



EVERYTHING in ONE

Annual Report | 2013
Diamond Building Products Public Company Limited



EVERYTHING iNO ONE

Vision: “To Be a Better Choice on Construction Materials and Services”

The Company produces and distributes roofing products, boards and ceilings, siding boards, and other roof accessories and non-roof products as well as being a service provider for roof stripping and installation under the trademark names of Diamond, Roof, Adamas, and Jearanai. The Company's main products are as follows:

1. Tile Product Group is divided into 3 categories as follows.

- Fiber Cement Tiles, namely Roman Tiles, Small Corrugated Tiles, Flat Sheets, Fiber Cement Ridges, etc.
- Concrete Tiles, namely Gran Onda, Adamas, Concrete Ridges, etc.
- Jearanai Tiles, namely Jearanai Tiles, Jearanai Ridges, etc.

2. Board and Ceiling Product Group, namely boards, ceilings, autoclaved aerated concrete, etc.

3. Siding Board Product Group, namely siding boards, lathes, eaves, etc.

4. Special Products such as Roof Accessories and Non-Roof Products as follows:

- Roof Accessories, namely battens, Foils, Bird Guards, Paints, etc.
- Non-Roof Products, namely Truss, Laminate, Gypsum Boards and Water Tanks, etc.

5. Roof stripping and installation services, truss and laminate installation by teams of experts who have received training with the Company.



ไม้ SIDING BOARD

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Decorative Stair



VISION, MISSION AND VALUES

Vision: “To Be a Better Choice on Construction Materials and Services”

Mission: “We are in the business of production and distribution as well as providing services relating to roofing tiles, boards and accessories. We believe that operating business with ethics and social responsibility is fundamental for serving the needs and expectations of our customers, employees, society and shareholders, leading to the success of our mission.”

For our customers, we will deliver quality products with designs that are different and worth the value at competitive pricing by utilizing modern technology and offering excellent service to the customers with our strong distribution channels and effective management.

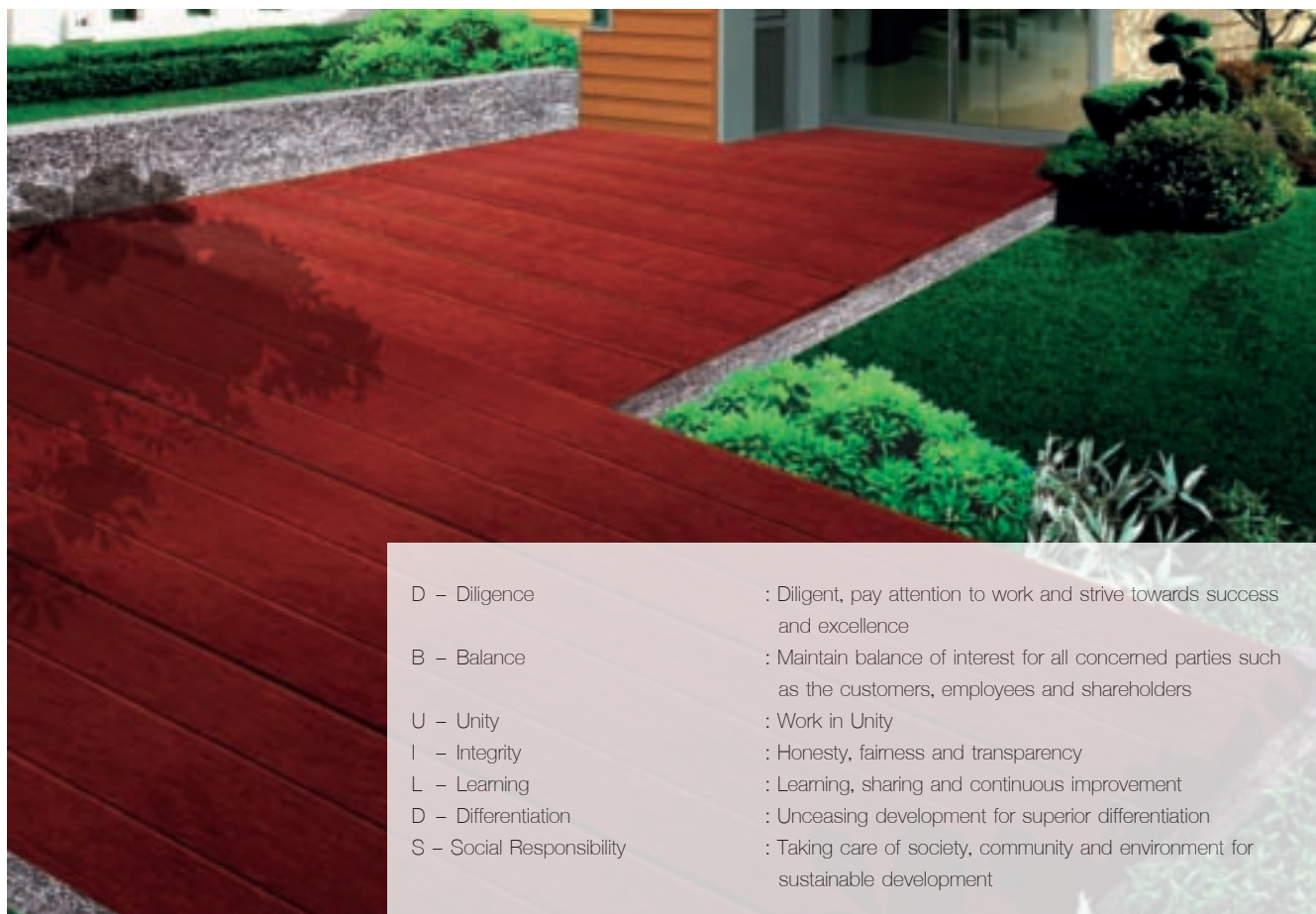
For our employees, we will build and promote an environment of learning and well-being of employees as well as their families in order to allow the employees to achieve their fullest potential.

For our society, we will support the society that we live in to have good quality of life by realizing that the society is an important mechanism for promoting and pushing forward the Company for its existence and sustainable development.

For our shareholders, we will create financial return with continuous growth and stability.

Corporate Value: “ We shall be diligent, pay attention to work, strive towards success and excellence in order to maintain balance of interest for all concerned parties such as the customers, employees and shareholders, work in unity with honesty, fairness and transparency, learning, sharing, continuous improvement and unceasing development in order to achieve superior differentiation, as well as take care of society, community and environment for sustainable development.”

Referring to characters of the Company’s value, “D-BUILDS”, having definition of “**Determined, Transparent, Yearning for Development, Environmental Protection**” meaning:



Company's Name : Diamond Building Products Public Company Limited

Abbreviation : DRT

Registration Number : 0107547001041

Type of Business : Production and distribution of roofing tiles, siding boards, boards and other roof accessories and housing structure products as well as roof stripping and installation services under the trademark names of Diamond, Roof, Adamas and Jearanai.

Registered Capital : 1,049,650,000 ordinary shares at a par value of Baht 1 per share totaling Baht 1,049,650,000
1,047,368,000 issued and paid up ordinary shares totaling Baht 1,047,368,000

LOCATIONS

Head Office : 69-70 Moo 1, Mitraphap Road, Km. 115, Tambon Talingchan, Amphur Muang, Saraburi 18000
Tel : 0-3622-4171-8
Fax : 0-3622-4187

Branch Office 1 : 408/163-165, Paholyothin Place Bldg., 40th Floor, Paholyothin Road, Samsennai, Phayathai, Bangkok 10400
Tel : 0-2619-0742
Fax : 0-2619-0488

Branch Office 2 : 269 Moo 3, Tambon Samran, Amphur Muang, Khon Kaen 40000
Tel : 0-4339-3390-1

Branch Office 3 : 169 -170 Moo 4, Mitrapap Road, Tambon Tan Diao, Amphur Kaengkhoi, Saraburi 18110
Tel : 0-3622-4171-8 Ext. 401-420

BACKGROUND

1985 August 28, 1985: The Company was established under the name of Siam City Tiles and Pipes Company Limited with Siam City Cement Public Company Limited as a major shareholder.

2001 April 3, 2001: The Company formally changed its name to Diamond Roofing Tiles Company Limited (DRT).

2002 December 26, 2002: There was a change in the shareholding structure with Myriad Materials Company Limited becoming a major shareholder.

2004 December 2, 2004: The Company was incorporated as a public company and became Diamond Roofing Tiles Public Company Limited.

2005 November 9, 2005: The Company was given permission by the Securities and Exchange Commission (SEC) to register its ordinary shares for trading on the Stock Exchange of Thailand (SET) and its shares were first traded on November 29, 2005 under the stock trading acronym of "DRT".

2011 January 18, 2011: The Company formally changed its name to Diamond Building Products Public Company Limited (DBP).

2013 May 9, 2013: Formation and registration of a subsidiary company, Diamond Materials Co., Ltd. with initial, "DMATS".

Call Center : 0-2619-2333

Website : www.dbp.co.th

E-mail Address : Corpcenter@dbp.co.th

REFERENCES

Registrar

Thailand Securities Depository Co., Ltd.
62 Stock Exchange of Thailand Building, Rajadapisek Road, Klongtoey, Bangkok 10110
Tel : 0-2229-2800, Fax: 0-2359-1259
TSD Call center : 0-2229-2888
E-mail : TSDCallCenter@set.or.th
Website : www.tsd.co.th

Auditor

KPMG Phoomchai Audit Ltd.
Empire Tower, 50th - 51st Floors,
195 South Sathorn Road, Bangkok 10120
Tel : 0-2677-2000, Fax: 0-2677-2222
E-mail (general issues) : info@kpmg.co.th
E-mail (service request) : yyothakampinij@kpmg.co.th
Website : www.kpmg.com

INVESTMENT IN SUBSIDIARY COMPANY

The Company has invested in a subsidiary company with direct shareholding of more than 50 percent having details as follows.

Diamond Materials Co., Ltd. (Registered in Thailand)

Location	: 408/163-165 Paholyothin Place Building 40 th Floor, Paholyothin Road, Samsennai, Phayathai, Bangkok 10400 Telephone: 0-2619-0742, Fax: 0-2619-0488
Type of Business	: Production and Distribution of Autoclaved Aerated Concrete
Registered Capital	: 2,000,000 ordinary shares at a par value of Baht 100 per share, totaling Baht 200,000,000
Paid-up Capital	: 2,000,000 ordinary shares at a par value of Baht 100 per share, totaling Baht 200,000,000
Company's Shareholding	: 1,999,995 ordinary shares at a par value of Baht 100 per share, totaling Baht 199,999,500, a direct shareholding of 99.99 percent of the paid-up capital



Business Structure

Diamond Materials Co., Ltd. is a subsidiary company, registered in Thailand by Diamond Building Products Public Co., Ltd. (Parent Company) holding 99.99 percent of the paid-up capital in a business of production and distribution of autoclaved aerated concrete. The manufacturing plant is located at San Sai District, Chiang Mai Province, having a production capacity of 50,000 tons per year, using cement and sand as the main raw materials.

Management Structure

The management structure of the subsidiary company comprises of the board of directors, plant manager in production field and quality control field and supporting work units sufficient for business operations in accordance with the established objectives, which can be summarized as follows.

1. Board of Directors

The Board of Directors comprises of experts in several fields having expertise and experience, leadership quality, visionary, dedicated and work diligent and responsible, prudence and honest, for the best interest of the Company, shareholders and every stakeholder. As at December 31, 2013, there were five Directors appointed by the Parent Company.

Name	Position	Board of Directors' Meeting Attendance in 2013 (Times)
1. Mr. Asanee Chantong	Chairman of the Board	9/9
2. Mr. Satid Sudbuntad	Director	9/9
3. Mr. Maitree Tawonatiwasna	Director	9/9
4. Mr. Suwit Kaewamphunsawat	Director	9/9
5. Ms. Thanakarn Phanthapirat	Director and Secretary	9/9

Authorized directors signing on behalf of the Company: Two Directors jointly sign together and affixed with Company's stamp.

Scope of Duties of the Board of Directors can be summarized as follows.

1. Establishment of policy, strategy, business plan and annual budget as well as supervision of performance by the directors and plant manager to carry out work as assigned effectively for the best interest of the company and shareholders with establishment of regular monitoring and assessment of work performance.
2. Establishment of appropriate and sufficient internal control system, risk management and regulation and approval authorization on financial and purchasing and hiring.
3. Establishment of authority and duties of the Plant Manager and appointment of sub-committee for particular case as necessary including establishment of scope of duties and responsibilities of the sub-committee as deemed appropriate and in accordance with the established objectives.
4. Appointment of the Secretary to the Board of Directors and establishment of scope of duties and responsibilities for work coordination among the Plant Manager, directors and shareholders of the Company, arrangement and minutes taking of shareholders' meetings and Board of Directors' meetings.

2. Plant Manager

Scope of Duties and Responsibilities of the Plant Manager can be summarized as follows.

Having duty to carry out routine management work in accordance with the objectives, policy, established targets within the authority as assigned by the Board of Directors.

Internal Control of the Company

The Audit Committee of the parent company has duty to review the operation of the Company in compliance with the policy and regulations of the Company, as well as laws, rules and regulations of relevant supervision units, to promote development of financial and accounting reporting system in accordance with the generally accepted accounting standards as well as to review Company's internal control system, internal audit system and risk management system so that they are secured, appropriate, modern and effective, including adequate disclosure of information with transparency in line with the principles of good corporate government based on international standard.

Risk Management

The Risk Management Committee of the parent company has duty to assess risks of the subsidiary company in order to gain confidence in the subsidiary company which has managed and has established guideline in mitigation of risk that may occur in the future, supervision, correction and monitoring unacceptable risk management results in order to build confidence that the Company has adequate and effective risk management framework.

Related Transactions

During year 2013, the subsidiary company had significant transactions with the parent company which holds 99.99 percent of shareholding in the subsidiary company and has five common directors. Therefore, such transactions are qualified as related transactions but in accordance with the terms and criteria together agreed under normal course of business.

1. Sale and Purchase of Autoclaved Aerated Concrete: The parent company purchased 29,872.96 tons of autoclaved aerated concrete totaling Baht 69.78 million, which was conducted with pricing policy under normal business.

Rational and Necessity

Since the parent company has established the subsidiary company to be the production and distribution of autoclaved aerated concrete base in the Northern region, it is deemed normal business operation based on general commercial terms and conditions, in order to have sufficient products sale and delivery to the customers everywhere. Accordingly, the sale and purchase of autoclaved aerated concrete between the parties should continue as necessary in the business operation in the future.

2. Management Assistance: The parent company has charged the management fee on actual cost basis, totaling Baht 2.1 million with outstanding payment of Baht 4.75 million.

Rational and Necessity

In establishment of the subsidiary company, the parent company has policy for the management of the subsidiary company to be in line with the same policy as the parent company. Therefore, it was necessary to send executives from several units from the parent company to supervise and manage at every work system to be in the same direction as the parent company with the subsidiary company having no need to have the management team. Accordingly, the management assistance between parties should continue as necessary in the business operation in the future.

STATEMENT FROM THE CHAIRMAN

Year 2013



was another important step of the Company.

The Company commenced the production and distribution of autoclaved aerated concrete (AAC) from its newly completed plant bringing in additional revenue of about Baht 500 million a year and serving more variety of products for complete customer service. At the same time, in order to improve its logistics for more effectiveness and transport cost saving, the Company has acquired the AAC production plant in Chiang Mai Province to service customers in the Northern region, bringing in more revenue of about Baht 190 million per year. In addition, the Company has started construction of roofing tiles production plant in Khon Kaen Province to service customers in the Northeastern region and neighboring countries. Production is expected to commence in the 1st quarter of 2014. The Company has continuous plan to expand its production base into the provincial areas and neighboring countries in the future.

As for the operating results in 2013, the Company's revenue increased due to addition of new products such as AAC and wood substitute products, having revenue from the sale to projects sector increase by 51.13 percent from the previous year and revenue from sale of products overseas increase by 16.91 percent from the previous year. Nonetheless, net profit decreased due to fierce competitive market condition. Farmers in the Southern region, which is one of Company's major customers, have been affected by falling rubber prices, as well as increasing prices of raw materials including cement and paper pulp.

Financial Status and Performance for Year 2013

In 2013, the consolidated financial statements of the Company and its subsidiary company (together referred to as "The Group") had revenues from sales and services totaling Baht 4,401.84 million, an increase of 13.34 percent from the previous year. Net profit amounted to Baht 450.92 million, a decrease of 17.35 percent from the previous year (if excluding the profit from sale of unused land, net profit would decrease by 10.11 percent). The Company showed strong financial performance and cash flow enabling it to service its debt and pay dividends to the shareholders. The Company's liquidity ratio was 1.39 times and the debt to equity ratio was 0.84:1, thereby increasing shareholder's equity by 2.74% from the previous year.

Key Factors in Sustainable Development

In 2013, the Company gave precedence to key factors in sustainable development from the vision and code of conduct which emphasizes business operation toward success and excellence, responsibility toward society and environment. Accordingly, the factors toward sustainable development must begin with the development of Diamond People; namely, directors, executives and employees at every level, to work hard in unity, adhere to honesty, transparency, eager to learn and share out, as well as take care of Diamond People to have good quality of life and safe living. Also as important, every group of stakeholders concerning with business operation of Diamond must be taken care of and their interest must be maintained and balanced with fairness. The plan for sustainable development shall can be summarized as follows.

1. Supervision and Development of "Diamond People"

The Company gives priority to the human resources of the Company and believes that Diamond People have potential to conduct and take the business of Diamond Brand to success and sustainability. The society of Diamond People is developed for good quality of life and safe living by organizing activities in several festivals to encourage love and generosity among the employees, having conscience to help each other during disaster which also includes the family members of the employees. The main tasks are summarized as follows.

- 1.1 Occupational Health and Safety in the Workplace: It is believed that accidents, injuries and diseases occurred at work can be prevented by development of safety conscious and participation by everyone in the organization. Accordingly, accident incidents in 2013 have been reduced to 25 times as compared with 34 times in 2012 without having any fatality or reduction of 26%. Most of which were not severe and not necessary to stop working.
- 1.2 Development training of personnel shall make quality personnel, build corporate knowledge as well promoting Diamond People to participate and express their opinions about the organization. Development training is planned in advance every year. In 2013, the Company organized a total of 95 courses, 104 classes or 6,804 hours of development training by focusing on getting Diamond People to learn and understand the Core Value (D-BUILDS), instill safety consciousness in the workplace, develop work efficiency and increase productivity, as well as instill environmental consciousness.

2. “Diamond Business” Operation

The Company adheres to principle of fair business operation and code of business, having policy for conducting business toward every group of stakeholders within the business chain, namely the shareholders, customers, trading partners and competitors with fairness without seeking for own benefit, which has conflict of interest with the Company and stakeholders, as well as keeping confidential of secrets relating to business operation with the stakeholders for the best interest in business operation toward sustainable success.

3. Research and Development and Investment Projects

The Company has continued to conduct research and development of products to increase production efficiency in line with market requirements. Research and development of new products have been conducted. New sources of raw materials have been sought and improvement of production formula has been performed to reduce production cost and claims on products. The Company has established a long term investment plan for 3 to 5 years in order to achieve continuous growth and increase competitiveness. Project Investments can be summarized as follows.

3.1 Projects in 2013 The Company has developed and invested in several projects which are all commercially feasible and can be summarized as follows.

- AAC-1 Project : Investment in machinery for production of the autoclaved aerated concrete with production capacity of 140,000 tons per year.
- CT-KK Project : Expansion of concrete tile production base with production capacity of 40,000 tons per year.
- AAC-CM Project : Investment in machinery for production of the autoclaved aerated concrete in Chiang Mai Province with production capacity of 50,000 tons per year.

3.2 Projects in 2014 For investment projects in year 2014, after the investments in 2013 in machinery, the Company’s overall production capacity has reached 982,000 tons per year, which is appropriate for market demand in 2014. Therefore in 2014, the Company has plan for investment in machinery to support the production of paints, namely the Paint Production Line Project, which is necessary in the production process in order to increase value to the products in tile product group, fiber cement tiles, siding boards. In addition, when the consumers buy natural color products, paints are usually needed for coating for their beauty and therefore, the Company deemed that it was necessary to produce paints commercially having investment budget of Baht 50 million and business value of about Baht 120 million. Benefits shall be 10 percent cost reduction on paint production and 10 percent increase in product value. The plant is expected to commence around the 4th quarter of year 2014.

4. Good Corporate Governance

Diamond Building Products, as a listed company in the stock exchange since 2005, is determined to become a leading organization with profession management giving precedence on the principles of Good Corporate Governance and strict compliance with practices as stipulated by the Stock Exchange of Thailand and the Securities and Exchange Commission (SEC). The Company has been assessed on its corporate governance and received several awards of pride in 2013 as follows.

4.1 The Company was placed in the “Excellent” group with five-star award () in the Top Quartile level in the group of companies with market capitalization of Baht 3,000 to 9,900 million, having received score of 95 percent, which is 4 percent higher than the previous year.

4.2 In the “SET Awards 2013”, the Company received “Top Corporate Governance Report Awards”.

4.3 For the Assessment of the Annual General Meeting of Shareholders of the Listed Companies Year 2013 by the Thai Investors Association (TIA), the Company received the score in the range of 100 points (“Excellent”).

5. Corporate Social Responsibility (CSR) and Sustainability

The Company operates the business in accordance with the established vision, core values and code of conduct, as well as adheres to the good corporate governance principles for its business operation and has established corporate social responsibility as part of the Company’s Code of Conduct. The Company realizes that the society is an important mechanism for promoting and pushing forward the Company for its existence, sustainability and development, as well as acceptance by all relevant parties. It is initiated from the society of Diamond People including directors, executives and employees at every level, which are the heart of the matter for promoting potential and competitiveness toward society and surrounding environment.

5.1 Responsibility Toward “Diamond Community”

Operation toward “Diamond Community” is carried out to conform with the business operation of the Company which can be done continuously to benefit the society and surrounding community, improving the quality of life, as well as organizing activities helping the society in many cases such as flood disaster and supporting learning development and building social responsibility conscious for young children. In 2013, the Company carried out work at the community level as follows.

- Job Creation in the Community: The Company has established policy to hire people from the surrounding community which helps people in the community to obtain income. Normally, the Company’s headquarter is located in Saraburi Province having about 800-900 employees, of which more than 75% are local people. Except for certain positions that could not be found from within the community, they would be opened from other sources. Also for the branch office in Khon Kaen Province and subsidiary company in Chiang Mai Province, job positions shall be filled by people from such community first.
- Participation in Human Development in the Community: With the experience, the Company takes the knowledge and skill in roof installation for training the people in the community to create jobs for the people in the community which they can use as their profession. Several programs were organized such as Phra Dabot Project, Diamond Heart Technicians Training Project, development of consciousness for the love of homeland, etc.

5.2 Environmental Responsibility

The Company realizes the importance of environmental responsibility. Accordingly, The Company has continuously adhered to the laws and regulations on environmental concerns as stipulated by the Ministry of Industry, Ministry of Natural Resources and Environment, Ministry of Public Health, Ministry of Labor and Ministry of Interior. During year 2012-2013, the Company passed all the standards and criteria in the environmental condition monitoring and measurements in the workplace including air, dust, noise, water and wastes in the production process, having no adverse impact or damage to the environment and resources of the community.

The Company has received industrial certifications from TUV NORD Thailand Co., Ltd., which guarantees that the Company’s production process has good environmental management system and according to the standard. The Company has already received three industrial standards and certifications, namely ISO 9001 : 2008, OHSAS 18001 : 2007 and ISO 14001 : 2004.

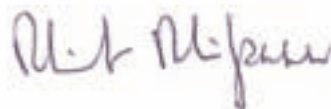
6. Dividend Payment in Year 2013

The Board of Directors wishes to inform the shareholders of the operating results according to the separate financial statements of year 2013. Total net profit for the year was Baht 448.72 million or Baht 0.43 per share from the par value of Baht 1.00 per share. It was thus proposed to pay a dividend of Baht 0.38 per share to the shareholders. Accordingly, the Company had paid the interim dividend of Baht 0.20 per share on September 19, 2013. Therefore, the remaining dividend of Baht 0.18 per share will be paid out on May 23, 2014. Total dividend payment amounts to 88 percent of net earnings per share for 2013. The Board of Directors has approved dividend payment at a high rate for the past several years to give good return to the shareholders and at the same time, the Company continues to invest in the expansion of factory to ensure sustainable growth every year.

7. Business Outlook in Year 2014

Business outlook in year 2014 still faces the political risk factor causing the consumers to lose confidence and hold back investments in the property sector. Moreover, the problem with falling price of rubber causes growers to lose spending power affecting domestic construction materials market to slow down. During this period of economic fluctuations, the Board of Directors shall manage the business prudently by adhering to the principle of good corporate governance as well as effectively manage its working capital in order for the Company to have good financial status and liquidity. At the same time, the Company shall focus on sales to neighboring countries where the markets are still growing.

The Board of Directors would like to extend its thanks and appreciation to the shareholders, business partners and stakeholders for the continued support that has enabled the Company to respectively attain success and progress thus far.

A handwritten signature in dark ink, appearing to read "Prakit Pradipasen".

Mr. Prakrit Pradipasen
Chairman of the Board

REPORT OF THE AUDIT COMMITTEE

The Audit Committee has been assigned with the roles and responsibility as chartered by the Board of Directors. The roles and responsibilities of the Audit Committee include the following: verification of the Company's financial statements for correctness and reliability; verification of the Company's internal control and internal audit system; verification of compliance with related law and regulations; the recommendation and selection of the Company's independent auditor; as well as consideration of the acquisition and disposition of assets and related transactions that may result in a conflict of interest for the Company in accordance with the laws. Accordingly, the Audit Committee submits its report to the Board of Directors quarterly for consideration. The Report of the Audit Committee for the year 2013 can be summarized as follows.

1. The quarterly and annual financial statements for 2013 of the Company and its subsidiary company have been audited and verified by the external accounting auditors for correctness according to general accounting standards. When significant errors were found, external auditor and accounting manager were consulted and concluded jointly before rectification. It was concluded that the quarterly and annual financial statements were correct and reliable and were prepared in accordance with the generally accepted accounting standards and that there were adequate and proper disclosure of information.
2. The scope the Audit Committee during 2013 also covered significant risk factors and sufficiency of internal controls of the Company. Findings by the Audit Committee concerning these issues are reported to the management with recommendations for the management to rectify any deficiencies and various working systems to ensure a more secured and proper control.
3. The Audit Committee has advised the management to place importance on business administration in accordance with the principle of good corporate governance, according to the regulations established by the Stock Exchange of Thailand. It is recommended that periodic review of the operations be carried out in order to increase confidence of the shareholders and all stakeholders, in particular the newly revised rules on good corporate governance.
4. Acquisition and disposition of assets, as well as related transactions and transactions that may result in a conflict of interest for 2013 have been audited by the committee. Transactions concerning the purchase and sale of products at commonly accepted prices and sufficient disclosure have been found to be in accordance with relevant laws and regulations.
5. Progresses of any lawsuits were reviewed during 2013 by which the Audit Committee has made recommendations by considering the worthiness of legal action on a case by case basis.
6. The Audit Committee has considered the selection of the independent auditor and determination of the audit fee for year 2014 by selecting the auditor who possesses the qualifications, quality and good working standard in the past. Accordingly, the Audit Committee has recommended the Board of Directors to propose to the Annual General Meeting of Shareholders Year 2014 for the appointment of an individual from KPMG Phoomchai Audit Ltd., namely Ms. Bongkot Amsageam, certified public accountant registration no. 3684, or Ms. Orawan Sirattawanong, certified public accountant registration no. 3757, or Ms. Vipavan Pattavanvivek, certified public accountant registration no. 4795, or Ms. Vannaporn Jongperadechanon, certified public accountant registration no. 4098, or Mr. Thanit Osathalert, certified public accountant registration no. 5155, as the independent auditor for the Company and its subsidiary company for year 2014. All the individuals are qualified public accountants according to the regulations of the Securities and Exchange Commission. The audit fee for year 2014 has been determined at Baht 1,340,000 for the Company and Baht 340,000 for the subsidiary company, totaling Baht 1,680,000, which is deemed as an appropriate audit fee.
7. In 2013, the Audit Committee held a total of 10 meetings. The Chairman of the Audit Committee and all three members of the Audit Committee attended all the meetings.

The Audit Committee is fully independent in carrying out its responsibilities and has received cooperation from all parties involved. Regular meetings with management and quarterly meetings with the independent auditor have been held in order to observe proper financial recording and control. No significant irregularities were found.

February 18, 2014

On behalf of the Audit Committee



(Mr. Sakda Maneeratchatchai)

Chairman of the Audit Committ

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE



The Nomination and Remuneration Committee (NRC) has carried out the duties as charged by the Board of Directors. During the 2013, the Committee held five meetings to consider the following issues:

(A) The selection and nomination for the replacement of Directors retiring by rotation

As per regulation, one-third of the Company's directors must be retired by rotation during the Annual Shareholder Meeting. The Nomination and Remuneration Committee is charged with selecting and nominating qualified candidates to replace the retiring directors. The Committee has set forth the following process:

1. The Nomination and Remuneration Committee will acknowledge names of directors retiring by rotation and the list of candidates nominated to replace them that have been proposed by the Company directors and by the shareholders.
2. The Nomination and Remuneration Committee will consider the list of proposed candidates. All candidates must be qualified and meet all requirements according to the law.
3. The Nomination and Remuneration Committee will select and propose the candidates at the meeting of the Board of Directors who will in turn propose the list of candidates at the Annual Shareholders Meeting.

(B) Consideration of Remuneration for the Board of Directors

The Nomination and Remuneration Committee has specified the following criteria for remuneration of the Board of Directors:

1. Remuneration must be suitable and in accordance with the duties and responsibilities of each director.
2. Remuneration must be comparable to remuneration of other companies registered with the Stock Exchange of Thailand of similar performance levels. Remuneration must be in the range that will provide incentive to attract and maintain quality directors.
3. Remuneration must be in line with the Company's overall performance.

The Nomination and Remuneration Committee has considered the remuneration of the directors and has proposed to the Board of Directors for approval at the Annual Shareholder Meeting the following issues:

- Amount of monthly remuneration for the Chairman of the Board and for the company directors.
- Amount of monthly remuneration for the Chairman of the Audit committee and Audit Committee members.
- Amount of monthly remuneration for the Chairman of the Nomination and Remuneration Committee and the Nomination and Remuneration Committee members.
- Payment of annual remunerations or bonuses to the Board of Directors according to the Company's performance.

(C) Consideration of the criteria for evaluation of the Company's performance

The Nomination and Remuneration Committee has chosen the Key Performance Indicators (KPI) of the Company to be the criteria used to evaluate annual salary adjustment and yearly bonus for the Company's employees. The Nomination and Remuneration Committee has evaluated the Company's performance based on the annual budget, operational targets, as well as market and economic conditions.

(D) Consideration of the annual salary adjustment and yearly bonus for the Company's executives and employees

1. The Nomination and Remuneration Committee has considered the annual salary adjustment and yearly bonus for high ranking executives of the Company by evaluation of the company performance and the performance of the individual executive. Accordingly, the yearly bonus for high ranking executives shall be based on the same criteria as for all the Company's employees in general.
2. The Nomination and Remuneration Committee has considered the annual salary adjustment and yearly bonus for the Company's employees by evaluation of overall Company's performance, market and economic conditions, and employment market situation including comparisons of salary adjustment with companies in similar industries.

(E) Allocation of the remaining ESOP warrants

The Nomination and Remuneration Committee has considered the allocation of ESOP warrants which had been issued to the Directors and employees on October 1, 2009 for 49.65 million units but there were five employees allocated with the warrants resigning and as a result, 1,692,000 units of warrants were not allocated. Since the number of unallocated warrants was small and there was only 6 months remaining for the exercise period, the Nomination and Remuneration Committee resolved not to allocate these remaining warrants.

February 13, 2014

On Behalf of the Nomination and Remuneration Committee,

A handwritten signature in dark ink, appearing to read 'cfit & laum', is centered below the text.

(Mr. Chaiyut Srivikom)

Chairman of the Nomination and Remuneration Committee

REPORT OF THE RISK MANAGEMENT COMMITTEE



The Risk Management Committee has performed its duties as assigned by the Management Committee and the Board of Directors. During year 2013, the Risk Management Committee held eight meetings altogether with the committee comprising of 15 executives from every department of the Company having knowledge and capability for risk management attending every meeting, which can be summarized as follows.

1. Performed regular reviews of risks at all levels by evaluation and analysis of risk factors and prioritizing risks by evaluating likelihood of occurrence and impact. Whereby issues that were deemed to need immediate attention were labeled “Red Risk” and issues that were considered to be potential risk factors were labeled “Yellow Risk”. The Risk Management Committee will originate a plan to address these risk issues appropriately.
2. Considered the risk management policy and guideline in controlling of risks for every new product of the Company.
3. Monitored the results of the risk management work which must be quickly resolved, including setting up guidelines for mitigation of risk that may occur in the future by preparing the Risk Management Report for review by the Audit Committee before proposing to the Management Committee and the Board of Directors at least once every quarter.
4. Announced the policy and reviewed the risk management system, management plan during crisis situation including the audit and reporting process in order to enhance confidence that the Company possesses appropriate and effective risk management system.
5. Oversaw that the risk management was properly carried out within the framework and reviewed the information concerning risks were disclosed correctly and regularly to the compliance unit and the public.

During the past year, the Risk Management Committee has systematically functioned and closely monitored the work results, successfully controlling risks at an acceptable level so that they did not impact the Company’s operations. This is for the best interest of the Company, the shareholders and every stakeholder.

February 12, 2014

On behalf of the Risk Management Committee

A handwritten signature in blue ink, appearing to read "Satid Sudbuntad".

(Mr. Satid Sudbuntad)

Chairman of the Risk Management Committee

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

The Board of Directors gives precedence to good corporate governance and therefore has appointed the Corporate Governance Committee to establish policy, rules and regulations for good practices in accordance with the principles of good corporate governance, including operation concerning corporate social responsibility, in order to have effective and transparent management that can be monitored, which should enhance confidence among all stakeholders. In 2013, the Corporate Governance Committee held a total of three meetings to follow up on the corporate governance plan, which can be summarized as follows.

1. Rectified the Good Corporate Governance Handbook based on the rules on corporate governance as stipulated according to the notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand including rectification of the Guidelines to Good Corporate Governance and Code of Conduct by adding code of conduct on anti-corruption to be adhered to by the every director, executive and employee. These information have been disseminated on the Company's website and intranet system.
2. Established the process for monitoring and supervision that the Good Corporate Governance Handbook was followed and that the business ethics was announced and disseminated to every employee to be developed into a corporate culture by putting in good corporate governance, corporate social responsibility and code of business conduct as part of the orientation of new employee, employee training and development program, ISO and safety training, as well as printing pamphlets to disseminate the information to every employee for acknowledgment.
3. Participated in the good corporate governance projects; including the listed company development program relating to good corporate governance year 2012-2013, which were organized by the Stock Exchange of Thailand in order to develop and improve corporate governance of the Company to the international standard level, enhancing confidence to all stakeholders.
4. The Board of Directors has assigned the Corporate Governance Committee to establish rule and arrange so that there is a self-assessment of the Board of Directors' performance once a year by using the assessment form as guided by the Thai Institute of Directors and the Stock Exchange of Thailand with revisions appropriate for the Company. In 2013, the assessments of performance of the whole Board of Directors, individuals and sub-committees have been established with the following objectives.
 - For acknowledgment of problems and obstacles which have caused the work not achieving its objective during the past year.
 - For more effective work of the Board of Directors as it can clearly acknowledge its own responsibilities.
 - For improvement of relationship between the Board of Directors and the Management of the Company.

The self-assessment of the Board of Directors' performance can be summarized as follows:

4.1 Self-assessment of the Board of Directors' Performance for the whole Board and Individual.

Maximum of 7 assessment topics can be summarized as follows.

- (A) Composition and Qualifications of the Board of Directors (Only for the whole Board).
- (B) Roles, Duties and Responsibilities of the Board of Directors.
- (C) Meeting of the Board of Directors.
- (D) Functioning of the Board of Directors.
- (E) Relationship with the Management.
- (F) Self-development of the Directors and Executives.
- (G) Board of Directors' assessment results report sheet for each Director to conclude on each topic describing strengths, weaknesses and improvements.

4.2 Self-assessment of the Sub-committee's Performance.

Maximum of 6 assessment topics can be summarized as follows.

- (A) Composition of the sub-committee.
- (B) Knowledge and capability of the sub-committee.
- (C) Independence of the Sub-committee (only the Audit Committee).
- (D) Roles, Duties and Responsibilities of the Sub-committee.
- (E) Meeting of the Sub-committee.
- (F) Sub-committee's assessment results report sheet for each committee member to conclude on each topic describing strengths, weaknesses and improvements.

4.3 Summary of the Board of Directors' Assessment for Year 2013

- (A) Summary result of the self-assessment of the Board of Directors' performance for year 2013 has the average score of 94.0 percent. The assessment topic that has the highest average score of 97.1 percent is (C), the Meeting of the Board of Directors.
- (B) Summary result of the self-assessment of the Board of Directors' performance of the Individual for year 2013 has the average score of 94.2 percent. The assessment topic that has the highest average score of 97.3 percent is (D), the Functioning of the Board of Directors.
- (C) The results of the self-assessment of the sub-committee as a whole can be summarized as follows.
 - Summary result of the self-assessment of the Audit Committee as a whole for year 2013 has the average score of 96.4 percent. The assessment topic that has the highest average score of 99.4 percent is (A), the Composition of the Audit Committee.
 - Summary result of the self-assessment of the Nomination and Remuneration Committee as a whole for year 2013 has the average score of 92.4 percent. The assessment topic that has the highest average score of 95.0 percent is (E), the Meeting of the Nomination and Remuneration Committee.
- 5. With intention to become a leading organization with professional management and emphasis on good corporate governance, in 2013, the Company received the following awards relating to corporate governance assessment.
 - 5.1 The Company was placed in the **"Excellent"** group with five-star award (★★★★★) in the Top Quartile level in the group of companies with market capitalization of Baht 3,000 to 9,900 million, having received score of 95 percent, which is 4 percent higher than the previous year.
 - 5.2 In the "SET Awards 2013", the Company received **"Top Corporate Governance Report Awards"**.
 - 5.3 For the Assessment of the Annual General Meeting of Shareholders of the Listed Companies Year 2013 by the Thai Investors Association (TIA), the Company received the score in the range of 100 points (**"Excellent"**).

