	187,400	(187,400)	-
Disposals, net	-	(373,569)	(768)	(20,025)	(364,079)	-	(758,441)
Depreciation charge (Note 26)	-	(89,489,334)	(10,156,610)	(12,172,867)	(17,889,158)	-	(129,707,969)
Closing net book amount	282,409,784	642,111,804	24,364,015	66,998,886	56,426,785	312,076	1,072,623,350
At 31 December 2016							
Cost	282,409,784	853,735,981	71,899,289	118,417,738	163,508,147	312,076	1,490,283,015
<u>Less</u> Accumulated depreciation	-	(211,624,177)	(47,535,274)	(51,418,852)	(107,081,362)	-	(417,659,665)
Net book amount	282,409,784	642,111,804	24,364,015	66,998,886	56,426,785	312,076	1,072,623,350

(Unit : Baht)

	Separate financial statements						
	Land	Land improvement, Buildings and construction	Furniture and fixtures	Office equipment	Other fixed assets	Assets under construction	Total
At 1 January 2015							
Cost	258,315,164	667,117,346	58,796,034	78,322,842	137,361,643	50,418,816	1,250,331,845
<u>Less</u> Accumulated depreciation	-	(93,171,230)	(33,269,262)	(34,041,568)	(77,255,965)	-	(237,738,025)
Net book amount	258,315,164	573,946,116	25,526,772	44,281,274	60,105,678	50,418,816	1,012,593,820
Year ended 31 December 2015							
Opening net book amount	258,315,164	573,946,116	25,526,772	44,281,274	60,105,678	50,418,816	1,012,593,820
Additions	24,094,620	50,736,580	16,811,433	35,630,508	16,740,580	-	144,013,721
Transfer in (out)	-	36,790,805	-	7,942,206	5,498,405	(50,231,416)	-
Transfer in from investment properties (Note 13)	-	68,268,527	-	-	-	-	68,268,527
Disposals, net	-	(6)	(19,339)	(23,813)	(74,698)	-	(117,856)
Depreciation charge (Note 26)	-	(55,215,888)	(8,752,571)	(10,577,340)	(19,565,420)	-	(94,111,219)
Closing net book amount	282,409,784	674,526,134	33,566,295	77,252,835	62,704,545	187,400	1,130,646,993
At 31 December 2015							
Cost	282,409,784	810,137,064	73,648,405	121,064,851	155,690,387	187,400	1,443,137,891
<u>Less</u> Accumulated depreciation	-	(135,610,930)	(40,082,110)	(43,812,016)	(92,985,842)	-	(312,490,898)
Net book amount	282,409,784	674,526,134	33,566,295	77,252,835	62,704,545	187,400	1,130,646,993
Year ended 31 December 2016							
Opening net book amount	282,409,784	674,526,134	33,566,295	77,252,835	62,704,545	187,400	1,130,646,993
Additions	-	57,448,573	955,029	1,902,560	11,620,586	312,076	72,238,824
Transfer in (out)	-	-	-	-	187,400	(187,400)	-
Disposals, net	-	(373,569)	(699)	(19,985)	(363,982)	-	(758,235)
Depreciation charge (Note 26)	-	(89,489,334)	(10,156,610)	(12,164,212)	(17,834,908)	-	(129,645,064)
Closing net book amount	282,409,784	642,111,804	24,364,015	66,971,198	56,313,641	312,076	1,072,482,518
At 31 December 2016							
Cost	282,409,784	853,735,981	71,899,289	118,374,460	163,169,102	312,076	1,489,900,692
<u>Less</u> Accumulated depreciation	-	(211,624,177)	(47,535,274)	(51,403,262)	(106,855,461)	-	(417,418,174)
Net book amount	282,409,784	642,111,804	24,364,015	66,971,198	56,313,641	312,076	1,072,482,518

For the year 2016, depreciation expense of Baht 3.50 million (2015: Baht 3.41 million) has been charged in 'cost of goods sold', Baht 63.74 million (2015: Baht 29.07 million) in 'selling expense' and Baht 62.46 million (2015: Baht 61.69 million) in 'administrative expense' in the consolidated financial statement.

For the year 2016, depreciation expense of Baht 3.50 million (2015: Baht 3.39 million) has been charged in 'cost of goods sold', Baht 63.74 million (2015: Baht 29.07 million) in 'selling expense' and Baht 62.40 million (2015: Baht 61.66 million) in 'administrative expense' in the separate financial statement.

As at 31 December 2016, in the consolidated and separate company financial statements, vehicles at the book value of Baht 3.72 million (2015: Baht 3.68 million) are under long-term lease contracts.

As at 31 December 2016, property, plant and equipment at the carrying amount of Baht 838.94 million (2015: Baht 864.51 million) are pledged as collateral against the credit facilities and loan from financial institutions (Note 30) together with the maximum amount that the insurance company will accept and forfeit all the benefits from the insurance to the lender or beneficiary.

15 Leasehold rights, net

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Opening net book amount	283,579,453	90,761,258	229,776,222	33,612,509
Additions	639,934,055	196,163,713	639,934,055	196,163,713
<u>Less</u> Amortised leasehold rights for the year	(3,345,519)	(3,345,518)	-	-
Closing net book amount	920,167,989	283,579,453	869,710,277	229,776,222

As at 31 December 2016, in the consolidated financial statements, leasehold right consisted of leasehold land amounting to Baht 65.11 million and leasehold building amounting to Baht 855.06 million.

The Company's leasehold rights are leasehold land and building under construction with a related company, the condition of contract are disclosed as mentioned in the notes to financial statements No. 29.7. The leasehold rights consisted of leasehold land amounting to Baht 58.54 million and leasehold building amounting to Baht 811.17 million

A subsidiary company has leasehold right as leasehold land with the Crown Property Bureau in order to construct car-park and office building amounting to Baht 6.57 million and leasehold building amounting to Baht 43.89 million on the said leased land. This leasehold has a term of 25 years commencing from February 1, 2007 onwards. A subsidiary amortised leasehold right from the first day and started to earn revenue from the service fee for the area of said car park and office building.

16 Deferred income taxes

The analysis of deferred tax assets and deferred tax liability as at 31 December is as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Deferred tax assets:				
Deferred tax asset to be recovered within 12 months	47,960	1,469,100	47,960	1,469,100
Deferred tax asset to be recovered after more than 12 months	37,404,203	34,339,087	34,561,831	30,795,921
	37,452,163	35,808,187	34,609,791	32,265,021
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	-	-	-	-
Deferred tax liabilities to be settled after more than 12 months	(608,947,674)	(580,714,636)	(514,812,436)	(492,316,600)
	(608,947,674)	(580,714,636)	(514,812,436)	(492,316,600)
Deferred tax, net	(571,495,511)	(544,906,449)	(480,202,645)	(460,051,579)

The gross movement and deferred tax assets and deferred tax liabilities account is as follows:

(Unit : Baht)

	Consolidated financial statements					
	As at 1 January 2015	Charged/ (credited) to profit or loss	Charged/ (credited) to other comprehensive income	As at 31 December 2015	Charged/ (credited) to profit or loss	As at 31 December 2016
Deferred tax assets						
Investment properties	10,949,003	(1,507,493)	-	9,441,510	(1,181,424)	8,260,086
Employee benefit obligations	23,383,151	(562,480)	2,370,210	25,190,881	2,134,206	27,325,087
Other	12,502	1,163,294	-	1,175,796	691,194	1,866,990
	34,344,656	(906,679)	2,370,210	35,808,187	1,643,976	37,452,163
Deferred tax liabilities						
Investment properties	(542,375,836)	(38,338,800)	-	(580,714,636)	(28,233,038)	(608,947,674)
	(542,375,836)	(38,338,800)	-	(580,714,636)	(28,233,038)	(608,947,674)
	(508,031,180)	(39,245,479)	2,370,210	(544,906,449)	(26,589,062)	(571,495,511)

(Unit : Baht)

	Separate financial statements					
	As at 1 January 2015	Charged/ (credited) to profit or loss	Charged/ (credited) to other comprehensive income	As at 31 December 2015	Charged/ (credited) to profit or loss	As at 31 December 2016
Deferred tax assets						
Investment properties	6,352,972	(454,628)	-	5,898,344	(480,630)	5,417,714
Employee benefit obligations	23,383,151	(562,480)	2,370,210	25,190,881	2,134,206	27,325,087
Other	12,502	1,163,294	-	1,175,796	691,194	1,866,990
	29,748,625	146,186	2,370,210	32,265,021	2,344,770	34,609,791
Deferred tax liabilities						
Investment properties	(456,791,071)	(35,525,529)	-	(492,316,600)	(22,495,836)	(514,812,436)
	(456,791,071)	(35,525,529)	-	(492,316,600)	(22,495,836)	(514,812,436)
	(427,042,446)	(35,379,343)	2,370,210	(460,051,579)	(20,151,066)	(480,202,645)

17 Short-term borrowings from financial institutions

Short-term borrowing from financial institutions as at 31 December can be analysed as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Bills of exchange	2,845,000,000	3,125,000,000	2,845,000,000	3,125,000,000
<u>Less</u> discount of bills of exchange	(16,570,905)	(21,504,725)	(16,570,905)	(21,504,725)
Bills of exchange, net	2,828,429,095	3,103,495,275	2,828,429,095	3,103,495,275
Promissory notes	2,649,900,000	730,000,000	2,410,000,000	730,000,000
Total short-term borrowings from financial institutions	5,478,329,095	3,833,495,275	5,238,429,095	3,833,495,275

Bills of exchange have term for repayment of ranging from 6 months to 9 months and bearing interest at fixed rate.

Promissory notes have terms for repayment of ranging from 1 month to 12 months and bearing interest at fixed rate and MLR minus fixed rate. Interest is payable monthly at the last working day or last day of the month or interest due together with the principal will be paid on the promissory note's maturity date.

As at 31 December 2016, promissory notes of Baht 2,049.90 million (2015: Baht 150.00 million) have been secured by pledging the real estate development cost, investment properties and land and construction as mentioned in the notes to financial statements Note 30.