The corporate governance works during the past year have achieved their established targets. The Corporate Governance Committee shall focus on the development of good corporate governance as well as the corporate social responsibility to further enhance its effectiveness for the best interest of the shareholders, community, society and environment and all stakeholders.

February 28, 2014

On behalf of the Corporate Governance Committee



(Mr. Thanit Pulivekin)

Chairman of the Corporate Governance Committee

REPORT OF THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

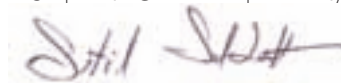
The Management Committee has been assigned by the Board of Directors to appoint the Corporate Social Responsibility Committee (CSR Committee). In 2013, the CSR Committee held a total of two meetings to establish the policy, direction and guidelines concerning the corporate social and environmental responsibility of the Company, which can be summarized as follows

1. Established policy concerning the social and environmental responsibility and disseminated such announcement to the Directors, executives and every employee for their acknowledgment and practice.
2. Prepared plan and budget for the work on social and environment by allocating into two parts, including the part for activities within the Company to take care of Employees' livelihood and another part for activities outside the Company to take care of the society, community and environment.
3. Prepared and disseminated information relating to social and environmental responsibility on the Company's website and intranet to improve communication among the Company and every stakeholder for better effectiveness and to gain access to the information and news of the Company in a quick, complete and correct manner.
4. Participated in the development of people in the community by bringing knowledge and skills on roof installation, which the Company has the expertise, to teach and develop the people in the community in order to create jobs and increase income for the people in the community. Several projects were organized during 2013 as follows.
 - 4.1 "Diamond Heart" Project Class 2: The Company organized "Diamond Heart" training course Class 1 for nearby community, providing knowledge on roof installation, siding boards and eaves installation by using Company's products under "Diamond" brand. In 2013, the Company coordinated with the Department of Skill Development of Saraburi Province to assign and include the "Diamond Heart Technicians Training" program into the skill development plan with course certificate to be issued to every course participant.
 - 4.2 "Phra Dabot" Project: The Company joined the technical training program and supplied course materials for the students of Phra Dabot School under the Royal Patronage, which has been carried out for several years. The Company participated in the development of the training course in construction-roof tile installation for Phra Dabot students as an alternative course as well as expansion of technical knowledge and profession.
 - 4.3 "Phra Dabot's Offsprings" Project: Taking theoretical knowledge into real practice by having the students of Phra Dabot School build a complete house by which the Company provided all construction equipment.
 - 4.4 Other projects that the Company has supported for the people in the community to earn more income such as "Diamond Builds Professional Transport Service Personnel" Project, which was opened to train and provide knowledge on transport to promote jobs for the decommissioned soldiers as well as open opportunity for the disabled persons and their caretakers to sell products or services to the employees in the Company so that they can earn income and become self-sufficient, etc.
5. Participated in activities and training courses relating to the social and environmental responsibility including development project for the listed companies on the preparation of CSR Report and "GRI Global Conference Debrief on Sustainability and Reporting" organized by the Thaipat Institute of Thai Rural Reconstruction Movement Foundation under the Royal Patronage, as well as seminar on guidelines for disclosure of information concerning CSR according to Form 56-1 organized by the Office of the Securities and Exchange Commission (SEC), etc.
6. Prepared the Corporate Social Responsibility and Sustainability Report for reporting its operation during year 2013. The Corporate Social Responsibility Committee has been able to carry out work according to the established plan.

The Company realizes the importance of "Society" that it is the key mechanism for supporting and pushing forward the Company for its existence, sustainability and development, as well as acceptance by all stakeholders.

February 12, 2014

On behalf of the Corporate Social Responsibility Committee



(Mr. Satid Sudbuntad)

Chairman of the Corporate Social Responsibility Committee

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BOARD OF DIRECTORS

The Company's Board of Directors comprises of 12 Directors.

Mr. Prakit Pradipasen

Chairman

Age 71 Years / Nationality : Thai

Shareholding in the Company as of Year 2012 : 2013 = 1.64% : 1.40% of the paid-up capital and total voting rights.

Education/Training

- Bachelor of Science in Business Administration Silliman University, Philippines
- Master of Business Administration Wayne State University, USA
- Citibank Credit Training Center, Philippines
- Senior Executive Program, Stanford National of Singapore, Singapore
- Special Program of National Defence College, Joint Public & Private Sector Class 3
- Program for Senior Executive The Sloan School of Management Massachusetts Institute of Technology, USA
- Director Accreditation Program (DAP 1/2003)

Work Experience

2002 - Present	Director Myriad Materials Co.,Ltd.	2000 - Present	Chairman, Independent Director and Nominating and Corporate Governance Committee Chairman The Erawan Group Plc.
2000 - Present	Director, Audit Committee Chairman and Nomination and Remuneration Committee Member Supalai Plc.	2004 - 2011	Chairman Thai Sugar Millers Crop, Etc.
2000 - Present	Independent Director and Audit Committee Member Susco Plc.		
2000 - Present	Chairman and Independent Director Asian Marine Service Plc.		



Mr. Chaiyut Srivikorn

Director / Nomination and Remuneration Committee Chairman

Age 47 Years / Nationality : Thai

Shareholding in the Company as of Year 2012 : 2013 = 0.25% : 0.30% of the paid-up capital and total voting rights.

Education/Training

- Bachelor of Economics, New York University, USA
- Master of Public Administration, NIDA
- Director Accreditation Program (DAP 33/2005)
- Role of the Compensation Committee (RCC 7/2008)
- Successful Formulation and Execution of Strategy (SFE 13/2011)

Work Experience

2004 - Present	Chairman K M C Apparel Co.,Ltd.	1999 - Present	Chairman Thai Outdoor Sport Co.,Ltd.
2002 - Present	Director Myriad Materials Co.,Ltd.	1998 - Present	Executive Director Srivikom Group Holdings Co.,Ltd., Etc.
1999 - Present	Executive Director TCH Suminoe Co.,Ltd.		



Mr. James Patrick Rooney

Director

Age 75 Years / Nationality : American

Shareholding in the Company as of Year 2012 : 2013 = 0.37% : 0.42%
of the paid-up capital and total voting rights.

Education/Training

- The American Graduate School of International Management, MBA
- Yale University Department of Far Eastern Studies
- Pomona College, BA
- Director Certification Program (DCP 47/2004)
- Charter Director (Class 4/2008)

Work Experience

2003 - Present	Director Myriad Materials Co.,Ltd. Bangkok, Thailand	1994 - Present	Director Bangkok Airways Limited, Bangkok, Thailand
2003 - Present	Director Samitivej Plc.	1979 - Present	Chairman
1998 - Present	Director AsiaWorks Television Limited Bangkok, Thailand, Etc.		J.P. Rooney&Associates Ltd., Bangkok, Thailand

Mr. Phaithoon Kijsamrej

Director / Nomination and Remuneration Committee Member

Age 70 Years / Nationality : Thai

Shareholding in the Company as of Year 2012 : 2013 = 0.18% : 0.17%
of the paid-up capital and total voting rights.

Education/Training

- Bachelor of Commerce, Chulalongkorn University
- Asian Institute of Management, Manila, Philippines
- Pacific Rim Bankers Program, University of Washington, Seattle, USA
- Director Accreditation Program (DAP 32/2005)
- Director Certification Program (DCP 55/2005)

Work Experience

2004 - Present	Audit Committee Chairman The Thai Chamber of Commerce and Thai Chamber of Commerce Federation	2003 - Present	Director Elm Tree Co.,Ltd.
		2001 - Present	Director Siam Administrative Management Co.,Ltd.
2003 - Present	Director Myriad Materials Co.,Ltd.	1998 - Present	Director SCMB Co.,Ltd. , Etc.



Mr. Thanit Pulivekin

Independent Director / Audit Committee Member / Corporate Governance Committee Chairman

Age 63 Years / Nationality : Thai

Shareholding in the Company as of Year 2012 : 2013 = -None-

Position as the Independent Director: Started from April 24, 2013, totaling 8 Months

Education/Training

- B.SC (Chemical Engineering), Chulalongkorn University
- Director Accreditation Program (DAP 105/2013)
- Audit Committee Program (ACP 44/2013)

Work Experience

2011 - Present	Director Pattaya Grand Village Co.,Ltd.
2002 - 2010	Vice President-Technical and Engineering Siam City Cement Plc.

Mr. Sakda Maneeratchatchai

Independent Director / Audit Committee Chairman

Age 69 Years / Nationality : Thai

Shareholding in the Company as of Year 2012 : 2013 = 0.44% : 0.39%
of the paid-up capital and total voting rights.

Position as the Independent Director: Started from April 17, 2009, totaling 4 years

Education/Training

- Bachelor of Electrical Engineering, FEATI University, Philippines
- Director Accreditation Program (DAP 32/2005)
- Audit Committee Program (ACP 4/2005)

Work Experience

1999 - 2006 Director, Executive Director and Managing Director Diamond Building Products Plc.
2007 - 2008 Advisor Diamond Building Products Plc.



Mr. Anun Louharanoo

Independent Director / Audit Committee Member / Nomination and Remuneration Committee Member

Age 60 Years / Nationality : Thai

Shareholding in the Company as of Year 2012 : 2013 = 0.18% : 0.22%
of the paid-up capital and total voting rights.

Position as the Independent Director: Started from January 10, 2005, totaling 8 years

Education/Training

- Bachelor of Accounting, Thammasat University
- Bachelor of Laws, Thammasat University
- Director Accreditation Program (DAP 1/2003)
- Director Certification Program (DCP 29/2003) & (RE DCP 2/2006)
- Audit Committee Program (ACP 2/2004)
- Improving the Quality of Financial Reporting (QFR 2/2006)
- Monitoring the System of Internal Control and Risk Management (MIR 1/2007)
- Monitoring the Internal Audit Function (MIA 1/2007)
- Corporate Governance Workshop Board Performance Evaluation 2007
- Role of the Compensation Committee (RCC 7/2008)

Work Experience

2012 - Present Director Do It Co., Ltd.
2012 - Present Independent Director and Audit Committee Member Thailand Carpet Manufacturing Plc.
2008 - Present Director PT. Singlurus Pratama
2006 - Present Commissioner PT. Lanna Mining Services
2003 - Present Director Thai Agro Energy Plc.
1998 - Present Director PT.Lanna Harita Indonesia
1985 - Present Director, Executive Director, Chief Financial Officer and Company Secretary Lanna Resources Plc.
2004 - 2011 Independent Director/Audit Committee Member Royal Porcelain Plc., Etc.

Mr. Woodthikrai Soatthiyanon

Independent Director / Corporate Governance Committee Member

Age 60 Years / Nationality : Thai

Shareholding in the Company as of Year 2012 : 2013 = -None-

Position as the Independent Director: Started from February 12, 2011, totaling 2 years

Education/Training

- LL.B., Ramkhamhang University
- Thai Barrister at Law
- Master of Public and Private Management, School of Public Administration, National Institute of Development Administration
- Director Accreditation Program (DAP 89/2011)

Work Experience

2007 - 2008 Director Ayudhya Allianz C.P. Life Plc.
2005 - 2006 SVP-Bancassurance Strategie Support, Bancassurance Dapt Ayudhya Allianz C.P. Life Plc.





Mr. Asanee Chantong

Director / Management Committee Chairman / Managing Director

Age 61 Years / Nationality : Thai

Shareholding in the Company as of Year 2012 : 2013 = 0.10% : 0.14%
of the paid-up capital and total voting rights.

Education/Training

- Bachelor of Science (Chemistry), Chiangmai University
- Master of Management, Sasin Graduate Institute of Business Administration, Chulalongkorn University
- Director Accreditation Program (DAP 63/2007)
- Financial Statements for Directors (FSD 6/2009)

Work Experience

2013 - Present Chairman Diamond Materials Co., Ltd.
2004 - 2006 Managing Director S.K.I. Ceramics Co.,Ltd.
2000 - 2004 Joint Managing Director Kohler (Thailand) Plc.

Mr. Maitree Tawonatiwasna

Director / Management Committee Member / Deputy Managing Director Production & Engineering

Age 67 Years / Nationality : Thai

Shareholding in the Company as of Year 2012 : 2013 = 0.21% : 0.26%
of the paid-up capital and total voting rights.

Education/Training

- Bachelor of Industrial Electrical Technology, King Mongkut's Institute of technology North Bangkok
- Master of Business Administration, NIDA
- Director Accreditation Program (DAP 89/2011)

Work Experience

2013 - Present Director Diamond Materials Co., Ltd.
1997 - 2004 Managing Director Kohler (Thailand) Plc.



Mr. Satid Sudbuntad

Director / Management Committee Member / Corporate Governance Committee Member / Deputy Managing Director Sales & Marketing

Age 53 Years / Nationality : Thai

Shareholding in the Company as of Year 2012 : 2013 = 0.47% : 0.52%
of the paid-up capital and total voting rights.

Education/Training

- Bachelor of Engineering, King Mongkut's Institute of technology North Bangkok
- Master of Engineering Administration (Major in Marketing Technology) The George Washington University, Washington D.C., USA
- Managing Change and Change of Management in Asia, Insead Euro-Asia Center, Hong Kong (2/2000)
- Orchestrating Winning Performance International Institute for Management Development, Lausanne, Switzerland (6/2000)
- Director Certification Program (DCP 12/2001)
- Finance for Non-Finance Director (FN) 2003
- Audit Committee Program (ACP 8/2005)

Work Experience

2013 - Present Director Diamond Materials Co., Ltd.
1999 - 2005 Director Karat faucet Co.,Ltd.

Mr. Krit Phanratanamala

Director

Age 45 Years / Nationality : Thai

Shareholding in the Company as of Year 2012 : 2013 = -None-

Education/Training

- Bachelor of Electrical Engineering, Chulalongkorn University
- Master of Business Administration (Finance), University of Florida, USA
- Master of Science (Communication and Signal Processing), Imperial College, University of London, England
- Chartered Financial Analyst, CFA Institute, USA
- Director Accreditation Program (DAP 86/2007)
- Advanced Audit Committee Program (ACP 1/2009)

Work Experience

- 2011 - Present Director Biodegradable Packaging for Environment Plc.
- 2011 - Present Audit Committee and Independent Director Group Lease Plc.
- 2008 - Present Audit Committee and Independent Director Quality House Plc.
- 2006 - Present Director Royal Porcelain Plc.
- 2006 - Present Audit Committee and Independent Director Union Mosaic Industry Plc.
- 2005 - Present Investment Director Thai Prosperity Advisory Co., Ltd.



Executives



Mr. Suwit Kaewamphunsawat

Management Committee Member / Assistant Managing Director Sales & Marketing

Age 50 Years / Nationality : Thai

Shareholding in the Company as of Year 2012 : 2013 = 0.27% : 0.27%
of the paid-up capital and total voting rights.

Education/Training

- Bachelor of Laws, Chulalongkorn University
- Master of Public Administration, NIDA

Work Experience

- 2013 - Present Director Diamond Materials Co., Ltd.
- 2000 - 2004 Sales Manager Diamond Building Products Plc.
- 1999 - 2000 Sales and Marketing Manager Diamond Building Products Plc.

Company Secretary

Ms. Thanakarn Phanthapirat

Management Committee Member / Assistant Managing Director Accounting & Finance / Company Secretary

Age 58 Years / Nationality : Thai

Shareholding in the Company as of Year 2012 : 2013 = 0.22% : 0.26%
of the paid-up capital and total voting rights.

Education/Training

- Bachelor of Accounting, Chiangmai University
- Master of Business Administration, NIDA
- Company Secretary Program (CSP 5/2004)

Work Experience

- 2013 - Present Director Diamond Materials Co., Ltd.
- 2001 - 2006 Accounting & Finance Manager Diamond Building Products Plc.
- 1997 - 2000 Accounting Manager Toyota (Thailand) Co., Ltd.



The Company produces and distributes roofing products, boards and ceilings, siding boards, and other roof accessories and non-roof products as well as being a service provider for roof stripping and installation under the trademark names of Diamond, Roof, Adamas, and Jearanai. The Company's main products are as follows:

1. **Tile Product Group** is divided into 3 categories as follows.
 - Fiber Cement Tiles, namely Roman Tiles, Small Corrugated Tiles, Flat Sheets, Fiber Cement Ridges, etc.
 - Concrete Tiles, namely Gran Onda, Adamas, Concrete Ridges, etc.
 - Jearanai Tiles, namely Jearanai Tiles, Jearanai Ridges, etc.
2. **Board and Ceiling Product Group**, namely boards, ceilings, autoclaved aerated concrete, etc.
3. **Siding Board Product Group**, namely siding boards, lathes, eaves, etc.
4. **Special Products such as Roof Accessories and Non-Roof Products as follows:**
 - Roof Accessories, namely battens, Foils, Bird Guards, Paints, etc.
 - Non-Roof Products, namely Truss, Laminate, Gypsum Boards and Water Tanks, etc.
5. **Roof stripping and installation services, truss and laminate installation** by teams of experts who have received training with the Company.

Revenue Structure

As of year ending December 31st for each of the past 3 years:

Products and Services	2013		2012		2011	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues from sales and services						
1. Revenue from Product Sales	4,065.14	92.35%	3,631.54	93.51%	3,482.89	94.31%
1.1 Roofing Tiles Products	2,432.11	55.25%	2,579.90	66.43%	2,529.25	68.48%
1.2 Board and Ceiling Products	521.26	11.84%	226.80	5.84%	304.19	8.24%
1.3 Siding Board Products	686.94	15.61%	581.05	14.96%	463.11	12.54%
1.4 Special Group Products	424.82	9.65%	243.79	6.28%	186.34	5.05%
2. Revenue from Services	336.71	7.65%	252.04	6.49%	210.23	5.69%
Total Revenues from sales and services	4,401.84	100.00%	3,883.58	100.00%	3,693.12	100.00%



D-BUILDS : Determined, Transparent, Yearning for Development, Environmental Protection



DIAMOND PEOPLE Training Development for Excellence

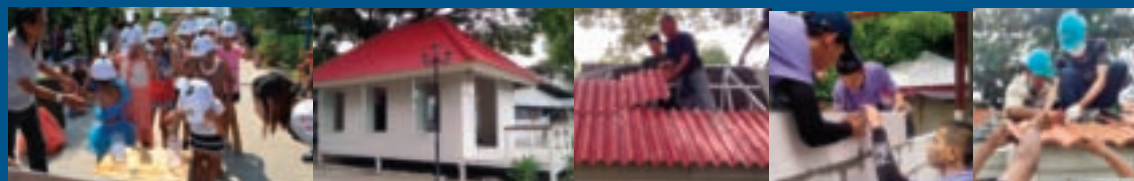


Occupational Health and Safety Management



Policy on Corporate Social Responsibility

- Operate the business with ethics and accountability to the society.
- Participate in the development of community around its business operation and overall society in terms of economy, society, community and environment.
- Respect the laws and human rights without discrimination.
- Encourage and foster charitable spirit and social responsibility consciousness for employees at every level of the Company seriously and continuously for the common interest without expecting anything in return.
- Promote activities that are beneficial and sustainable to the community and society.



DIAMOND COMMUNITY



CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY REPORT



The Company operates the business in accordance with the established vision, core values and code of conduct, as well as adheres to the good corporate governance principles for its business operation and has established corporate social responsibility as part of the Company's Code of Conduct. The Company realizes that the society is an important mechanism for promoting and pushing forward the Company for its existence, sustainability and development, as well as acceptance by all relevant parties. It is initiated from the society of Diamond People including directors, executives and employees at every level, which are the heart of the matter for promoting potential and competitiveness toward society and surrounding environment, as well as encouraging Diamond People to work in the same direction. Accordingly, the Company has established its policy on corporate social responsibility as follows.

Code of Conduct

The Company has established the Code of Conduct in writing and announced it since year 2005 and revisions have been made accordingly for the directors, executives and employees at every level to follow, which sets out clear guidance on the code of conduct toward every group of stakeholders including shareholders, customers, trading partners, competitors, creditors, employees, society and environment by adhering to the laws and human rights principles, fair competition, political neutrality, anti-corruption, responsibility to society, community and environment, etc.

Key Factors in Sustainable Development

Key factors in sustainable development are derived from the vision and code of conduct which emphasizes business operation toward success and excellence, responsibility toward society and environment. Accordingly, factors to sustainable development must begin with the development of Diamond People; namely, directors, executives and employees at every level, to work hard in unity, adhere to honesty, transparency, eager to learn and share out, as well as take care of Diamond People to have good quality of life and safe living. Not less important, every group of stakeholders concerning with business operation of Diamond must be taken care of and their interest must be maintained and balanced with fairness. Therefore, plan for sustainable development shall come from significant factors which are shown in the Table below, having details for each factor under the topic of Guideline on the Sustainable Business Operation of Diamond.

DEVELOPMENT PLAN FOR DIAMOND PEOPLE	DIAMOND PEOPLE	DIAMOND BUSINESS	DIAMOND COMMUNITY	ENVIRONMENTAL RESPONSIBILITY
(3)	1.1 Occupational Health and Safety Management	2.1 Fair business operation	3.1 Job creation in the community	4.1-4.3 Protection and reduction of impact from pollution, namely management of air quality, dust, noise, water and waste in the production process
(3)	1.2 Development training such as Building Core Value – DNA “Diamond People”	2.2 Responsibility to consumers such as marketing communication	3.2 Participation in human development in the community	4.4 Improvement of environmental friendly products manufacturing
(2)	1.3 Respect human rights	2.3 Anti-Corruption	3.3 Development of consciousness for Diamond People to love their homeland	4.5 Energy management
(2)	1.4 Fair treatment to labor		3.4 Community Involvement	4.6 Transportation management
(1)	1.5 Responsibility to Diamond People society		3.5 Social Investment and Social Impact Assessment 3.6 Communication and Broadcast	4.7 Installation service system management 5. New Innovation Projects
DEVELOPMENT PLAN FOR STAKEHOLDERS	(3)	(2)	(2)	(3)

LEVEL OF IMPORTANCE : (3) VERY IMPORTANT (2) IMPORTANT (1) MINOR IMPORTANT

Policy on Sustainable Business Conduct of Diamond Brand

Policy on sustainable business conduct of Diamond Brand originates from care and attention for the Diamond People at every level in order to have good quality of life. After they have become strong, then every group of stakeholders involving with business operation, community and environment can be taken care of. Accordingly, policy on sustainable business conduct of Diamond Brand has been established as follows.

1. Diamond People

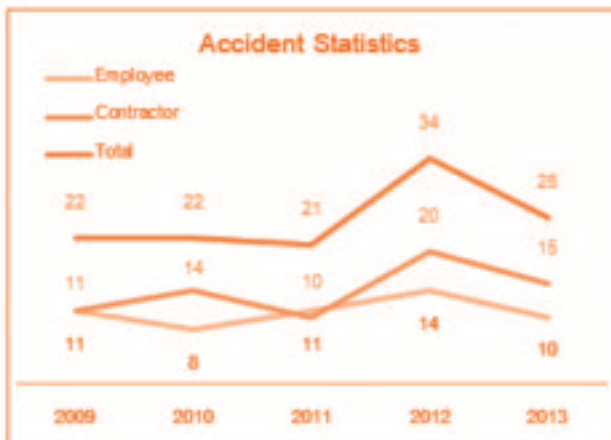
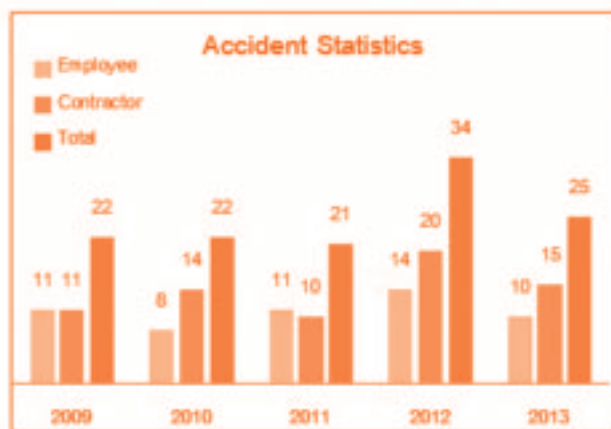
The Company believes that Diamond People have potential to conduct and take the business of Diamond Brand to success and sustainability. The society of Diamond People is developed for good quality of life and safe living by realizing the importance of occupational health and safety and working environment and by believing that accident, injury and disease in the workplace can be prevented by building safety consciousness and participation by everyone in the organization.

1.1 Occupational Health and Safety Management

The Company is determined to continuously oversee the safety of Diamond People, contractors and visitors. The Safety Team and Occupational Health and Safety Unit have established the safety protection measure, organized training courses on safety and campaign on reduction of risky behaviors that cause accidents during every holiday of the year. This has resulted in the awareness of Diamond People participating and helping to protect and reduce the accidents. Due to serious attempt at safety protection, accident incidents in 2013 have been reduced to 25 times as compared with 34 times in 2012 or reduction of 26%. Most of which were not severe and not necessary to stop working.

Accident Statistics from Year 2009 to 2013

Accident Statistics	Total	Employee	Contractor	Contractors by Group			Level of Severity	
				Production Maintenance	Transportation	Repair Construction	Severe: Stop Working	Not Severe: No Stop Working
2009	22	11	11	7	3	1	1	20
2010	22	8	14	12	1	1	13	9
2011	21	11	10	8	0	2	10	11
2012	34	14	20	17	1	2	11	20
2013	25	10	15	11	2	2	10	15



Safety Protection Measure

(A) Procedure for Working at High Places

Several business operations and transactions of the Company involve risks which can easily cause accident if there are no safety rules in place, such as installation of roof and truss in high places, covering of canvas on the truck. Accordingly, procedure for safety equipment protection has been established as follows.

1. Loading-unloading of products: Must have flag or traffic baton waving and siren signal.
2. Loading-unloading of products: Crane must be inspected, safety hat, safety shoes and gloves must be worn, block the back and wear safety belt.
3. Safety belt must be worn when covering truck with canvas.
4. Regularly organize meetings on safety with employees and contractors.
5. Visitors must walk on the designated paths.

(B) Safety Knowledge Training

The Safety Team has organized training program on safety for the employees for each responsible area, as known as “Talk & Train” as follows.

1. Hold “Safety Talk” meeting and safety training every morning before work.
2. Organize 100% orientation for new employees and new contractors.
3. Build safety consciousness at workplace by organizing training on the role and duty of the Safety Team and training on workplace safety, namely crane operation, driving vehicles, transportation, first-aid, basic firefighting, of which over 25,000 of training hours have been recorded.

(C) Training on Emergency Response

The Safety Team has organized training on emergency response such as emergency practice drill in case in case of broken asbestos bag and chemical leak, as well as fire evacuation drill, etc.

(D) Crisis Management

Crisis management is carried out during crisis situation rather than during a normal situation without any preparation or backup plan. The crisis management is necessary for lessening impact to the stakeholders of the organization or such crisis situation can possibly be turned into an opportunity. The procedure for crisis management has been established to extend from prevention of crisis before, during and after the crisis. The Company foresees the importance of this matter and therefore has appointed the “Crisis Management Team” to establish policy and guideline on the crisis management as well as forming a working unit and personnel responsible for the crisis management in order to support and mitigate impact that may occur in the future as follows.

Crisis Management Team (CMT)

- The Crisis Management Team (CMT) comprises of the whole Management Committee, Accounting and Finance Manager and Project Division Manager, to respond to possible crisis and emergency situation by putting emphasis on issues that may have adverse impact to business operation, share price and reputation of the Company in the future and working closely with the Board of Directors.
- Emergency Management Teams (EMT) comprises of managers from all divisions working as a team to advise, support and directly coordinate with supervisor of the crisis, prepare impact mitigation plan for the crisis and find and propose solutions to the CMT.
- Emergency Response Teams (ERT) are the same personnel as the EMT, responsible for considering according to regulations relating to safety and security of the area, focusing on life saving, property protection and reduction of environmental impact. Any person is allowed to call upon the service of ERT or ask for emergency response.

(E) Safety Campaign and Promotion Activities

This year is the year of accident reduction campaign. Accordingly, the Safety Team has continued to promote and campaign on safety, contributing to the awareness and participation of Diamond People on safety protection which can be summarized as follows.

- “Year of Accident Reduction Campaign” Activity at Diamond Kitchen by having each department making a statement on its intention to help reduce workplace accident.
- “SHE LOVES YOU: SHE LOVES YOUR LIFE YEAR 2” Activity: A campaign for safety during Love Festival to make people in the organization aware of the love of life and accident protection.
- “Safety Talk and KYT” Activity: A campaign to promote and convey on at least ten safety-related stories per week, totaling 500 stories per year.
- “Holidays Festival” Activity: A campaign to stop risky behaviors including 1) stop traffic law violation behavior, 2) stop behavior of not wearing protective gears, 3) stop behavior of smoking outside permitted area, 4) stop behavior of drinking alcohol, being drunk at work, etc.
- “Annual Health Checkup” Activity: A health checkup program for employees and contractors according to their risk factors.
- “Workplace Safety Week” Activity: A campaign to promote safety, health and environment.
- “Songkran – Go Home Safely” Activity: A campaign to promote making a safe trip back home including giving a sleepiness prevention bags to the vehicle drivers.
- “New Year Campaign – No Drink and Drive” Activity: A campaign to promote no drunk driving during New Year festival.
- Risky Behavior Report Activity by designating each target area to report on the risky and unsafe behavior to the Occupational Health and Safety team for acknowledgment by which no less 10,000 items were reported for analysis as part of the campaign and safety organization to reduce risky behavior.
- Near Miss Accident Report Activity was the campaign which was welcome and participated by the owners of the area.
- “Care for Someone: Wear Helmet” Activity was the campaign for safe driving especially during the New Year 2014 Festival to promote; wear helmet/fasten seatbelt/follow traffic law/no driving drunk, sleepy and phone calling and “Wishing for Safe Trip and Happy New Year”.
- “Safety Week No. 8” Activity was the campaign for promoting safety within the Company starting from “Safety Week No. 1” in year 2006. The “Safety Week No. 8” activity was held during November 25-27, 2013, having contests such as driving forklift safely, organize emergency team, Safety Talk and KYT, Conqueror of Safety Ladder and SHE Star Stage, etc.

1.2 Development Training for Diamond People

The Company believes that development training shall make quality personnel, build corporate knowledge as well promoting Diamond People to participate and express their opinions about the organization. Development training is planned in advance every year to increase work potential and competitiveness. In 2013, the Company organized the development training program for the personnel as follows.

Type of Courses	Y 2011 Training Hours	Y 2012 Training Hours	Number of Courses	Y 2013 Number of Classes	Training Hours
Productivity Improvement	2,122	3,010	18	19	2,169
Standard System	84	234	15	26	1,407
Human Resource Development	888	5,625	22	20	825
Technical Training	453	1,287	22	21	1,107
Safety	623	1,314	4	4	468
Others	919	3,231	14	14	828
Total	5,089	14,701	95	104	6,804

Human Resource Development: Personnel development and training for Diamond People from year 2012 through 2013 focused on getting Diamond People to learn and understand the Core Value (D-BUILDS), instill safety consciousness in the workplace, develop work efficiency and increase productivity, as well as instill environmental consciousness, which can be summarized as follows.

1.2.1 Building of Core Value (D-BUILDS)

With their vision, the executives believe that human resource is an important mechanism driving the organization and are determined to have all employees become aware and understand the meaning of the core value, D-BUILDS. Therefore, training programs have been organized since 2012 with the most training hours at 4,554 hours and continued through year 2013, which can be summarized as follows.

Objectives of the Training Program :

- For employees' knowledge and understanding of the meaning of the core value, D-BUILDS.
- For building the core value in every employee to be applied at work and in daily life.
- For promoting unity and love within the organization.
- For development of potential and talent of the employees.

Development of Corporate Culture :

- Appointment of Corporate Culture Promotion Committee.
- Organization of training program for employees at operational level and executive level for “DBP DNA : DIAMOND PEOPLE” Course for 10 classes from July – August 2012 (one class per day) attended by 762 employees in total or 98.83% from target group of 771 employees, having activities which can be summarized as follows.
 - “Writing Letters to the Managing Director” activity for employees writing pledges to the Company, promising what to do for the Company, having some examples as follows.

“I have worked here for over 21 years and it was my first job and I consider this place as my second home. I feel that this place has done me a great favor. I promise to do everything I can to help the Company develop and surpass competitors and I shall love and do my best to be a role model for friends, brothers and sisters always”.

“I used to think that coming to work every day is only my duty that I do best But from now on after the training, I have learned so much more I shall improve myself and dedicate myself to work for the best interest of the Company.”
 - Team Activity involving games and competitions to build good relationship among employees and work together in the activities to achieve the same target.
 - Last part of the activity, Managing Director and senior executives entered the party, lights were turned down and candles lit up from one to the other. Afterward, the Managing Director made a speech informing everyone about the objectives of the training program for everyone to understand about the core value and for everyone to concentrate on developing the organization and trust that the Company would sincerely take good care of every employee for stable and sustainable development.
- Appointment of Corporate Culture Promotion Sub-Committee by inviting President of all 10 DBP DNA Classes to join with the Corporate Culture Promotion Committee in order to push forward and promote the corporate culture.
- In 2013, several activities were organized continuously to promote the corporate culture having each group presenting variety of activities including promotion of knowledge through E-mail and Intranet channels, teamwork activities such as Big Cleaning activity in each working unit, etc.

Results:

- Employees have become aware, understood and realized about the core value.
- Employees are satisfied with the training and believed that the Company truly put emphasis on its personnel.
- Employees have become more realized about the importance of training and development program.
- Employees have become better at contact and coordination with their work colleagues.
- Employees have more work spirit.

1.2.2 Development of Safety Consciousness

The Company is focused on reduction of accident in the workplace. Safety in the workplace is considered a major duty of the executives and therefore this is the year of safety campaign, having organized training classes and outside activity, including the “Study Tour on Safety” Program at the oil refinery of Thai Oil Public Co., Ltd. having 30 Company’s representatives from several working units on October 17, 2013, which can be summarized as follows.

- Positive Knowledge: building safety consciousness from five senses starting from risk assessment which must be assessed everytime the work permission form is written (work everyday/write everyday/assess everyday).
- Negative Knowledge: for instance, should the safety helmet is not worn, there will be danger and penalty, etc.
- In building safety consciousness, leadership is very important starting from promotion of executives to become leaders in safety and a role model for the employees so that the employees shall become more enthusiastic about safety, as well as having the executives supervise on safety after work and organize practice drills on safety, etc.
- Key success factor of building safety consciousness is that the top executives (especially No. 1) and safety personnel must be the opinion leader for everyone in the organization to follow.

1.2.3 Development of Environmental Protection Consciousness

The Company realizes the importance of building consciousness in environmental protection initiated by the executives who are the opinion leaders, establish direction, organize development training on environment and communicate to every employee to become aware of environmental management, which can be summarized as follows.

- Appointment of Corporate Social Responsibility Committee consisting of executives from every working unit totaling 14 committee members on March 29, 2012 in order to establish direction and guideline on the corporate social and environmental responsibility putting emphasis on not creating adverse impact to every stakeholder.
- Appointment of Energy Management Team to promote reduction of energy consumption including study on impact for long term planning and organize development training course for employees on energy conservation consciousness.
- Organization of training courses for development of knowledge and awareness of personnel in the operations of the Company which shall not cause social and environmental impact, in product quality development to increase efficiency in production process and increase competitiveness. During 2013, the Company has enrolled its personnel in several training courses and activities with the Stock Exchange of Thailand, including:
 - (1) Development project for the listed companies on preparation of CSR Report organized by the Thaipat Institute of Thai Rural Reconstruction Movement Foundation under Royal Patronage and Corporate Social Responsibility Institute of the Stock Exchange of Thailand during March 25, 2014 to November 29, 2013.
 - (2) “GRI Global Conference Debrief on Sustainability and Reporting” event organized by the Thaipat Institute of Thai Rural Reconstruction Movement Foundation under Royal Patronage on June 18, 2013.
 - (3) Seminar on guideline for disclosure of information on corporate social responsibility (CSR) according to Form 56-1 organized by the Office of Securities and Exchange Commission (SEC) on January 9, 2014.
 - (4) CSR workshops on “CSR Management for Sustainable Development” Class 1-2 organized by the Stock Exchange of Thailand (from 2012-2013).

1.2.4 Development of Productivity Improvement Consciousness

The Company has continued to organize training courses to review TPM activities and engaged professional consulting team for advice on TPM activities in order to improve production efficiency, to reduce the amount of waste from the process. Accordingly, the Company has organized training courses for every level of employees from the executive to the operational level including courses on TPM, Kaizen and 5S, etc. The objective is so that the employees can take various tools from each course and apply them in their operation to increase production capacity, improve efficiency and make the process easier, more convenient and also reduce the cost of production.

(A) **5S Activity** is participated by every executive, employee and contractor, joining together to develop and improve working areas for cleanliness and increase work effectiveness for products and materials storage, by dividing into 4 categories, namely large-sized factory, small-sized factory, materials storage and office. As a result, during the past two years, the Company has received the “5S Award” certificate at the Thailand 5S Award Event from the Technology Promotion Association (Thai-Japanese) for the materials store and warehouse areas, and the office area, Accounting and Finance Division. During the past year, the Company organized 5S activities for several Companies’ stores of customer including specific 5S activities during the flood in Bangkok by which the Company’s customers were very satisfied.

(B) **TPM (Total Productive Maintenance)** is a maintenance system to increase the productivity of plant and equipment undertaken by every employee through group works activities with aim to improve the effectiveness of the machinery to the highest level, knowledge and skill development of employees which shall improve the performance of the organization. Accordingly, the Company has continuously organized training programs since year 2010 including the TPM 6 Basics (fundamental training in the areas of Bolt & Nut, Pneumatics, Transmission, Lubrication, Electrical and Hydraulics). During the past year, targets for TPM activities of the Company were established to reduce accident, defect and failure in the production process (Zero Accident, Zero Defect and Zero Failure) starting from development of employees’ potential to become experts in machinery, capable of utilization and maintenance of machinery and equipment at their most efficiency and fostering social responsibility. The TPM activities were well received and participated by the employees from every department. Employees from the Production Division have organized the following activities.

- **OEE (Overall Equipment Effectiveness)** is

the indicator of efficiency and effectiveness of the equipment having three main variables; namely, availability, performance and quality in percentage. The Production Division must measure the OEE every month for each machinery or equipment in order to evaluate how effectively each machine is utilized. Sample of OEE measurement of Production line CT-5 is shown below.