18 Long-term borrowings

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Current				
Current portion of long-term borrowings				
- Borrowings from financial institutions	1,198,607,699	1,848,574,065	880,000,000	1,473,752,965
- Debentures	1,660,000,000	1,900,000,000	1,660,000,000	1,900,000,000
- Finance lease liabilities	681,999	973,918	681,999	973,918
Total current borrowings	2,859,289,698	3,749,547,983	2,540,681,999	3,374,726,883
Non-current				
Borrowings from financial institutions	1,970,000,000	1,577,639,550	1,970,000,000	1,577,639,550
Debentures	5,325,000,000	4,985,000,000	5,325,000,000	4,985,000,000
Finance lease liabilities	3,085,223	2,760,162	3,085,223	2,760,162
Total non-current borrowings	7,298,085,223	6,565,399,712	7,298,085,223	6,565,399,712
Total long-term borrowings	10,157,374,921	10,314,947,695	9,838,767,222	9,940,126,595

The movements of long-term borrowings for the year ended 31 December can be analysed as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
As at 1 January	10,314,947,695	9,814,254,257	9,940,126,595	9,814,254,257
Issuance of debentures	2,000,000,000	3,955,000,000	2,000,000,000	3,955,000,000
Payment on debentures	(1,900,000,000)	(2,000,000,000)	(1,900,000,000)	(2,000,000,000)
Additional borrowings	1,983,560,000	2,302,984,000	1,711,060,000	1,819,484,000
Repayment	(2,241,132,774)	(3,757,290,562)	(1,912,419,373)	(3,648,611,662)
As at 31 December	10,157,374,921	10,314,947,695	9,838,767,222	9,940,126,595

18.1 Long-term borrowings from financial institutions

Consolidated and Separate financial statements

Contract No.	31 December 2016	31 December 2015	Company	Borrowing Purpose	Borrowing Limit	Interest rate and repayment terms	Guarantees and collaterals
	Million Baht	Million Baht					
1	30.00	150.00	SC Asset Corporation Public Company Limited	Purchase land together with construction Shinawatra Tower 1 and 2	Baht 750 million	- Fixed rate for the 1st - 2nd years (5% per annum) and for the 3rd year onward at MLR deduct fixed rate per annum. The interest is payable on a monthly basis. - The repayment of principal must be made quarterly at Baht 30 million per installment. The first installment shall be paid on the last day of the sixth month after the first withdrawal month. The Company must repay the principal within 6.5 years from the first withdrawal date.	a) The Company has to maintain financial ratios as specified by banks, e.g. debt to equity ratio, and fire insurances for the construction must be made and benefits from such policies must be given to lenders as collaterals. b) The Company mortgaged Shinawatra Tower 1 and 2 as collaterals as mentioned in Note 13.
2	418.61	1,926.21	SC Asset Corporation Public Company Limited and V. Land Property Company Limited	Developing real estate projects for the periods ranging from 2 - 4 years	2016 : Baht 6,580 million 7 agreements (2015 : Baht 11,000 million 13 agreements)	- The interest is rate at MLR deduct fixed rate per annum and is payable on a monthly basis - The principal repayment at 70 % of selling price (depending on condition of each agreement) but not less than the amount specified by the commercial bank when the mortgage is released for the ownership right transfer to the purchaser.	a) The Company has to maintain financial ratios as specified by banks, e.g. debt to equity ratio, and fire insurances for the construction must be made and benefits from such policies must be given to lenders as collaterals. b) Land together with constructions included in real estate development cost are pledged as collaterals as mentioned in Note 10.
3	2,350.00	1,350.00	SC Asset Corporation Public Company Limited	working capital period not exceeding 3 - 5 years	2016 : Baht 2,350 million (2015 : Baht 1,350 million)	- The interest is fixed throughout the contract period and is payable at the end of each month - The principal is repayment at the end of the contract	a) The Company has to maintain financial ratios as specified by banks, e.g. debt to equity ratio.
4	370.00	-	SC Asset Corporation Public Company Limited	Developing facilities and real estate construction	600 million	- Fixed rate for the 1st - 3rd years (4% per annum) and for the 4rd year onward at MLR deduct fixed rate per annum. The interest is payable on a monthly basis. - The repayment of principal must be made quarterly. The first installment shall be paid on the last day of the 39th month after the first withdrawal month. The Company must repay the principal within 150 months from the first withdrawal date.	a) The Company has to maintain financial ratios as specified by banks, e.g. debt to equity ratio, and fire insurances for the construction must be made and benefits from such policies must be given to lenders as collaterals. b) The Company mortgaged Shinawatra Tower 1 and 2 as collaterals as mentioned in Note 13.
Total	3,168.61	3,426.21					

18.2 Debentures

Consolidated and Separate financial statements

Type of debentures	Name of debentures	Issues date	Credit limit Million Baht	Amount Units	Par value Baht	Total amount Million Baht		Redeem maturity period	Interest rate
						2016	2015		
Name-registered debenture for unsubordinated, unsecured without a debenture holders'	SC Debenture No. 3/2016	06 Dec 2016	500	500,000	1,000	500	-	06 Dec 2018	3.10% per annum. The interest is payable every six months
Name-registered debenture for unsubordinated, unsecured without a debenture holders'	SC Debenture No. 2/2016	08 Nov 2016	500	500,000	1,000	500	-	08 Nov 2019	3.20% per annum. The interest is payable every six months
Name-registered debenture for unsubordinated, unsecured without a debenture holders'	SC Debenture No. 1/2016	24 Mar 2016	1,000	1,000,000	1,000	1,000	-	24 Mar 2019	3.15% per annum. The interest is payable every six months
Name-registered debenture for unsubordinated, unsecured without a debenture holders'	SC Debenture No. 5/2015	06 Oct 2015	325	325,000	1,000	325	325	10 Oct 2018	3.65% per annum. The interest is payable every six months
Name-registered debenture for unsubordinated, unsecured without a debenture holders'	SC Debenture No. 4/2015	25 Jun 2015	3,000	3,000,000	1,000	1,700	1,700	25 Jun 2018	4.00% per annum. The interest is payable every three months
						1,300	1,300	25 Jan 2019	4.20% per annum. The interest is payable every three months
Name-registered debenture for unsubordinated, unsecured without a debenture holders' representative type	SC Debenture No. 3/2015	26 Feb 2015	200	200,000	1,000	-	200	29 Aug 2016	3.75% per annum. The interest is payable every six months
Name-registered debenture for unsubordinated, unsecured without a debenture holders' representative type	SC Debenture No. 2/2015	17 Feb 2015	300	300,000	1,000	300	300	27 Feb 2017	4.00% per annum. The interest is payable every six months
Name-registered debenture for unsubordinated, unsecured without a debenture holders' representative type	SC Debenture No. 1/2015	28 Jan 2015	130	130,000	1,000	130	130	28 Jan 2017	4.00% per annum. The interest is payable every six months
Name-registered debenture for unsubordinated, unsecured without a debenture holders' representative type	SC Debenture No. 4/2014	03 Dec 2014	300	300,000	1,000	-	300	07 Dec 2016	4.10% per annum. The interest is payable every six months
Name-registered debenture for unsubordinated, unsecured without a debenture holders' representative type	SC Debenture No. 3/2014	28 Nov 2014	130	130,000	1,000	130	130	07 Dec 2017	4.25% per annum. The interest is payable every six months

Consolidated and Separate financial statements

Type of debentures	Name of debentures	Issues date	Credit limit Million Baht	Amount Units	Par value Baht	Total amount Million Baht		Redeem maturity period	Interest rate
						2016	2015		
Name-registered debenture for unsubordinated, unsecured without a debenture holders' representative type	SC Debenture No. 2/2014	02 Oct 2014	300	300,000	1,000	300	300	25 Sep 2017	4.50% per annum. The interest is payable every six months
Name-registered debenture for unsubordinated, unsecured without a debenture holders' representative type	SC Debenture No. 1/2014	12 Sep 2014	800	800,000	1,000	800	800	12 Sep 2017	4.70% per annum. The interest is payable every three months
Name-registered debenture for unsubordinated, unsecured without a debenture holders' representative type	SC Debenture No. 2/2013	30 Oct 2013	800	800,000	1,000	-	800	30 Oct 2016	5.00% per annum. The interest is payable every three months
Name-registered debenture for unsubordinated, unsecured without a debenture holders' representative type	SC Debenture No. 1/2013	27 May 2013	600	600,000	1,000	-	600	27 May 2016	4.80% per annum. The interest is payable every three months
Total						6,985	6,885		

SC Debenture No. 4/2015 of Baht 147.00 million were issued to related persons (Note 29.5).

On April 22, 2016, the Annual General Meeting of the Company's shareholders approved issuance and offering for sale of corporate debentures, at any time, in the amount not exceeding Baht 2,000 million and the total amount of debenture not exceeding Baht 10,000 million (Total amount of credit limit approved the issuance and sale of debentures no.1 the totaling amount of Baht 2,000 million in 2011, debentures no.2 the totaling amount of Baht 3,000 million in 2013 debentures no.3 the totaling amount of Baht 3,000 million in 2014). The Board of Directors or directors were authorised to determine the details, terms and conditions in relation to the issuance and sale of such debentures.

The Company shall maintain debt to equity ratio at not exceeding 2 : 1 over time of debentures.

The interest rate exposure on the borrowings of the Group and the Company comprises the following:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
At fixed rates	9,708,767,222	8,238,734,080	9,708,767,222	8,238,734,080
At floating rates	448,607,699	2,076,213,615	130,000,000	1,701,392,515
Total borrowings	10,157,374,921	10,314,947,695	9,838,767,222	9,940,126,595

The effective interest rates at the statement of financial position date were as follows:

(Unit : Percentage)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
- Borrowings from financial institutions	MLR - fixed rates	MLR - fixed rates	MLR - fixed rates	MLR - fixed rates
- Debentures	3.10 - 4.70	3.65 - 5.00	3.10 - 4.70	3.65 - 5.00
- Finance leases agreements	6.650 - 7.625	7.125 - 7.625	6.650 - 7.625	7.125 - 7.625

As at 31 December 2016, in consolidated and separate company financial statements, unused credit facilities from financial institutions is Baht 4,111.42 million and Baht 3,881.81 million, respectively (2015: Baht 4,605.47 million and Baht 3,747.42 million, respectively).

The facilities expiring within one year are annual facilities subject to review at various dates during year. The other facilities have been arranged to help finance the proposed expansion of the Group and the Company activities.

The carrying values and fair value of long-term borrowings are as follow:

(Unit : Million Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Current portion of long-term borrowings from financial institutions	1,199	1,848	880	1,473
Long-term borrowings from financial institutions	1,970	1,578	1,970	1,578
Total long-term borrowings from financial institutions	3,169	3,426	2,850	3,051

The fair value of current borrowings equal their carrying amount, as the impact of discounting is not significant.

The fair values of long-term borrowings are based on discounted cash flows using a discount rate from the borrowing market rates which are available to the Group and the Company at the statement of financial position date. The carrying amounts of short-term borrowings are shown at an approximate fair value.