- **OPL (One Point Lesson)** is a communication tool, passing on knowledge to employees. In conducting OPL, employees of each work unit shall suggest a work procedure that is systematic with less procedure and communicate to the employees within the unit for better work efficiency and improvement. The Company realizes the importance of OPL program and therefore has continued to conduct OPL throughout year 2013, totaling 1,893 topics, an increase of 70.39 % from previous year.

- **Kaizen** is an activity that emphasizes a development of thinking potential and promotes creative thinking of the employees, providing opportunity for the employees to make suggestions on reduction of cost and power consumption. During the past year, there were over 1,543 topics suggestions on Kaizen activities from the employees, an increase of 7.53 % over the previous year.



1.3 Respect for Human Rights

The Company has a policy to conduct business operation by obeying the law and adhering to the human rights principle, and not supporting any business activities that violate the human rights, which is part of the Code of Conduct established as guideline for the business operation, having the following regulations.

- (A) The Company must strictly adhere to the principle of human rights, provide knowledge and understanding on human rights principle to the employees in order for them to follow in their operation and not support any activities that violate the human rights.
- (B) Employees at every level must thoroughly understand the law concerning with their duties and responsibilities and strictly comply with such law. If uncertain, the staff should consult with the Company's Legal Department or legal advisor on the particular subject. The employees must not conduct such matter with own understanding without any advice.
- (C) Employees traveling to work overseas should study laws, tradition, custom and culture of the country of destination prior to the trip to ensure that products, sample products and equipment, travel documents, trip objectives and work in the destination country are not illegal, in contrary to the tradition, custom and culture of the destination country.
- (D) The Company shall use the principles of fairness and honesty in business management concerning remunerations and benefits and other hiring terms and conditions, as well as realize the liberty and rights to freedom of association, free of forced labor or child labor, impartial and equitable treatment on opportunity for all staff members, humane working environment and compliance with the Labor Protection Act and Thai Labor Standard and other relevant laws and regulations.

Based on the principle of human rights, the Company operates its business by including the safety protection of the individual, safety from violation of rights or any abuses including violation of the rights to freedom of association, equality, equitable treatment of all races and skin colors, religions, gender, family, sexual preference or disability, humane working environment, occupational health and safety of employees, free of forced labor or child labor.

Management of the workplace so that it has humane working environment, the Company has managed safe, sanitary and clean, sufficient lighting, clean water, sufficient number of toilets, fire exits and necessary safety equipment for firefighting, emergency first-aid kits and participation in emergency situation plan for both fire and medical.

The Company has established policy for the occupational health and safety unit to have plan for inspection of workplace environment, fire exits and necessary safety equipment for firefighting, which must be in good condition and safe, to assess risky and unsafe places, to have measure for correction to reduce accident and ensure the safety of employees in the workplace, as well as to have fire escape and firefighting drill in the event of fire for at least once a year.

1.4 Fair Labor Practices

The Company shall practice principle of justice to oversee and treat the employees equally and with dignity for the management concerning personnel, wages, compensation, benefit and other employment terms as the employees are part of the organization driving the business to its success and achievement. Accordingly, the Company shall adhere to the Labor Protection Act and Labor Relations Act including other relevant laws and regulations, which can be categorized as follows.

- 1.4.1 Employment:** The Company considers the potential of the personnel and employees of every position and puts importance on the nomination process, appointment and transfer based on appropriateness of qualifications, namely knowledge, skill, capability and experience, as well as physical condition and other regulations necessary for the employee in that position. Accordingly, the Company shall consider and determine appropriate remuneration based on job description, employment level and wage rate in the labor market and work performance.

- 1.4.2 Labor Relations:** The Company encourages participation and coordination among working units and between employees and executives in order to open opportunity for employees at every level to express opinion or make suggestion for work improvement as well as organizing activities according to the plan to make the organization a “Happy Workplace”.

As for the labor relations management system, representatives of the Company’s executives have joined together with the representatives of the employees in a bilateral meeting in accordance with the applicable laws. The meeting is held every month to discuss about employees’ welfare, establishing regulations that are beneficial to employees and Company as well as consideration of employees’ complaints and resolving conflicts within the organization, etc.

- 1.4.3 Welfare:** The Company focuses on the safety and welfare of the employees to reinforce good morale and spirit in work and duty of the employees. The Company foresees the importance of maintaining a sanitary and safe workplace environment without any accident and protecting Company’s assets from damage and therefore several management tools and systems have been introduced for the organization such as Safety, Health and Environment (SHE), Hazard Prediction Training (KYT), 5S Activity for productivity increase, Kaizen Suggestion for work improvement, Environmental Management (ISO14001:2007) and Total Productive Maintenance (TPM) with everyone involved, etc. In addition, the Company provides welfare on life insurance, accident insurance and health insurance in case the employee become ill or had accident both during work or outside in every case, the employee can be medically and promptly treated at any specified clinic or hospital, reducing financial burden for the employee using the medical service according to the specified rights and privileges. For welfare assistance in terms of financial assistance, the Company has several types of welfare such as shift payment, active payment, cost of living, etc. In the past year, the provident fund was increased from previous 3%, 4% and 5% according to employment period to 3%, 5% and 7% for employees’ security in the future. The employee can choose saving proportion according to the specified employment period with the Company joining donation into the provident fund at the same rate. In addition, the Company has improved welfare on financial assistance, cost of living and emergency loan in order to alleviate trouble and necessity of living expenses for the employees.

- 1.4.4 Complaint Aspect:** In the event that the employee is treated unfairly or suffered from work regardless of working condition, hiring condition, control, order or work assignment or inappropriate action between the Company, between the superior and employee or between employees, the employee may file complaint on such dissatisfaction or suffering to the Company in order for the Company to resolve or end such incident so that there is good relationship between the Company and employee and for happy workplace for the employees.

- 1.4.5 Opportunity for Equality:** The Company adheres to equal treatment to the employees with justice, impartial treatment and non-violation of individual liberty both directly and indirectly. The Company operates based on fairness and equality according to human rights principle.

1.5 Responsibility toward Society of Diamond People

The Company has established the corporate social responsibility as part of the Company’s Code of Conduct, realizing that the society is an important mechanism for promoting and pushing forward the Company for its existence, sustainability and development, accepted by all relevant parties. It is initiated from the society of Diamond People, a small society comprising of directors, executives and employees at every level, which are the heart of the matter for promoting potential and competitiveness toward society at community level, as well as encouraging Diamond People to work in the same direction. Activities were organized during several festivals to encourage love and generosity among the employees, having consciousness to help each other during disaster which also includes the family members of the employees as follows.

- “Diamond Paints: Love Postcard to Mother” activity was organized during the Mother’s Day for employees to participate in a contest on designing postcard sending love to the mother and campaign for the employees to express their feeling of love toward their mother for building love consciousness for mother.

- “Feeling Fresh: Herbal Drinks from Diamond Heart” activity was organized during hot summer time having impact on working environment and mental of the employees. The Company provided herbal drinks to relieve the heat and boost morale and spirit of the employees.
- “Hidden Place Not Hidden Danger” Activity: the Company organized medical examination on cervical cancer for female employees and contractors to reduce risk and learn about self-treatment.
- “Money Saving Week” Activity: The Company encourages its employee to be frugal on their spending, learn how to manage their finance by inviting experts on finance to come in to teach and organize workshop on the subject.
- “Mother’s Breast Feeding Corner” Activity: An area was set up to provide knowledge for female employees and contractors on mother’s breast milking and feeding.
- “Blood Donation” Activity: Employees participated in the blood donation drive in March, June, September and December of every year at the Diamond Kitchen.

2. Diamond Business

The Company adheres to principle of fair business operation and encourages Diamond People at every level to operate with prudence and honesty by adhering to the business ethics, which has a fair business operating policy toward every group of stakeholders, namely the shareholders, customers, trading partners and competitors, without seeking for own benefit, which has conflict of interest with the Company and stakeholders, as well as keeping confidential of secrets relating to business operation with the stakeholders for the best interest of the Company.

2.1 Fair Operating Practices

- 2.1.1 Having policy to treat its trading partners equitably and fairly based on fair compensation to both parties, avoiding circumstances that may lead to a conflict of interest as well as complying with the contractual obligations, provide actual information and accurate reports, negotiate and find solutions to the problems based business relationship. The Company has established measure for checking connected transactions within the business chain between trading partners and Diamond People regularly for fairness in business operation. Should there be any connection; details must be disclosed in the Company’s financial statements within the fair business framework.
- 2.1.2 Having policy to treat its business competitors conforming with international practice and under legal framework concerning business competition, without using power to monopolize the market, not fraudulently or inappropriately seeking confidential information of its competitors, not defaming reputation of its competitors by abusive accusation, respecting the right and intellectual property with all of Company’s products being designed by personnel with expertise to meet advantage and benefit of the consumers and providing installation services having waste or scrap management system without impacting the environment.
- 2.1.3 Promoting social responsibility in the business chain through purchasing and hiring channel by providing assistance and support for the small and medium enterprises in the community such as purchase of cleaning materials made from small pieces of clothes sewn together into big pieces by group of handicapped people and housewives for cleaning machinery and purchase of shockproof materials such as narrowleaf cattail, straw, hay bales for damage protection of products during transport from the group of people in the community in order for them to earn income, etc.
- 2.1.4 Promoting employment of disabled persons in accordance with Employment of Disabled Persons Law B.E. 2554 regarding the number of disabled persons that the employer must employ. Although the Company has not complied with the number of employed disabled persons because as industrial factory which has limitation for employment of disabled persons. Therefore, the Company has set up a concession by providing areas within the factory for selling products or service (Section 35) for disable persons to come in for selling products by contacting and coordinating with the Saraburi Provincial Employment Office for registration according to Section 35 by which several disabled persons expressed interest. Accordingly, the Company has organized “Diamond Open House Granting Concession to Disabled Persons and Caretakers for Products Sale” on November 26, 2013, which would reduce the amount of money delivered for the Promotion and Development of Quality of Disabled Persons Fund.

2.1.5 The Company has compensation measures in case of a stakeholder has suffered damage from violation of lawful rights by the Company and provides opportunity for whistle-blowing or filing complaint about illegal action or immoral conduct to the Independent Director and Audit Committee. The Company has also established a procedure for the process after the whistle-blowing by inspecting the information and reporting the matter to the Board of Directors afterward.

In addition, the Company has established operating guidelines for the executives and employees according to the value as expected by the Company, including the code of conduct and accountability with the stakeholders for the benefit of building operational behaviors standard of the executives and employees based honesty. The Good Corporate Governance Handbook and the Code of Conduct are disseminated on the Company's website (www.dbp.co.th) for acknowledgement and practice by every executive and employee throughout the organization with constant monitoring of the practice.

2.2 Responsibility toward Consumers

The Company puts importance on accountability for every group of stakeholders including shareholders, customers, trading partners and competitors and has announced the Code of Conduct, established as guideline for the business operation, having regulations on the responsibility toward consumers as follows.

2.2.1 Deliver quality products and services, which meet or go beyond customer's expectation at a fair price.

2.2.2 Provide accurate, adequate and timely information about the products and services to customers without exaggeration that can lead to misunderstanding by the customers on the quality, quantity or any conditions of such products or services.

2.2.3 Deal with customers politely and efficiently and gain their trust; set up a system and process to receive complaints from the customers concerning quality, quantity and safety of the products, as well as the speediness of the response and delivery; and manage its best to ensure that the customers receive prompt response.

2.2.4 Safeguard customer confidentiality and refrain from using it for personal benefit or for others' benefit.

2.2.5 Provide advice regarding the efficient use of Company's products and services for the best interest of the customers. The Company has established several marketing communication methods as follows.

- **Display of Product and Service Label:** Providing detailed information of product including product name, size, color, model, design clearly on the label put on the product and the products are displayed at the sales representative stores including caution for storing the product on the label or insert.
- **Installation Information Service:** Team of experts is organized for providing information about the all products and services of the Company through a Call Center for prompt service to the customers.
- **Communication of Product Information:** Suggestions on the use of products under the product display booth built completely with Diamond products so that the consumers can learn about product usage and can see actual products at the sales representative stores of Diamond and brochures with clear product information in detail.
- **Communication Channel through Company's Website:** Consumers may see the products and calculate the costs by themselves.

During year 2013, there was no significant complaint that was caused by the use of Company's product and also sufficient and correct news and information were provided for the benefit of management in both producer and consumer.

2.3 Anti-Corruption

The Company promotes and instills awareness in Diamond People to realize the danger of corruption. Accordingly, the Company's Board of Directors has announced the Anti-Corruption Policy in writing which is considered as part of the Company's Code of Conduct and disseminated on the Company's website according to the resolution of the Board of Directors' Meeting No. 255 dated July 29, 2013, comprising of Anti-Corruption Policy, Political Neutrality Policy, Policy on Acceptance and Offering of Gift, Asset or any Benefit and Policy on Whistle-Blowing or Complaint, which have been carried out as follows.

- 2.3.1 For the policy regarding acceptance and offering of gift, asset or any benefit, the Company has sent a letter to the trading partner as follows. "The Company has policy on equal and fair treatment to the trading partners and you do not need to offer anything in return to the employee of the Company that you have contacted. Any action by the Company's employee to request for anything in return or exchange for something is deemed serious violation of the policy and vice versa if the trading partner offers any benefit for the employee of the Company or person related to the employee is also deemed serious violation of the policy which may cause the business relationship with the trading partner to end".
- 2.3.2 The Company respects democratic administration system and encourages employees of every level to use their political rights within the course of law as good citizen by allowing the employees having domicile outside the factory area to take leave for voting in the general election without counting as a holiday.
- 2.3.3 The Company has assigned the Internal Audit and Compliance Unit which reports directly to the Audit Committee to have duty in supervision and auditing of internal control system of every working unit of the Company to assure that the Company has good internal control system in order to reduce fraud that may occur in the Company's business operation and open opportunity for the employees to notify of any fraud or wrongdoing within the Company by immediately reporting to the Independent Director and Audit Committee to check on the information and report to the Board of Directors afterward.

During the past year, the Company has received several complaints and whistleblowing report such as inappropriate action that might lead to corruption or fraud by Company's employees by directly reporting to the Audit Committee. According to the investigation results, there were no serious matters that might impact the Company's reputation or cause damage to the Company. In addition, internal control system has been improved to be more concise.

3. Diamond Community

The community level operation has been developed further from the society within the organization which is in line with the Company's business operation that can be carried out continuously to benefit the society and surrounding community, improving the quality of life. Social service activities have been organized in several cases, such as flood disaster and support for knowledge development and building social responsibility consciousness of the youth. During 2013, the Company carried out the following community level activities.

- 3.1 Job Creation in the Community:** The Company has established policy to hire people from the surrounding community which helps people in the community to obtain income. Normally, the Company's headquarter is located in Saraburi Province having about 800-900 employees, of which more than 75% are local people. Except for certain positions that could not be found from within the community, they would be opened from other sources. Also for the branch office in Khon Kaen Province and subsidiary company in Chiang Mai Province, job positions shall be filled by people from such community first.
- 3.2 Participation in human development in the community:** With the experience, the Company takes the knowledge and skill in roof installation for training the people in the community to create jobs for the people in the community which they can use as their profession. Several programs were organized as follows.

- **“Phra Dabot” Project:** The Company joined the technical training program and supplied course materials for the students of Phra Dabot School under the Royal Patronage, which has been carried out for several years. The Company foresees the importance of this mission and has confidence in the potential of Diamond People for taking part in the development of the training course in construction roof tile installation for Phra Dabot students as an alternative course as well as expansion of technical knowledge and profession.
- **“Phra Dabot’s Offsprings” Project:** Taking theoretical knowledge into real practice by having the students of Phra Dabot School build a complete house by which the Company provided all construction equipment such as “Phra Dabot Diamond House” of 4 x 6 in meters for 2 houses with permanent structure under supervision of Phra Dabot School under the royal patronage of the king foundation. The Company shall continue to carry out this project to build on the skill development of the students of Phra Dabot School.
- **“Diamond Heart Technicians Training” Class 2:** The Company organized training course for people in the community, providing knowledge on roof installation, siding boards and eaves installation by using Company’s products under “Diamond” brand on October 9, 10 and 11, 2013, which was continued from the previous year.

For year 2013, the Company coordinated with the Department of Skill Development of Saraburi Province to assign and include the “Diamond Heart Technician” program into the skill development plan for year 2013 with 3-day training course including 1-day theoretical part and 2-day practical part with course certificate to be issued to every course participant.

- **“Diamond Builds Professional Transport Service Personnel” Project:** The project was opened for soldiers who would be decommissioned from reserves in 2013 to join work in transportation service with the Company providing training and knowledge on transportation and ready to accept the decommissioned soldiers for employment and support their profession.
- **“Diamond Open House Granting Concession to Disabled Persons and Caretakers for Products Sale” Project:** The Company supports and promotes income for the disabled persons and their caretakers by opportunity for them to sell products or services in the Company without any charges in order for them to take care of themselves, not having to depend on family or society, and also feel proud of themselves. For instance, they open coffee shop and sculpture store for sale to the employees and contractors of the Company.

3.3 Development of Consciousness for Diamond People to Love their Homeland

- **“Stretch Your Chest Proud, Love Homeland” Project:** The Company has built consciousness for the love of homeland by campaigning and promoting the employees and contractors to be proud of being Diamond People by carrying the employment ID card to use services of local stores participated in the project to support the community people and local stores to earn more income and receive special privilege or discount from the stores.
- **“Friends Helping Friends Fight Disaster After Flood” Project:** The project was organized to alleviate misery of work colleagues the family members of Diamond People whom suffered from the disaster by participating and sharing of belonging and consumer goods.
- **Community Relations” Project:** The Company provides roofing tiles and laminate products for construction to government sector, schools and temples around the vicinity of the Company.

3.4 Community Involvement

The Company puts emphasis on the community and its people and participates in the activities which promote the culture and tradition of the community continuously, which can be summarized as follows.

- **“National Children’s Day” Activity:** The Company supported activities on the Children’s Day at the Tam Diew Subdistrict Administrative Office, Tambon Taling Chan on January 11, 2013, including games, sculpture painting, prizes, food and drinks for the students and guardians.
- **“Beginning of Buddhist Lent Merit Making” Activity:** The Company and employees together participated in the merit making and offering candels on the Buddhist Lent candles at Wat Taling Chan, Saraburi Province.
- **“Ceremony of Presenting Yellow to the Buddhist Monks at the End of the Buddhist Lent”:** The Company was the co-host of the event at Wat Ta Yiam, Tambon Taling Chan to raise part of the fund for construction

of the sermon hall in a monastery totaling 15,312 Baht.

- **“Sports Competition” Activity:** The Company supported and donated fund for the Taling Chan Subdistrict Administrative Organization for organizing the sports competition, “Taling Chan Games 14”.
- **“Smiling Sun 2013” Project:** The Company supported and gave goods and products to Ban Tung Noi School, Chonburi Province for construction of small children center on November 16, 2013.
- **“Walk-Run Charity Support” Activity :** The Company participated and support funding and athletes to the Kang Khoi Student Alumni Association for organizing the Walk-Run Charity event, “Mini-Half Marathon No.2” at Kang Khoi School on December 8, 2013.

3.5 Social Investment and Social Impact Assessment

The Company puts emphasis on looking after the society, establishing annual budget for investments in the society according to the objectives which are in line with the Company’s business operation for the best interest of the community, creating jobs and profession for the people in the community. Accordingly, the Company spent a budget totaling Baht 1 million in 2013.

As for the assessment on social impact, there was no complaint from the community during the past year concerning the Company’s business operation such as air quality, dust, noise, water and waste in the production process.

3.6 Communication and Dissemination: Work on society and communication shall be communicated and disseminated for acknowledgment by Diamond People and all concerned parties via the Company’s website as follows.

- Internally within the Company via <http://drt/> under the topic of **“Corporate Social Responsibility”**.
- Outside the Company via http://www.dbp.co.th/trade_information.htm in the part of **“Investors Information”** under the topic of **“Corporate Social Responsibility”**.

4. Environmental Responsibility

The Company realizes the importance of environmental responsibility. In particular, the production process must not have impact or destroy the environment and resources of the community. Moreover, activities and campaign on the conservation of environment must be promoted and carried out, which can be summarized as follows.

4.1 Prevention and Reduction of Impact from Pollution

The Company has continuously and strictly adhered to the laws and regulations on environmental concerns as stipulated by the Ministry of Industry, Ministry of Natural Resources and Environment, Ministry of Public Health, Ministry of Labor and Ministry of Interior. During year 2012-2013, the Company passed all the standards and criteria in the environmental condition monitoring and measurements in the workplace including air, dust, noise, water and wastes in the production process, having no adverse impact or damage to the environment and resources of the community, which can be summarized as follows.

Inspection of Workplace Environment: The results of inspection on the following items based on the industrial standard found no item that exceeded the specified industrial standard.

- Measurement of air quality from the workplace condition such as steam boiler funnels, paint blowers, xylene, etc in order to monitor the air quality so that it will not have impact on the environment.
- Monitoring of noise pollution, dust and chemical, which passed all the standard criteria.
- Monitoring of surface water quality surrounding the factory to be within the specified standard.
- Having the base solution pond system for recycling of water for re-use in the process, reducing water consumption and water pollution.
- Treatment of waste, broken tiles, sealer remains, oil residue and other wastes are transported and disposed outside the factory, which is permitted by the Department of Industrial Works, including reporting via website of the Department of Industrial Works, www.diw.go.th.



Monitoring of Chrysotile in the Workplace

Area	Measured Values in 2012	Measured Values in 2013	Standard
FC raw materials preparation area	< 0.001 - 0.009 fiber/cm ³	< 0.001 - 0.016 fiber/cm ³	Not exceeding 2 fibers/1 cm ³ atmosphere
Tile testing area	<0.001 fiber/cm ³	-	Not exceeding 2 fibers/1 cm ³ atmosphere
Cover pacing/glazing area	< 0.001 - 0.012 fiber/cm ³	0.015 fiber/cm ³	Not exceeding 2 fibers/1 cm ³ atmosphere
Broken tiles storage area	0.006 fiber/cm ³	< 0.001 fiber/cm ³	Not exceeding 2 fibers/1 cm ³ atmosphere
Chrysotile storage area	0.013 fiber/cm ³	< 0.001 fiber/cm ³	Not exceeding 2 fibers/1 cm ³ atmosphere
Product distribution area	0.014 fiber/cm ³	< 0.001 fiber/cm ³	Not exceeding 2 fibers/1 cm ³ atmosphere

Source: Report of Environmental Measurement on April 3-4, October 15-16, 2012, May 11-12, 2013

By: Global Environmental Management Co., Ltd.

Monitoring of Air Quality in the Workplace

Monitoring Items	Measured Values in 2012	Measured Values in 2013	Standard
Total Suspended Particulate in the factory	3.11 - 7.12 mg/m ³	1.23 - 9.89 mg/m ³	Not exceeding 15 mg/m ³
Particle matter (<10 mg)	3.61 - 4.13 mg/m ³	1.00 - 4.89 mg/m ³	Not exceeding 5 mg/m ³
Xylene	< 0.001 - 0.957 ppm	0.071 - 3.463 ppm	Not exceeding 100 ppm

Source: Report of Environmental Measurement on April 3-4, October 15-16, 2012, May 11-12, 2013

By: Global Environmental Management Co., Ltd.

Monitoring of Air Quality from the Factory's Funnels

Area	Measured Values in 2012	Measured Values in 2013	Standard
Total Suspended Particulate (TSP)	< 0.01 - 4.10 mg/m ³	12.64 mg/m ³	Not exceeding 320 mg/m ³
Sulfur Dioxide	< 1.30 ppm	2.70 ppm	Not exceeding 60 ppm
Carbon Monoxide	23 - 28 ppm	10.50 ppm	Not exceeding 690 ppm
Nitrogen Dioxide	3.60 - 6.60 ppm	23.43 ppm	Not exceeding 200 ppm
Xylene	1.18 - 30.13 ppm	2.180 - 33.433 ppm	Not exceeding 100 ppm

Source: Report of Environmental Measurement on April 3-4, October 15-16, 2012, May 11-12, 2013

By: Global Environmental Management Co., Ltd.

Investments on Reduction of Environmental Impact for the Past 5 Years

Year	Description	Amount (Million Baht)
2008	Treatment of Air, Water and Hazardous Wastes	15.28
2009	Base solution ponds and Waste Disposal & Treatment	2.75
2010	Waste Storage / Water Drainage / Warning System / Water Return Pipe	2.69
2011	Cement dust/White Clay Collection System, Tile Dust Collection System and Enclosed Paint Room Installation	2.99
2012	Ammonia Treatment System / Dust Collection System for Receiving Pond / Roof for Settling Pond	8.07
2013	Xylene Odor Elimination System / Fire Distinguish System / Emergency Doors	6.40

4.2 Process Water Management

For the management of water in the production process, the Company uses raw water from Pa Sak River, of which permission has been granted by the Royal Irrigation Department. The raw water gets treated and passed to the production process. About 1,800 cubic meters of water is used in the process per day and new water of about 800 cubic meters is put into the process per day. Each day, water loss through the process is about 300 cubic meters and about 700 cubic meters of water is circulated within the process. According to the ISO-14001, the water used in the process must be managed so that no water is discharged out of the process. Accordingly, the Company has installed a settling pond system to treat the water from the process before being used again in the production process, which can reduce water consumption by more than 50% of the volume used in the process.

4.3 Process Waste Management

Management of waste in the production process to mitigate impact to the environment is undertaken considering the benefit and safety of products delivery to the consumers in accordance with the ISO-14001 to obtain the most benefit and reduce production cost effectively by separating the process waste into two categories namely, non-hazardous wastes and hazardous wastes as follows.



4.3.1 Non-Hazardous Wastes are mostly broken tiles, woodchips, plastic pieces, scrap iron, scrap paper and community waste. Broken tiles are used as landfill which granted permission. Used papers from offices shall be recycled within the factory. Residuals from planing or shaping machines are used in many ways, such as cleat, brick and the remaining woodchips, plastic pieces and scrap iron are separated and treated as follows.

- “Reuse”: such as big bag for putting in residual.
- “Reduce”: such as designing smaller-sized pallets so that less wood is used.
- “Recycle”: recycling residuals or leftover for use as cleat and for remaining woodchips, scrap iron and plastic are separated and sold.
- “Disposal”: such as broken tiles and community waste are treated according to the law and used as landfill at permitted areas.



4.3.2 Hazardous Wastes mostly come from the production process which are mainly wet cake or sludge which are disposed or used as landfill and after being made into solid mass by Better World Green Co., Ltd. (BWG). As for the color sludge and other contaminated materials are sent for use as mixed fuel or alternative energy at BWG and the hazardous wastes are sent for storage at the hazardous waste storage building before being disposed, which can be summarized as follows.

- “Reuse” such as oil barrels, paint containers, solvent containers which are being used several times.
- “Recycle”: such as contaminated materials being recycled and used as mixed fuel water paint, oil paint and sealer.
- “Disposal” is carried out according to the law such as wet cake or sludge being used as landfill at permitted areas.

The results from the process waste management in 2013 show that hazardous waste could be reduced from 17.15 % in 2012 to 12.79 % in 2013.

4.4 Improvement for Environmental-Friendly Production Process

For improvement of production process to reduce air pollution arising from cutting of tiles and use of volatile matters for tile coating, the Company has installed dry-type dust remover, volatile matter suction room and paint dust capture system.

- **Reduction of cement dust** by utilizing dust filter bin with air ventilation in the silo which is widely used for air ventilation from the silo by capturing dust for air pressure type of silo. The filter is Polypate type with air pressure cleaning installed together at closing cap. The cement dust shall be separated from the air flow by the special Polypate filter and fall within the silo, which can be recycled for use again within the factory.
- **Recycle of Wastes** to use the resources fully by finding alternatives and recycling such as project on the recycling of the residuals from synthetic wood process to manufacture cleat and pallet instead of using wood, which can reduce the waste from the recycling process by about 30 tons per year and reduce the use of wood in the transportation system.

- **Reduction of Paint Oil Vapor** by using vapor capturing machine from Japan. The oil mist collector is used to capture and filter oil vapor and particle which is over 90% effective and the captured oil vapor can all be recycled.
- **Treatment System for Volatile Matter, Xylene**, at the concrete tile production plant utilizes activated carbon or activated charcoal in order to filter toxin from the liquid or air to reduce air pollution by installation of this system at the coating and spraying areas, tiles transport system into storage shelves and tunnels and within tiles curing tunnels.
- **Raw Material Alternatives** are achieved by development of production formula of every group of products in order to reduce the use of raw materials and find raw materials that do not impact the environment for use as the alternatives such as fly ash from electricity generation process for use in place of cement and mixing pulp with PVA for use in place of asbestos, etc.
- **Water-Based Paint** has been developed for the process instead of oil-based paint to reduce air pollution.

4.5 Energy Management

The Company realizes the importance of efficient use of energy to reduce environmental impact and therefore has focused on the management of energy including reduction of energy consumption for existing machinery and bringing new innovation into the production process for new machinery. The Company puts emphasis on participation by all employees by establishing “Energy Management Team” since 2010 having objectives to manage for effective use of energy, review and improve on the policy, target and plan every year for development of new innovation to reduce energy consumption having the following important projects.

- Project on controlling electric current of the fiber cement production line by controlling the Demand Charge which can reduce electricity consumption during Peak Time by about 1,050 kwh with electricity tariff reduced by about 0.8 million baht per month.
- Control of electricity tariff of fiber cement production line by stop using the 30-kwh water pump for increase of water pressure which can reduce about 50,000 baht per month of the electricity tariff.
- Project on utilization of natural gas (NG) in place of bunker oil for boilers at the autoclaved aerated concrete. NG is a clean energy and can reduce pollution from exhaust of bunker oil, and reduce energy cost. This project will commence during the 3rd quarter of 2014.
- Project on switching to energy-saving light bulbs. During 2013, high-output fluorescent light bulbs were used in place of the mercury lamp at the autoclaved aerated concrete. As a result, energy consumption was reduced by 189 watts per lamp with the same luminosity, reducing the electricity tariff by around 10,000 baht per month.
- Project on improvement of machinery for side board and synthetic wood production to have appropriate spacer in order to reduce baking gap in the autoclave, resulting in a 17% increase in production capacity and reduction in energy consumption and labor. More importantly, accident risk has been reduced during machinery transport and production cost can be reduced by about 3% per ton of product.

4.6 Transportation Management

The Company has established appropriate policy for management of transportation system including the group of 6-wheeler, 10-wheeler trucks and trailer trucks to reduce environmental impact for most effective operation, which can be summarized as follows.

- Encourage product delivery truck owners to use natural gas (NG) instead of oil to reduce greenhouse gases.
- Manage product transportation so that the truck are fully loaded both way, namely head hauling and back hauling, reducing empty load traveling, oil consumption and energy cost.
- Using multimodal transportation system by transporting by road and by ship to reduce traffic risk in terms of road accidents and reduce fuel consumption.

The Company has established the regional distribution centers in order to expand business to the provincial part which create jobs in the community where the distribution center is located, as well as reduction of traffic and consumption of energy around the area of the factory.

4.7 Installation Service Management

The Company provides installation service which creates confidence among the customers that the purchased products can be installed and used effectively. There are also training program for the local technicians in the area of sales representatives throughout the country in order for them to have knowledge and skill on installation of roof and truss and become their profession. There are already about 500 trained people who can teach and transfer the knowledge to other groups of technicians, as well as providing advice on correct management and disposal of wastes from use which is another way to help reduce the air pollution.

5. New Innovation Related Projects

The Company is keen on exploring new innovation in order to lessen impact to the environment, reduce air pollution by conducting energy management and producing non-asbestos products to increase the variety of environmental friendly products which can be summarized as follows.

5.1 Utilization of Alternative Energy

Alternative energy project utilizes steam energy from the independent power plant locating adjacent to the Company's factory. Steam is considered a waste product from the electricity production process but can still be used as energy in the production process by replacing electricity power for the product drying process. The steam is used in the Autoclave system by which steam has a 10% higher heating value than the steam produced by the Company, reducing electricity consumption by 10% and also increasing stability more than utilizing power within the process, increasing energy efficiency, reducing energy cost and lessen impact to the community and environment.

5.2 Environmental-Friendly Products and Projects

The Company also produces non-asbestos tile products to increase variety of products of the Company and also environmental-friendly, namely Jearanai Tile, Jaturon Tile, etc. as well as adding new production lines for non-asbestos products such as laminate, board and autoclaved aerated concrete, etc.

Autoclaved Aerated Concrete (Diamond Block) The Company has invested in the Autoclaved Aerated Concrete production line using special technology of MASA Henke Maschinenfabrik GmbH of Germany. The raw materials are natural including Portland cement, sand, lime, gypsum, water and special mixture to become Cement Base which has been certified by the Thailand Industrial Standard TIS 1505-2541 as the product that is useful to the consumers and has no environmental impact, having the following qualities.

Responsibility to Customers

- Lightweight, size of structure, pillars, beams, foundation and pilings can be reduced, quick construction time, can be sawn into specified sizes, as well as drilling and fastening, construction cost saving and easily transferred in case of high rise building.
- Being heat insulator, fire-resistant, non-heat storage within the house, sound absorption, noise reduction between rooms, suitable for living quarters, energy saving and electricity cost reduction from air-conditioners.
- No hazardous content, save to use, long usage life, can be utilized in every climate zone, durable to sunlight, wind, water and fog, non-deterioration and strong.

Environmental Responsibility

At present, global warming has become an important issue which needs to be addressed by all sectors in the society including the government, private sector and other organizations. Consequently, manufacturers have become aware and produced products that do not impact the environment and focused on energy conservation and reduction of air pollution, starting from the production process. Utilization of Diamond Block products are considered environmental friendly, having insulating property, energy saving when compared with other materials for board manufacturing. The product has no hazardous material and can be touched without danger. In addition, residual from every production process can be recycled.

6. Awards of Pride

6.1 Industrial Standard Certifications

The Company has received certifications from TUV NORD Thailand Co., Ltd and certified body from TUV NORD of Germany, which guarantees that the Company's production process has good environmental management system.

The Company has already received following three industrial standards and certifications.

- **ISO 9001 : 2008** : Quality management system for both factory and office (Since 2003).
- **OHSAS 18001 : 2007** : Occupational health and safety management system (Since 2005).
- **ISO 14001 : 2004** : Environmental management system (Since 2009).

6.2 Other Standard Certifications and Awards can be summarized as follows:

- Year 2005: Received the Thai Industrial Standard (TIS) from the Thai Industrial Standards Institute, Ministry of Industry.
- Year 2007: Received the Safety Award on excellent reduction of accidents from the Department of Labor Protection and Welfare, Ministry of Labor and Social Welfare.
- Year 2008-11: Received the Distinguished Enterprise Award in labor relation and welfare from the Ministry of Labor and in 2012, received from the Department of Labor Protection and Welfare, Saraburi Province.
- Year 2009: Received the Distinguished Thailand Brand from Department of Export Promotion, Ministry of Commerce.
- Year 2009: Received the Distinguished Regional Enterprise Award in Safety from the Ministry of Labor.
- Year 2010: Received the "White Factory" Award (Drug Prevention) from the Labor Protection and Welfare Office of Saraburi Province.
- Year 2011-12: Received the "5S Award Model 2011" certificate at the Thailand 5S Award Event, from the Technology Promotion Association (Thai-Japanese) for the office area, Accounting and Finance Division, Logistics and Customer Service and Warehouse.
- Year 2012: The Company was placed as Number 1 Brand "Diamond" as the most admired brand for roofing tiles in the construction materials category from the "Thailand's Most Admired Brand 2012" ranking in the January 2012 issue of Brand Age Magazine.
- Year 2012: Received a quality symbol, "Thailand Trust Mark" from the Department of International Trade Promotion (DITP), Ministry of Commerce, a guarantee of excellent quality product from Thailand, which will add value to the product, build strong market opportunity and increase consumer confidence in year 2012.
- Year 2012: Received "Outstanding Company Performance Awards" from the "SET Awards 2012" on November 22, 2012, organized by the Stock Exchange of Thailand in cooperation with Money & Banking Magazine.
- Year 2013: Received "Top Corporate Governance Report Awards" from the "SET Awards 2013" on November 20, 2013, organized by the Stock Exchange of Thailand in cooperation with Money & Banking Magazine.

Awards of Pride



Outstanding Company
Performance Awards



Top Corporate Governance
Report Awards



Thailand Trust Mark



“Diamond” as the “Thai-
land’s Most Admired Brand”
for roofing Tiles in
Construction Materials Group



Safety Award



Enterprise Award In Safety



Enterprise Award in
Labor Relation Welfare



5S Award Model

FUTURE PROJECTS

The Company has continued to conduct research and development of products to increase production efficiency in line with market requirements. Research and development of new products have been conducted. New sources of raw materials have been sought and improvement of production formula has been performed to reduce production cost and claims on products. The Company has established a long term investment plan for 3 to 5 years in order to achieve continuous growth and increase competitiveness. Project Investments can be summarized as follows.

1. Projects in 2013 The Company has developed and invested in several projects which are all commercially feasible and can be summarized as follows.

- 1.1 AAC-1 Project :** Investment in machinery for production of the autoclaved aerated concrete with production capacity of 140,000 tons per year and investment capital of approximately Baht 595 million. Production commenced in the 2nd quarter of year 2013.
- 1.2 CT-KK Project :** Expansion of concrete tile production base by transferring CT-1 production line from Saraburi Province to Khon Kaen Province with production capacity of 40,000 tons per year and investment capital of approximately Baht 150 million. Production will commence in the 1st quarter of year 2014.
- 1.3 AAC-CM Project :** Investment in machinery for production of the autoclaved aerated concrete in Chiang Mai Province with production capacity of 50,000 tons per year with investment capital of approximately Baht 200 million. Production commenced in the 2nd quarter of year 2013.

2. Projects in 2014 For investment projects in year 2014, after the investments in 2013 in machinery, the Company's overall production capacity has reached 982,000 tons per year, which is appropriate for market demand in 2014. Therefore in 2014, the Company has plan for investment in machinery to support the production of paints, namely **"Paint Production Line Project"**, which is necessary in the production process in order to increase value to the products in tile product group, fiber cement tiles, siding boards. In addition, when the consumers buy natural color products, paints are usually needed for their beauty and therefore, the Company deemed that it was necessary to produce paints commercially. The plant should be commenced around the 4th quarter of year 2014. Details can be summarized as follows.