Maturity of long-term borrowings (excluding finance lease liabilities):

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Between 1 and 2 years	5,383,607,699	6,486,213,615	5,065,000,000	6,111,392,515
Between 2 years and 5 years	4,770,000,000	3,825,000,000	4,770,000,000	3,825,000,000
	10,153,607,699	10,311,213,615	9,835,000,000	9,936,392,515

Finance lease liabilities - minimum lease payments:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Not later than one year	924,000	1,211,550	924,000	1,211,550
Later than 1 year but not later than 5 years	3,460,440	3,191,683	3,460,440	3,191,683
<u>Less</u> Future finance charges on finance leases	(617,218)	(669,153)	(617,218)	(669,153)
Present value of finance lease liabilities	3,767,222	3,734,080	3,767,222	3,734,080

19 Trade and other payables

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade payables				
- Related parties (Note 29.3)	6,898,297	1,791,497	5,891,772	1,791,497
- Other	432,231,030	396,250,052	410,865,538	375,151,466
Total trade payables	439,129,327	398,041,549	416,757,310	376,942,963
Other payables				
- Related parties (Note 29.3)	7,999,225	1,615,859	7,248,187	1,617,158
- Other	65,339,784	72,216,369	65,319,994	72,042,193
Total other payables	73,339,009	73,832,228	72,568,181	73,659,351
Total trade and other payables	512,468,336	471,873,777	489,325,491	450,602,314

20 Deferred leasehold revenue

Deferred leasehold revenue consisted of:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
At 1 January	24,593,221	40,738,652	4,365,933	11,883,297
<u>Less</u> Revenue from amortised leasehold right	(8,749,310)	(16,145,431)	(824,269)	(7,517,364)
At 31 December	15,843,911	24,593,221	3,541,664	4,365,933
<u>Less</u> Current portion of deferred leasehold revenue	(6,217,350)	(8,749,078)	(533,280)	(824,268)
	9,572,561	15,844,143	3,008,384	3,541,665

21 Employee Benefit Obligations

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Statement of financial position				
Retirement benefits	136,625,434	125,954,404	136,625,434	125,954,404
Profit or loss charge included in operating profit for Retirement benefits	17,990,030	14,721,123	17,990,030	14,721,123
Remeasurement for Retirement benefits	-	11,851,048	-	11,851,048

The movement in the defined benefit obligation over the year is as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Beginning balance of employee benefit obligations	125,954,404	116,915,753	125,954,404	116,915,753
Current service cost and interest	17,990,030	14,721,123	17,990,030	14,721,123
Remeasurements of post-employment benefit obligations	-	11,851,048	-	11,851,048
Benefit payment during the year	(7,319,000)	(17,533,520)	(7,319,000)	(17,533,520)
	136,625,434	125,954,404	136,625,434	125,954,404

The amounts recognised in the profit or loss are as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Current service cost	14,201,365	11,302,218	14,201,365	11,302,218
Interest on obligation	3,788,665	3,418,905	3,788,665	3,418,905
	17,990,030	14,721,123	17,990,030	14,721,123

The principal actuarial assumptions used were as follows:

	2016	2015
Discount rate	3.2%	3.2%
Salary increment rate	7% - 9%	7% - 9%
Employee turnover rate	0% - 17%	0% - 17%
Retirement age	60 years	60 years

	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2016	2015	2016	2015	2016	2015
Discount rate	1%	1%	Decrease by 11.24%	Decrease by 11.63%	Increase by 13.45%	Increase by 13.92%
Salary growth rate	1%	1%	Increase by 13.67%	Increase by 13.08%	Decrease by 11.67%	Decrease by 11.23%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The Methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Through its defined retirement benefit plan the Group is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields	A decrease in government bond yields will increase plan liabilities.
Inflation risk	Some of the Group retirement benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation).

The weighted average duration of the defined benefit obligation is 21 years (2015: 21 years).

Expected maturity analysis of undiscounted retirement benefits:

(Unit : Baht)

	Consolidated and Separate financial statements				
	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
At 31 December 2016					
Retirement benefits	239,800	7,264,513	19,359,945	652,108,831	678,973,089
Total	239,800	7,264,513	19,359,945	652,108,831	678,973,089

22 Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group and their employees contributed to the fund monthly at the rates depending on the working life of the employees. A local financial institution is managing the provident fund and will be paid to the employees upon termination in accordance with the fund rules. For the years ended 31 December 2016, in the consolidated and Company's financial statements, the Group contributions Baht 20.14 million (2015: Baht 18.17 million).

23 Share capital and premium on share capital

(Unit: Baht)

	Consolidated and Separate financial statements		
	Issued and paid-up share capital	Premiums on share capital	Total
As at 1 January 2015	3,714,966,616	318,564,112	4,033,530,728
Issued of shares	464,365,396	-	464,365,396
At 31 December 2015	4,179,332,012	318,564,112	4,497,896,124
Issued of shares	-	-	-
At 31 December 2016	4,179,332,012	318,564,112	4,497,896,124

The Company's registered share capital as at 31 December 2016 comprises 4,200,000,000 ordinary shares (2015: 4,200,000,000 ordinary shares) with a par value of Baht 1.00 each (2015: Baht 1.00 each). And 4,179,332,012 shares are issued and fully paid-up (2015: 4,179,332,012 shares).