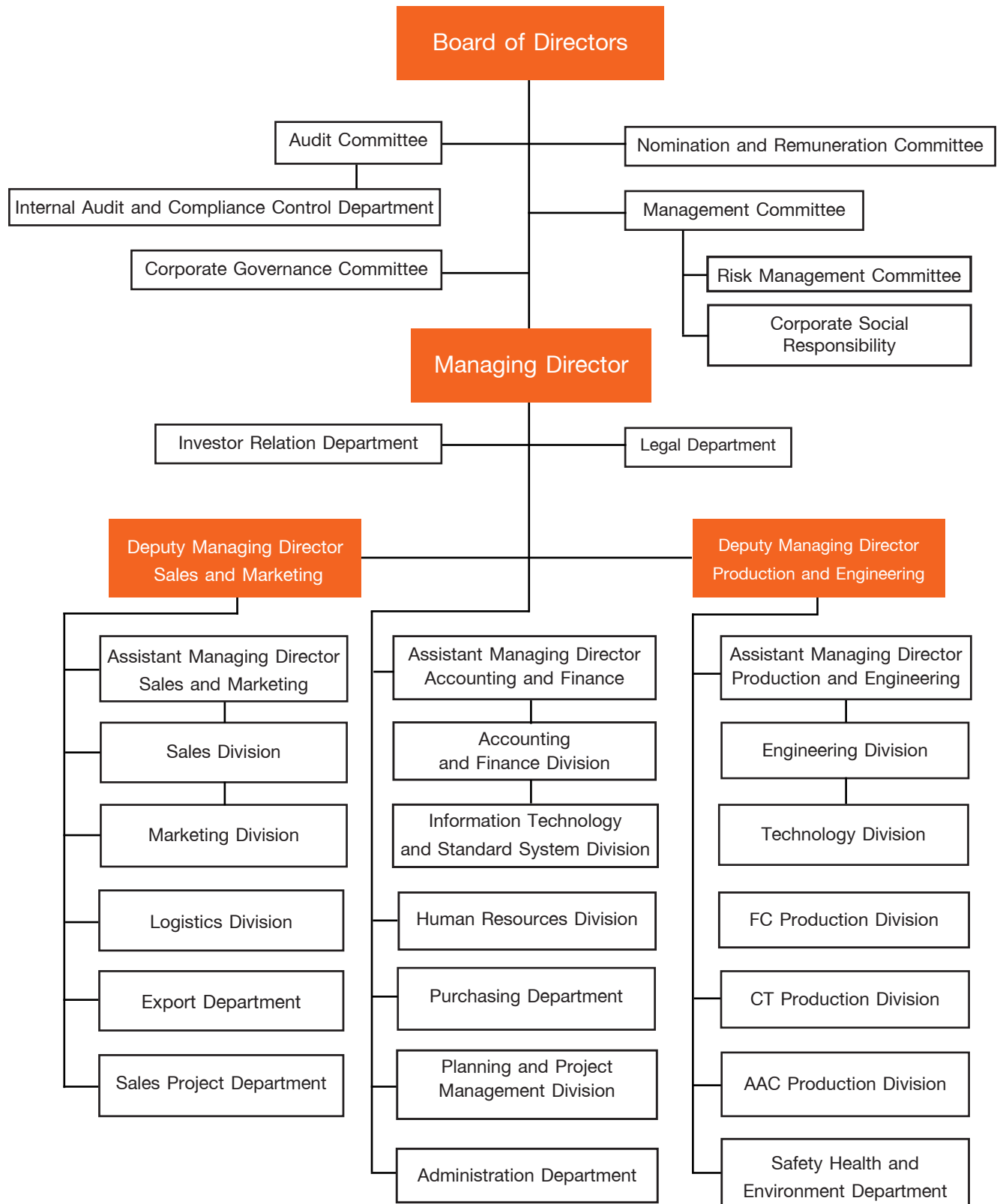
Investment Budget	:	Initial phase for approximately Baht 50 million
Project Location	:	Land plot around water supply plant DBP-1 in Saraburi Province
Business Value	:	Initial phase for approximately 120 million
Benefits	:	10% cost reduction of paint production and 10% product value increase

FINANCIAL INFORMATION

(Unit : Million Baht)	Consolidated Financial Statements		Separate Financial Statements	
	2013*	2013*	2012	2011
			Restated	Restated
Financial Status				
Total Assets	4,240	4,232	3,669	3,117
Total Liabilities	1,940	1,935	1,431	1,046
Shareholders' Equity	2,300	2,297	2,238	2,071
Operating Results				
Revenue from sales of goods and rendering of service	4,402	4,402	3,884	3,693
Gross Profit	1,171	1,160	1,173	1,147
Income tax expenses	607	605	716	663
Net Income	451	449	546	459
Financial Ratios				
Net Profit Margin (%)	10.24	10.19	14.05	12.43
Return on Equity (%)	19.87	19.79	25.32	23.37
Return on Total Assets (%)	11.40	11.36	16.08	16.64
Debt to Equity Ratio (times)	0.84	0.84	0.64	0.51
Earnings Per Share (Baht Per Share)	0.43	0.43	0.53	0.46
Book Value (Baht Per Share)	2.21	2.21	2.17	2.06
Summary Stock Information "DRT"				
Market Price as at Year End (Baht Per Share)	7.90	7.90	7.35	5.75
Number of Registered Common Shares (Million Shares)	1,050	1,050	1,050	1,050
Number of Paid – up Common Shares (Million Shares)	1,047	1,047	1,038	1,027
Number of Treasury Common Share as at Year End (MillionShares)	-	-	-	1.56
Par Value (Baht Per Share)	1.00	1.00	1.00	1.00
Market Capitalization as at Year End (Million Baht)	8,274	8,274	7,630	5,905
Price Earnings Ratio as at Year End (Baht Per Share)	18.37	18.37	13.87	12.50
Dividend Per Share (Baht Per Share)	0.38	0.38	0.40	0.38
Dividend Payout Ratio (%)	88	88	75	83

Remarks * During 2013, there was a change in the Company's paid-up capital (details can be seen in the "Significant Changes in the Past Year" on Page 50).

ORGANIZATION STRUCTURE



SIGNIFICANT CHANGES IN THE PAST YEAR

Year 2013

February

- On February 15, 2013 was the date for the exercise of warrants No.11 with 505,000 ordinary shares being exercised at Baht 1.00 per share totaling Baht 505,000. The Company registered the change of paid-up capital increase with the Ministry of Commerce on February 27, 2013, resulting in an increase in paid-up capital to Baht 1,038,609,000.

May

- The Board of Directors' Meeting No. 252 dated May 8, 2013 resolved to approve for the establishment of Diamond Materials Co., Ltd. ("subsidiary company") to enter into a contract to acquire the autoclaved aerated concrete production assets of PCC Autoclave Concrete Co., Ltd. ("the Seller"). The objective is to invest in the autoclaved aerated concrete business in Chiang Mai Province and also expand its market base into the Northern Region in addition to its first autoclaved aerated concrete plant in Saraburi Province.

Name	:	Diamond Materials Co., Ltd.
Location of head office	:	408/163-165 Phahoyothin Place Bldg., Phahoyothin Rd., Samsennai, Bangkok
Location of branch office	:	263, Moo 10, Tambol Maetaek, Amphoe Sansai, Chiang Mai
Type of business	:	Construction materials business including the production of autoclaved aerated concrete
Investment objective	:	To operate a production plant for autoclaved aerated concrete and construction materials in Chiang Mai Province
Registered capital	:	Baht 200.00 million (comprising 2.00 million shares at a par value of Baht 100.00 per share for Baht 200 million)
Shareholding structure	:	Diamond Building Products Public Co., Ltd. holds 99.99 of total issued and paid-up shares
Source of funds	:	Loans from financial institution for whole amount

June

- On June 17, 2013 was the date for the exercise of warrants No.12 with 55,000 ordinary shares being exercised at Baht 1.00 per share totaling Baht 55,000. The Company registered the change of paid-up capital increase with the Ministry of Commerce on June 26, 2013, resulting in an increase in paid-up capital to Baht 1,038,664,000.

October

- On October 15, 2013 was the date for the exercise of warrants No.13 with 8,704,000 ordinary shares being exercised at Baht 1.00 per share totaling Baht 8,704,000. The Company registered the change of paid-up capital increase with the Ministry of Commerce on October 24, 2013, resulting in an increase in paid-up capital to Baht 1,047,368,000.

Year 2014

February

- On February 17, 2014 was the date for the exercise of warrants No.14 with 444,000 ordinary shares being exercised at Baht 1.00 per share totaling Baht 444,000. The Company registered the change of paid-up capital increase with the Ministry of Commerce on February 25, 2014, resulting in an increase in paid-up capital to Baht 1,047,812,000.

1. Industrial Situation and Competition

The market situation in 2013 experienced an industrial expansion thanks to several positive factors including expansion of projects of the Government and private sector, particularly investments in construction in the province. Operators in the property sector have debuted more high-rise housing projects in the economic upcountry areas, such as Khon Kaen Province, Udon Thani Province and Prachuab Kirikhan Province, etc. In addition, constructions in the commercial sector has tendency to grow such as investments in industrial plants in the Eastern and Northeastern regions or investments in the expansion of large shopping malls in the tourist provinces, including economic stimulus measures from the Government sector. All these factors have benefited the construction industry as a whole, which can be summarized as follows.

1.1 Operators in the Industry

For the roofing, board and synthetic wood substitute manufacturing industry, besides the existing group of operators including Siam Cement Group, Mahaphant Group, Olarnvanich Group and Diamond Products, there was a new operator, the TPI Group, entering into the market of roofing products, which has resulted in a fiercer competition. As for the new production development, it was found that the operators were still interested in the development of wood substitute products for variety of uses in order to meet the requirements of the consumers.

1.2 Competition in Domestic Market

The overall demand for construction products in the domestic market has increased especially in the provincial areas whilst several producers have increased their production capacity, especially in the synthetic wood and board product groups, which has resulted in a fiercer competition. Substitute products such as metal sheets have made an impact on the Roman tiles group of products, forcing the operators in the market to make necessary adjustments to cope with the changing situation.

Market shares in 2012 are as follows.

Manufacturers	Sales in 2012	Market Share
	(Unit: million Baht)	
1. Siam Cement Group	13,942.70	47.36%
2. Mahaphant Group	6,913.67	23.48%
3. Diamond Building Products Pcl.	3,883.58	13.19%
4. Kitemit Group (Olanvanich)	2,064.14	7.01%
5. Conwood	1,373.64	4.67%
6. Thai Ceramic Roofing Tiles Co., Ltd.	1,090.61	3.70%
7. Srikungdhonburi Co., Ltd.	171.56	0.59%
Total	29,439.90	100.00%

Source: Department of Business Development, Ministry of Commerce

1.3 Competition in Overseas Markets

In 2013, the value of exported roofing tiles, synthetic woods, boards and ceilings from Thailand to overseas markets was Baht 1,510.43 million, an increase of 9.77 percent from 2012, being categorized according to trading countries as follows.

Export Value of Roofing Tiles, Synthetic Woods, Boards and Ceilings

Product Description (Unit : million Baht)	2013	2012	2011
Fiber Cement Tiles	857.76	795.10	750.37
Concrete Tiles	305.00	208.14	289.72
Boards and Ceilings	27.21	38.20	174.39
Synthetic Woods	320.45	334.50	356.11
Total Export Value	1,510.43	1,375.94	1,570.59
Expansion rate increase (decrease) (%)	9.77%	(12.39%)	(0.52%)

Source: Thai Customs Department

Trading Countries

Trading Countries (Unit : million Baht)	Fiber Cement Tiles	Ratio	Concrete Tiles	Ratio	Boards & Ceilings	Ratio	Synthetic Woods	Ratio
Laos	585.54	68.26%	84.75	27.79%	6.90	25.35%	72.01	22.47%
Cambodia	206.53	24.08%	184.71	60.56%	0.51	1.88%	29.96	9.35%
Myanmar	37.27	4.34%	27.75	9.10%	0.33	1.22%	63.42	19.79%
Singapore	0.00	0.00%	1.37	0.45%	0.00	0.00%	83.06	25.92%
Malaysia	4.30	0.50%	3.42	1.12%	0.00	0.00%	28.27	8.82%
China	19.36	2.26%	0.04	0.01%	18.21	66.90%	0.24	0.07%
Others	4.76	0.56%	2.96	0.97%	1.26	4.65%	43.49	13.58%
Total Export Value	857.76	100.00%	305.00	100.00%	27.21	100.00%	320.45	100.00%

Source: Thai Customs Department

The Company mainly exports products to neighboring countries adjacent to Thailand, namely Laos, Cambodia, Myanmar and China, etc. Since the products are heavy and fragile with high transportation cost, there is a limitation for long distance transport. Total export value for year 2013 was at Baht 494.71 million or 32.75 percent of total export value.

1.4 Future Competitive Trends

For the roofing product group in the fiber cement tiles has been significantly affected by the substitute products such as the metal sheet roofing, which has started to impact concrete tiles and new producers have entered the market.

For the synthetic wood and siding board group, there has been continued development to meet a variety of uses, becoming full alternative to wood products. While major producers in the industry have increased their production capacity to meet increasing demand, resulting in a more intense competition; however, the majority of producers have focused on marketing incentives and campaigns in order to increase sales and capture the market share.

In order to support the increased competition, the Company sees market opportunity for increasing alternatives for the customers by increasing sales in variety of products such as granito tiles, gypsum, autoclaved aerated concrete, cement tile adhesive, cement, plastering mortar for AAC, door frames and aluminum window, etc.

2. Customer Characteristics, Target Group and Distribution Channels

The following table depicts the revenue and ratio from both domestic and international sales:

Revenue from Sales (Unit: Million Baht)	2013	Ratio	2012	Ratio	2011	Ratio
Domestic Market	3,570.43	87.83%	3,208.40	88.35%	3,137.30	90.08%
● Agents	3,179.42	78.21%	2,949.68	81.23%	2,892.23	83.04%
● Projects	391.01	9.62%	258.72	7.12%	245.07	7.04%
Overseas Market	494.71	12.17%	423.14	11.65%	345.59	9.92%
Total	4,065.14	100.00%	3,631.54	100.00%	3,482.89	100.00%

The Company has two main distribution channels as follows:

- 2.1 Domestic market** is divided into three channels, namely “Agent” customers group, which currently comprises of over 5,200 agents and stores throughout the Country; Major retail stores group, which products are currently distributed through CRC Power Retail Co., Ltd. and Siam Global House Pcl., having a total of over 70 branches throughout the Country and “Project” customers group. Revenue proportion from the agents increased by 7.79 percent from the previous year.
- 2.2 Export market:** The Company currently sells products to more countries as compared with the previous year, namely Laos, Cambodia, Myanmar, China, Philippines, India, Taiwan, Malaysia, Vietnam and Hong Kong. The revenue proportion from export has increased by 16.91 percent from the previous year.

3. Competitive Strategies

The Company has established strategies conforming with its vision, mission, and values as follows;

3.1 Development of Service Excellence

The Company continues to focus on the improvement of efficient service rendering by developing before and after sales service team with an emphasis on the continuing development of personnel in order to provide the consumers and customers with the most effective services. Survey forms are distributed to assess customer satisfaction with the services in order for further improvement. Furthermore, additional communication channels with the Company via the Call Center and additional sales channels via telephone (Tele Sales) have been introduced to increase efficiency for rush orders.

3.2 Development of timely and efficient product delivery.

The Company places priority on maintaining the service standards for prompt and efficient product delivery according to the policy of product delivery to customer within 24 hours. The overall delivery system has been improved for continuous link between various departments involved starting from production, product inventory, purchase order, truck loading as well as paying a visit to the customer to provide advice on efficient logistics and product storage.

3.3 Development of products with differentiation

The Company continues to emphasize on research and development to improve product quality and reduce production costs, placing importance on development of new products for the market such as the autoclaved aerated concrete and wood substitute product group, adding more variety in both usage and colors, including floor tiles, all-purpose wood and decorative wood as well as decorative stair and plus eaves which will be introduced to the market in 2014. The Company also brings in OEM products for sales in order to increase product variety, increasing alternatives for the customers, such as granite tiles, cement adhesive, aluminum door-window, etc.

3.4 Establishment of fair and competitive pricing

The Company continues to exercise its policy on a fair and competitive pricing by stressing on the quality on a variety of products, providing reasonable discounts to the customers for attainable target with profit maintained at an acceptable level.

3.5 Strengthening of distribution channels

The Company still focuses on development of sale and distribution agents of the Company to be strong and become important force for pushing Company's products forward along with increasing the number of new distribution agents with potential continuously in order to have distribution agents throughout the country. Therefore, the task of maintaining and developing of distribution agents is considered very important by establishing the distribution channel development unit to focus on marketing activities and training programs to provide knowledge on new products in order to support sales of distribution agents. For domestic stores, there is a development of store format under the concept of "Everything in One" to meet the behaviors of the consumers and increase variety and convenient access to the products.

3.6 Development of a Product Distribution Center and Regional Production Base

The Company owns unused land plots in several provinces such as Khon Kaen, Lumpang, Chonburi and Surat Thani, etc., having policy to expand its production base and product distribution center to the provincial areas, namely:

- **CT-KK Project** : is the first expansion of concrete tile production base with production capacity of 40,000 tons per year. Production is expected to commence in the 1st quarter of year 2014. The plant is located in Khon Kaen Province and it will be the product distribution center to the Northeastern region.
- **AAC-CM Project** : The Company established a subsidiary company, Diamond Materials Co., Ltd. (DMATS) for investment in machinery for production of the autoclaved aerated concrete in Chiang Mai Province with production capacity of 50,000 tons per year. Production commenced in the 2nd quarter of year 2013.

4. Procurement of Products or Services

4.1 Production

The Company follows a policy of full capacity production to maintain consistent production levels throughout the year in order to reduce production costs and increase inventories for sales during periods that sales volume is higher than the production capacity. In 2013, the production capacity utilization rate was approximately of 87 percent as compared to 92 percent in 2012 due to the fact that in 2013 the Company has commenced the production of autoclaved aerated concrete in Saraburi Province (AAC-1 Project) with production capacity of 140,000 tons per year and investment in machinery for production of autoclaved aerated concrete in Chiang Mai (AAC-CM Project) with production capacity of 50,000 tons per year which commenced its operation in June 2013.

4.2 Procurement of Raw materials

Raw materials used in production are purchased domestically and internationally as follows:

A. Domestic sources

Raw materials such as Portland cement, sand, paint, paper pulp, and other raw materials are purchased from domestic sources. The proportion of domestic sourcing increased from 62.45 percent in 2012 to 62.75 percent in 2013.

B. International sources

Asbestos, synthetic fibers, paper pulp, etc., are purchased from international sources. The proportion of international provision decreased from 37.55 percent in 2012 to 37.25 percent in 2013.

4.3 Problems concerning raw materials

The Company has never faced problem with material shortage as the Company has efficient planning and management in procurement, including procurement from various trading partners for each product. Additionally, the Company has sufficient revolving credit and long established relationships with trading partners that has created credibility for the Company.

10 Largest Shareholders		No. of Shares	Proportion
1.	Myriad Materials Co., Ltd.	629,128,600	60.04%
2.	Thailand Prosperity Funds II	53,192,400	5.08%
3.	Bualuang Long -Term Equity Fund	23,947,600	2.29%
4.	Bualuang Long -Term Equity Fund 75/25	17,113,100	1.63%
5.	Mr. Prakit Pradipasen	14,619,500*	1.40%
6.	Dr. Burana Chavalittamrong	11,200,000	1.07%
7.	Mrs. Siriwan Jungthirapanich	10,000,000	0.95%
8.	Bualuang Siriphol Corporate Governance Mutual Fund	9,816,200	0.94%
9.	Bualuang Siriphol Corporate Governance RMF	9,761,400	0.93%
10.	Bualuang Flexible Retirement Mutual Fund	9,370,200	0.89%
11.	Others	259,663,000	24.78%
Total		1,047,812,000	100.00%

*Remark * Number of shareholding including spouse and minor child*

The Company has determined the name list of shareholders with rights to attend the 29th Annual General Meeting of Shareholders (Year 2014) and rights to receive dividends on the Record Date of Friday, March 14, 2014, and compiled the name list of shareholders according to Section 225 of the Securities and Exchange Act by closing the share register book, suspending transfer of shares on Monday, March 17, 2014.

Currently, Myriad Material Co., Ltd. is the major shareholder of the Company, having the group of Mr. Chaiyut Srivikom and group of Mr. Prakit Pradipasen as the major shareholders of both directly and indirectly with shareholding of 40.00 percent and 25.11 percent, respectively. Accordingly, the representatives of Myriad Materials Co., Ltd. group, having four positions of directorship in the Company, namely Mr. Prakit Pradipasen, Mr. Chaiyut Srivikom, Mr. James Patrick Rooney and Mr. Phaithoon Kijamrej.

Nevertheless, with regard to the approval of related transactions, the Board of Directors has established measures or procedure for approval of related transactions that have conflict of interest by having them inspected by the Audit Committee first before proposing to the Board of Directors and/or the Shareholders' Meeting for consideration and approval and the person who may have the interest is not allowed to approve such transaction related to the person. Accordingly, the Company shall disclose the transactions with related parties within the notes to the financial statements of the Company.

REMUNERATION FOR DIRECTORS AND EXECUTIVES

The Company's Board of Directors has assigned duty to the Nomination and Remuneration Committee (NRC) to consider the remuneration for the directors and executives and propose its opinion to the Board of Directors for consideration of the remuneration for the executives and employees of the Company. As for the remuneration for the Board of Directors, it shall be proposed to the Shareholders' Meeting for its consideration.

Remuneration Policy : "The Company intends to pay fair and appropriate remuneration by considering the scopes of duties and responsibilities, including expected benefits to be received from the directors, executives and employees. Comparisons are made with other companies in the same industry and listed companies in the Stock Exchange of Thailand of the same industry. Assessments on the performance of the Company and Directors' operation are also used for consideration."

1. Rules on Consideration of Remuneration for the Directors and Executives

1.1 Board of Directors and Sub-committees

The NRC Committee has specified the format and rule on the remuneration payment for the Board of Directors and sub-committees of the Company fairly and appropriately as follows.

- 1.1.1 Remuneration for the directors is considered by comparing with other companies in the same industrial sector and listed companies in the Stock Exchange of Thailand within the same industrial sector.
- 1.1.2 Remuneration is considered based on the scope of accountability and responsibility including expected benefit to be received from each director. Director with additional assignment deserves to be compensated fairly and appropriately such as member of the sub-committee, etc.
- 1.1.3 Remuneration is considered based on the operating results of the Company for each year.
- 1.1.4 Remuneration is considered based on the Self Assessment of the Board of Directors' Performance for each year. In addition, there are review and recommendation on the method for assessment of the work performance and report of the assessment results to the Board of Directors for improvement of the effectiveness in work performance of the Board of Directors.
- 1.1.5 Format and rule on every type of remuneration payments are reviewed every year, including the amount of payment and remuneration payment ratio for appropriateness, namely monthly remuneration (such as meeting attendance fee) and annual remuneration (such as pension) to be paid to the Board of Directors and Sub-committees of the Company. Opinions shall be proposed to the Board of Directors for proposing to the Shareholders' Meeting for its consideration and approval.

1.2 Employees of the Company

The NRC Committee has specified the format and rule on the assessment of the employee's work performance as follows.

- 1.2.1 KPI (Key Performance Indicators) is being used to consider for the adjustment of salary and annual bonus payment for the employees based on the annual budget and operating targets of the Company as well as market and economic situation before proposing to the Board of Directors for consideration and approval.
- 1.2.2 Consideration of the assessment of work performance and payment structure for monthly salary, annual bonus and annual salary increase rate for the executive from the assistant managing director and higher before proposing to the Board of Directors for consideration and approval.
- 1.2.3 Consideration and recommendation of the salary structure, benefits and other welfares for the employees of the Company for both cash and non-cash.

2. Remaneration Payment

2.1 Explicit Remuneration

2.1.1 Monthly Remuneration of the Directors (for the year ending December 31, 2013)

Position (Unit : thousand Baht)	Monthly Remuneration per Person		
	Board of Directors	Audit Committee	Nomination and Remuneration Committee
Chairman of the Board	80.00	30.00	20.00
Directors	50.00	20.00	10.00

2.1.2 Annual Remuneration of the Directors (for the year ending December 31, 2013)

Name (Unit : million Baht)	Annual Remuneration			Bonuses	Total
	Board of Directors	Audit Committee	Nomination and Remuneration Committee		
1. Mr. Prakit Pradipasen	0.96	-	-	0.50	1.46
2. Mr. Chaiyut Srivikom	0.60	-	0.24	0.40	1.24
3. Mr. James Patrick Rooney	0.60	-	-	0.40	1.00
4. Mr. Phaithoon Kijamrej	0.60	-	0.12	0.40	1.12
5. Mr. Thanit Pulivekin	0.45	0.16	-	0.00	0.61
6. Mr. Sakda Maneeratchatchai	0.60	0.33	-	0.40	1.33
7. Mr. Anun Louharanoo	0.60	0.24	0.12	0.40	1.36
8. Mr. Asanee Chantong	0.60	-	-	0.40	1.00
9. Mr. Satid Sudbuntad	0.60	-	-	0.40	1.00
10. Mr. Maitree Tawonatiwasna	0.60	-	-	0.40	1.00
11. Mr. Krit Phanratanamala	0.60	-	-	0.40	1.00
12. Mr. Woodthikrai Soatthiyanon	0.60	-	-	0.40	1.00
13. Mr. Somboon Phuvoravan (Resigned in April 2013)	0.15	0.09	-	0.40	0.64
Total	7.56	0.82	0.48	4.90	13.76

2.1.3 Comparison of Remunerations of Directors and Executives

Remuneration (Unit : Million Baht)	2013		2012		2011	
	Persons	Amount	Persons	Amount	Persons	Amount
Directors' Remuneration & Bonus	12	13.76	12	13.39	12	10.66
Executives' Salary, Bonus and Others*	6	33.79	6	31.09	6	29.18
Total		47.55		44.48		39.84

Remark * This includes provident fund of year 2013:2012:2011 = 1.23 : 1.16 : 1.08 Million Baht

2.2 Other Remunerations

The Company established an Employee Stock Ownership Program (ESOP) as approved by the Extraordinary General Meeting of Shareholders No. 1/2008, dated June 17, 2008 by issuing 49,650,000 warrants to the Company's Directors and employees. Accordingly, on October 10, 2008, the Securities and Exchange Commission (SEC) approved for the Company to offer to sell such securities. In 2013, 5,430,000 units had been exercised, to be ended on June 15, 2014, of which details of the program and reports on the exercise of warrants can be seen on the Company's website.

MANAGEMENT STRUCTURE

Management structure comprises the Board of Directors, sub-committees, and the executives of the Company with various and important qualifications, roles and responsibilities, which are clearly specified within the Good Corporate Governance Handbook that is disseminated on website of the Company in the Investor Relations section as guidelines and principles for the Directors and executives to follow, which can be summarized as follows.

1. The Board of Directors

The Board of Directors consists of experts from various disciplines who possess expertise, skills, leadership, vision, independent decision, dedication and efforts, to carry out duties and responsibilities with care and honesty for the best interest of the Company, shareholders, and all stakeholders.

As of December 31, 2013, the Company's Board of Directors had 12 directors, comprising of 4 independent directors, 5 non-executive directors, and 3 executive directors.

Names	Positions	Board of Directors' Meeting (Sessions)	
		2013	2012
1. Mr. Prakit Pradipasen	Chairman of the Board	12/12	11/12
2. Mr. Chaiyut Srivikom	Director	11/12	11/12
3. Mr. James Patrick Rooney	Director	12/12	9/12
4. Mr. Phaithoon Kijamrej	Director	11/12	11/12
5. Mr. Somboon Phuoravan	Independent Director (office term ended April 24, 2013)	3/12	11/12
Mr. Thanit Pulivekin	Independent Director (appointed since April 24, 2013)	9/12	-
6. Mr. Sakda Maneeratchatchai	Independent Director (appointed since April 17, 2009)	11/12	12/12
7. Mr. Anun Louharanoo	Independent Director (appointed since January 10, 2005)	12/12	11/12
8. Mr. Asanee Chantong	Director / Managing Director	12/12	12/12
9. Mr. Satid Sudbuntad	Director / Deputy Managing Director	12/12	12/12
10. Mr. Maitree Tawonatiwasna	Director / Deputy Managing Director	12/12	12/12
11. Mr. Krit Phanratnamala	Director	12/12	11/12
12. Mr. Woodthikrai Soatthiyanon	Independent Director (appointed since January 12, 2011)	12/12	11/12
13. Ms. Thanakam Phanthapirat	Company Secretary	12/12	12/12

Directors authorized to sign on behalf of the Company are Mr. Prakit Pradipasen, Mr. Chaiyut Srivikom, Mr. James Patrick Rooney, Mr. Phaithoon Kijamrej, Mr. Asanee Chantong, Mr. Satid Sudbuntad and Mr. Maitree Tawonatiwasna. Two of these seven Directors shall co-sign and affix with the Company's seal.

Authorities and Duties of the Board of Directors are summarized as follows.

1. To establish policies, objectives, business plan, and annual budget as well as oversee management of directors and executives to perform their assigned duties effectively and for the best interest of the Company and its shareholders, having regular monitoring and assessment of the work performance.
2. To establish the policy on the Corporate Governance and Code of Conduct for the Company, establish appropriate and adequate internal control system, establish policy on the risk management covering the whole organization, establish policy on corporate social responsibility, establish policy on anti-government by having the management practice and adhere to all the policies and report the work performance at least once a year.
3. To establish guidelines for transaction that may create conflict of interest among the stakeholders of the Company for the best interest of the Company and its shareholders. The person that has the interest should not be involved in the decision making. To set up procedure and disclosure of correct and complete information concerning the transaction that

- may have conflict of interest within the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2).
4. To provide opportunity and rights to every director to propose meeting agenda in advance for at least 10 days prior to the meeting by sending the meeting agenda to the secretary for the Company Secretary to include in the meeting agenda.
 5. To appoint the sub-committees as necessary through consideration of the Nomination and Remuneration Committee, as well as specify the scope of duties and responsibilities of the sub-committees as follows.
 - (A) Audit Committee
 - (B) Nomination and Remuneration Committee
 - (C) Corporate Governance Committee
 - (D) Management Committee
 6. To establish that the position of Chairman of the Board and Managing Director shall be of different individual and therefore has stipulated scope of duties and responsibilities as follows.
 - (A) The Chairman of the Board has duty to establish the policy and business plan, supervise and monitor the work of the Management; however, he must not get involved or interfere in the day-to-day management. In addition, The Chairman of the Board must possess leadership quality and oversee that the Directors are not under the influence of the Management. He shall chair both the Board of Directors' Meeting and Shareholders' Meeting with fairness, support and encourage meeting attendants to exercise their voting right by strictly and effectively adhering to the principles of good corporate governance.
 - (B) The Managing Director has duty to manage routine work in accordance with the established objectives and targets under the assigned authorities from the Board of Directors.
 7. To establish the number of listed companies that the Managing Director of the Company. may take up that is appropriate to the nature and condition of the Company which should not be more than 3 listed companies.
 8. To appoint the Company Secretary and establish scope of duties and responsibilities of the Company Secretary to the coordinator among the executives, directors and shareholders of the Company. The Company Secretary has duty to organize meetings and take minutes of the Shareholders' Meeting and Board of Directors' Meeting, to oversee that the disclosure of information are conducted in accordance with the rules and regulations of the Stock Exchange of Thailand and Securities Exchange and Commission, etc.

Criteria for Nomination of Independent Director

The Company has established descriptions of the independent director in compliance with the laws of the Securities and Exchange, regulations and good principles of the Securities and Exchange Commission (SEC), Stock Exchange of Thailand and laws relating to the business of the Company, having details on the criteria for nomination and qualification of the independent director stated in the Good Corporate Governance Handbook, which is disseminated on the Company's website (www.dbp.co.th).

2. Sub-Committees : The Board of Directors has appointed 4 sub-committees as follows.

2.1 Audit Committee

Audit Committee comprises at least 3 independent directors having a term of 3 years and being nominated by the Nomination and Remuneration Committee. If the Audit Committee comes to the term or, for any reason, retires before the term causing the number of members below the specified number, the Board of Directors or the shareholders' Meeting shall appoint new member(s) of the Audit Committee to fulfill the requirement immediately or within 3 months since the date of incompleteness to ensure continuity in operation. The Audit Committee shall have compositions and qualifications in compliance with the criteria specified by the Securities and Exchange Commission and the Stock Exchange of Thailand.

The number of Audit Committee members shall be at least one-third of the Board of Directors and comprise at least 3 independent directors, and one of them must have good knowledge in accounting and finance. The Audit committee shall be appointed by the Board of Directors or by the shareholders' meeting.

In 2013, the Audit Committee held 10 meeting sessions.

As of December 31, 2013, the Audit Committee comprised the following 3 members.

Names	Position	Audit Committee's meeting (Sessions)	
		2013	2012
1. Mr. Sakda Maneeratchatchai	Audit Committee Chairman (appointed April 24, 2013)	10/10	8/8
Mr. Somboon Phuvoravan	Audit Committee Chairman (ended April 24, 2013)	4/10	8/8
2. Mr. Thanit Pulivekin	Audit committee Member (appointed April 24, 2013)	6/10	-
3. Mr. Anun Louharanoo*	Audit committee Member	10/10	8/8

* Mr. Anun Louharanoo is the audit committee member who possesses knowledge and experience sufficient for audit reliability of the Company's financial statements and Mr. Samart Wiriyakhattiyapom acts as the secretary for the audit committee.

Authorities and Duties of the Audit Committee are summarized as follows.

To review that the Company has correct and adequate financial reports; review internal control and internal audit systems to be sufficient and effective; select and propose appointment of the independent auditor and audit fee by taking reliability into consideration; attend the meeting with the independent auditor without the management at least once a year; consider connected transactions or transactions that may have conflicts of interest; prepare an audit committee report to be disclosed / in the Company's annual registration statement (Form 56-1) and annual report (Form 56-2); and review the Company's compliance with the Securities and Exchange laws, regulations of the Stock Exchange of Thailand, and laws related to the Company's business.

The Company has set up the Internal Audit and Compliance Control Office to be responsible for supervising and review the Company's operations in accordance with specified operation systems or internal audit standards, and being the coordinator to support and assist the Audit Committee for good corporate governance. Mr. Samart Wiriyakhattiyapom, Manager of the Internal Audit and Compliance Control Office, has been appointed by position as the Secretary to the Audit Committee.

2.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises at least 3 non-executive directors and at least 1 member shall be an independent director. The committee member shall be appointed by the Board of Directors and shall have an office term of 3 years. The Nomination and Remuneration Committee shall select and appoint one member to be the Chairman. If the members of Nomination and Remuneration Committee are below the specified number, the Board of Directors shall select and appoint new member(s) within 3 months for continuity in operation.

In 2013, the Nomination and Remuneration Committee held 5 meeting sessions.

As of December 2013, the Nomination and Remuneration Committee comprised of the following 3 members.

Names	Positions	Nomination and Remuneration Committee Meeting (Sessions)	
		2013	2012
1. Mr. Chaiyut Srivikom	Nomination and Remuneration Committee Chairman	5/5	6/6
2. Mr. Phaithoon Kijssamrej	Nomination and Remuneration Committee Member	5/5	6/6
3. Mr. Anun Louharanoo	Nomination and Remuneration Committee Member	5/5	6/6

Mr. Asanee Chantong, Managing Director, is the Secretary to the Nomination and Remuneration Committee.

Authorities and Duties of the Nomination and Remuneration Committee are summarized as follows.

The Nomination and Remuneration Committee has responsibilities as assigned by the Board of Directors to perform their duties with responsibility, caution, and honesty as follows.

1. Consideration of Nomination of Company's Directors and Executives

- (A) To establish and review proper structures and qualifications of the Board of Directors, sub-committees and executives, consider nomination criteria and process to recruit suitable candidates for the directorship position and submit opinion to the Board of Directors and propose to the Shareholders' meeting for consideration and appointment.

- (B) To consider a suitability of the candidates for positions of the Assistant Managing Director and above and the Company Secretary in order submit opinion to the Board of Directors for consideration and approval in case of vacancy of the position; as well as establish criteria for consideration of successors and perform other duties as assigned by the Board of Directors regarding the nomination of directors and executives.
2. Consideration of Remuneration for Company's Directors and Employees.
 - (A) To establish fair and reasonable remuneration formats and criteria for the Board of Directors and sub-committees by comparing with other companies in the same industry and listed companies in the Stock Exchange of Thailand of the same industry. Remuneration is considered based on accountability and responsibility, annual operating results of the Company, annual self-assessment of the Board of Directors' performance. Remuneration consists of monthly remuneration (e.g. meeting allowance) and annual remuneration (e.g. directors' bonuses) paid to the Board of Directors and sub-committees. The Committee shall submit opinion to the Board of Directors to propose to the shareholders' meeting for consideration and approval.
 - (B) To consider performance evaluation formats and criteria for the Company's employees or KPI (Key Performance Indicators) for consideration of salary adjustments and annual rewards (bonuses) to the Company's employees by considering based on the Company's annual budget and operating objectives as well as market and economic situations and submitting opinion to the Board of Directors for consideration and approval.
 - (C) To perform other duties as assigned by the Board of Directors on operations related to consideration of remuneration for the Company's directors, executives, and employees.
3. Preparation of Nomination and Remuneration Committee Report once a year to be proposed to the Company's Board of Directors by disclosing it within the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) of the Company, signed by the Nomination and Remuneration Committee Chairman. The number of meetings and meeting attendance record for each of the Nomination and Remuneration Committee members must also be specified.

2.3 Corporate Governance Committee

The Corporate Governance Committee comprises of at least 3 Company's Directors, one of whom has to be the Independent Director, having been appointed by the Board of Directors. Its office term is 3 years. The Corporate Governance Committee selects one of the members who is independent to be the Chairman of the Corporate Governance and not being the Chairman of the Board of Directors. The head person responsible for Company's secretary task shall take up the position of the Secretary to the Corporate Governance Committee, having responsibility to organize Corporate Governance Committee's meetings as well as coordinate so that there is report to the Board of Directors and other relevant work units (if any). Accordingly, in 2013, the Corporate Governance Committee held 3 meetings altogether with every member attending all the meetings.

As at December 31, 2013, the Company has a total of 3 Corporate Governance Committee members as follows.

Names	Positions	Corporate Governance Committee Meeting (Sessions)	
		2013	2012
1. Mr. Thanit Pulivekin	Corporate Governance Committee Chairman	3/3	-
2. Mr. Woodthikrai Soatthiyanon	Corporate Governance Committee Member	3/3	-
3. Mr. Satid Sudbuntad	Corporate Governance Committee Member	3/3	-

Ms. Thanakam Phanthapirat, Company Secretary, is the Secretary to the Corporate Governance Committee.