According to Section 51 of the Public Limited Company Act B.E. 2535, requires company to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("premiums on ordinary share"). Premiums on ordinary share are not available for dividend distribution.

At the annual general shareholders meeting for the year 2015 held on 23 April 2015, the meeting had passed a resolution to reduce the registered capital of the Company from Baht 4,000,000,000 by cancelling 285,033,384 unsubscribed shares with a par value of Baht 1.00 per share. After the reduction, the Company's registered capital would be Baht 3,714,966,616. Thereafter, the meeting had approved an increase of registered capital of the Company from Baht 3,714,966,616 to Baht 4,200,000,000 by issuance of 485,033,384 new ordinary shares with a par value of Baht 1.00 per share which will be reserved for purposes of stock dividend payment, and share allotment in the future. The Company had registered the decreasing and increasing in registered share capital with the Ministry of Commerce on 1 May 2015 and 7 May 2015, respectively.

Furthermore, the meeting had passed a resolution to pay stock dividend in the ratio of 8 existing shares to 1 dividend share or equivalent to the dividend payment of Baht 0.125 per share. However, in the event that calculation of the stock dividend containing any fraction, the dividend shall be paid as a cash dividend at the rate of Baht 0.125 per share (Note 25). On 20 May 2015, the Company paid all stock dividends of 464,365,396 shares at the par value of Baht 1.00 per share, totaling of Baht 464,365,396.

24 Legal reserve

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
At 1 January	420,000,000	420,000,000	420,000,000	420,000,000
Appropriation during the year	-	-	-	-
At 31 December	420,000,000	420,000,000	420,000,000	420,000,000

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least five percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than ten percent of the registered capital. The legal reserve is non-distributable.

25 Dividend paid

At the annual general shareholders meeting for the year 2016 held on 22 April 2016, the meeting has passed a resolution to approve the distribution of dividend from the net operating profit for the year 2015 at amount of Baht 0.180 per share, totaling of Baht 752.27 million. The dividend was paid on 19 May 2016.

At the annual general shareholders meeting for the year 2015 held on 23 April 2015, the meeting had passed a resolution to approve the distribution of dividend from the net operating profit for the year 2014 at amount of Baht 0.205 per share, which paying as;

- 1) cash dividend of Baht 0.08 per share
- 2) stock dividend at the ratio of 8 existing shares to 1 new share or equivalent to the dividend payment of Baht 0.125 per share. However, in the event that calculation of the stock dividend containing any fraction, the dividend shall be paid as a cash dividend at the rate of Baht 0.125 per share.

On 20 May 2015, the Company paid cash dividends for the shareholders of 3,714,934,316 shares at Baht 0.08 per share and fraction from calculation of the stock dividend of 11,148 shares at Baht 0.125 per share, totaling of Baht 297.20 million. The Company paid stock dividend to the shareholders on the same day (Note 23).

26 Expense by nature

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Changes in real estate development cost	3,240,708,993	1,152,122,825	2,503,551,560	751,564,137
Employee related expenses	889,369,349	879,035,631	887,664,983	878,528,580
Advertising expenses	444,521,063	463,347,255	423,118,672	455,330,151
Depreciation (Note 14)	129,707,969	94,163,272	129,645,064	94,111,219
Rental expenses	32,686,471	34,498,823	31,633,800	34,136,082

27 Income tax expense

Income taxes for the year ended 31 December comprise the following:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Current income tax	470,762,979	445,483,421	438,014,909	425,707,334
Deferred income tax:				
Deferred income tax assets (Note 16)	(1,643,976)	906,679	(2,344,770)	(146,186)
Deferred income tax liabilities (Note 16)	28,233,038	38,338,800	22,495,836	35,525,529
	497,352,041	484,728,900	458,165,975	461,086,677

A reconciliation between current income tax expense and the product of accounting profit multiplied by the applicable tax rate is as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Profit before income tax expenses	2,465,564,600	2,380,009,229	2,330,264,135	2,330,160,922
Income tax was calculated tax rates at 20%	493,112,920	476,001,846	466,052,827	466,032,184
Effective:				
Income must not be excluded in tax calculation	-	-	(11,399,998)	(10,499,999)
Expenses not allowed as expenses as tax	30,108,695	34,711,829	25,105,641	27,192,240
Expenses allowed to be double deduction	(25,869,574)	(25,984,775)	(21,592,495)	(21,637,748)
Income tax expenses	497,352,041	484,728,900	458,165,975	461,086,677

The tax (charge)/credit relating to component of other comprehensive income is as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Remeasurement on employee benefit obligations	-	(2,370,210)	-	(2,370,210)

28 Earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares in issue and paid up during the period.

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Net profit attributable to ordinary shareholders of the Company (Baht)	1,968,212,559	1,895,280,329	1,872,098,160	1,869,074,245
Weighted average number of ordinary shares outstanding (Shares)	4,179,332,012	4,179,332,012	4,179,332,012	4,179,332,012
Basic earnings per share (Baht per share)	0.4709	0.4535	0.4479	0.4472

The Company has no diluted potential ordinary shares in issue during the year.