** The Corporate Governance Committee was appointed by the Board of Directors' Meeting No. 258 dated November 5, 2013.*

Authorities and Duties of the Corporate Governance Committee are summarized as follows.

1. To establish policy, rule and guideline for good practice in various business aspects to in compliance with the good corporate governance principles and prepare the Good Corporate Governance Handbook for the directors, executives and employees at every level to adhere to as operating guidelines, which is deemed as very important task for everyone not to neglect these practices as appeared within this Handbook. In addition, there shall be monitoring, improvement and support for dissemination of corporate governance culture in the organization for comprehension by the directors, executives and employees at every level and practices by all in the organization. The Report of the Corporate Governance

Committee must be prepared and proposed to the Board of Directors once a year and disclosed in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) of the Company. Such report shall be signed by the Corporate Governance Committee Chairman. The number of meetings and meeting attendance record for each of the Corporate Governance Committee members must also be specified.

2. To consider the Form for the Self-assessment of the Board of Directors' Performance of the Company and its subsidiary company, as well as to give consent for the assessment results to be proposed to the Board of Directors for consideration. In 2013, there were assessment of performance for the Board of Directors as a whole and individual and assessment of performance for every sub-committee.

2.4 Management Committee

Management Committee comprises at least 3 executives, ranking from Assistant Managing Director and above, are appointed by the Board of Directors. The Management Committee is officially chaired by the Managing Director. If the members of the Management Committee are below the specified number, the Nomination and Remuneration Committee shall select new member(s) and propose to the Board of Directors for appointment within 3 months for continuity in operation.

In 2013, the Management Committee held 38 sessions of weekly meeting.

As of December 31, 2013, the Management Committee comprised the following 5 members.

Names	Position
1. Mr. Asanee Chantong	Management Committee Chairman
2. Mr. Satid Sudbuntad	Management Committee Member
3. Mr. Maitree Tawonatiwasna	Management Committee Member
4. Mr. Suwit Kaewamphunsawat	Management Committee Member
5. Ms. Thanakam Phanthapirat	Management Committee Member and Secretary

Authorities and Duties of the Management Committee are summarized as follows.

To manage the Company's business in accordance with objectives, policies, business plans, and budget as approved by the Board of Directors; to consider proposal from the management for establishment of vision, mission, values, objectives, business plans and business strategies, financial plans, capital management, human resources management, annual budget, KPIs (Key Performance Indicators), and evaluation of Company's success for submission to the Nomination and Remuneration Committee in order to propose to the Board of Director for consideration and approval.

To consider the organization structure, organization management authorities as well as appointments, hiring transfers, consideration of salaries, compensation, rewards and termination for the employees up to the executives at the division manager level; to establish authorization in purchasing and hiring and financial approval authorization of executives for each level in accordance with the regulations relating to operation and approval authorization as approved by the Board of Directors of the Company; to report Company's monthly and annual operating results to the Board of Directors' Meeting, perform self-assessment according to the KPIs for individuals as already approved and provide opinion to the Nomination and Remuneration Committee in order to propose to the Board of Directors for consideration and approval; and to perform other duties as assigned by the Board of Directors on a case by case basis. In addition, the Management Committee has appointed the following committees for special purposes as follows.

2.4.1 Risk Management Committee

The Management Committee appoints the Risk Management Committee, comprising at least 10 members, at least 1 executive ranking from the department manager level and above from each department including the standard system section manager and legal officer becoming the Risk Committee Member by positions. The Chairman of the Risk Management Committee shall be selected from the executives at the level of Assistant Managing Director and above and one committee member is appointed as the secretary.

In 2013, the Risk Management Committee held 12 meeting sessions.

As of December 31, 2013, 14 members of the Risk Management Committee includes Deputy Managing Director in Sales and Marketing, Assistant Managing Director in Sales and Marketing, at least one executive from the department manager level and up from every department of the Company totaling 10 persons, Standard System section manager (Secretary), and legal officer.

Authorities and Duties of the Risk Management Committee are summarized as follows.

To establish risk management policy and work plans to cover all risks that may occur to the Company's business and present to the Management Committee for consideration before execution; to create procedures to assess and analyze all factors leading to the risk, and establish mitigation guidelines according to the risk factors as follows.

- **Red Risk** : Risk factor that must be corrected urgently and risk mitigation guidelines must be established.
- **Yellow Risk** : Factor that must be monitored which may become a risk factor, and risk prevention guidelines must be established.
- **Green Risk** : No risk factor yet.

To monitor management of unacceptable risks for setting mitigation and protection guidelines for such risks that may occur in the future; to review policies and control systems established for risk evaluation, management and control including auditing and reporting to ensure that the Company has adequate and effective risk management frameworks; to supervise operations according to the risk management frameworks and review sufficiency of disclosure of risk information to the supervision units and public; to prepare the operating report of the Risk Management Committee to be disclosed in the Company's annual registration statements (Form 56-1) and annual report (Form 56-2); and to perform other duties as assigned by the Board of Directors and the Management Committee on duties related to risk management. During 2013, the Risk Management Committee has supervised risk management operation with accountability and caution, able to control various risks to be within the level not impacting the Company's business operations.

2.4.2 Corporate Social Responsibility Committee

The Management Committee has been assigned by the Board of Directors to appoint the Corporate Social Responsibility Committee (CSR Committee) comprising of the Company's executives from the section manager and above for at least one person from each department to be the members of the Corporate Social Responsibility Committee by position, totaling at least 10 persons and select the executive at the assistant managing director level to be the Chairman of the CSR Committee and appoint one of the CSR Committee members as the Secretary to the CSR Committee.

In 2013, the CSR Committee held 2 meeting altogether.

As at December 31, 2013, the Company has 14 CSR Committee members comprising of the Deputy Managing Director in Sales and Marketing, Assistant Managing Director in Accounting and Finance and at least one executive at Section Manager level and above from every department totaling 10 persons, Assistant Manager of Accounting and Finance Division and Labor Relations Officer.

Authorities and Duties of the Corporate Social Responsibility Committee are summarized as follows.

To establish Corporate Social Responsibility Policy to be proposed to the Management Committee and the Board of Directors, prepare work plan and budget for each year, carry out work according to the approved work plan and budget, monitor the work progress and assess the effectiveness of the work, prepare the Corporate Social Responsibility and Sustainability Report at least once a year to be proposed to the Management Committee and the Board of Directors and disclose the Report in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) of the Company. Such report shall be signed by the Corporate Social Responsibility Committee Chairman. The number of meetings and meeting attendance record for each of the CSR Committee members must also be specified.

2.4.3 Other Committees

The Management Committee has been assigned by the Board of Directors to be able to appoint other committee in order to carry out work for the best interest of the Company such as Occupational Health and Safety and Workplace Environment Committee, Energy Management Committee, Energy Management Assessors Committee, Standard System Management Committee, Total Product Improvement (TPM) Promotion Committee and Employee Committee, etc.

3. Executives

The Company has a policy to recruit knowledgeable, capable and experienced executives with good working records and ethics, whom can contribute well to the Company. The nomination of such persons must pass through consideration by the Nomination and Remuneration Committee and approval by the Board of Directors. The executives at the level of Assistant Managing Director and above are appointed as members of the Management Committee by position. As of December 31, 2013, The Company had 5 Executives as follows.

Names	Position
1. Mr. Asanee Chantong	Managing Director
2. Mr. Satid Sudbuntad	Deputy Managing Director in Sales and Marketing
3. Mr. Maitree Tawonatiwasna	Deputy Managing Director in Production and Engineering
4. Mr. Suwit Kaewamphunsawat	Assistant Managing Director in Sales and Marketing
5. Ms. Thanakam Phanthapirat	Assistant Managing Director in Accounting and Finance

Authorities and Duties of the Managing Director are summarized as follows:

To establish vision, mission, values, objectives, policies, business plans and strategies, financial plans, capital management, human resources management, annual budget, KPI (Key Performance Indicators), and evaluation of the Company's success for submission to the Management Committee and the Board of Directors for consideration and approval.

To monitor and evaluate the Company's performances regularly to prevent risks from various internal and external risk factors that may adversely impact achievement of the Company's performance not achieving the specified targets; to have authority to appoint and manage working teams for the benefit and efficiency of good and transparent management; to have authority to set salaries, compensation, bonuses, as well as benefits for the employees ranking from the division manager level and below; to have authority to issue rules and regulations, orders, notifications for the operations to be in line with the Company's policy and best interest and to maintain disciplines and effective operation within the organization.

To have authority to approve for the purchase and hire and financial approval authority in accordance with the work regulations and approval authority as approved by the Board of Directors so that the Management has authority to manage daily routine work effectively with specified financial amount for the Division Manager, Assistant Managing Director, Deputy Managing Director, Managing Director and the Management Committee as well as matters that must be proposed for the Board of Directors for consideration and approval. Approval authorities are specified which can be summarized as follows.

- (A) Accounting, Taxation: Authorized persons are specified for each item.
- (B) Approval for Purchasing/Hiring and Repairing: Financial amount is specified for each position.
- (C) Financial approval, cash or check payment: Financial amount is specified for each position.
- (D) Short-term loan not more than 1 year term: Financial amount is specified for each position with maximum not exceeding Baht 50 million.
- (E) Long-term loan: Must be proposed to the Board of Directors for consideration and approval.
- (F) Adjustment of product inventory, write-off of assets and write-off of bad debt: Must be proposed to the Board of Directors for consideration and approval.
- (G) Other items namely work and approval authority which are not under any conditions above: Must be proposed to the Board of Directors for consideration and approval.

The Company has designated the Nomination and Remuneration Committee to consider and screen individuals according to the principles that are stipulated by the Company before proposing said individual to the Board of Directors or the Shareholders' Meeting for consideration and approval, according to the regulation for the nomination of directors and executives in the Good Corporate Governance Handbook, which can be summarized as follows.

1. The Board of Directors

The Company has designated the Nomination and Remuneration Committee to consider and screen the individuals whom possess knowledge, capability and qualifications in accordance with the notifications of the Securities Exchange and Commission and the Stock Exchange of Thailand and propose the name list of the individuals suitable for the directorship positions to the Board of Directors for proposing to the Shareholders' Meeting for its consideration as follows.

- 1.1 The Nomination and Remuneration Committee shall nominate and select the director of the Company according to established rule for nomination clearly and transparently, having sufficient supporting information for consideration such as education background and work experience of such person without gender discrimination for the interest in decision making by the Board of Directors and shareholders.
- 1.2 The Board of Directors has policy to provide equal rights to every shareholder, especially the minority shareholders in the nomination of new director in advance by establishing the rules and conditions for the nomination, which are disseminated on the Company's website (www.dbp.co.th) under "Investors Information" topic with specified period for exercising the right of at least 3 months before the end of fiscal year. Subsequently, the Nomination and Remuneration Committee shall select the Company's directors according to the established rules.
- 1.3 Nomination and Remuneration Committee performs the selection process of Company's directors according to the established rules and propose to the Board of Directors for its consideration and approval before proposing to the Shareholders' Meeting for its consideration and approval.
- 1.4 The appointment of the Company's directors must comply with the regulations of the Company and relevant laws. The Shareholders' Meeting shall consider the appointment of Company's director according to the following rules and procedure.
 - 1.4.1 One shareholder will have each share being counted as one vote.
 - 1.4.2 Each shareholder must use all the votes according to (1.4.1) to appoint one individual or several individuals for the directorship position but cannot divide the votes into different number of votes for a particular individual.
 - 1.4.3 The individuals receiving the highest number of votes in descending order shall be appointed as the directors for the total numbers of directors for available at the time. In the event that of tie or same number of votes for successive positions available, the Chairman of the Meeting shall have the casting vote.

2. The Sub-committees

The Company has designated the Nomination and Remuneration Committee to consider the nomination and selection of the sub-committees in the event of retirement by rotation or the vacancy of position. The name list of suitable persons shall be proposed to the Board of Directors for its consideration. The sub-committees consist of the following committees.

- 2.1 Audit Committee comprises of the Company's Directors whom are Independent Directors of at least 3 persons and one whom must possess knowledge in accounting and finance.
- 2.2 Nomination and Remuneration Committee comprises of Company's Directors whom are non-executive Directors of at

least 3 persons and one of whom must be the Independent Director.

- 2.3 The Corporate Governance Committee comprises of Company's Directors whom are non-executive Directors of at least 3 persons and at least one person must be Independent Director.

3. Management Committee and Executives of the Company

The Company has designated the Nomination and Remuneration Committee to consider and screen the individuals whom possess knowledge and work experience for the interest of Company's business to become the Company's executives at the level of Assistant Managing Director and above and has established the Management Committee as follows.

The Management Committee consists of the Company's executives from the level of Assistant Managing Director of at least 3 persons, having the Managing Director as the Chairman of the Management Committee by position. The Management Committee has been designated by the Board of Directors to have authority to establish other committees to work for the best interest of the Company as follows.

- 3.1 The Risk Management Committee comprises of at least one Executive Director and at least 10 executives at the level of Division Manager and above and select one Executive Director to become the Chairman of the Risk Management Committee, to establish policy and risk management plan to cover all the possible risks that may occur with the Company's business.
- 3.2 The Corporate Social Responsibility (CSR) Committee comprises of at least one Executive Director and at least 5 executives at the level of Division Manager and above and select one Executive Director to become the Chairman of the Risk Management Committee, to establish policy, rule and guideline for effective management and implementation of the Company's corporate social responsibility.
- 3.3 Other committees such as Occupational Health and Safety and Workplace Environment Committee, Energy Management Committee, Energy Management Assessors Committee, Standard System Management Committee, Total Product Improvement (TPM) Promotion Committee and Employee Committee, etc.

Accordingly, the Company had provided a means for shareholders to introduce issues for the meeting agenda and to nominate new directors according to principles of good corporate governance through the Company's website (www.dbp.co.th) from October 1, 2013 until December 31, 2013. There was no shareholder proposing any meeting agenda or nominating any new director.

The Company, as a listed company in the Stock Exchange since 2005, is determined to become a leading organization, manage its business professional, give precedence to Good Corporate Governance and strictly adheres to good practices and guidelines as stipulated by the Stock Exchange of Thailand and the Securities and Exchange Commission (SEC). In 2013, the Company received awards relating to corporate governance as follows.

1. The Company was placed in the **“Excellent”** group with five-star award () according to the Corporate Governance Report of the Thai Listed Companies from the Thai Institute of Directors (IOD) and in 2012 there was an additional announcement concerning the Top Quartile of listed companies for each industrial sector based on the market capitalization with ranking within the sector from high to low scores, which the Company received scores in the Top Quartile level in the group of companies with market capitalization of Baht 3,000 to 9,900 million.
2. The Company received **“Top Corporate Governance Report Awards”** from the “SET Awards 2013” on November 20, 2013, which was organized by the Stock Exchange of Thailand in cooperation with Money & Banking Magazine, honoring and praising the listed companies, securities company and fund management companies for their outstanding and excellent performance in several categories based on the operating results of year 2013.
3. The Company received an “Excellent” rating within 100-point range for the Annual General Meeting Assessment of the Listed Companies Year 2013 by the Thai Investors Association (TIA).

The Board of Directors has appointed the Corporate Governance Committee to establish policy, regulations and procedures in accordance with the principles of Good Corporate Governance in order to establish management procedures that are efficient, transparent and can be audited. The Committee has also prepared the Good Corporate Governance Handbook for all directors, executives and employees to adhere to and practice and accepted by all stakeholders. The Company has improved on the Good Corporate Governance Handbook appropriately and consistently, which was disseminated on the Company’s website (www.dbp.co.th) for the first time in 2010 and can be summarized as follows.

Corporate Governance Policy : “Corporate governance is considered a duty and accountability of the directors, executives and every employee to carry out their duties prudently and honestly with equitable and fair treatment of shareholders; to safeguard against conflict of interest or wrongful use of inside information for own and others’ benefits; to disclose information transparently, accurately and completely through convenient and accessible channels; to conduct business with ethics toward every group of stakeholders, namely shareholders, customers, business partners, competitors, creditors, employees, society, community and environment; as well as non-violation of human rights policy, political neutrality and anti-corruption for sustainable development.”

The Company’s Good Corporate Governance Principles are divided into 7 sections as follows:

Section 1 : Shareholder’s rights

The Company places importance on the shareholders who have the rights of business ownership having control on the Company through the nomination of directors to carry out duties on their behalf and have the rights to make decision concerning significant changes. The Company shall not in anyway violate or deprive the shareholder’s rights and shall encourage every shareholder to exercise their fundamental rights as stipulated by the law.

Good Practice on the Shareholder’s Rights

1. Shareholders’ Meeting

- 1.1 The Company has policy to support or promote every group of shareholders including institutional shareholders to attend the Shareholders’ Meeting.
- 1.2 The Company has set up a website to disclose important information such as quarterly financial statements, annual financial statements, Annual Registration Statements (Form 56-1), Annual Report (Form 56-2), as well as Invitation to the Shareholders’ Meeting completely showing meeting date, time, location, agenda, supporting documents for decision making on each meeting agenda, meeting regulations used in the meeting, and voting procedure, which are the same information sent to the shareholders in the form of documents. Information on shareholders’ meeting is disseminated on the Company’s website at

least 30 days before the meeting so that the shareholders will have sufficient time for studying the information.

- 1.3 Company convenes the shareholders' meeting by facilitating a meeting location in the middle of the city convenient for traveling and providing sufficient time period for the meeting.
- 1.4 The Company provides opportunity and offer right for the shareholders to propose meeting agenda deemed important by the shareholders and to propose name list of persons with appropriate qualifications for nomination as the new director in advance for at least 3 months before the end of the fiscal year (from October 1 to December 31 of every year) having clear procedure disseminated through Company's website.
- 1.5 The Company provides opportunity for the shareholders to send inquiries related to the meeting agenda through the Company's website approximately at least 3 weeks in advance before the meeting date.
- 1.6 The Company supports the shareholders to use the proxy form which is formatted in the way that the shareholders can choose how to vote and propose at least one Independent Director as an alternative in granting proxy by the shareholders.

2. Procedure on the Meeting Day

- 2.1 The Company has brought in technology for use in the registration of shareholders, vote counting and results in order to have quick, correct and accurate meeting operation and to notify voting procedure and vote counting for each meeting agenda for shareholders' acknowledgment before the Shareholders' Meeting starts.
- 2.2 The Company has designated the Board of Directors, sub-committees and executives to attend the Shareholders' Meeting and the shareholders may make relevant inquiry to the Chairman of the sub-committees.
- 2.3 The Company supports the use of voting ballots in the important meeting agenda such as connected transaction, acquisition or disposition of assets transaction, etc. for transparency and verifiable in case of dispute later.
- 2.4 The Company has arranged for vote counting inspectors during the Shareholders' Meeting and disclosure within the minutes of the Shareholders' Meeting.
- 2.5 The Company provides opportunity for the shareholders to choose to vote for appointment of director individually and provides opportunity for the shareholders to make appropriate inquiry concerning meeting agenda.
- 2.6 The Company avoids adding other meeting agenda which had not been specified before in the Shareholders' Meeting as it is unfair for the shareholders not attending the meeting.

3. Procedure after the Shareholders' Meeting

- 3.1 The Company prepares the minutes of the Shareholders' Meeting by recording the voting procedure clarification and voting results showing procedure for acknowledgment before the meeting as well as providing equal right for the shareholders to express their opinions and make inquiry, which the Company has recorded issues of the inquiries or opinions or suggestions from the shareholders and voting results for each meeting agenda showing approval, disapproval and abstain votes of the shareholders, including the names of Directors attending the meeting and absent from the meeting within the minutes of the meeting and disseminated on the Company's website in both Thai and English.
- 3.2 The Company discloses the resolutions of the Shareholders' Meeting including voting results in the working day after the Shareholder's Meeting by reporting the news through the Stock Exchange of Thailand.
- 3.3 The Company complies with guidelines on assessment on organizing the shareholders' Meeting (AGM Checklist) as prepared by the Thai Investors Association.
- 3.4 The Company organizes a plant visit at least once a year to provide the shareholders or analysts the opportunity to see the Company's business operation.

Section 2 : Equitable Treatment of Shareholders

The Company has measures to ensure that the shareholders are treated and protected on basic rights with parity and fairness and preventive measures to avoid conflicts of interest or wrongful use of internal information for own and other benefits.

Good Practice for Equitable Treatment of Shareholders

1. Information Providing Prior to the Shareholders' Meeting

- 1.1 The Company notifies the meeting itinerary including meeting regulation and agenda and opinions of the Board of Directors to the Stock Exchange of Thailand and dissemination through the Company's website at least 30 days before the meeting date.

- 1.2 The Company shall send the meeting invitation in both Thai and English specifying rules and regulations related to the meeting, voting procedure as well as voting right for each meeting agenda (the shareholder has one vote for one share), opinions of the Directors including supporting information for each meeting agenda and 3 types of proxy forms, to the shareholders in advance at least 21 days before the meeting date (according to the principles of good corporate governance). Meeting invitation is also advertised and published in the newspapers not less than 3 days before the meeting date in order for the shareholders to have sufficient time in consideration and information study for the meeting attendance and voting.
- 1.3 The Company has prepared such shareholders' Meeting invitation in both Thai and English and disseminated through the Company's website at least 30 days prior to the shareholders' Meeting date (according the principles of good corporate governance).
- 1.4 In the event that the shareholder is unable to attend the meeting, the shareholder may grant proxy to another person to attend the meeting on the shareholder's behalf. Additionally, the Company has added another option for the shareholder by proposing an independent director to be the proxy granted from the shareholder to attend the meeting and vote as intended by the shareholders by specifying the name of the independent director being granted the proxy on the proxy form attached with the meeting invitation.

2. Protection of Rights of the Minor Shareholders

- 2.1 The Company provides opportunity for the minor shareholders to propose additional agenda for the shareholders' Meeting in advance for at least 3 months before the end of fiscal year (from October 1 to December 31 of ever year) with clear procedure and instruction disseminated through Company's website.
- 2.2 The Company has established procedure for the minor shareholders to propose the name of individual for nomination as the director including supporting documents for consideration on qualifications and permission from the proposed person in advance for at least 3 months before the end of fiscal year (from October 1 to December 31 of ever year) with clear procedure and instruction disseminated through Company's website. The Company shall propose to the Nomination and Remuneration Committee to consider the established rule and propose the matter to the Board of Directors for approval to propose to the Shareholders' Meeting for its consideration.
- 2.3 The Company has established that the executive should not unnecessarily add meeting agenda that had not been informed in advance, particularly important agenda that the shareholders need time to study information before making decision.
- 2.4 The Company provides opportunity for the shareholders to use their rights to appoint director individually.

3. Protection against the Use of Inside Information

- 3.1 The Company has established practice guideline concerning with the supervision on the use of inside information by prohibiting the Directors, executives and employees at every level of the Company to use inside information, that has not been disclosed to the public with significant effect on the price of Company's securities, for own benefit including trading of the securities. Should the Company find that any Director, executive and employee of the Company violate this prohibition according to established guidelines, the Company shall take legal action and punish the wrongdoer.
- 3.2 The Company has established that the Directors and executives have duty to report their shareholding in compliance with the law by submitting the report to the Company Secretary for safekeeping and prepare report on the shareholding of the Directors and executives for acknowledgment by the Board of Directors at every meeting as well as disclosure within the Annual Report.

4. Interest of the Directors

- 4.1 The Company has established that the Directors report of their interest prior to the meeting agenda and make record within the minutes of the Board of Directors.
- 4.2 The Company has established that the Director, who has significant interest in the nature that may cause such Director not to have independent opinion, must refrain from participating in the meeting on such agenda.

- 4.3 The Company discloses information on related transactions, which has been conducted fairly according to the market price and normal business operation, in the notes to the financial statements of the Company

Section 3 : Roles of Stakeholders

The Company gives precedence and realizes the rights of all stakeholders in a provision by related laws and shall not perform any act to violate the rights of the stakeholder, and shall promote responsibility between the Company and all stakeholders for the building of the Company's stability and sustainability.

Good Practice on the Roles of Stakeholders

1. Policy on Practice toward the Stakeholders

- 1.1 The Company has established framework for codes of conduct by posting on the Company's website as practices in response to the rights of all stakeholders, either internal stakeholders such as the Company's employees and executives or external stakeholders such as shareholders, customers, trading partners, competitors, creditors, society, and environment, as well as non-violation of human rights policy, political neutrality, marketing communications and anti-corruption, etc.
- 1.2 The Company has established measures or channels for participation of the stakeholders by disclosing information related to the stakeholders and giving opportunities to whistleblow or complain through the Audit Committee directly without passing through the Company's executives via mail or e-mail address: Corpcenter@dbp.co.th without disclosing the whistleblower or complainer. The Audit Committee shall examine information and facts as informed and submit to the Board of Director directly for consideration of preventive measures and reasonable compensation to the sufferer on a case-by-case basis.
- 1.3 The Company has established quality policy, safety and environment policy, corporate social responsibility policy and promotes employees to follow these policies as well as establish practice guidelines so that the relevant parties feel confident that the Company is aware of quality, safety and environmental factors and continual development including disclosure of accidents record for acknowledgment.
- 1.4 The Company has established criteria, conditions, and methods for reporting interest of directors, executives, and relevant personnel in accordance with Section 89/14 of the Securities and Exchange Act (No.4) B.E. 2551 (2008).
- 1.5 The Company has established the policy and practice guidelines concerning with the compensation and welfare for the employees (see more details in the Corporate Governance Handbook disseminated on the Company's website) conforming with the Company's operating results in both short-term and long-term, having established the rule on employees' performance measurement, the Key Performance Indicator (KPI) which is used every year for consideration of the salary increase and annual bonus. In addition, there are provident fund and latency development for the employees with the number of training hours being disclosed within the Corporate Social Responsibility and Sustainability Report in the Annual Report.

2. Disclosure of Compliance with the Policy and Preparation of Corporate Social Responsibility Report

- 2.1 The Company has established the Corporate Social Responsibility Committee to establish policy, rules and guidelines to reflect CSR thinking and business operation of the Chairman of the Board of Directors as well as promote and support cooperation and involvement from every employee.
- 2.2 The Company has established practice guidelines concerning non-violation of intellectual property and copyright.
- 2.3 The Company has established practice guidelines concerning receiving and giving of gifts, assets or any benefits.
- 2.4 The Company has established the policy on anti-corruption including support for activities which promote and instill in every employee to comply with the relevant laws and regulations.
- 2.5 The Company has prepared the Corporate Social Responsibility and Sustainability Report within the Annual Report.

Section 4 : Information Disclosure and Transparency

The Company oversees the disclosure of important information related to the Company including financial statements and other non-financial information as stipulated by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand and other information with accuracy, completeness, timeliness and transparency through the Company's website with convenient access, parity and reliability.

Good Practice for Disclosure of Information and Transparency

1. Information Disclosure

- 1.1 Company has a policy for disclosing important information with correctness, non-misleading and sufficient for decision by the investors through Company's website in both Thai and English so the users can access information with parity. The information are updated regularly.
- 1.2 The Company has established that information be disclosed in the Annual Registration Statements (Form 56-1) and the Annual Report (Form 56-2) according to the regulation of the Securities and Exchange Commission and the Stock Exchange of Thailand.
- 1.3 The Company has established that the Board of Directors report on the responsibilities of the Board of Directors to the financial statements together with the report of the independent auditor within the Annual Report (Form 56-2).
- 1.4 The Company has established that the Management Discussion and Analysis or MD&A be prepared and reported along with the quarterly financial statements in order for the investors to readily acknowledge the information and understand about the changes in the financial status and operating results of the Company for each quarter in addition to only the information within the financial statements.
- 1.5 The Company has established that the audit fees and other service fees of the auditor be disclosed with in the Annual Registration Statements (Form 56-1) and the Annual Report (Form 56-2).
- 1.6 The Company has established that there shall be disclosure of the roles and responsibilities of the Board of Directors and sub-committees, the number of meeting sessions, and number of meeting attendance by each committee member in the past year and opinions from their duties as well as continuous professional training and development of the Board of Directors within the Annual Report.
- 1.7 The Company has established that there shall be disclosure of the policy on remunerations of the Directors and top executives reflecting the roles and responsibilities for each person, including the type or nature of the remuneration. Accordingly, the amount of remunerations that are being disclosed for each person should also include remuneration received from the subsidiary company for the directorship position (if any).
- 1.8 As for the Investor Relations part, the Company has established the Investor Relations Office by assigning the executives at the deputy managing director level or above to take on the responsibility of communication providing information to the investors, analysts, shareholders and interested parties in general, which can be contacted at the telephone number 0-3622-4171 to 8 or E-Mail Address : Corpcenter@dbp.co.th.

2. Information Disclosure on the Company's Website

In addition to the information disseminated as stipulated and through channel of the Stock Exchange namely the Annual Registration Statements (Form 56-1) and the Annual Report (Form 56-2) which can be readily downloaded, the Company has established the disclosure of following information in both Thai and English through the Company's website.

- 2.1 Company's vision and mission
- 2.2 Business operations
- 2.3 Names and background of the Board of Directors, executives and Company Secretary by specifying the positions of each committee member as well as the Independent Directors and their directorship appointment dates.
- 2.4 Financial statements and report on the financial status and operating results of both current and the year before
- 2.5 Shareholding structure of both direct and indirect
- 2.6 Corporate structure including the subsidiary companies, associated companies, joint-venture companies and special purpose enterprises/ vehicles (SPEs/SPVs)
- 2.7 Groups of major shareholders of both direct and indirect holding more than 5 percent of the paid-up shares with voting right.
- 2.8 Direct and indirect shareholding of the Directors, major shareholders and top executives
- 2.9 Invitation to the Annual General Meeting of Shareholders and Invitation to the Extraordinary General Meeting of Shareholders

- 2.10 Articles of Association, Memorandum of Association and agreements of the shareholders group (if any)
- 2.11 Policies namely Corporate Governance Policy, Risk Management Policy, etc.
- 2.12 Charter of the Board of Directors and Charter of the sub-committee specifying duties and responsibilities, qualifications, office term of the Board of Directors including matters approved from the Board of Directors such as the Charter of the Board of Directors, Charter of the Audit Committee, Charter of the Nomination and Remuneration Committee and Charter of the Corporate Governance Committee, etc.
- 2.13 Code of Conduct for the Directors, executives and Company's Directors to be used as business practice guideline.
- 2.14 Information or documents that the Company has reported to the analysts or other media.

Section 5 : The Board of Directors' Responsibilities

The Board of Directors is considered to be the center of good corporate governance for the Company. The Board of Directors consists of experts from various disciplines who have expertise, skills, leadership, vision, independent decision, dedication and efforts for their responsibilities. They also exercise caution and honesty in the best interests of the Company and its shareholders. The Board of Directors is responsible for establishing the composition, qualifications, roles, and responsibilities of the Board of Directors and all sub-committees and defining the nomination and remuneration criteria for the Company's directors and executives as well as preparation of the succession plan (plan and official document in writing are under process). The organization of HRD projects (Human Resource Development) is for development of executives and personnel at every level within the Company for job succession and consists of a promotion plan to enroll the executives in related and necessary courses for the development of management skills. In addition, the Board of Directors shall approve of the corporate governance policy and risk management policy in writing covering the whole organization which is part of the Risk Management Charter and has been disseminated on the Company's website and annual report.

The Board of Directors stipulates that the Chairman of the Board and the Managing Director are of different individual and therefore has established separate scope of duties and responsibilities and the number of companies that the Managing Director may take up the position to be appropriate to the nature and condition of the Company's business, which should not be more than 3 listed companies.

Furthermore, self assessment of the Board of Directors' performance as a whole, as individual and of the all the sub-committees is conducted once a year in order for the Directors to review their own performance on the strengths and weaknesses and to improve on the performance of the Board of Directors for the maximum benefit to the Company's operation.

Section 6 : Best Practices Related to Good Corporate Governance Practices

To fulfill good corporate governance objectives and demonstrate that the Company has an effective, transparent, accountable management system as a tool to build confidence and assurance to the stakeholders, the Board of Directors has established additional practices for good corporate governance. For example, good practices of the Board of Directors, executives, and employees, human resources management, accounting and finance, internal control, use of information technology and communication, etc.

Section 7 : Code of Conduct

The Board of Directors' Meeting No. 156 dated March 18, 2005 resolved to approval the announcement of the Code of Conduct for the Company's operations that conforms to good corporate governance policy, having established a framework for the business code of conduct as practices to the rights of all stakeholders and code of conduct on conflicts of interest either to internal stakeholders such as the Company's employees and executives or external stakeholders such as shareholders, customers, trading partners, competitors, debtors, society, community and environment, as well as policy on non-violation of human rights, political neutrality, marketing communication and anti-corruption. The Board of Directors has reviewed and adjusted the Code of Conduct appropriately and consistently.

Development of Corporate Governance in 2013

1. The Company has established the process for monitoring and supervision that the Good Corporate Governance Handbook was followed and that the business ethics was announced and disseminated to every employee to be developed into a corporate culture by putting in good corporate governance, corporate social responsibility and business ethics as part of the orientation of new employee, employee training and development program, ISO and safety training, as well as printing pamphlets to disseminate the information to every employee for acknowledgment.
2. The Company participated in the program for development of listed companies concerning good corporate governance year 2013, which was organized by the Stock Exchange of Thailand together with PricewaterhouseCoopers ABAS Ltd. (PWC) in order to analyze and assess the Company's corporate governance, provide consultation and recommendation including establishment of preliminary system on corporate governance practices, risk management system and internal control system, as well as support on knowledge reinforcement for the Company for further improvement and development of corporate governance.
3. The Company participated in development project for the listed companies on the preparation of CSR Report in year 2013 organized by the Thaipat Institute of Thai Rural Reconstruction Movement Foundation under the Royal Patronage and Corporate Social Responsibility Institute of the Stock Exchange of Thailand in order to analyze, advise, provide knowledge on information preparation and report on the work related to corporate social responsibility of the Company in the future.

USE OF INTERNAL INFORMATION

The Company has established measures and practices in the Good Corporate Governance Handbook on the use of nondisclosure information with important content for its own and other's benefit as follows:

1. The Company has informed the directors and executives of their responsibility to report the possession of securities of the Company by oneself, spouse, and minor, as well as report changes of the possession of the security to the Securities and Exchange Commission and the Stock Exchange of Thailand according to Section 59 and Penal Code according to Section 275 of the Securities and Exchange Act B.E. 2535 (1992).
2. The Company prohibits directors, executives, division managers, and employees to use internal information of the Company that has not been disclosed to the public, which is significant to the change of Company's security price, for their own benefit including for securities trading and prohibits persons who have knowledge of such internal information not yet disclosed to the public from trading of the Company's securities for a period of one month before disclosure of information. If the Company finds that any shareholder, director, executive, manager, and employee of the Company violate the prohibition as announced, the Company shall proceed with legal action and severely penalize the offender.
3. If any director, executive, division manager or employee of the Company commits criminal misdemeanors according to the Securities and Exchange Law, the Company shall proceed with severe penalty in one or several measures as follows.
 - (A) Deduction of salary or compensation.
 - (B) Terminate, fire or removal from the position of executive, manager or employee, alleging that the person intentionally caused damaged to the Company. Should it be the director, such matter shall be proposed to the Shareholders' Meeting of the Company.
 - (C) Notify the incident to the Stock Exchange of Thailand and/or the Office of the Securities and Exchange Commission.
 - (D) Report the case for legal prosecution.
 - (E) Carry out matter according to the resolution of the Board of Directors or shareholders' meeting of the Company.
4. The Company expects all directors, executives, and employees at every level of the Company to honestly report on the act that violates or is suspected of violation the Company's practices on the use of internal information for own benefit to the supervisor and the supervisor is responsible for monitoring and advising the subordinates on the use of internal information for own benefit in order for them to correctly adhere to established principles.

SHAREHOLDING OF DIRECTORS AND EXECUTIVES



Information from report on securities holding of Directors and executives as at December 31, 2013

Names	Ordinary Shares (shares)		
	As at December 31, 2013	As at December 31, 2012	Increase / (Decrease)
1. Mr. Prakit Pradipasen*	14,619,500	17,049,500	(2,430,000)
2. Mr. Phaithoon Kijssamrej	1,800,100	1,880,100	(80,000)
3. Mr. Chaiyut Srivikorn	3,100,100	2,630,100	470,000
4. Mr. James Patrick Rooney	4,350,100	3,880,100	470,000
5. Mr. Somboon Phuvoravan (term ended 24/4/13) **	-	7,380,000	-
Mr. Thanit Pulivekin (appointed 24/4/13) **	-	-	-
6. Mr. Sakda Maneeratchatchai	4,099,600	4,600,000	(500,400)
7. Mr. Anun Louharanon	2,350,000	1,880,000	470,000
8. Mr. Asanee Chantong	1,439,900	1,079,900	360,000
9. Mr. Satid Sudbuntad	5,400,000	4,920,000	480,000
10. Mr. Maitree Tawonatiwasna	2,700,000	2,220,000	480,000
11. Mr. Krit Phanratanamala	-	-	-
12. Mr. Woodthikrai Soatthiyanon	-	-	-
13. Mr. Suwit Kaewamphunsawat	2,850,000	2,780,000	70,000
14. Ms. Thanakarn Phanthapirat	2,760,000	2,280,000	480,000
15. Mr. Krit Kullertprasert	420,000	210,000	210,000
Total	45,889,300	52,789,700	479,600

Remark * Number of shareholding including spouse and minor child

** Mr. Somboon Phuvoravan's office term ended on the 28th Annual General Meeting of Shareholders (Year 2013) dated April 24, 2013 and did not accept the position for another term and Mr. Thanit Pulivekin was appointed as replacement for the position.

RISK MANAGEMENT

The Risk Management Committee has established policy and prepared the Risk Management Charter. Implementation plan has been established for regular assessment of risks associating with Company's business and control of unacceptable risks. Risk management work is reported to the Audit Committee and the Board of Directors. In addition, risk management system is adequately and appropriately monitored in order to prevent and mitigate any possible impact which may occur in the future in accordance with the principle of good corporate governance as follows.

Risk Management Policy : "The Company is determined to prevent any possible risks that may occur in the future, to control, rectify, assess and monitor the management of unacceptable risks in order to build confidence that the Company has sufficient and effective risk management framework."

1. Risks from External Factors

1.1 Risk related to the control of utilization of asbestos by the government

According to the study of the draft plan for termination of import and production of asbestos products by Sukhothai Thammathirat Open University in 2012, there has not been any clear conclusion from the Government. Nonetheless, the Company has prepared plans and measures for management of this risk once the Government sector terminates the use of asbestos products as follows.

- 1) To develop products that do not contain asbestos fiber as an alternative for the customers such as Roman tiles, 4-ridge roofing tiles, siding boards, boards, autoclaved aerated concrete and lintel, etc.
- 2) To upgrade existing machinery to become dual machine, which has capability to produce both asbestos and non-asbestos products in order to be flexible and prepared in case the government sector terminates the use of asbestos products in the future.
- 3) To find new products in the construction industry for distribution in order to increase product variety for the customers such as trusses, gypsum board, ceramic roofing tiles and roof accessory products, etc.
- 4) To develop a 5-year business plan for continuing growth in future, with plan to expand production capacity and product distribution centers to the provincial areas such as CT-KK project, which is the first expansion project to the Northeastern region, locating in Khon Kaen Province, to be in commercial operation around the 1st quarter of 2014; and AAC-CM project, an investment through a subsidiary company in machinery for production of autoclaved aerated concrete locating in Chiang Mai Province, having been in operation since the 2nd quarter of 2013. Feasibility studies are being conducted for expansion base into the other provincial regions.

1.2 Risk Related to Shortage of Raw Materials

Due to the fact that the Company's raw materials are comprised of cement, asbestos, PVA and paper pulp and sand, there is a risk related to price and availability. The Company has set up strategies to mitigate this risk as follows.

- Research, development, design of production formulas to reduce costs as well as study for alternative raw materials.
- Finding sources for the raw materials at low cost, good quality both locally and overseas.
- Increase inventory level to reduce price and availability risk in the future.

1.3 Risk Related to Price Competition

The Company still faces risk related to price competition in the market. Some of the strategies used to mitigate this risk include increasing the number of product distribution centers throughout the country for more convenient access to products for the customers, developing strength for the network of agents for both local and overseas agents, placing importance on before and after-sales services, quick and timely delivery of products in order to differentiate the Company's product for the better. As a result, the Company has gained over 10 percent increase in revenue as compared with the previous year.

1.4 Risk Related to Financial Instruments

- 1) Interest Rate Risk: The risk in the change of interest rate may have an impact on the Company's operations because the Company still has some short-term loans with floating interest rate; however, the Company has mitigated the interest rate risk

for all the long-term loans by using fixed interest rate.

- 2) Exchange Rate Risk : The Company has exposure to exchange rate risk due to the purchase and products that sales of are in foreign currencies. The Company has purchased forward exchange contracts that have a maturity of no more than a year in order to prevent financial debt in foreign currencies and also opened FCD account for receipt and payment in foreign currencies to mitigate the impact from foreign exchange.

1.5 Risk Related to Rises in Wages According to Government Policy

The Company has risk related to the minimum wage increase from the Government policy. In year 2012, the minimum wage rate in Saraburi Province was at Baht 269 per day and from January 1, 2013, the minimum wage has been increased to Baht 300 per day or an increase of 11.5 percent, which impacted the operating cost of the Company at certain level.

2. Risk from Internal Factors

2.1 Risk Related to Environmental Impact

The Company is determined to produce environmental-friendly products by having obtained industrial standard certificate in the environmental management system, ISO 14001. In addition, production process has been upgraded to reduce the amount of wastes in the system by utilizing several management systems and product increase activities such as TPM, Kaizen, OPL and QCC, etc. as well as implementing energy management system to reduce energy usage in the production process such as energy from natural gas and steam replacing oil and electricity which can reduce the production cost. (details can be seen in the “Corporate Social Responsibility (CSR) and Sustainability Report on Page 24)

2.2 Risk Related to Occupational Health and Safety

The Company is exposed to risk in workplace accidents. The Safety Team and Occupational Health and Safety Unit have implemented the accident prevention measure, training on safety, activities and campaign for reduction of risk behaviors which are the main cause of accidents at every annual holiday making every employee aware and participate in accident prevention. There were emergency drills to handle emergency situation covering all the risky areas, as well as installation of fire extinguisher system at risky areas. As a result, the rate of injury at work has been reduced and the lose time injury frequency rate (LTIFR) or stop working of more than 1 day have been reduced as targeted. As a result of serious effort in safety in 2013, the Company managed to reduce the number of accidents from 34 times in 2012 to 25 times in 2013 or a reduction of 26 percent, which were mostly non-serious and no need to stop working.

2.3 Risk Related to Long-term Planning

The Company has prepared a 5-year business plan to support the growth of the Company and reduce risk from the termination of asbestos usage by the Government sector that may arise in the future. It includes planning for investment in current and future products whereby there is a feasibility study on the development of new products including and risk assessment in various areas such as business, financial, profitability, loan and debt payment, etc., of which many projects have already been implemented such as AAC project and CT-KK project. As for other projects, feasibility studies are being conducted.

2.4 Risk Related to Manpower and Employment

The Company is exposed to risk related to the manpower and employment due to the continuing business growth and expansion of the Company, requiring significant increase of industrial skilled workers and executive level employees. The Company has established policy for the human resources development for Company's employees at every level in order to provide knowledge and skill, as well as improve its employees' compensation policy for appropriateness and fairness to increase competitiveness and support the continuous growth in the future.

2.5 Risk Related to Adequate Production Capacity for Market Demand

The Company has expanded its production capacity to sufficiently serve the market demand by upgrading existing machinery and installing new machinery to support further growth and market requirement in the future. In 2013, the Company has increased production capacity in several projects which should be adequate for the market demand as follows.

- 1) AAC Project for production of autoclaved aerated concrete has production capacity of 140,000 tons per year.
- 2) CT-KK Project is expansion of production of concrete tiles to Khon Kaen Province with production capacity of 50,000 tons per year.
- 3) AAC-CM Project for production of autoclaved aerated concrete in Chiang Mai Province with production capacity of 50,000 tons per year.

2.6 Risk Related to Administration and Management of Majority Shareholders

The Company is a subsidiary Company of Myriad Material Co., Ltd., which is the majority shareholder with 60.11 percent of shares (as at December 31, 2013). In combination with the shares owned by the Directors who are the representatives of Myriad Material Co., Ltd., the shareholding proportion is more than 65% of the shares. Thus, Myriad Material Co., Ltd. can control all resolutions at the shareholders' meeting. However, the Company adheres to the code of best practices and is determined to operate in accordance with principle of good corporate governance, with good operating ethics, transparent information disclosure, and approval principles for related transactions. A person who may have conflict of interest cannot approve self-related transactions and the Audit committee shall consider and give opinion to the Board of Directors and/or the shareholders' meeting for approval. The Company shall disclose the related transactions in the notes to the Company's financial statements.

INTERNAL CONTROL

The Audit Committee has duty to review that the operations are in compliance with the policy and regulation of the Company as well as the laws, regulations and notications of the controlling authorities; to promote for development of reporting system on finance and accounting adhering to the generally accepted auditing standards; as well as to review that the Company has internal control system, internal audit system and risk management system that are concise, appropriate, modern and effective. The Audit Committee carries out its duties and expresses opinions independently having the Internal Audit Office and Compliance Control as its working unit which reports directly to the Audit Committee. Its duties are to assess the internal control according to the regulation established by the Audit Committee, having the auditing policy in a preventive manner and beneficial to the working unit; to consider a reliability in the accuracy of financial reports as well as adequate disclosure of information for transparency; to audit in accordance with the guideline for good corporate governance and increase the effectiveness in the operation by adhering to the international standards for the audit.

According to the assessment of Company's internal control consisting of 5 parts, namely control environment, risk assessment, control activities, information and communication and monitoring activities, in accordance with the internal audit framework as revised in 2013 by the Committee of Sponsoring Organization of Threadway Commission (COSO), the Audit Committee has an opinion that the Company has appropriate and adequate internal control system, which can be summarized as follows:

1. Control Environment

- 1.1 The Company adheres to the value of integrity and morality of the Board of Directors and Executives and has established practice guidelines in writing and conveyed to the executives and employees to be honest, trustworthy and keep code of business conduct including daily routine work and decision making in any matters as well as practice toward trading partners, customers and external parties, having appropriate prohibition and punishment within the Code of Conduct, Corporate Governance Handbook, Quality Management System ISO 9001, Environmental Management System ISO 14001:2004, Occupational Health and Safety Management System ISO 18001:2007 including relevant regulations and orders of the Company and having monitoring and self assessment of the executives and employees by the internal audit unit of the Company and independent experts from external organization, having process for timely detection of violation, punishment and rectification.
- 1.2 The Board of Directors of the Company is independent from the Management and has oversight function and development of internal control : The Company has established roles and duties of the Board of Directors of the Company to be separated from the Management. The Board of Directors has duty to establish strategies, business plan and business objectives that are clear and can be evaluated, to be used as guidelines by the executives and employees and in compliance with the laws and charter of each committee which covers important roles of the Audit Committee, auditor, internal audit officer and the person responsible for the financial reports. The Board of Directors consists of Independent Directors who possess knowledge, capability, trustworthiness and true independence in their duty having no business relationship with the Company, no other relationship that may have influence on the judgment and practice as an independent person and having appropriate and sufficient number of persons, as well as having duty to control the development and practice related to internal control in the organization, appropriately and adequately covering the control environment, risk assessment, control activities, information and communication and monitoring activities in accordance with the internal control system.
- 1.3 The Management has established line of reporting structure, appropriate roles and commanding authority and responsibility for the Company to achieve its objectives under the oversight function of the Board of Directors : the Management of the Company has established corporate structure which supports the achievement of Company's objectives by considering the appropriateness in both business and law, including effective internal control such as separation of roles and duties on important work which create audit and balance between them, having established, assigned and limited authorities and responsibilities appropriately among the Board of Directors, top executives, executives and employees. Internal audit work reports directly to the Audit Committee and has clear reporting chain by designating that the Audit Committee has authority to appoint, remove, transfer, terminate, merit consideration and guarantee independence of the head of internal audit and oversee that the head of internal audit possesses appropriate and sufficient education, experience and training for such work, etc.

1.4 The Company is determined to motivate, develop and maintain employees with knowledge and capability by establishing policy and procedure starting from recruitment of employees, human resource development, maintenance of employees and monitoring that the practice has been performed correctly and appropriately every year, having process for work assessment, providing motivation or prizes for outstanding employees and procedure for underperforming employees, as well as communication process for acknowledgment by the executives and employees. The Company has engaged consulting experts to provide advice on human resource management regularly. The succession plan of the executives is under planning and shall subsequently be established in writing.

1.5 The Company has established that the employees have duty and responsibility in internal control in order to achieve Company's objectives. The Board of Directors and executives have communicated with all the employees that they have serious responsibility in the internal control and have adjusted the operating process to conform with the changing situation and established that the Internal Audit and Compliance Control Office have duties and responsibilities in auditing, assessment and monitoring the internal control work of every department in order to achieve the objectives of the Company. The Company has utilized the Key Performance Indicator (KPI) to assess the work performance, providing appropriate and consistent compensation, motivation and bonuses by considering code of conduct practices and Company's short-term and long-term objectives so that it can be linked to work success without putting too much pressure on each employee.

2. Risk Assessment

2.1 The Company has established clear and adequate objectives to be able to specify and assess risks associated with the achievement of the objectives. The Company has operated in accordance with the generally accepted accounting standards appropriate to the business by exhibiting financial reports that are actual and complete, correctly indicating rights or obligations of the Company with appropriate values and complete and accurate disclosure of information. The Company prepares financial reports by considering significant factors such as the financial report proposed to the Board of Directors and the financial report proposed to the executives shall have different sizes of transactions including business trend to be sufficient for the decision making reflecting actual business activities of the Company. The Risk Management Committee has established policy for the risk management in writing and communicated with every executive and employee for their acknowledgment and practice.

Risk Management Policy : "The Company is determined to prevent any possible risks that may occur in the future, to control, rectify, assess and monitor the management of unacceptable risks in order to build confidence that the Company has sufficient and effective risk management framework".

2.2 The Company has established that there is analysis of every type of risks which may impact the objectives of the Company covering all parts of the organization by having executives from every department become the members of the Risk Management Committee and together analyse every type of risks that may have impact on the business operation at the level of organization, business unit, operating unit and work duties by analyzing every type of risks that may occur due to internal and external factors, including risks on strategy, work compliance and information technology, etc. by assessing significance of risks, the probability and impact of the risks and then the measure and work plan shall be prepared for the management of these risks which may be by way of acceptance, reduction, avoidance or sharing of risks.

From the results from the risk analysis and assessment, the Company has prepared the Risk Map and established guidelines for correction to manage the risks according to the following risk factors.

- **Red Risk** : Risk factor that must be corrected urgently and risk mitigation guidelines must be established.
- **Yellow Risk** : Factor that must be monitored which may become a risk factor, and risk prevention guidelines must be established.
- **Green Risk** : No risk factor yet.

The Risk Management Committee shall prepare the Report of the Risk Management Committee to be proposed to the Audit Committee and the Board of Directors once every quarter in order to report on the progress of the unacceptable risks (Red Risk) which must be appropriately corrected within the specified time period.

2.3 The Company has considered the opportunity for corruption to occur in the assessment of risks which will not achieve the objectives of the Company with the Company announcing the policy on anti-corruption on August 22, 2013 stating that “The directors, executives and employees of the Company at every level are prohibited from engaging in or accepting any type of corruption directly or indirectly covering domestic business and every relevant department, having regular review on the anti-corruption work as well as review on the practice guidelines and regulation in conformity with the changing business, rules, regulations and laws.”

The Company shall review operating targets every year during the preparation of annual budget by considering the possibility of established targets as well as consideration of validity of providing motivation or compensation to the employees that may promote inappropriate action by the employees, etc.

2.4 The Company has assessed the changes that may have impact to the internal control system by making assessment on the changing risk factors outside and inside the organization which may have impact to the business operation, internal control and financial report as well as establishing adequate measure for response to such changes such as:

- Risks from external factors such as government policy, interest rate, exchange rate, etc.
- Risks from internal factors such as product quality, manpower and employment, investment plan, etc.

Accordingly, the Company has not made any changes to its business nature or to the leaders of the organization that may have impact to the business operation, internal control and financial reports.

3. Control Activities

3.1 The Company has established control measures to help mitigating the risks that will not achieve objectives to be within acceptable level. The Company has control measures appropriate to the nature and level of risks of the Company, having manual and automated control in every level including the Company, business unit, line of work, department, section or any work process, consisting of preventive and detective control measures.

The Company has established operating regulation and approval authority in writing which are approval for financial transactions, procurement and hiring, petty cash, credit control, materials store management, assets management and Company’s computer network usage, etc. In addition, there is monitoring of conditions in the agreements concerning obligations of the Company such as capital borrowing and long-term product purchases by having complete separate approval authority between accounts and information record and assets storage supervision. The internal audit unit shall review the adequacy of the existing internal control and make suggestion on internal control in a preventive manner and beneficial to the working unit for a more concised internal control system.

3.2 The Company selects and develops general control activities with technology in order to support achievement of the objectives.

The Company has established the connection between the usage of information technology in the work process and general control of the information system, having established appropriate general control of the infrastructure, security protection, acquisition, development and maintenance of the technology system. Information technology and communication system is deemed as an important factor for supporting business operation and increasing work efficiency. Accordingly, the Company has established that all employees are jointly responsible for utilizing the information technology and communication system in compliance with the laws and regulations, orders and standards established by the Company. The Company has issued regulations and orders for compliance by the Company’s employees in accordance with the laws and Computer Crimes Act.

3.3 The Computer has organized control activities through policy which has outlined expectations and procedures in order to bring about practices according to the established policy.

The Company has established measures and approval procedure for the connected transactions and acquisition and disposition of assets of the Company by having an individual who has no interest in such transaction namely the Audit Committee to be the person to provide opinions to the Board of Directors and/or the Shareholders’ Meeting for consideration

and approval before entering into such transaction. In the case that the Audit Committee does not have adequate knowledge on any matter, the Company shall arrange to provide independent expert to offer opinions to the Audit Committee on supporting information before proposing to the Board of Directors and/or the Shareholders' Meeting for consideration and approval before entering into the transaction. This is to prevent the opportunity or taking interest of the Company for its own use or benefit. For the best interest of the Company, the transaction is being treated as is done with an external person at an arm's length basis according to the regulations stipulated by the Stock Exchange of Thailand and the Securities and Exchange Commission and relevant laws.

The Company has monitored the operation of the subsidiary company by designating those individuals appointed by the Company to become the directors or executives of the subsidiary company in order to adhere to the policy, objectives, business plan, operating rule and approval authority and any Company's regulations. The Company has appointed executives and officers to monitor and control the business operation of the subsidiary company to comply with the standards and policy established by the Company. In addition, the Company has placed importance on the internal control by designating the division manager to have duty for conveying the policy and process of the Management, including correction of operating errors, to the knowledgeable and capable employees within the working unit for their acknowledgment and practice in timely manner and to have an annual review on the policy and procedure appropriate for changing situation at least once a year.

4. Information and Communication

4.1 The Company has specified relevant and quality information to support the internal control so it can proceed according to the established plan.

The Company has put all the information technology system into the system called Enterprise Resources Planning by using the SAP Software version ECC6, with development of a real time information base system since year 2008. In 2013, the system has been further developed by adding the SAP BI (Business Intelligence) to the existing ERP system in order to achieve prompt and accurate reporting sufficient for decision making by the Board of Directors and executives and to have a better information storage. E-Office system has been developed for the management of important document storage in the system such as agreements, important official documents with convenient access to the information, with promptness and accuracy, etc.

The Board of Directors has established that meetings be convened monthly totaling 12 times a year by assigning the Company Secretary to prepare meeting agenda and documents with information and details on the matters proposed for consideration, rationale, impact to the Company and alternatives, that are important and sufficient to support the decision making and to forward these information to the Directors in advance at least 7 days before the meeting in order for the Directors to have adequate time to study the information; and to prepare the minutes of the meeting of the Board of Directors having details which can be checked back concerning the appropriateness of work performance of each director, as well as to keep storage of these important meeting documents in a complete and organized way after the meeting.

4.2 The Company has established that there be communication of information both inside and outside the Company to support the internal control system to proceed according to the established plan effectively and appropriately through communication channels as follows.

4.2.1 Communication channel inside the Company

- Company's Intranet System : <http://drt/> under the topic "Corporate Governance Handbook".

4.2.2 Communication channels outside the Company

- The Company has established the Investor Relations Office by designating the executives at the level of assistant managing director of sales and marketing or above to be responsible for communicating with the investors, analysts, shareholders and interested parties in general, which can be contacted through telephone number 0-3622-4171-8 and E-Mail Address : Corpcenter@dbp.co.th.
- Company's website : http://www.dbp.co.th/trade_information.htm under the topic "Investor Relations".

4.2.3 Channels for Whistleblowing or Complaint by the Stakeholders : The stakeholder who wishes to contact the Board of Directors directly without passing through the Company's executives to express any opinions concerning the business operation including whistleblowing or complaints such as wrongful action or faults, violation of law or code of conduct or corruption, etc. by notifying or directly sending complaints to the Audit Committee of the Company as follows.

- By mail to : The Audit Committee Chairman, 69-70 Moo 1, Mitraphap Road, Talingchan, Muang, Saraburi 18000
- By E-Mail Address : Corpcenter@dbp.co.th

5. Monitoring Activities

5.1 The Company has a system for monitoring and assessment of internal control to ensure that the internal control still functions completely and appropriately. The Company has monitoring process for compliance with the code of conduct, established internal control system and regulations prohibiting the executives and employees from acting in the manner that may cause conflict of interest, by designating each working unit to monitor its own work performance and report to the superiors respectively according to the chain of command every month. The internal audit unit has also been assigned to review the internal control system and practices independently according to the internal control system as established for every working unit and every activity of the Company and to report to the Audit Committee according to the annual internal audit plan as guided and established by the Audit Committee with auditing policy in a preventive manner and beneficial to the working unit; to consider reliability and accuracy of the financial reports as well as sufficient disclosure of information for transparency; to perform audit in accordance with the good corporate governance guideline and increase operating efficiency by adhering to the International Standards for the Professional Practice of Internal Auditing, IIA and to promote the internal audit officer to have relevant professional certifications by which the executives of the internal audit unit of the Company have received the Certified Internal Auditor (CIA) and Certified Information System Auditor (CISA).

5.2 The Company has performed the assessment on the internal control and timely conveyed any faults of the internal control system to the responsible persons including the top executives and the Board of Directors as deemed appropriate.

The Company has established policy for the executives to immediately report to the Board of Directors and the Audit Committee in the event of fraud or suspicion of a fraud or violation of law or unusual action that may significantly impact the reputation and financial status of the Company; report any significant deficiencies including ways to resolve the problem as well as report of any significant progress in resolving the deficiency to the Board of Directors and the Audit Committee for consideration within timely period.

DIVIDEND PAYMENT POLICY

Company's dividend payment policy for the shareholders: the Company has established the dividend payment policy to pay the dividend for each year at no less than 50 percent of the net profit according to the separate financial statements after deductions of legal provisions set forth in the Company's regulations and relevant laws, provided that such dividend payment would not have significant impact to the Company's normal business operation.

The Company was able to pay out dividend to its shareholders starting from 2004 after the Company started to generate profits after having deducted all the loss carried forward. Details on the dividend payment in 2013 are as follows:

Dividend	2013*	2012	2011
Net Profit per Share (Baht per share)	0.43	0.53	0.46
Dividend per Share (Baht per share)	0.38	0.40	0.38
Dividend Percentage of Earnings per Share	88%	75%	83%
Dividend Paid (million Baht)	393	414	388
Paid up Shares (million shares)	1,047	1,038	1,027
Treasury Shares as at end of Year 20XX (million shares)	-	-	1.56
Par Value (Baht per share)	1.00	1.00	1.00

Remark

* In 2013, there was change in the Company's registered capital (details can be seen in the "Significant Changes in the Past Year" on page 50). According to the Table above for year 2013, the projected dividend payment was calculated based on the number of issued and paid-up shares outstanding as at end of year 2013; however, the actual number of shares with right to receive the dividend must be calculated based on the number of issued and paid-up shares outstanding as at March 14, 2014 (Record Date)

Dividend Payment of the Subsidiary Company

Subsidiary Company's dividend payment policy for the Company: the subsidiary company has established the dividend payment policy to pay the dividend every time. The subsidiary company must appropriate fund for reserve capital for at least one-twentieth of the net profit according to the separate financial statements, which the subsidiary company has made from its business operation until such reserve capital reaches one-tenth of the capital of the subsidiary company or more.

RELATED TRANSACTIONS

The Company has established measures and procedure concerning the approval of connected transaction and transaction concerning acquisition or disposal of the assets of the Company in compliance with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission (SEC) as well as related laws within the Good Corporate Governance Handbook, which can be summarized as follows.

1. The stakeholder or person who may have conflict of interest may not approve the transaction that is connected to oneself.
2. The establishment of price or compensation must be based on normal business and general commercial terms with consideration on the best interest of the Company.
3. The Audit Committee has to consider and provide comments on the said transaction. Should the Audit Committee possesses no expertise in any matter, the Company must provide independent expert to advise the Audit Committee for consideration before proposing to the Board of Directors of the Company and/or the shareholders' Meeting for consideration and approval.

In such case that the transaction is a commercial agreement that reasonable person ought to do with any contract party in general under the same situation, having commercial bargaining power without influence from the position of director, executive or related person on a case-by-case basis, or a normal business transaction or supporting normal business transaction with general commercial terms, the Company must present such agreement to the Board of Directors of the Company for consideration and approval or approval in principle, before the execution of the agreement, in compliance with Section 89/12(1) of the Securities and Exchange Act (No.4) B.E. 2551 (2008).

4. The Company must disclose the information on such transaction in accordance with the regulation and procedure as established by Securities and Exchange Commission.
5. Every director must comply with Section 88 of the Public Limited Companies Act B.E. 2535 (1992) stipulating that the director to inform the Company without delay when the following cases occur.
 - Have interest either directly or indirectly in any agreement executed by the Company during the accounting period by specifying facts related to the characteristics of the agreement, names of agreement's parties, and interest of the director in that agreement (if any).
 - Own shares or debentures in the Company or subsidiary companies by specifying total amount increase and decrease during the accounting period (if any).

Section 114 of the Public Limited Companies Act stipulates that the Company must disclose details as notified by the directors according to the abovementioned Section 88 in the Company's annual report.

6. Every executive must follow the procedure in the same manner as the director described in Item (5) by informing the Company Secretary.

The Company had related transactions with related persons as follows.

1. Product Sales and Service Rendering

Company	Relationship	Transactions	Amount (Million Baht)			
			Product Sales and Services		Accounts Receivable	
			2013	2012	2013	2012
Supalai Plc. (Buyer)	Having mutual directors but no possession of inter-related shares - Diamond Building Products Plc. (Seller) having Mr. Prakrit Pradipasen as Chairman of the Board. - Supalai Plc. (Buyer) having Mr. Prakrit Pradipasen as Director and Chairman of the Audit Committee.	Purchase of tiles including installation at normal prices and commercial conditions in general.	35.47	20.76	13.87	11.00
		<u>Pricing Policy</u> Use normal pricing as compared with real estate development group with normal commercial conditions in general.				

Company	Relationship	Transactions	Amount (Million Baht)			
			Product Sales and Services		Accounts Receivable	
			2013	2012	2013	2012
Quality House Plc. (Buyer)	Having mutual directors but no possession of inter-related shares. - Diamond Building Products Plc. (Seller) having Mr. Krit Phanratanamala as Director. - Quality House Plc. (Buyer) having Mr. Krit Phanratanamala as Independent Director and Audit Committee Member.	Purchase of tiles including installation at normal prices and commercial conditions in general. Pricing Policy Use normal pricing as compared with real estate development group with normal commercial conditions in general.	8.70	1.94	4.51	0.90
Casa Ville Co., Ltd. (Buyer)	Wholly-owned subsidiary company of Quality House Plc, having mutual directors but no possession of inter-related shares. - Diamond Building Products Plc. (Seller) having Mr. Krit Phanratanamala as Director. - Casa Ville Co., Ltd. (Buyer) having Mr. Krit Phanratanamala as Audit Committee Member and Independent Director in Quality House Plc.	Purchase of tiles including installation at normal prices and commercial conditions in general. Pricing Policy Use normal pricing as compared with real estate development group with normal commercial conditions in general.	35.43	32.89	14.93	16.13
The Confidence Co., Ltd. (Buyer)	Wholly-owned subsidiary company of Quality House Plc, having mutual directors but no possession of inter-related shares. - Diamond Building Products Plc. (Seller) having Mr. Krit Phanratanamala as Director. - The Confidence Co.,Ltd. (Buyer) having Mr. Krit Phanratanamala as Independent Director and Audit Committee Member in Quality House Plc.	Purchase of tiles including installation at normal prices and commercial conditions in general. Pricing Policy Use normal pricing as compared with real estate development group with normal commercial conditions in general.	12.07	14.69	2.33	4.83
Gusto Village Co., Ltd. (Buyer)	Wholly-owned subsidiary company of Casa Ville Co., Ltd. (Casa Ville Co., Ltd. is wholly-owned subsidiary company of Quality House Plc.) having mutual directors but no possession of inter-related shares - Diamond Building Products Plc. (Seller) having Mr. Krit Phanratanamala as Director. - Gusto Village Co., Ltd. (Buyer) having Mr. Krit Phanratanamala as Independent Director and Audit Committee Member in Quality House Plc.	Purchase of tiles including installation at normal prices and commercial conditions in general. Pricing Policy Use normal pricing as compared with real estate development group with normal commercial conditions in general.	21.53	7.11	10.72	4.93

Company	Relationship	Transactions	Amount (Million Baht)			
			Product Sales and Services		Accounts Receivable	
			2013	2012	2013	2012
Casa Ville (Phetburi 2553) Co., Ltd. (Buyer)	Wholly-owned subsidiary company of Casa Ville Co., Ltd. (Casa Ville Co., Ltd. is wholly-owned subsidiary company of Quality House Plc.) having mutual directors but no possession of inter-related shares. - Diamond Building Products Plc. (Seller) having Mr. Krit Phanratnamala as Director. - Casa Ville (Phetburi 2553) Co., Ltd. (Buyer) having Mr. Krit Phanratnamala as Independent Director and Audit Committee Member in Quality House Plc.	Purchase of tiles including installation at normal prices and commercial conditions in general. <u>Pricing Policy</u> Use normal pricing as compared with real estate development group with normal commercial conditions in general.	0.06	0.89	-	0.34
Total			113.26	78.28	46.36	38.13

2. Purchase of Finished Products for Sale

Company	Relationship	Transactions	Amount (Million Baht)			
			Purchase of Finished Products		Other Receivables	
			2013	2012	2013	2012
Diamond Materials Co.,Ltd. (Seller)	Subsidiary of Diamond Building Products Plc. (Buyer) holding 99.99% of paid-up shares in Diamond Materials Co., Ltd.	Purchase of autoclaved aerated concrete for sale to customers and market expansion. <u>Pricing Policy</u> Use market price according to normal business.	69.78	-	11.78	-
Total			69.78	-	11.78	-

3. Purchase of Raw Material

Company	Relationship	Transactions	Amount (Million Baht)			
			Purchase of Raw Material		Account Payable	
			2013	2012	2013	2012
The Lanna Resources Plc. (Seller)	Having common director but no cross shareholding as follows. - Diamond Materials Co., Ltd. (Buyer) is a subsidiary company of Diamond Building Products Plc. having Mr. Anun Louharanoo as Independent Director and Audit Committee Member. - Lanna Resources Plc. (Seller) has Mr. Anun Louharanoo as Director, Executive Director Chief Financial Officer and company secretary.	Purchase of coal for fuel in the production of autoclaved aerated concrete. <u>Pricing Policy</u> Use market price according to normal business.	4.99	-	0.33	-
Total			4.99	-	0.33	-

4. Management Fee Revenue

Company	Relationship	Transactions	Amount (Million Baht)			
			Revenue from Fee		Other Receivables	
			2013	2012	2013	2012
Diamond Materials Co., Ltd. (Service Receiver)	Subsidiary of Diamond Building Products Plc. (Service Provider) holding 99.99% of paid-up shares in Diamond Materials Co., Ltd.	Provide assistance in production and engineering. <u>Pricing Policy</u> Use actual cost basis.	2.10	-	4.75	-
Total			2.10	-	4.75	-

Opinion of the Audit Committee

The Audit Committee examined and reviewed the related transactions occurred in the Company's accounting record during year 2013 as described above and found that these transactions had conditions and pricing that were fair and appropriate, which had been approved by the Management Committee or the Board of Directors before the transactions were executed.

Future Related Transactions

Related transactions of the Company in the future shall be transactions of normal business operation without transferring any interest between the Company and related companies or persons. The Company shall adhere to and strictly follow the regulations of the Stock Exchange of Thailand and Securities and Exchange Commission (SEC) as well as relevant laws, considering the reasonability and appropriateness of the conditions and market price which can be referred to in order to ensure that the shareholders and every stakeholder receive fair and equitable benefits according to the Company's good corporate governance.

REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES TO THE FINANCIAL STATEMENTS



The Board of Directors gives priority and is responsible for the financial statements year 2013 of Diamond Building Products Public Company Limited including financial information presented in the annual report. The financial statements were prepared in compliance with the Notification of the Department of Business Development dated September 28, 2011 on specification of brief particulars in the financial statement B.E. 2554 (2011) in accordance with the regulations of the Stock Exchange of Thailand dated January 22, 2001 on preparation and submission of financial statements and reports on financial status and operating results of the listed company and in accordance with the accounting standards and generally accepted accounting principles in Thailand.

The Board of Directors is responsible for the financial statements of Diamond Building Products Public Company Limited, assuring that the financial statements, operating results, and cash flows are actual and reasonable by having complete and accurate accounting records. These financial statements are prepared in accordance with the generally accepted accounting standards by implementing suitable accounting policy corresponding to the Company's business that has been consistently followed as well as considering sufficient provisions for the uncertain transactions or transactions that may have significant impact on the future business. Important information is disclosed in the notes to the financial statements and the independent auditor has given opinions in the report of the independent auditor.

For this purpose, the Board of Directors has appointed the Audit Committee comprising the independent and non-executive directors with complete qualifications in accordance with the Securities and Exchange Act (No. 4) B.E. 2551 (2008) and the regulations of the Capital Market Supervisory Board to verify the financial statements for compliance with the accounting standards, to review the internal control system, internal audit system, and risk management system for appropriateness and effectiveness; to review transparency of the operations in accordance with the Company's regulations and in compliance with all provisions of related laws and oversee that there is no conflict of interest; as well as to consider and propose for the appointment of the Company's independent auditor. Accordingly, the opinions of the Audit Committee have been presented within the Report of the Audit Committee included in the Annual Report 2013.

February 28, 2014

On Behalf of the Board of Directors of Diamond Building Products Public Company Limited

Handwritten signature of Mr. Prakrit Pradipasen in black ink.

(Mr. Prakrit Pradipasen)
Chairman of the Board

Handwritten signature of Mr. Asanee Chantong in black ink.

(Mr. Asanee Chantong)
Managing Director

SUMMARY OF OPERATING RESULTS AND FINANCIAL ANALYSIS

(For the Consolidated Financial Statements of the Year Ending 31st December 2013)

1. Revenues from Sales and Services

Description	Year 2013		Year 2012		Increase / (Decrease)	
	Million Baht	% of Sales	Million Baht	% of Sales	Million Baht	%
Revenues from Sales	4,065.13	91.78	3,631.54	91.86	433.59	11.94
Revenues from Services	336.71	7.60	252.04	6.38	84.67	33.59
Total Revenue from Sales and Services	4,401.84	99.38	3,883.58	98.24	518.26	13.34
Gain on Sales of Fixed Assets	1.58	0.04	58.27	1.47	(56.69)	(97.29)
Gain on Foreign Exchange Rate - Net	-	-	2.67	0.07	(2.67)	100.00)
Other Revenue	25.56	0.58	8.66	0.22	16.90	195.15
Total Other Revenue	27.14	0.62	69.60	1.76	(42.46)	(61.01)
Total Revenue	4,428.98	100.00	3,953.18	100.00	475.80	12.04

The total revenue for year 2013 of the Company and its subsidiary (together referred to as the “Group”) increased from the previous year by 12.04 percent, consisting of:

- Revenues from sales were Baht 4,065.13 million, which increased from the previous year by Baht 433.59 million or 11.94 percent, due to the increase in sales of the Adamas concrete tiles, wood substitute products, boards, ready-made trusses and autoclaved aerated concretes.
- Revenues from services were Baht 336.71 million, which increased from the previous year by Baht 84.67 million or 33.59 percent, due to the increase in revenue from transportation of Baht 40.75 million and increase in revenue from other services of Baht 43.92 million.
- Gain on sales of fixed assets was Baht 1.58 million, which decreased from the previous year by Baht 56.69 million or 97.29 percent, due to the profit from sales of unused land in the 1st Quarter 2012 of Baht 57.10 million.
- Other revenue was Baht 25.56 million, which increased from the previous year by Baht 16.90 million, due to the reversal of impairment loss of unused land totaling Baht 12.50 million and reversal of decline in value of inventories totaling Baht 6.68 million.

2. Cost of Sales and Services

Description	Year 2013		Year 2012		Increase / (Decrease)	
	Million Baht	% of Sales	Million Baht	% of Sales	Million Baht	%
Cost of Sales	2,830.67	64.31	2,397.70	61.74	432.97	18.06
Cost of Services	399.94	9.09	313.01	8.06	86.93	27.77
Total Cost of Sales and Services	3,230.61	73.39	2,710.71	69.80	519.90	19.18

The Group’s total cost of sales and services for year 2013 increased from the previous year by 19.18 percent, consisting of:

- Cost of sales was Baht 2,830.67 million, which increased from the previous year by Baht 432.97 million or 18.06 percent, due to the increase in sales volume of 19.23 percent and increase in depreciation of assets of 42.36 percent.
- Cost of services was Baht 399.94 million, which increased from the previous year by Baht 86.93 million or 27.77 percent, due to the increase in transportation cost of Baht 51.23 million and increase in cost of other services of Baht 35.70 million.

3. Selling and Administrative Expenses

Description	Year 2013		Year 2012		Increase / (Decrease)	
	Million Baht	% of Sales	Million Baht	% of Sales	Million Baht	% of Sales
Selling Expenses	153.11	3.48	143.51	3.70	9.60	6.69
Administrative Expenses	390.98	8.88	338.14	8.71	52.84	15.63
Management's Remuneration*	47.09	1.07	44.48	1.15	2.61	5.87
Total Expenses	591.18	13.43	526.13	13.55	65.05	12.36

Remark: *Management means the director, managing director or the next four executives succeeding the managing director, the persons holding equivalent position to the fourth executive and shall include the persons holding the position of manager or equivalent in accounting or finance departments.

The Group's total expenses for year 2013 increased from the previous year by 12.36 percent due to the increase in sales volume of 19.23 percent, consisting of:

- Selling expenses were Baht 153.11 million, which increased from the previous year by Baht 9.60 million or 6.69 percent, due to the increase in salary and benefits of the employees.
- Administrative expenses were Baht 390.98 million, which increased from the previous year by Baht 52.84 million or 15.63 percent, due to the increase in salary and benefits of the employees.
- Management's remunerations were Baht 47.09 million, which increased from the previous year by Baht 2.61 million or 5.87 percent, due to the increase in salary and benefits of the executives.

4. Profitability

Description	Year 2013		Year 2012		Increase / (Decrease)	
	Million Baht	% of Sales	Million Baht	% of Sales	Million Baht	% of Sales
Revenues from Sales and Services	4,401.84	100.00	3,883.58	100.00	518.26	13.34
Costs of Sales and Services	3,230.61	73.39	2,710.71	69.80	519.90	19.18
GP	1,171.23	26.61	1,172.87	30.20	(1.64)	(0.14)
EBITDA	901.21	20.47	926.10	23.85	(24.89)	(2.69)
EBIT	607.18	13.79	716.34	18.45	(109.16)	(15.24)
NP	450.92	10.24	545.61	14.05	(94.69)	(17.35)
EPS (Baht per Share) *	0.43		0.53		(0.10)	(18.87)
Weighted Average Number of Ordinary Shares (Million Shares)*	1,040.20		1,030.37		9.83	0.95
Return on Equity (ROE) (%)	19.87%		25.32%		(5.45%)	
Return on Assets (ROA) (%)	11.40%		16.08%		(4.68%)	

Remark: * Calculated based on the number of issued and paid-up ordinary shares deducted by the number of treasury stock

GP = Gross Profit, EBITDA = Earnings before Interest, Tax, Depreciation & Amortization, EBIT = Earnings before Interest & Tax,

NP = Net Profit after Tax, EPS = Net Earnings per Share

4.1 Gross Profit (GP)

- The Group's gross profit for year 2013 decreased from the previous year by Baht 1.64 million or 0.14 percent, even though the overall revenues from sales and services increased by 13.34 percent, due to the increase in cost of raw material, cement, and increase in depreciation of the new project, NT-10 Project, and the Autoclaved Aerated Concrete Project (ACC) of Baht 66.04 million.