29 Related-party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

Major shareholders of the Company are Shinawatra group family. The remaining shares are widely held.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Relationship between the Company and related parties, which has transactions are as follows:

Company	Nature of relationship
OAI Asset Company Limited	Subsidiary
Up Country Land Company Limited	Subsidiary
V. Land Property Company Limited	Subsidiary
SC Office Park Company Limited	Ms. Pintongta Shinawatra Kunakornwong and Ms. Paetongtarn Shinawatra are major shareholders
P.T. Corporation Company Limited	Ms. Pintongta Shinawatra Kunakornwong and Ms. Paetongtarn Shinawatra are major shareholders
SC Office Plaza Company Limited	Ms. Pintongta Shinawatra Kunakornwong is a major shareholder

Company	Nature of relationship
OAI Consultant and Management Company Limited	Khunying Potjaman Damapong is a major shareholder
Alpine Golf & Sports Club Company Limited	Khunying Potjaman Damapong, Ms. Pintongta Shinawatra Kunakornwong and Ms. Paetongtarn Shinawatra are major shareholders
OAI Leasing Company Limited	Ms. Pintongta Shinawatra Kunakornwong is a major shareholder
B.B.D. Development Company Limited	Mr. Bhanapot Damapong is a major shareholder
Voice TV Company Limited	Mr. Bhanapot Damapong and Ms. Pintongta Shinawatra Kunakornwong are major shareholders
Howcome Studio Company Limited	Belong to major shareholders' cousin
Thai-Com Foundation	Major shareholder family is a founder
Healthlink Company Limited	B.B.D. Development Co., Ltd. is a major shareholder
Chaingmai Golf and Country Club Company Limited	B.B.D. Development Co., Ltd. is a major shareholder
Alpine Garden Design Company Limited	Ms. Paetongtarn Shinawatra is a major shareholder
Rende Development Company Limited	Ms. Pintongta Shinawatra Kunakornwong is a major shareholder
Praram 9 Hospital Company Limited	Khunying Potjaman Damapong is a major shareholder
Fortay (Thailand) Company Limited	OAI Consultant and Management Co., Ltd. is a major shareholder
Rende Ploenchit Hotel Company Limited	B.B.D. Development Co., Ltd. is a major shareholder
Thames Valley KhaoYai Hotel Company Limited	Ms. Pintongta Shinawatra Kunakornwong and Ms. Paetongtarn Shinawatra are major shareholders
Shinawatra University	Khunying Potjaman Damapong, Ms. Pintongta Shinawatra Kunakornwong and Ms. Paetongtarn Shinawatra are major shareholders of OAI Education Co., Ltd. which is a holder of permission certificate to set up Shinawatra University

Note: All above companies are Thai nationality

Group's policy regarding business transactions with related entities and persons comprises the following:

- Revenues from sales to related persons: parts of the revenues are included 4% discount from normal price accordance with authorised criteria by the Company's Board of Directors. Another part is sales of residential unit to high level management of the Company whom had complied with criteria and conditions as authorised by the Company's Board of Directors.

- Revenues from consulting and management services are according to the mutually-agree basis with the consideration of the actual cost incurred plus appropriate profit.
- Cost of rental and rendering of services is in accordance to the mutually-agreed which is calculate from actual cost incurred plus appropriate profit.
- Interest on loans bearing at the rate of MLR - 1.50% per annum (MLR is calculated using the average interest of 4 banks).

The following transactions were carried out with related parties:

29.1 Sales of goods and services

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Revenues from sales				
A subsidiary	-	-	-	876,754
Related persons	28,832,381	96,644,849	28,832,381	96,644,849
	28,832,381	96,644,849	28,832,381	97,521,603
Revenues from rental and rendering of services				
A subsidiary	-	-	1,591,908	793,810
Related parties	11,729,316	7,494,603	11,729,316	7,494,603
	11,729,316	7,494,603	13,321,224	8,288,413
Revenues from consulting and management services				
Subsidiaries	-	-	47,700,000	47,700,000
Interest income				
A subsidiary	-	-	5,598,491	9,073,978
Other income				
Related parties	60,930	9,600	28,220	9,600
A related person	-	280,374	-	280,374
	60,930	289,974	28,220	289,974
Dividend income				
A subsidiary	-	-	56,999,992	52,499,993

29.2 Purchases of goods and services

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cost of rental and rendering of services				
Related parties	33,492,513	33,472,050	26,006,913	25,986,450
A Related person	72,000	72,000	-	-
	33,564,513	33,544,050	26,006,913	25,986,450
Selling and administrative expenses				
Related parties	16,893,471	23,562,926	16,893,471	23,562,926
Purchasing of land				
A subsidiary	-	-	-	1,933,600
A related party	144,775,400	-	144,775,000	-
	144,775,400	-	144,775,000	1,933,600
Cost of land				
A subsidiary	-	-	-	876,754

29.3 Outstanding balances arising from sales/purchases of goods and services

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Trade receivables				
Subsidiaries	-	-	7,769	2,098,878
A related party	737,660	17,072	702,660	17,072
Related persons				
Current portion	20,702,556	11,485,590	20,737,556	11,485,590
Long-term portion	59,596,947	81,366,923	59,596,947	81,366,923
	81,072,163	92,869,585	81,044,932	94,968,463

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Accrued income				
Related parties	92,088	87,757	92,088	87,757
Accrued interest income				
A subsidiary	-	-	79,812	-
Trade payable and other payables				
Subsidiaries	-	-	-	1,299
Related parties	14,897,522	3,407,356	13,139,959	3,407,356
	14,897,522	3,407,356	13,139,959	3,408,655
Advance received from customers				
Related persons	6,858,000	5,161,050	6,858,000	5,161,050
Deposit for rental and service				
Related parties	1,567,720	1,565,720	1,567,720	1,565,720