4.2 Net Profit (NP)

The Group's net profit and net earnings per share for year 2013 decreased from the previous year as follows:

- The Group's net profit was Baht 450.92 million, a decrease from the previous year by Baht 94.69 million or 17.35 percent, due to the profit from the sale of unused land of Baht 43.97 million from the previous year (after deduction of corporate income tax). If the profit from sale of unused land was not taken into account, the net profit from normal operation for year 2013 would decrease from the previous year by Baht 50.72 million or 10.11 percent.
- The Group's net earnings per share was Baht 0.43 per share, a decrease from the previous year by Baht 0.10 per share or 18.87 percent, due to the decrease in net profit by 17.35 percent.

4.3 EBITDA

- The Group's EBITDA for year 2013 was Baht 901.21 million, a decrease from the previous year by Baht 24.89 million or 2.69 percent, due to the decrease in gross profit and increase in selling and administrative expenses of 12.36 percent.

4.4 Earnings Efficiency

- **Return on Equity (ROE)** : The Group's ROE decreased from 25.32 percent as at end of 2012 to 19.87 percent as at December 31, 2013 or a decrease of 5.45 percent, due to the decrease in Group's net profit of 17.35 percent and increase in shareholders' equity of 5.31 percent from the previous year.
- **Return on Assets (ROA)** : The Group's ROA decreased from 16.08 percent as at end of 2012 to 11.40 percent as at December 31, 2013 or a decrease of 4.68 percent, due to the decrease in Group's net profit of 17.35 percent and increase in total assets of 16.55 percent from the previous year.

5. Financial Status

Description	Balance Sheet As at December 31, 2013	Balance Sheet As at December 31, 2012	Increase / (Decrease)	
	Million Baht	Million Baht	Million Baht	%
Total Assets	4,240.07	3,668.80	571.27	15.57
Total Liabilities	1,940.43	1,430.43	510.00	35.65
Total Shareholders' Equity	2,299.64	2,238.37	61.27	2.74
Weighted Average Number of Ordinary Shares (Million Shares)*	1,040.20	1,030.37	9.83	0.95
Book Value (Baht per Share)*	2.21	2.17	0.04	1.84

Remark: * Calculated based on the number of issued and paid-up ordinary shares deducted by the number of treasury stock

- The Group's total assets as at December 31, 2013 increased from the end of year 2012 by Baht 571.27 million or 15.57 percent due to the net increase in trade accounts receivable and other accounts receivable of Baht 96.10 million, increase in cash and cash in bank of Baht 2.10 million, increase in fixed assets of Baht 325.94 million, increase in intangible assets of Baht 25.90 million, increase in inventory of Baht 163.89 million and increase in other current assets and other non-current asset of Baht 6.90 million but there were decrease in deferred income tax of Baht 4.28 million and decrease in cash advance for purchase of fixed assets of Baht 45.25 million.
- The Group's total liabilities as at December 31, 2013 increased from the end of year 2012 by Baht 510 million or 35.65 percent due to the increase in trade accounts payable and other accounts payable of Baht 34.10 million, increase in current portion of long-term loan due in one year of Baht 79.60 million, increase in bank overdraft and short-term loan of Baht 308.86 million, increase in long-term loan of Baht

166.95 million and increase in provision for post-employment benefits obligation of Baht 4.36 million but there were decrease in current income tax payable of Baht 25.39 million (due to the provision of corporate income tax payment year 2013 of Baht 109.62 million but there were payment of accrued corporate income tax for year 2012 of Baht 60.85 million, payment of corporate income tax in the middle of year 2013 of Baht 72.46 million and payment of withholding tax of Baht 1.70 million), decrease in finance lease liabilities of Baht 4.10 million and decrease in other current liabilities of Baht 54.38 million.

- The Group's total shareholders' equity as at December 31, 2013 increased from the end of year 2012 by Baht 61.27 million or 2.74 percent due to the increase in net profit of Baht 450.92 million, increase in registered capital and share premium of Baht 21.67 million (from the exercise of ESOP No. 11 dated February 15, 2013 for 505,000 shares at the exercise price of Baht 2.34 per share, No. 12 dated June 17, 2013 for 55,000 shares at the exercise price of Baht 2.34 per share and No. 13 dated October 15, 2013 for 8,704,000 shares at the exercise price of Baht 2.34 per share) and profit projection based on actuarial science method for employee benefits program of Baht 4.13 million, but there was dividend payment of Baht 415.45 million, resulting in the share book value increase from Baht 2.17 per share as at end of year 2012 to Baht 2.21 per share as at December 31, 2013.

6. Cash Flows

Description	Unit: Million Baht	
	Year 2013	Year 2012
Cash Flows from (used in) Operating Activities	458.00	689.87
Cash Flows from (used in) Investing Activities	(570.35)	(586.26)
Cash Flows from (used in) Financing Activities	113.89	(69.45)
Unrealized exchange gain (loss) of cash and cash equivalents	0.56	0.14
Cash Increase (Decrease) – Net	2.10	34.30
Cash at the Beginning of the Period	56.50	22.20
Cash at the Ending of the Period	58.60	56.50
CFROE = Cash Flow Return on Equity Increase (Decrease) (%)	20.19%	32.02%

- The Group's net cash from operating activities for year 2013 was Baht 458 million, which was lower than the net profit before tax by Baht 105.80 million due to the transactions that did not affect the cash such as depreciation of assets and amortization of Baht 294.03 million, increase in trade accounts payable and other accounts payable of Baht 32.52 million, increase in other non-current liabilities of Baht 9.52 million but there were net increase in inventory of Baht 177.70 million, net increase in trade accounts receivable and other accounts receivable of Baht 96.04 million, increase in other current assets and other non-current assets of Baht 22.12 million, decrease in other current liabilities of Baht 11 million. There were payment of accrued corporate income tax for year 2012 of Baht 60.85 million and payment of corporate income tax in the middle of year 2013 of Baht 72.46 million and payment of withholding tax of Baht 1.70 million.
- The Group's net cash used in investing activities for year 2013 was Baht 570.35 million, due to investment in the NT-10 Project of Baht 3.93 million, investment in the AAC Project of Baht 139.32 million, investment in the DMATS Project of Baht 200 million, purchase of other fixed assets of Baht 181.46 million, intangible assets of Baht 31.85 million and cash advance for purchase of fixed assets of Baht 17.83 million, but there was cash received from sales of damaged and unusable fixed assets of Baht 3.49 million and interest income of Baht 0.55 million.
- The Group's net cash from financing activities for year 2013 was Baht 113.89 million, due to the repayment of long-term loan and financial lease of Baht 176.01 million, interest payment of Baht 42.13 million and dividend payment of Baht 415.45 million, but there were increase in long-term loan of Baht 416.95 million, increase in bank overdraft and short-term loan of Baht 308.86 million and increase of registered capital and share premium of Baht 21.67 million (from the exercise of ESOP No. 11-13).

7. Liquidity

Description	As at December 31, 2013	As at December 31, 2012
Current Ratio (Times)	1.39	1.69
Quick Ratio (Times)	0.63	0.79
Cash flow Liquidity Ratio (Times)	0.52	1.04
Account Receivable Turnover Ratio (Times)	8.23	8.30
Average Collection Period (Days)	44	43
Inventory Turnover Period (Days)	20	22
Average Payable Period (Days)	18	16
Cash Cycle (Days)	46	49

- The Group's current ratio as at December 31, 2013 was 1.39 times, a decrease from end of year 2012, due to the increase in current assets of 22.48 percent and increase in current liabilities of 48.49 percent. The quick ratio was 0.63 times, a decrease from end of year 2012, due to the increase in inventory by 25.91 percent and the cash flow liquidity ratio was 0.52 times, a decrease from end of year 2012, due to the decrease in cash from operating activities from the previous year by 33.61 percent.
- The Group's cash cycle as at December 31, 2013 was 46 days, a decrease from end of year 2012 by 3 days, due to increase of average payable period of 2 day and decrease in inventory turnover period of 2 days but average collection period increased by 1 day.

8. Borrowing and Debt Payment Capability

Description	As at December 31, 2013	As at December 31, 2012
Total Debt to Equity Ratio (Times)	0.84	0.64
Interest Coverage Ratio (Times)	14.16	112.53
Debt Service Coverage Ratio (Times)	4.11	10.65

- The Group's total debt to equity ratio as at December 31, 2013 was at 0.84 times, an increase from end of year 2012 due to the increase in total liabilities from end of 2012 of 35.65 percent but there was a increase in shareholders' equity from end of 2012 of 2.74 percent, and the interest coverage ratio was at 14.16 times, decrease from end of 2012 due to the decrease in cash from operating activities from the previous year of 33.61 percent but there was an increase in loan interest from the previous year.
- The Group's debt service coverage ratio decreased from 10.65 times as at end of year 2012 to 4.11 times as at December 31, 2013, due to a decrease in EBITDA from end of year 2012 of 2.69 percent, increase in long-term loan and financial lease liabilities due within one year of 122.12 percent and increase in loan interest payment.

Business Trend in Year 2014

Business trend in year 2014 still faces the political risk factor causing the consumers to lose confidence and hold back investments in the property sector. Moreover, the problem with falling price of rubber causing growers to lose spending power affecting domestic construction materials market to slow down; therefore, the Company shall focus on sales to neighboring countries where the markets are still growing.

REPORT OF THE INDEPENDENT AUDITOR AND FINANCIAL STATEMENTS



To the Shareholders of Diamond Building Products Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Diamond Building Products Public Company Limited and its subsidiary (the "Group"), and of Diamond Building Products Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2013, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2013, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

Without qualifying my opinion, I draw attention to note 3 to the financial statements describing the effect of the Company's adoption from 1 January 2013 of certain new accounting policies. The corresponding figures presented are based on the audited separate financial statements as at and for the year ended 31 December 2012, which were audited by another auditor who expressed an unmodified opinion on those statements on 12 February 2013, after making the adjustments described in note 3.

A handwritten signature in black ink, appearing to read "Bogert".

Certified Public Accountant Registration No. 3684

KPMG Phoomchai Audit Ltd.

Bangkok

18 February 2014

STATEMENT OF FINANTICAL POSITION

(in Baht)

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December 2013	31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)
Current assets					
Cash and cash equivalents	7	58,600,372	56,795,833	56,496,370	22,195,527
Trade accounts receivable	6, 8	570,029,078	570,029,078	470,147,742	437,542,451
Other receivables	6, 9	24,560,578	39,282,382	28,344,465	16,330,840
Inventories	10	796,292,528	776,123,433	632,434,441	691,826,486
Other current assets		11,682,710	4,719,928	5,589,578	2,122,469
Non-current assets classified as held for sale		-	-	-	2,891,540
Total current assets		1,461,165,266	1,446,950,654	1,193,012,596	1,172,909,313
Non-current assets					
Investment in subsidiary	11	-	200,000,000	-	-
Investment properties	12	67,111,804	67,111,804	91,437,948	91,437,948
Property, plant and equipment	13	2,637,732,735	2,473,620,765	2,287,460,415	1,576,966,442
Prepayment for purchases of assets		64,063	64,063	45,317,330	219,757,830
Intangible assets	14	52,026,966	22,026,966	26,129,758	30,501,078
Deferred tax assets	15	19,852,406	19,809,642	24,132,967	24,053,256
Other non-current assets		2,117,663	2,064,663	1,306,354	1,298,624
Total non-current assets		2,778,905,637	2,784,697,903	2,475,784,772	1,944,015,178
Total assets		4,240,070,903	4,231,648,557	3,668,797,368	3,116,924,491

STATEMENT OF FINANCIAL POSITION (CONTINUED)



(in Baht)

Liabilities and Equity	Note	Consolidated financial statements		Separate financial statements	
		31 December 2013	31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)
Current liabilities					
Bank overdrafts and short-term loans from loans from financial institutions	16	420,000,000	420,000,000	111,141,780	177,441,390
Trade accounts payable	6, 17	202,238,931	199,035,452	123,791,483	120,926,183
Other payables	18	112,649,012	110,149,176	156,996,475	124,212,290
Current portion of long-term loans from financial institutions	16	250,000,000	250,000,000	170,395,817	75,000,000
Current portion of finance lease liabilities	16	6,114,723	6,114,723	5,738,641	4,295,668
Income tax payable		35,464,466	35,214,816	60,849,869	86,693,378
Other current liabilities	19	24,449,609	24,396,290	78,832,338	24,966,943
Total current liabilities		1,050,916,741	1,044,910,457	707,746,403	613,535,852
Non-current liabilities					
Long-term loans from financial institutions	16	815,500,000	815,500,000	648,552,257	357,619,917
Finance lease liabilities	16	8,349,550	8,349,550	12,829,486	12,679,851
Employee benefit obligations	20	65,661,901	65,448,081	61,302,666	62,258,266
Total non-current liabilities		889,511,451	889,297,631	722,684,409	432,558,034
Total liabilities		1,940,428,192	1,934,208,088	1,430,430,812	1,046,093,886

STATEMENT OF FINANCIAL POSITION (CONTINUED)

(in Baht)

Liabilities and Equity	Note	Consolidated financial statements		Separate financial statements	
		31 December 2013	31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)
Equity					
Share capital:	21, 23				
Authorised share capital		1,049,650,000	1,049,650,000	1,049,650,000	1,049,650,000
Issued and paid-up share capital		1,047,368,000	1,047,368,000	1,038,104,000	1,026,957,000
Treasury shares	22	-	-	-	(2,447,508)
Additional paid in capital:					
Premium on ordinary shares	21	165,720,920	165,720,920	153,307,160	138,370,180
Surplus on treasury shares	22	165,206,460	165,206,460	165,206,460	158,646,588
Retained earnings					
Appropriated					
Legal reserve	24	105,000,000	105,000,000	105,000,000	105,000,000
Treasury shares reserve	24	-	-	-	2,447,508
Unappropriated		816,347,331	814,145,089	776,748,936	641,856,837
Total equity		2,299,642,711	2,297,440,469	2,238,366,556	2,070,830,605
Total liabilities and equity		4,240,070,903	4,231,648,557	3,668,797,368	3,116,924,491

STATEMENT OF COMPREHENSIVE



(in Baht)

		Consolidated financial statements	Separate financial statements	
	Note	For the year ended 31 December 2013	For the year ended 31 December	
			2013	2012 (Restated)
Income				
Revenue from sale of goods				
and rendering of services		4,401,842,337	4,401,842,337	3,883,579,465
Other income	26	27,137,748	29,077,935	69,602,207
Total income		4,428,980,085	4,430,920,272	3,953,181,672
Expenses				
Cost of sales of goods and rendering of services		3,230,607,271	3,242,196,396	2,710,706,594
Selling expenses	27	153,113,722	153,140,704	143,509,817
Administrative expenses	28	438,076,405	430,810,237	382,627,080
Finance costs	31	43,387,528	43,387,045	7,648,066
Total expenses		3,865,184,926	3,869,534,382	3,244,491,557
Profit before income tax expense		563,795,159	561,385,890	708,690,115
Income tax expense	32	(112,871,468)	(112,664,441)	(163,082,990)
Profit for the year		450,923,691	448,721,449	545,607,125
Other comprehensive income				
Defined benefit plan actuarial gains (losses)	20	5,161,630	5,161,630	(1,915,667)
Income tax expense on other comprehensive income	32	(1,032,326)	(1,032,326)	383,133
Other comprehensive income for the year, net of income tax		4,129,304	4,129,304	(1,532,534)
Total comprehensive income for the year		455,052,995	452,850,753	544,074,591
Earnings per share (in Baht)	33			
Basic earnings per share		0.43	0.43	0.53
Diluted earnings per share		0.43	0.43	0.52

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

(in Baht)

	Note	Separate financial statements						Total equity
		Issued and paid-up share capital	Premium on ordinary shares	Surplus on treasury shares	Retained earnings		Treasury shares	
					Legal reserve	Treasury shares reserve	Unappropriated	
For the year ended 31 December 2012								
Balance at 1 January 2012 - as reported		1,026,957,000	138,370,180	158,646,588	105,000,000	2,447,508	617,803,581	2,046,777,349
Impact of changes in accounting policies	3	-	-	-	-	-	24,053,256	24,053,256
Balance at 1 January 2012 - restated		1,026,957,000	138,370,180	158,646,588	105,000,000	2,447,508	641,856,837	2,070,830,605
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the Company								
Issue of ordinary shares	21, 23	11,147,000	14,936,980	-	-	-	-	26,083,980
Treasury shares purchased (sold)	22	-	-	6,559,872	-	-	-	9,007,380
Dividends to owners of the Company	34	-	-	-	-	-	-	(411,630,000)
Total contributions by and distributions to owners of the Company		11,147,000	14,936,980	6,559,872	-	-	-	(376,538,640)
Comprehensive income for the year								
Profit		-	-	-	-	-	545,607,125	545,607,125
Other comprehensive income		-	-	-	-	-	(1,532,534)	(1,532,534)
Total comprehensive income for the year		-	-	-	-	-	544,074,591	544,074,591
Balance at 31 December 2012		1,038,104,000	153,307,160	165,206,460	105,000,000	-	776,748,936	2,238,366,556

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

(in Baht)

	Note	Separate financial statements					Total equity
		Issue and paid-up Share capital	Premium on ordinary Shares	Surplus on treasury Shares	Retained earning	Unappropriated	
					Legal reserve		
For the year ended 31 December 2013							
Balance at 1 January 2013 - as reported		1,038,104,000	153,307,160	165,206,460	105,000,000	752,615,969	2,214,233,589
Impact of changes in accounting policies	3	-	-	-	-	24,132,967	24,132,967
Balance at 1 January 2013 - restated		1,038,104,000	153,307,160	165,206,460	105,000,000	776,748,936	2,238,366,556
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners of the Company							
Issue of ordinary shares	21, 23	9,264,000	12,413,760	-	-	-	21,677,760
Dividends to owners of the Company	34	-	-	-	-	(415,454,600)	(415,454,600)
<i>Total contributions by and distributions to owners of the Company</i>		9,264,000	12,413,760	-	-	(415,454,600)	(393,776,840)
Comprehensive income for the year							
Profit		-	-	-	-	448,721,449	448,721,449
Other comprehensive income		-	-	-	-	4,129,304	4,129,304
Total comprehensive income for the year		-	-	-	-	452,850,753	452,850,753
Balance at 31 December 2013		1,047,368,000	165,720,920	165,206,460	105,000,000	814,145,089	2,297,440,469

STATEMENT OF CASH FLOWS

(in Baht)

	Consolidated	Separate	
	financial statements	financial statements	
	For the year ended	For the year ended	
	31 December	31 December	
	2013	2013	2012 (Restated)
Cash flows from operating activities			
Profit for the year	450,923,691	448,721,449	545,607,125
Adjustments for			
Depreciation	287,124,915	279,645,576	202,654,033
Amortisation of intangible assets	5,952,792	5,952,792	5,645,640
Amortisation of premium on forward exchange contracts	948,608	948,608	1,461,434
Interest income	(550,387)	(536,401)	(372,083)
Finance costs	43,387,528	43,387,045	7,648,066
Employee benefits (reversal)	9,520,865	9,307,045	(2,871,267)
Doubtful debts and bad debts	1,594,514	1,594,514	490,000
Loss on inventories written off	8,238,488	8,238,488	-
Allowance for decline in value of inventories (reversal)	(14,917,662)	(14,917,662)	598,154
Loss on property, plant and equipment written off	-	-	280,415
Reversal of impairment loss on assets	(12,500,000)	(12,500,000)	-
Unrealised gain (loss) on exchange rate	358,165	358,165	(366,904)
Gain on disposal of property, plant and equipment	(1,577,471)	(1,567,472)	(1,165,702)
Gain on sales of non-current assets classified as held for sale	-	-	(57,104,252)
Income tax expense	112,871,468	112,664,441	163,082,990
	891,375,514	881,296,588	865,587,649

STATEMENT OF CASH FLOWS (CONTINUED)

(in Baht)

	Consolidated	Separate	
	financial statements	financial statements	
	For the year ended	For the year ended	
	31 December	31 December	
	2013	2013	2012 (Restated)

Changes in operating assets and liabilities

Trade accounts receivable	(101,420,888)	(101,420,887)	(33,161,540)
Other receivables	3,783,887	(10,937,917)	(12,013,626)
Inventories	(171,017,391)	(150,848,296)	53,908,172
Other current assets	(7,041,738)	(78,958)	(4,928,544)
Other non-current assets	(811,310)	(758,309)	(7,729)
Trade accounts payable	77,453,371	74,249,892	3,176,342
Other payables	(44,927,697)	(47,420,149)	(47,927,044)
Other current liabilities	(54,384,729)	(54,438,048)	53,863,395
Cash generated from operating activities	593,009,019	589,643,916	878,497,075
Income tax paid	(135,008,636)	(135,008,496)	(188,623,077)
Net cash from operating activities	458,000,383	454,635,420	689,873,998

Cash flows from investing activities

Interest received	550,387	536,401	372,083
Purchase of property, plant and equipment	(524,708,001)	(353,124,074)	(626,045,811)
Sale of property, plant and equipment	3,488,815	3,478,815	4,015,602
Prepayment for purchases of assets	(17,827,740)	(17,827,740)	(23,329,301)
Purchase of intangible assets	(31,850,000)	(1,850,000)	(1,274,320)
Sale of non-current assets classified as held for sale	-	-	59,995,792
Net cash outflow on acquisition of subsidiary	-	(200,000,000)	-
Net cash used in investing activities	(570,346,539)	(568,786,598)	(586,265,955)

STATEMENT OF CASH FLOWS (CONTINUED)



(in Baht)

	Consolidated	Separate	
	financial statements	financial statements	
	For the year ended	For the year ended	
	31 December	31 December	
	2013	2013	2012
			(Restated)
Cash flows from financing activities			
Finance costs paid	(42,133,132)	(42,132,649)	(6,907,485)
Increase (decrease) in short-term loans	308,858,220	308,858,220	(66,299,610)
from financial institutions			
Finance lease payments	(5,614,608)	(5,614,608)	(6,029,828)
Proceeds from long-term loans from financial	416,947,743	416,947,743	461,328,157
institutions			
Repayment of long-term loans from financial	(170,395,817)	(170,395,817)	(75,000,000)
institutions			
Proceeds from issue of ordinary shares	21,677,760	21,677,760	26,083,980
Proceeds from sale of treasury shares	-	-	9,007,380
Dividends paid	(415,452,600)	(415,452,600)	(411,628,000)
Net cash provided by (used in) financing activities	113,887,566	113,888,049	(69,445,406)
Net increase (decrease) in cash and cash	1,541,410	(263,129)	34,162,637
 equivalents			
Cash and cash equivalents at 1 January	56,496,370	56,496,370	22,195,527
Effect of exchange rate changes on balances	562,592	562,592	138,206
held in foreign currencies			
Cash and cash equivalents at 31 December	58,600,372	56,795,833	56,496,370

STATEMENT OF CASH FLOWS (CONTINUED)

	Consolidated	Separate	
	financial statements	financial statements	
	For the year ended	For the year ended	
	31 December	31 December	
	2013	2013	2012 (Restated)

Supplementary disclosure of cash flows information:

Non-cash transactions:

Acquisitions of property, plant and equipment for which payment has not yet to be made	267,098	259,715	81,117,424
Acquisitions of property, plant and equipment under finance lease agreements	587,850	587,850	6,459,567
Transfer prepayments for purchases of assets to property, plant and equipment	76,919,486	76,919,486	202,655,519
Transfer investment properties to property, plant and equipment	36,826,144	36,826,144	-

NOTE TO THE FINANCIAL STATEMENTS



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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the directors on 18 February 2014.

1. General information

Diamond Building Products Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 69 - 70 Moo 1, Mitraphab Road (Km. 115), Thambol Talingchan, Amphur Muang, Saraburi, Thailand.

The Company was listed on the Stock Exchange of Thailand in November 2005.

The Company’s major shareholder during the financial year was Myriad Materials Co., Ltd. (60.11% shareholding), who was incorporated in Thailand.

The principal business of the Company and its subsidiary is manufacturing of roof tiles, artificial woods and autoclaved aerated concrete. Details of the Company’s subsidiary as at 31 December 2013 and 2012 are given in notes 6 and 11.

2. Basis of preparation of financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (FAP); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued the following new and revised TFRS relevant to the Group’s operations and effective for accounting periods beginning on or after 1 January 2013:

TFRS	Topic
TAS 12	Income Taxes
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

The adoption of these new and revised TFRS has resulted in changes in the Group’s accounting policies. The effects of these changes are disclosed in note 3.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for financial statements beginning on or after 1 January 2014 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 37.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as stated in the accounting policies.

(c) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company’s functional currency. All financial information presented in Thai Baht has been rounded to the nearest thousand unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 4(t)	Current and deferred taxation
Note 20	Measurement of defined employee benefit obligations
Note 35	Valuation of financial instruments

3. Changes in accounting policies

(a) Overview

From 1 January 2013, consequent to the adoption of new and revised TFRS as set out in note 2, the Group has changed its accounting policies in the following areas:

- Accounting for income tax
- Presentation of information on operating segments
- Accounting for the effects of changes in foreign exchange rates

Details of the new accounting policies adopted by the Group are included in notes 3 (b) to 3 (d) below. Other new and revised TFRS did not have any impact on the accounting policies, financial position or performance of the Group.

(b) Accounting for income tax

The principal change introduced by TAS 12 is the requirement to account for deferred tax liabilities and assets in the financial statements. Deferred tax liabilities and assets are the amounts of income taxes payable and recoverable, respectively, in future periods in respect of temporary differences between the carrying amount of the liability or asset in the statement of financial position and the amount attributed to that liability or asset for tax purposes; and the carry forward of unused tax losses. The accounting policy for deferred tax is described in note 4(t).

The Group adopted TAS 12 with effect from 1 January 2013. The effects of the change are recognised retrospectively in the financial statements. The impact of the change on the financial statements is as follows:

(in thousand Baht)

Statement of financial position as at	Consolidated financial statements	Separate financial statements		
	31 December 2013	31 December 2013	31 December 2012	1 January 2012
Increase in deferred tax assets	19,852	19,810	24,133	24,053
Increase in retained earnings	19,852	19,810	24,133	24,053
Increase in shareholders' equity	19,852	19,810	24,133	24,053

(in thousand Baht)

Statement of comprehensive income for the year ended 31 December.	Consolidated financial statements	Separate financial statements	
	2013	2013	2012
Increase in income tax expense	3,249	3,291	303
Decrease in profit for the year	3,249	3,291	303
Decrease in earnings per share			
- Basic earnings per share (in Baht)	0.0031	0.0032	0.0003
- Diluted earnings per share (in Baht)	0.0031	0.0031	0.0003

(c) Presentation of information on operating segments

From 1 January 2013, the Group has adopted TFRS 8 Operating Segments. The new policy for presentation of information on operating segments, together with information on the previous policy, is given below. The change in policy only impacts presentational aspects and has no impact on the Group's reported assets, liabilities, results or earnings per share.

TFRS 8 introduces the "management approach" to segment reporting. It requires a change in the presentation and disclosure of segment information based on the internal reports regularly reviewed by the Group's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to those segments. Previously the Group presented segment information in respect of its business and geographical segments in accordance with TAS 14 Segment Reporting. The change in basis of presentation and disclosure of segment information has had no significant effect on the segment information reported in the Group's financial statements.

(d) Account for the effect of changes in foreign exchange rates

From 1 January 2013, the Group has adopted TAS 21 (revised 2009) Accounting for the effects of changes in foreign exchange rates.

The principal change introduced by TAS 21 (revised 2009) is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21 (revised 2009) requires the entity to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21 (revised 2009). Foreign currencies are defined by TAS 21 (revised 2009) as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Group is Thai Baht and that the adoption of TAS 21 (revised 2009) from 1 January 2013 has not had a significant impact on the Group's reported assets, liabilities or retained earnings.

4. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3, which addresses changes in accounting policies.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiary (together referred to as the "Group")

Business combinations

The Group applies the acquisition method for all business combinations other than those with entities under common control. Consideration transferred includes fair values of the assets transferred by the Group to the previous owners of the acquiree. Consideration transferred also includes the fair value of any contingent consideration of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that **control ceases**. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Transactions eliminated on consolidation.

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency (Thai Baht) at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss. Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency using the foreign exchange rates ruling at the dates of the transactions.

(c) Hedging

Hedge of future foreign currency transactions

Gains and losses from forward exchange contracts and currency swaps used to hedge anticipated future currency transactions are recognised in profit or loss in the statement of comprehensive income.

Premiums or discounts on forward foreign exchange contracts are amortised to profit or loss over the term of the contracts.

Hedge of interest rates

Interest differentials under swap arrangements are recognised and recorded as adjustments to the interest expense relating to the hedged loans.

(d) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(e) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the moving average principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(g) Investments

Investment in subsidiary

Investment in subsidiary in the separate financial statements of the Company is accounted for using the cost method.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss. If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(h) Investment properties

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

Investment properties are stated at cost less impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

No depreciation is provided on freehold land or assets under construction.

Reclassification to property, plant and equipment

When the use of a property changes such that it is reclassified as property, plant and equipment, the property is reclassified as property, plant and equipment at the carrying amount.

(i) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net in profit or loss.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the

present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Reclassification to investment properties

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at the carrying amount.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings, structures and improvement	5 - 20	years
Machinery and equipment	5 - 20	years
Office furniture, fixtures and equipment	3 - 5	years
Vehicles	5	years

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

Software licences	10	years
Deferred know-how and technical assistance fees	10	years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(k) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. Intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that

reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

Impairment losses recognised in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(m) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(n) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity (provident fund) and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs are deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(p) Treasury shares

When share capital recognised as equity is repurchased, the amount of consideration paid, including directly attributable costs, is classified as treasury shares and recognised as a deduction from equity. An equal amount is appropriated from retained

earnings and taken to a reserve for treasury shares within equity. When treasury shares are sold, the amount received is recognised as an increase in equity by crediting the cost of the treasury shares sold, calculated using the weighted average method, to the treasury shares account and transferring the equivalent amount back from reserve for treasury shares to retained earnings. Surpluses on the sale of treasury shares are taken directly to a separate category within equity, ("Surplus on treasury shares"). Net deficits on sale or cancellation of treasury shares are debited to retained earnings after setting off against any remaining balance of surplus on treasury shares.

(q) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Interest income

Interest income is recognised in profit or loss as it accrues.

(r) Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, impairment losses recognised on financial assets (other than trade receivables), and losses on hedging instruments that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(s) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(t) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(u) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

(v) Segment reporting

Segment result that are reported to the Group's Management Committee (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5. Business acquisition

On 9 May 2013 the Group, by Diamond Materials Co., Ltd., a subsidiary, entered into a sale and purchase of asset agreement with a local company who was a manufacturer of autoclaved aerated concrete production with the objective to expand the Group's autoclaved aerated concrete business to the northern region of Thailand in addition to the Group's first autoclaved aerated concrete plant located in Saraburi.

The Group recognised the business acquisition in accordance with TFRS 3 (revised 2009) Business Combinations. The summaries of the consideration transferred and the identifiable assets acquired were as follows:

Consideration transferred

	Fair Value (in million Baht)
Cash paid	200.0
Identifiable assets acquired	
	Fair Value (in million Baht)
Land	20.1
Building and structures	71.3
Machinery and equipment	78.6
Intangible asset	30.0
Total identifiable net assets	200.0

The Group engaged an independent valuer to appraise fair value and allocate fair value of transactions at the acquisition date to the identifiable assets. The Group's policy is continuing its review of fair value of the identifiable assets including property, plant and equipment and intangible asset and the allocation of fair value of the transaction at the acquisition date. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above provisional fair values, or any additional assets or liabilities that existed at the acquisition date, then the acquisition accounting will be revised.

6. Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant

influence. Related parties may be individuals or other entities.

Relationships with related parties were as follows:

Name of entities	Country of incorporation /nationality	Nature of relationships
Diamond Materials Co., Ltd.	Thailand	Subsidiary
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.
Supalai Public Company Limited	Thailand	Common director
Quality Houses Public Company Limited	Thailand	Common director
Casa Ville Company Limited	Thailand	Common director
The Confidence Company Limited	Thailand	Common director
Gusto Village Company Limited	Thailand	Common director
Casa Ville (Phetburi 2553) Company Limited	Thailand	Common director
The Lanna Resources Public Company Limited	Thailand	Common director

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Sale of goods and rendering of services	Market price based on normal course of business
Purchase of merchandise goods	Market price based on normal course of business
Purchase of raw materials	Market price based on normal course of business
Management fee income	Actual expenses incurred

Significant transactions for the years ended 31 December with key management personnel and other related parties were as follows:

Year ended 31 December	Consolidated financial statements	Separate financial statements	
	2013	2013	2012
	(in thousand Baht)		
Subsidiary			
Purchase of merchandise goods	-	69,784	-
Management fee income	-	2,100	-
Key management personnel			
Key management personnel compensation			
Short-term employee benefits	38,777	38,777	36,802
Post-employment benefits	836	836	1,506
Total	39,613	39,613	38,308
Other related parties			
Sales of goods or rendering of services	113,296	113,296	78,284
Purchase of raw materials	4,990	-	-

Balances as at 31 December with related parties were as follows:

		Consolidated financial statements	Separate financial statements	
	Note	2013	2013	2012
(in thousand Baht)				
Trade accounts receivable from related parties				
Other related parties				
Supalai Public Company Limited		13,865	13,865	10,998
Quality Houses Public Company Limited		4,510	4,510	896
Casa Ville Company Limited		14,932	14,932	16,133
The Confidence Company Limited		2,332	2,332	4,831
Gusto Village Company Limited		10,723	10,723	4,930
Casa Ville (Phetburi 2553) Company Limited		-	-	340
Total	8	46,362	46,362	38,128
Other receivable from related party				
Subsidiary				
Diamond Materials Co., Ltd.	9	-	16,527	-
Trade account payable to related party				
Other related party				
The Lanna Resources Public Company Limited	17	329	-	-

7. Cash and cash equivalents

	Consolidated financial statements	Separate financial statements	
	2013	2013	2012
(in thousand Baht)			
Cash on hand	100	100	100
Cash at banks - current accounts	34,246	34,225	30,674
Cash at banks - savings accounts	24,254	22,471	25,562
Highly liquid short-term investments	-	-	160
Total	58,600	56,796	56,496

The currency denomination of cash and cash equivalents as at 31 December was as follows:

	Consolidated financial statements	Separate financial statements	
	2013	2013	2012
(in thousand Baht)			
Thai Baht (THB)	48,137	46,333	51,161
United States Dollars (USD)	10,463	10,463	5,335
Total	58,600	56,796	56,496

8. Trade accounts receivable

	Note	Consolidated	Separate	
		financial statements	financial statements	
		2013	2013	2012
(in thousand Baht)				
Related parties	6	46,362	46,362	38,128
Other parties		539,297	539,297	446,090
Total		585,659	585,659	484,218
Less allowance for doubtful accounts		(15,630)	(15,630)	(14,070)
Net		570,029	570,029	470,148
Bad and doubtful debts expense for the year		1,560	1,560	490

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements	Separate financial statements	
	2013	2013	2012
	(in thousand Baht)		
<i>Related parties</i>			
Within credit terms	19,766	19,766	16,751
Overdue			
Less than 61 days	18,945	18,945	13,603
61 - 120 daysw	3,274	3,274	4,856
121 - 360 days	4,217	4,217	2,651
Over 360 days	160	160	267
	46,362	46,362	38,128
<i>Other parties</i>			
Within credit terms	402,358	402,358	341,252
Overdue			
Less than 61 days	121,195	121,195	90,227
61 -120 days	1,749	1,749	4,100
121 - 360 days	7,281	7,281	3,553
Over 360 days	6,714	6,714	6,958
	539,297	539,297	446,090
Total	585,659	585,659	484,218
Less allowance for doubtful accounts	(15,630)	(15,630)	(14,070)
Net	570,029	570,029	470,148

The normal credit term granted by the Group ranges from 30 days to 120 days.

The currency denomination of trade accounts receivable as at 31 December was as follows:

	Consolidated financial statements	Separate financial statements	
	2013	2013	2012
	<i>(in thousand Baht)</i>		
Thai Baht (THB)	564,243	564,243	469,993
United States Dollars (USD)	5,786	5,786	155
Total	570,029	570,029	470,148

9. Other receivables

	Note	Consolidated financial statements	Separate financial statements	
		2013	2013	2012
		<i>(in thousand Baht)</i>		
<i>Related parties</i>	6	-	16,527	-
<i>Other parties</i>				
Accrued sales discount		10,639	10,639	8,897
Prepaid expenses		3,239	3,204	3,791
Advance payment to suppliers		7,283	5,605	14,079
Others		3,400	3,307	1,577
Total		24,561	39,282	28,344

10. Inventories

	Consolidated	Separate	
	financial statements	financial statements	
	2013	2013	2012
	<i>(in thousand Baht)</i>		
Finished goods	176,246	159,071	150,620
Merchandise goods	23,189	23,189	14,972
Semi-finished goods	139,161	139,161	98,030
Work in progress	37,026	37,026	50,639
Raw materials	274,506	271,989	264,068
Supplies	49,942	49,464	37,961
Goods in transit	102,265	102,265	37,104
	802,335	782,165	653,394
Less allowance for decline in value	(6,042)	(6,042)	(20,960)
Total	796,293	776,123	632,434
Inventories recognised as an expense in 'cost of sales of goods':			
Cost	2,845,584	2,857,173	2,397,097
Write-down to net realisable value	-	-	598
Reversal of write-down	(14,918)	(14,918)	-
Net	2,830,666	2,842,255	2,397,695

11. Investment in subsidiary

	Separate financial statements	
	2013	2012
	<i>(in thousand Baht)</i>	
At 1 January	-	-
Additions	200,000	-
At 31 December	200,000	-

In May 2013, the Company invested in ordinary shares of Diamond Materials Co., Ltd., a subsidiary, of Baht 200.0 million which represents 99.99% of registered capital. The Company fully paid for share subscription in May 2013. Investment in subsidiary as at 31 December 2013 and 2012, and dividend income from the investment for the years then ended, were as follows:

Investment in subsidiary as at 31 December 2013 and 2012, and dividend income from the investment for the years then ended, were as follows:

		Separate financial statements											
		Ownership interest		Paid-up capital		Cost		At cost - net		Dividend income			
		Description of business		2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
		(%)				(in thousand Baht)							
Subsidiary													
Diamond Materials Co., Ltd.	Manufacturing of autoclaved aerated concrete	99.99	-	200,000	-	200,000	-	200,000	-	-	-		
Total						200,000	-	200,000	-	-	-		

The subsidiary was incorporated in Thailand.