29.4 Short-term loans to a related party

(Unit : Baht)

	Separate financial statements	
	2016	2015
Short-term loans to a subsidiary	306,000,000	-

The movement of short-term loans to a subsidiary for the year ended 31 December 2016 is as follow:

(Unit : Baht)

	Separate financial statements
Opening book amount	-
Additions loans during the period	586,000,000
Repayment received during the period	(280,000,000)
Closing book amount	306,000,000

Short-term loans to a subsidiary is for purchasing land and developing the real estate for sale with total credit facility of Baht 945 million. These loans are due for repayment at call. The loan bears interest rate at the rate of MLR-1.50 per annum.

29.5 Loans from related persons

The movement of loans from related persons for the year ended 31 December 2016 is as follow:

(Unit : Baht)

	Consolidated and Separate financial statements
Opening book amount	147,000,000
Issuance of debentures	-
Closing book amount	147,000,000

29.6 Directors and key management compensation

Key management includes directors (executive and non-executive), members of the Executive Committee, the Company Secretary and the Head of Internal Audit. The compensation paid or payable to key management for employee services is shown below:

(Unit : Baht)

	Consolidated and Separate financial statements	
	2016	2015
Short-term employee benefits	95,349,480	99,857,887
Retirement benefits	1,318,000	1,245,108
Director compensation	8,866,000	7,858,000
	105,533,480	108,960,995

29.7 Key contract

The Company has entered into a land lease agreement with a related company under "Reciprocal land lease contract" dated 26 June 2014. The contract has period of 32 years 6 months, all rental fees in contract period total amount is Baht 318.56 million. Furthermore, the company must investment to build the office building with a total investment estimated amount of Baht 851.52 million and agree to transfer ownership of this office buildings to the lessor on the expiry of the leasing period without any compensation payment.

30 Commitments and contingencies

Commitments

Obligations from credit facilities obtained from the financial institutions

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Letter of guarantee (Utilized)	1,315,763,372	1,152,358,885	1,172,093,053	1,087,788,566

The above credit facilities are secured by land together with construction of real estate projects as mentioned in the notes 10 to financial statements and land together with the construction of Shinawatra Tower 1, 2 and 3 as mentioned in the notes 13 and 14 to the financial statements.

Operating lease commitments

The Group has obligation in relation to operating lease on the part of lessee who will be obligated to pay leasing fee in fortune for the following periods:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Not later than 1 year	16,585,709	10,892,150	6,600,000	1,200,000
Later than 1 year but not later than 5 years	59,332,003	56,945,262	34,980,000	34,320,000
Later than 5 years	300,016,673	310,324,873	273,981,007	281,241,007
Total	375,934,385	378,162,285	315,561,007	316,761,007

The Company has entered into the long-term land rental agreement with a company to build a retail trade center. The rental agreement is for the period of 15 years, commencing from 23 August 2008 with the following rental fees:

- 1st - 3rd year (from 23 August 2008-22 August 2011) rental fee of Baht 75,000.00 per month
- 4th - 6th year (from 23 August 2011-22 August 2014) rental fee of Baht 78,750.00 per month
- 7th - 9th year (from 23 August 2014-22 August 2017) rental fee of Baht 82,687.50 per month
- 10th - 12th year (from 23 August 2017-22 August 2020) rental fee of Baht 86,821.88 per month
- 13th - 15th year (from 23 August 2020-22 August 2023) rental fee of Baht 91,162.98 per month

Capital commitments

As at 31 December 2016, the Group has capital commitments as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Capital expenditure in land for project development	1,447,102,568	2,726,054,520	1,447,102,568	2,726,054,520
Capital expenditure in property, plant and equipment and leasehold rights	96,728,088	675,872,671	96,728,088	675,872,671

31 Event after financial position date

At the Board of Directors' Meeting of the Company No. 2/2017 held on 22 February 2017, has the resolutions to:

- 31.1 Approve the proposed dividend from its operating results for 2016 at Baht 0.19 per share, totaling Baht 794.07 million. The dividend payment will later be proposed for approval in the Annual General Meeting of the Company's shareholders.
- 31.2 Approve the receiving of financial assistance from the first four directors and executives of the Company, which transaction is relative as the Company intends to issue debentures in the amount not exceeding Baht 3,000 million. Whereas, the first four directors and executives will purchase the debentures in the amount not exceeding Baht 300 million.
- 31.3 Approve the warrants to directors and employees allocation of 40,000,000 units, under the ESOP scheme (Grant I).
- 31.4 Approve an increase of registered share capital of the Company by issuance of 40,000,000 new ordinary shares with a par value of Baht 1 each. Share allotment will be processed as reserved for the ESOP scheme (Grant I).
- 31.5 Approve a reduction of registered share capital of the Company from Baht 4,200,000,000 to Baht 4,179,332,012 by cancelling 20,667,988 unsubscribed shares with a par value of Baht 1 each.
- 31.6 Approve an increase of registered share capital of the Company from Baht 4,179,332,012 to Baht 4,379,332,012 by issuance of 200,000,000 new ordinary shares with a par value of Baht 1 each, totalling Baht 200,000,000.

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