12. Investment properties

	Consolidated financial statements	Separate financial statements	
	2013	2013	2012
(in thousand Baht)			
Cost			
At 1 January	106,638	106,638	106,638
Transfer to property, plant and equipment	(36,826)	(36,826)	-
At 31 December	69,812	69,812	106,638
Allowance for impairment			
At 1 January	(15,200)	(15,200)	(15,200)
Reversal of allowance for impairment	12,500	12,500	-
At 31 December	(2,700)	(2,700)	(15,200)
Net book value			
At 1 January 2012			91,438
At 31 December 2012 and 1 January 2013	91,438	91,438	91,438
At 31 December 2013	67,112	67,112	91,438

Investment properties are land held for future projects. As at 31 December 2013, the fair value of investment properties was Baht 144.2 million (2012: Baht 162.1 million) which was appraised by an independent valuer based on the market approach.

A portion of land title deed of investment properties, which has net book value as at 31 December 2013 of totaling Baht 25.4 million (2012: Baht 25.3 million) was jointly owned by two other companies.

13. Property, plant and equipment

	Consolidated financial statements						
	Land and improvement	Building structures and improvement	Machinery and equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation	Total
	(in thousand Baht)						
Cost							
At 1 January 2013	134,443	505,488	3,103,029	61,273	64,489	521,856	4,390,578
Additions	20,097	72,610	102,342	6,713	5,052	395,668	602,482
Transfers	37,637	127,599	644,880	1,004	198	(811,318)	-
Transfer from investment properties	36,826	-	-	-	-	-	36,826
Disposals	-	(827)	(37,047)	(1,136)	(3,500)	-	(42,510)
At 31 December 2013	229,003	704,870	3,813,204	67,854	66,239	106,206	4,987,376
Accumulated depreciation							
At 1 January 2013	-	295,321	1,715,573	44,808	39,547	-	2,095,249
Depreciation charge for the year	-	24,911	245,661	7,729	8,823	-	287,124
Disposals	-	(828)	(35,409)	(1,107)	(3,255)	-	(40,599)
At 31 December 2013	-	319,404	1,925,825	51,430	45,115	-	2,341,774
Allowance for impairment							
At 1 January 2013	-	-	-	-	-	7,869	7,869
Increase (decrease)	-	-	-	-	-	-	-
At 31 December 2013	-	-	-	-	-	7,869	7,869
Net book value							
At 1 January 2013							
Owned assets	134,443	210,167	1,387,456	16,465	7,709	513,987	2,270,227
Asset under finance leases	-	-	-	-	17,233	-	17,233
	134,443	210,167	1,387,456	16,465	24,942	513,987	2,287,460
At 31 December 2013							
Owned assets	229,003	385,466	1,887,379	16,424	8,091	98,337	2,624,700
Asset under finance leases	-	-	-	-	13,033	-	13,033
	229,003	385,466	1,887,379	16,424	21,124	98,337	2,637,733

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2013 amounted to Baht 1,173.9 million (2012: Baht 1,126.3 million).

	Separate financial statements						
	Land and improvement	Building structures and improvement	Machinery and equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation	Total
	(in thousand Baht)						
<i>Cost</i>							
At 1 January 2012	134,443	443,345	2,620,977	49,442	56,164	194,750	3,499,121
Additions	-	1,676	24,974	5,040	12,422	872,167	916,279
Transfers	-	67,047	470,529	7,485	-	(545,061)	-
Disposals	-	(6,580)	(13,451)	(694)	(4,097)	-	(24,822)
At 31 December 2012	134,443	505,488	3,103,029	61,273	64,489	521,856	4,390,578
and 1 January 2013							
Additions	-	1,293	24,551	6,548	2,831	395,668	430,891
Transfers	37,637	127,599	644,880	1,004	198	(811,318)	-
Transfer from investment properties	36,826	-	-	-	-	-	36,826
Disposals	-	(827)	(37,047)	(1,136)	(3,500)	-	(42,510)
At 31 December 2013	208,906	633,553	3,735,413	67,689	64,018	106,206	4,815,785
<i>Accumulated depreciation</i>							
At 1 January 2012	-	284,815	1,554,712	38,635	36,124	-	1,914,286
Depreciation charge for the year	-	15,639	172,655	6,840	7,520	-	202,654
Disposals	-	(5,133)	(11,794)	(667)	(4,097)	-	(21,691)
At 31 December 2012							
and 1 January 2013	-	295,321	1,715,573	44,808	39,547	-	2,095,249
Depreciation charge for the year	-	22,453	240,923	7,706	8,563	-	279,645
Disposals	-	(827)	(35,410)	(1,107)	(3,255)	-	(40,599)
At 31 December 2013	-	316,947	1,921,086	51,407	44,855	-	2,334,295
<i>Allowance for impairment</i>							
At 1 January 2012	-	-	-	-	-	7,869	7,869
Increase (decrease)	-	-	-	-	-	-	-
At 31 December 2012	-	-	-	-	-	7,869	7,869
and 1 January 2013							
Increase (decrease)	-	-	-	-	-	-	-
At 31 December 2013	-	-	-	-	-	7,869	7,869
<i>Net book value</i>							
At 1 January 2012							
Owned assets	134,443	158,530	1,066,265	10,807	4,062	186,881	1,560,988
Asset under finance leases	-	-	-	-	15,978	-	15,978
	134,443	158,530	1,066,265	10,807	20,040	186,881	1,576,966
At 31 December 2012							
and 1 January 2013							
Owned assets	134,443	210,167	1,387,456	16,465	7,709	513,987	2,270,227
Asset under finance leases	-	-	-	-	17,233	-	17,233
	134,443	210,167	1,387,456	16,465	24,942	513,987	2,287,460
At 31 December 2013							
Owned assets	208,906	316,606	1,814,327	16,282	6,130	98,337	2,460,588
Asset under finance leases	-	-	-	-	13,033	-	13,033
	208,906	316,606	1,814,327	16,282	19,163	98,337	2,473,621

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2013 amounted to Baht 1,173.9 million (2012: Baht 1,126.3 million).

Property, plant and equipment under construction

During the year ended 31 December 2013, the Group had projects for new factory construction and machinery under installation. Cost incurred up to 31 December 2013 totalled Baht 98.3 million (2012: Baht 514.0 million).

Borrowing costs relating to the acquisition of the new property, plant and equipment capitalized to costs of assets amounted to Baht 7.1 million (2012: Baht 23.6 million).

14. Intangible assets

	Consolidated financial statements			
	Deferred know-how and technical assistance fees	Software licences	Software under installation	Total
	(in thousand Baht)			
Cost				
At 1 January 2013	26,888	31,692	-	58,580
Additions	30,000		1,850	31,850
Transfers	-	1,850	(1,850)	-
At 31 December 2013	56,888	33,542	-	90,430
Accumulated amortisation				
At 1 January 2013	19,717	12,733	-	32,450
Amortisation for the year	2,689	3,264	-	5,953
At 31 December 2013	22,406	15,997	-	38,403
Net book value				
At 1 January 2013	7,171	18,959	-	26,130
At 31 December 2013	34,482	17,545	-	52,027
Cost				
At 1 January 2012	26,888	25,068	5,350	57,306
Additions	-	-	1,274	1,274
Transfers	-	6,624	(6,624)	-
At 31 December 2012 and 1 January 2013	26,888	31,692	-	58,580
Additions	-	-	1,850	1,850
Transfers	-	1,850	(1,850)	-
At 31 December 2013	26,888	33,542	-	60,430
Accumulated amortisation				
At 1 January 2012	17,029	9,776	-	26,805
Amortisation for the year	2,688	2,957	-	5,645
At 31 December 2012 and 1 January 2013	19,717	12,733	-	32,450
Amortisation for the year	2,689	3,264	-	5,953
At 31 December 2013	22,406	15,997	-	38,403
Net book value				
At 1 January 2012	9,859	15,292	5,350	30,501
At 31 December 2012 and 1 January 2013	7,171	18,959	-	26,130
At 31 December 2013	4,482	17,545	-	22,027

15. Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated financial statements	Separate financial statements	
	2013	2013	2012
<i>(in thousand Baht)</i>			
Deferred tax assets	19,852	19,810	24,133
Deferred tax liabilities	-	-	-
Net	19,852	19,810	24,133

Movements in total deferred tax assets during the year were as follows:

	Consolidated financial statements			At 31 December 2013
	(Charged) / Credited to:			
	At 1 January 2013	Profit or loss	Other omprehensive income	
(in thousand Baht)				

Deferred tax assets

Trade accounts receivable (<i>doubtful accounts</i>)	2,800	312	-	3,112
Inventories (<i>allowance for decline in value</i>)	4,192	(2,984)	-	1,208
Investment properties (<i>allowance for impairment</i>)	3,040	(2,500)	-	540
Property, plant and equipment (<i>allowance for impairment</i>)	1,574	-	-	1,574
Finance lease liabilities	267	19	-	286
Employee benefit obligations	12,260	1,904	(1,032)	13,132
Total	24,133	(3,249)	(1,032)	19,852

	Separate financial statements (Charged) / Credited to:			
	At 1 January 2013	Profit or loss	Other comprehensive income	At 31 December 2013
	(in thousand Baht)			

Deferred tax assets

Trade accounts receivable (<i>doubtful accounts</i>)	2,800	312	-	3,112
Inventories (<i>allowance for decline in value</i>)	4,192	(2,984)	-	1,208
Investment properties (<i>allowance for impairment</i>)	3,040	(2,500)	-	540
Property, plant and equipment (<i>allowance for impairment</i>)	1,574	-	-	1,574
Finance lease liabilities	267	19	-	286
Employee benefit obligations	12,260	1,862	(1,032)	13,090
Total	24,133	(3,291)	(1,032)	19,810

	Separate financial statements			
	(Charged) / Credited to:			
	At 1 January 2012	Profit or loss	Other comprehensive income	At 31 December 2012
	(in thousand Baht)			

Deferred tax assets

Trade accounts receivable (<i>doubtful accounts</i>)	2,716	84	-	2,800
Inventories (<i>allowance for decline in value</i>)	4,072	120	-	4,192
Investment properties (<i>allowance for impairment</i>)	3,040	-	-	3,040
Property, plant and equipment (<i>allowance for impairment</i>)	1,574	-	-	1,574
Finance lease liabilities	199	68	-	267
Employee benefit obligations	12,452	(575)	383	12,260
Total	24,053	(303)	383	24,133

16. Interest-bearing liabilities

	Consolidated financial statements	Separate financial statements	
	2013	2013	2012
	(in thousand Baht)		

Current

Bank overdrafts			
Unsecured	-	-	1,142
Short-term loans from financial institutions			
Unsecured	420,000	420,000	110,000
Bank overdrafts and short-term loans from financial institutions	420,000	420,000	111,142
Current portion of long-term loans from financial institutions	250,000	250,000	170,396
Unsecured			
Current portion of long-term loans	250,000	250,000	170,396
Current portion of finance lease liabilities	6,115	6,115	5,739
Total current interest-bearing liabilities	676,115	676,115	287,277

	Consolidated financial statements	Separate financial statements	
	2013	2013	2012
	(in thousand Baht)		
Non-current			
Long-term loans from financial institutions			
Unsecured	815,500	815,500	648,552
Finance lease liabilities	8,349	8,349	12,829
Total non-current interest-bearing liabilities	823,849	823,849	661,381

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December were as follows:

	Consolidated financial statements	Separate financial statements	
	2013	2013	2012
	(in thousand Baht)		
Within one year	670,000	670,000	281,538
After one year but within five years	815,500	815,500	648,552
Total	1,485,500	1,485,500	930,090

Long-term loans

	Consolidated financial statements	Separate financial statements	
	2013	2013	2012
	(in thousand Baht)		
Loan agreement in June 2008	-	-	7,896
Loan agreement in February 2011	337,500	337,500	450,000
Loan agreement in October 2011	430,000	430,000	361,052
Loan agreement in December 2013	298,000	298,000	-
	1,065,500	1,065,500	818,948
Less current portion	(250,000)	(250,000)	(170,396)
Total	815,500	815,500	648,552

In June 2008, the Company entered into a long-term loan agreement with a local financial institution of Baht 150 million for purchase of machinery. This loan bears a fixed interest rate of 4.30% per annum and is repayable in 8 quarterly installments of Baht 18.75 million each with negative pledge of such machinery. During the year 2013, the Company fully paid off the loan. As at 31 December 2012, the outstanding balance of the loan amounted to Baht 7.9 million.

In February 2011, the Company entered into a long-term loan agreement with a local financial institution of Baht 450 million for purchase of machinery. This loan bears interest at 3-month THBFX plus 1.25% per annum and is repayable in 12 quarterly installments of Baht 37.50 million each with negative pledge of such machinery. As at 31 December 2013, the outstanding balance of loan amounted to Baht 337.5 million (2012: Baht 450 million). As at 31 December 2013 and 2012, the Company had interest rate swap contracts with a financial institution to swap a 3-month THBFX floating interest rate to fixed rates at 2.96% - 3.09% per annum for long-term loan of Baht 450 million. The contract term is 4 years up to March 2016.

In October 2011, the Company entered into a long-term loan agreement with a local financial institution of Baht 500 million for purchase of machinery. This loan bears interest at fixed rate of 4.35% per annum from the first withdrawal date to 30 June 2013 and from 1 July 2013 to 30 June 2018 bearing interest at fixed rate of 5.10% per annum and is repayable in 20 quarterly installments of Baht 25 million each with negative pledge of such machinery. As at 31 December 2013, the outstanding balance of loan amounted to Baht 430.0 million (2012: Baht 361.1 million).

In December 2013, the Company entered into a long-term loan agreement with a local financial institution of Baht 300 million for purchase of machinery. This loan bears interest at fixed rate of 3.67% per annum from the first withdrawal date to 27 December 2016 and is repayable in 8 quarterly installments of Baht 37.5 million each with negative pledge of such machinery. As at 31 December 2013, the outstanding balance of loan amounted to Baht 298 million.

As at 31 December 2013, the Group had unutilised credit facilities amounting to Baht 2,746.7 million (2012: Baht 3,590.4 million).

The Company is committed to comply with conditions and covenants stipulated in the loan agreements such as maintaining the debt service coverage ratio.

Finance lease liabilities

Finance lease liabilities as at 31 December were payable as follows:

Consolidated financial statements 2013			
	Future minimum lease payments	Interest	Present value of minimum lease payments
	(in thousand Baht)		
Within one year	6,897	782	6,115
After one year but within five years	8,954	605	8,349
Total	15,851	1,387	14,464

Separate financial statements 2013			
	Future minimum lease payments	Interest	Present value of minimum lease payments
	(in thousand Baht)		
Within one year	6,897	782	6,115
After one year but within five years	8,954	605	8,349
Total	15,851	1,387	14,464

Separate financial statements 2012			
	Future minimum lease payments	Interest	Present value of minimum lease payments
	(in thousand Baht)		
Within one year	6,772	1,033	5,739
After one year but within five years	13,913	1,084	12,829
Total	20,685	2,117	18,568

As at 31 December 2013 and 2012, the Company entered into finance lease agreements with several local leasing companies to purchase vehicles. Such lease agreements have terms expiring up to 2018, and bear interest at rates ranging from 5.4% to 12.0% per annum in 2013 (2012: ranging from 5.4% to 10.1% per annum). The agreements are repayable in 60 installments starting from July 2009.

17. Trade accounts payable

	Note	Consolidated financial statements	Separate financial statements	
		2013	2013	2012
		(in thousand Baht)		
Related parties	6	329	-	-
Other parties		201,910	199,035	123,791
Total		202,239	199,035	123,791

The currency denomination of trade accounts payable as at 31 December was as follows:

	Consolidated financial statements	Separate financial statements	
	2013	2013	2012
	(in thousand Baht)		
Thai Baht (THB)	134,386	131,182	88,108
United States Dollars (USD)	67,331	67,331	35,072
Euro (EUR)	522	522	611
Total	202,239	199,035	123,791

18. Other payables

	Consolidated financial statements	Separate financial statements	
	2013	2013	2012
	(in thousand Baht)		
Accrued operating expenses	34,065	32,437	34,654
Payables for acquisition of assets	18,084	18,076	81,136
Others	60,500	59,636	41,206
Total	112,649	110,149	156,996

The currency denomination of other payables as at 31 December was as follows:

	Consolidated financial statements	Separate financial statements	
	2013	2013	2012
	(in thousand Baht)		
Thai Baht (THB)	112,649	110,149	155,448
United States Dollars (USD)	-	-	1,548
Total	112,649	110,149	156,996

19. Other current liabilities

	Consolidated financial statements	Separate financial statements	
	2013	2013	2012
	<i>(in thousand Baht)</i>		
Revenue department payable	13,447	13,401	17,096
Contract guarantee	6,970	6,962	6,663
Retention	4,023	4,023	55,065
Others	10	10	8
Total	24,450	24,396	78,832

20. Employee benefit obligations

	Consolidated financial statements	Separate financial statements	
	2013	2013	2012
	<i>(in thousand Baht)</i>		

Statement of financial position

Obligations for:

Post-employment benefits	65,662	65,448	61,303
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For the year ended 31 December

Statement of comprehensive income:

Recognised in profit or loss:

Post-employment benefits (reversal)	9,521	9,307	(2,871)
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Recognised in other comprehensive income:

Actuarial (gains) losses recognised in the year	(5,162)	(5,162)	1,916
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The Group operates a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

Movement in the present value of the defined benefit obligations:

	Consolidated financial statements	Separate financial statements	
	2013	2013	2012
	<i>(in thousand Baht)</i>		
Defined benefit obligations at 1 January	61,303	61,303	62,258
Current service costs and interest	9,521	9,307	7,942
Actuarial (gains) losses in other comprehensive income	(5,162)	(5,162)	1,916
Reversal of defined benefit obligation	-	-	(10,813)
Defined benefit obligations at 31 December	65,662	65,448	61,303

Expenses recognised in profit or loss (Note 29)

	Consolidated financial statements	Separate financial statements	
	2013	2013	2012
	<i>(in thousand Baht)</i>		
Current service costs	6,727	6,513	5,588
Interest on obligation	2,794	2,794	2,354
Reversal of defined benefit obligation	-	-	(10,813)
Total	9,521	9,307	(2,871)

The expensed are recognised in the following line items in the statement of comprehensive income:

	Consolidated financial statements	Separate financial statements	
	2013	2013	2012
	<i>(in thousand Baht)</i>		
Cost of sales of goods and rendering of services	3,384	3,309	(1,200)
Selling expenses	818	818	(574)
Administrative expenses	5,319	5,180	(1,097)
Total	9,521	9,307	(2,871)

Principal actuarial assumptions at the reporting date (expressed as weighted averages)

	Consolidated financial statements	Separate financial statements	
	2013	2013	2012
	<i>(%)</i>		
Discount rate	4.77	4.77	4.25
Future salary increment rate	6.61	6.61	6.33
Turnover rate	0 - 15	0 - 15	0 - 12

Assumptions regarding future mortality are based on published statistics and Thai Mortality tables 2008.

21. Share capital

	Par value per share (in Baht)	2013		2012	
		Number	Amount	Number	Amount
		(million shares / in million Baht)			
<i>Authorised</i>					
At 1 January					
- ordinary shares	1	1,050	1,050	1,050	1,050
At 31 December					
- ordinary shares	1	1,050	1,050	1,050	1,050
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	1	1,038	1,038	1,027	1,027
Issue of shares	1	9	9	11	11
At 31 December					
- ordinary shares	1	1,047	1,047	1,038	1,038

On 17 June 2008, the extraordinary shareholders' meeting passed a resolution to approve the Employee Stock Option Program. Accordingly, the extraordinary shareholders' meeting also passed a resolution to increase the authorised share capital by Baht 49.65 million from Baht 1,000 million (1,000 million shares at Baht 1 par value) to Baht 1,049.65 million (1,049.65 million shares at Baht 1 par value). The new ordinary shares of Baht 49.65 million (49.65 million shares at Baht 1 par value) are to be reserved for the exercise of warrants, which are planned to be issued to directors and employees of the Company.

The Company registered the increase in share capital with the Ministry of Commerce on 1 July 2008 and the Company's Employee Stock Option Program was approved by the Securities and Exchange Commission on 10 October 2008. The Company would distribute such warrants within 1 year after the approval date.

The meeting of the Board of Directors of the Company held on 31 August 2009, passed a resolution to approve the issuance of the free-of-charge warrants to directors and employees of the Company which warrants were fully allotted in 2009.

From the beginning of the Employee Stock Option Program until 31 December 2012, the holders of 38.1 million units exercised options to purchase 38.1 million ordinary shares at an exercise price of Baht 2.34 each, resulting in an increase in the issued and paid-up share capital to Baht 1,038.1 million (1,038.1 million shares at Baht 1 par value). The Company registered the increase in the issued and paid-up share capital with the Ministry of Commerce.

On 15 February, 17 June and 15 October 2013, the holders of 9.3 million units exercised options to purchase 9.3 million ordinary shares at an exercise price of Baht 2.34 per share, resulting in an increase in the issued and paid-up share capital from Baht 1,038.1 million (1,038.1 million shares at Baht 1 par value) to Baht 1,047.4 million (1,047.4 million shares at Baht 1 par value) and the premium on ordinary shares increased from Baht 153.3 million to Baht 165.7 million. The Company registered the increase in the issued and paid-up share capital with the Ministry of Commerce on 27 February, 26 June and 24 October 2013, respectively.

As at 31 December 2013, the Company had premium on ordinary shares of Baht 165.7 million (2012: Baht 153.3 million).

22. Treasury shares

In October 2008, the Board of Directors of the Company approved a treasury share plan ('Plan') to re-purchase not more than 5 per cent, or 50 million shares, of the Company's shares then in issue. The purpose of the Plan is to manage the Company's excess liquidity. The maximum amount approved for share purchase under the Plan is Baht 75 million and the price to be paid for the shares is not to exceed 115 per cent of the average closing price on the Stock Exchange of Thailand (SET) over the 5

trading days before each share purchase is made. The Company may purchase the shares through the SET during the period from 4 November 2008 to 20 December 2010. The shares purchased may be resold after 6 months but within 3 years from the date of purchase. As at 31 December 2008 the Company appropriated treasury share reserve to be equal to the full amount paid for treasury shares.

At the Board of directors' meeting of the Company held on 28 July 2010, the Board of Directors passed the resolution to approve the resale of treasury shares totaling 37.4 million shares, representing 3.7% of the Company's issued and paid-up share capital.

During the year 2012, the Company resold treasury shares of 1.6 million shares amounting to Baht 9.0 million. As at 31 December 2013 and 2012, the Company had resold all treasury shares.

Surplus on treasury shares

The surplus on treasury shares represents the accumulated surplus on sale of treasury shares, net of any deficits on sale or cancellation of treasury shares. The surplus on treasury shares is not available for dividend distribution.

23. Warrants to purchase common shares

On 17 June 2008, the Company's extraordinary shareholders' meeting approved the registration for the increase in the registered share capital issued for warrants exercising of 49.65 million shares at Baht 1 per share. The Company registered such increase in the registered share capital with the Ministry of Commerce on 1 July 2008 (see Note 21).

On 1 October 2009, the Company issued 49.65 million warrants to purchase common shares to directors and employees. The details are as follows:

Exercise ratio	:	One warrant entitled to purchase one common share, subject to adjustment of the exercise ratio
Exercise price	:	Baht 2.34 per share
Term of warrants	:	5 years from the date of the issuance of warrants
Exercise period	:	Every 15 th of February, June, and October of each year. The first exercise date was 15 October 2009.

On 17 February, 17 June and 15 October 2013, the holders of 9.3 million units exercised their options to purchase 9.3 million ordinary shares at an exercise price of Baht 2.34 per share, amounted to Baht 21.7 million.

On 15 February, 15 June and 15 October 2012, the holders of 11.1 million units exercised their options to purchase 11.1 million ordinary shares at an exercise price of Baht 2.34 per share, amounted to Baht 26.1 million.

As at 31 December 2013, the outstanding unexercised warrants were 2.3 million units (2012: 11.6 million units).

24. Reserves

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Treasury shares reserve

The treasury shares reserve represents the amount appropriated from retained earnings equal to the cost of the Company's own shares held by the Group. The treasury shares reserve is not available for dividend distribution.

25. Segment information

The Group operates in one business segment which is manufacturing of roof tiles, artificial woods and autoclaved aerated concrete which is integrated and complementary line of products. Therefore, management considers that the Group has only one segment. As a result, income, profit and all assets presented in the financial statements relating to manufacturing of roof tiles, artificial woods and autoclaved aerated concrete.

26. Other income

	Consolidated financial statements	Separate financial statements	
	2013	2013	2012
	(in thousand Baht)		
Reversal of allowance for impairment	12,500	12,500	-
Reversal of allowance for decline in value	6,679	6,679	-
Gain on exchange rate	-	-	2,669
Gain on disposal of assets	1,577	1,567	58,270
Others	6,382	8,332	8,663
Total	27,138	29,078	69,602

27. Selling expenses

	Consolidated financial statements	Separate financial statements	
	2013	2013	2012
	(in thousand Baht)		
Promotional expenses	93,024	93,051	90,145
Employee benefit expenses	41,320	41,320	35,248
Others	18,770	18,770	18,117
Total	153,114	153,141	143,510

28. Administrative expenses

	Consolidated financial statements	Separate financial statements	
	2013	2013	2012
	(in thousand Baht)		
Employee benefit expenses	199,838	197,880	164,261
Storage expenses	94,872	94,872	90,622
Service fees	35,356	32,871	24,142
Depreciation and amortisation	26,160	25,048	20,725
Tax and fees	11,578	10,682	11,512
Fuel and energy expenses	9,217	9,213	8,450
Rental expense	9,143	8,944	7,029
Utilities expenses	9,095	9,050	8,168
Others	42,817	42,250	47,718
Total	438,076	430,810	382,627

29. Employee benefit expenses

	Consolidated financial statements	Separate financial statements	
	2013	2013	2012
	(in thousand Baht)		
Wages and salaries	310,406	306,726	274,710
Social securities	6,092	5,973	4,289
Provident Fund	10,406	10,406	8,938
Post-employment benefits	9,521	9,307	(2,871)
Others	77,801	76,609	67,781
Total	414,226	409,021	352,847

Defined benefit plans

Details of the defined benefit plans are given in note 20.

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 7% of their basic salaries and by the Group at the same rates ranging of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Manager.

30. Expenses by nature

	Consolidated financial statements	Separate financial statements	
	2013	2013	2012
	(in thousand Baht)		
Changes in inventories of finished goods and work in progress	(61,361)	(44,186)	(41,557)
Raw materials and consumables used	1,497,428	1,455,787	1,381,973
Employee benefit expenses	414,226	409,021	352,847
Depreciation and amortisation	294,026	286,547	209,761
Storage expenses	479,869	476,115	410,641
Service fees	257,542	249,552	186,231
Others	940,067	993,311	736,947
Total cost of sales of goods and rendering of services, selling expenses and administrative expenses	3,821,797	3,826,147	3,236,843

31. Finance costs

	Consolidated financial statements	Separate financial statements	
	2013	2013	2012
	(in thousand Baht)		
Interest expense:			
Bank overdrafts and loans from financial institutions	49,340	49,339	30,139
Interest on finance leases	1,130	1,130	1,153
Total interest expense	50,470	50,469	31,292
Less amount capitalised as costs of assets under construction	(7,082)	(7,082)	(23,644)
Net	43,388	43,387	7,648

32. Income tax expense

Income tax recognised in profit or loss

	Consolidated financial statements	Separate financial statements	
	2013	2013	2012
	(in thousand Baht)		
Current tax expense			
Current year	109,623	109,373	162,780
Deferred tax expense			
Movements in temporary differences	3,249	3,291	303
Total income tax expense	112,872	112,664	163,083

Income tax recognised in other comprehensive income

	Consolidated financial statements 2013		
	Before tax	Tax (expense) benefit	Net of tax
	(in thousand Baht)		
Defined benefit plan	5,162	(1,032)	4,130
actuarial gains (losses)			
Total	5,162	(1,032)	4,130

	Separate financial statements					
	2013			2012		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	(in thousand Baht)					
Defined benefit plan	5,162	(1,032)	4,130	(1,916)	383	(1,533)
actuarial gains (losses)						
Total	5,162	(1,032)	4,130	(1,916)	383	(1,533)

Reconciliation of effective tax rate	Consolidated financial statements	
	2013	
	Rate (%)	(in thousand Baht)
Profit before income tax expense		563,795
Income tax using the Thai corporation tax rate	20.00	112,759
Expenses not deductible for tax purposes		2,046
Income tax reduction		(1,933)
Total	20.02	112,872

	Separate financial statements			
	2013		2012	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		561,386		708,690
Income tax using the Thai corporation tax rate	20.00	112,277	23.00	162,999
Expenses not deductible for tax purposes		2,044		2,177
Income tax reduction		(1,657)		(2,093)
Total	20.07	112,664	23.01	163,083

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods (2013 and 2014) which begin on or after 1 January 2013 and 2014, respectively.

It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period 2015 which begins on or after 1 January 2015 and onwards in order to give full effect to the Cabinet resolution dated 11 October 2011 to increase Thailand's tax competitiveness.

33. Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2013 and 2012 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements	Separate financial statements	
	2013	2013	2012
	(in thousand Baht / thousand shares)		
Profit attributable to ordinary shareholders of the Company (basic)	450,924	448,721	545,607
Number of ordinary shares outstanding at 1 January	1,038,104	1,038,104	1,026,957
Effect of own shares held	-	-	(1,563)
Effect of warrants to purchase common shares exercised	2,100	2,100	4,974
Weighted average number of ordinary shares outstanding (basic)	1,040,204	1,040,204	1,030,368
Earnings per share (basic) (in Baht)	0.43	0.43	0.53

Diluted earnings per share

The calculations of diluted earnings per share for the years ended 31 December 2013 and 2012 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding

during the years after adjusting for the effects of all dilutive potential ordinary shares as follows:

	Consolidated financial statements	Separate financial statements	
	2013	2013	2012
	<i>(in thousand Baht / thousand shares)</i>		
Profit attributable to ordinary shareholders of the Company (basic)	450,924	448,721	545,607
Profit attributable to ordinary shareholders of the Company (diluted)	450,924	448,721	545,607
Weighted average number of ordinary shares outstanding (basic)	1,040,204	1,040,204	1,030,368
Effect of warrant to purchase common shares exercised	6,830	6,830	12,306
Weighted average number of ordinary shares outstanding (diluted)	1,047,034	1,047,034	1,042,674
Earnings per share (diluted) (in Baht)	0.43	0.43	0.52

34. Dividends

At the annual general meeting of the shareholders of the Company held on 25 April 2012, the shareholders approved the appropriation of dividend of Baht 0.38 per share, amounting to Baht 388.7 million after deduction of interim dividends of Baht 0.18 per share. The remaining unpaid dividends were Baht 0.2 per share totaling Baht 205.8 million. The dividend was paid to shareholders in May 2012.

At the Board of Directors' meeting of the Company held on 27 August 2012, the Board of Directors approved the appropriation of interim dividend of Baht 0.2 per share, amounting to Baht 205.8 million. The dividend was paid to shareholders in September 2012.

At the annual general meeting of the shareholders of the Company held on 24 April 2013, the shareholders approved the appropriation of dividend of Baht 0.4 per share., amounting to Baht 413.6 million after deduction of interim dividends of Baht 0.2 per share. The remaining unpaid dividends were Baht 0.2 per share totaling Baht 207.7 million. The dividend was paid to shareholders in May 2013.

At the Board of Directors' meeting of the Company held on 22 August 2013, the Board of Directors approved the appropriation of interim dividend of Baht 0.2 per share, amounting to Baht 207.7 million. The dividend was paid to shareholders in September 2013.

35. Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk. The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates and uses derivative financial instruments, principally interest rate swaps, to manage exposure to borrowings.

As at 31 December 2013 and 2012, the Company had interest rate swap contracts with a financial institution to swap a 3-month THBFX floating interest rate to fixed rate at 2.96% - 3.09% per annum for long-term loan of Baht 450 million. The contract term is 4 years up to March 2016.

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

	Consolidated financial statements				
	Effective interest rate	Within 1 year	After 1 year but within 5 years	After 5 years	Total
	(% per annum)	(in thousand Baht)			
2013					
Current					
Short-term loans from financial institutions	2.45 - 3.00	420,000	-	-	420,000
Non-current					
Long-term loans from financial institutions	3.66 - 5.10	250,000	815,500	-	1,065,500
Total		670,000	815,500	-	1,485,500
	Separate financial statements				
	Effective interest rate	Within 1 year	After 1 year but within 5 years	After 5 years	Total
	(% per annum)	(in thousand Baht)			
2013					
Current					
Short-term loans from financial institutions	2.45 - 3.00	420,000	-	-	420,000
Non-current					
Long-term loans from financial institutions	3.66 - 5.10	250,000	815,500	-	1,065,500
Total		670,000	815,500	-	1,485,500
2012					
Current					
Overdrafts	8.25	1,142	-	-	1,142
Short-term loans from financial institutions	2.95	110,000	-	-	110,000
Non-current					
Long-term loans from financial institutions	3.66 - 4.35	170,396	648,552	-	818,948
Total		281,538	648,552	-	930,090

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

At 31 December, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

		Consolidated financial statements	Separate financial statements	
	Note	2013	2013	2012
United States Dollars			(in thousand Baht)	
Cash and cash equivalents	7	10,463	10,463	5,335
Trade accounts receivable	8	5,786	5,786	155
Trade accounts payable	17	(67,331)	(67,331)	(35,072)
Euro				
Trade accounts payable	17	(522)	(522)	(611)
Other payables	18	-	-	(1,548)
Gross balance sheet exposure		(51,604)	(51,604)	(31,741)
Currency forwards		-	-	-
Net exposure		(51,604)	(51,604)	(31,741)

As at 31 December 2013 and 2012, the Company had no outstanding forward foreign exchange contract.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

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.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of cash and cash equivalents, trade accounts receivable and payables and other receivables and payables, bank overdrafts and short-term loans from financial institutions, trade, the carrying values approximate their fair values due to short period maturity.

The fair value of long term loan from financial institution approximate their carrying value shown in statement of financial position due to long-term loan is maturing in the near future.

36. Commitments with non-related parties

	Consolidated financial statements	Separate financial statements	
	2013	2013	2012
<i>(in thousand Baht)</i>			
Capital commitments			
Agreements of construction and acquisition of machinery and equipment	38,829	38,829	221,468
Total	38,829	38,829	221,468
Non-cancellable operating lease commitments			
Within one year	9,752	9,752	7,399
After one year but within five years	7,759	7,759	123
Total	17,511	17,511	7,522
Other commitments			
Unused letters of credit	485,000	485,000	285,000
Bank guarantees	2,797	2,797	19,960
Total	487,797	487,797	304,960

Operating lease agreements

The Group entered into operating lease agreements for office space and other services for the periods of 1 year to 3 years up to September 2016 at the agreed amount stipulated in the rental agreement.

Forward exchange contracts

As at 31 December 2013 and 2012, the Group had no outstanding forward exchange contracts balance.

37. Thai Financial Reporting Standards (TFRS) not yet adopted

The Group has not adopted the new and revised TFRS that have been issued but are not yet effective. Those new and revised TFRS that are applicable to the Group, which become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table, are as follows:

TFRS	Topic	Year Effective
TAS 1 (revised 2012)	Presentation of financial statements	2014
TAS 7 (revised 2012)	Statement of Cash Flows	2014
TAS 12 (revised 2012)	Income Taxes	2014
TAS 17 (revised 2012)	Leases	2014
TAS 18 (revised 2012)	Revenue Recognition	2014
TAS 19 (revised 2012)	Employee Benefits	2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	2014
TAS 24 (revised 2012)	Related Party Disclosures	2014
TAS 34 (revised 2012)	Interim Financial Reports	2014
TAS 36 (revised 2012)	Impairment of Assets	2014
TAS 38 (revised 2012)	Intangible Assets	2014
TFRS 3 (revised 2012)	Business Combinations	2014
TFRS 5 (revised 2012)	Non-current Assets held for Sale and Discontinued Operations	2014
TFRS 8 (revised 2012)	Operating Segments	2014
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2014
TFRIC 4	Determining whether an Arrangement contains a Lease	2014
TFRIC 10	Interim Financial Reporting and Impairment	2014
TIC 15	Operating Leases-Incentives	2014
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2014
TIC 32	Intangible Assets-Web Site Costs	2014

Management expects to adopt and apply these new and revised TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the Group's consolidated financial and separate statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

AUDIT FEE OF THE COMPANY AND ITS SUBSIDIARY COMPANY



(For the fiscal year ended December 31, 2013)

The appointed certified public accountant for the Company and its subsidiary of year 2013 was Ms. Bongkot Amsageam, certified public accountant registration no. 3684 of KPMG Phoomchai Audit Ltd., and the appointed certified public accountant for the Company for year 2012 was Mr. Permsak Wongpatcharakom, certified public accountant license no. 3427 of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited. The audit fees for year 2013 increased from year 2012 by 74.24 percent, which can be summarized as follows.

Description (Unit: Baht)	2013	2012	Increase (Decrease)	
			Amount	%
Audit Fee of the Company				
Annual audit fee	630,000	490,000	140,000	28.57
Interim financial statements audit fee	360,000	300,000	60,000	20.00
Other expenses	141,372	24,013	117,359	488.73
Total	1,131,372	814,013	317,359	38.99
Audit Fee of the Subsidiary Company*				
Annual audit fee	250,000	-	250,000	100.00
Interim financial statements audit fee	37,000	-	37,000	100.00
Other expenses	-	-	-	100.00
Total	287,000	-	287,000	100.00
Total	1,418,372	814,013	604,359	74.24

* The audit fee of the subsidiary company started from the financial statements for the 3rd quarter and 4th quarter of 2013 due to the fact that the subsidiary company commenced its operation on May 9, 2013.

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