



Diamond Building Products Public Company Limited

Annual Report 2014



“30 Year Diamond” 30 Years of Sustainable Growth



The development of knowledge and capability to strengthen our “Diamond Trading Partners” has always been our undertaking in order to achieve our goal in sustainable growth by having the following notions.

Caring is to take care of the need of our trading partners and consumers by continuing to offer variety of products, covering all the requirements.

Sharing is the assistance, sharing of experience and development of “Diamond Trading Partners” to have knowledge and capability for competitiveness, which have always been our task and also are important factors for sustainable success.

Growing is the strengthening of our “Diamond” brand in order to build confidence that we will grow together sustainably according to our established corporate vision,

“To Be a Better Choice for Construction Materials and Services”.



CONTENTS

Vision, Mission
& Values

2

Company
Profile

3

Statement from
the Chairman

4



Report of the
Audit Committee

7

Report of the
Nomination and
Remuneration
Committee

8

Report of
the Risk
Management
Committee

9

Report of the
Corporate
Governance
Committee

10

Report of the
Corporate
Social
Responsibility
Committee

11

Report of the
Anti-Corruption
Committee

12

Board of
Directors

14

Business
Operations

19

Corporate Social
Responsibility
(CSR) and
Sustainability
Report

20

- Significant
Changes in
the Past Year
- Future
Projects

50

Financial
Information

51

Organization
Structure

52

Investment
in Subsidiary
Company

53

Industrial
Situation and
Competition

55

Shareholding
Structure

59

Shareholding of
Directors and
Executives

60

Remuneration
for Directors,
Executives and
Employees

61

Audit Fee of
the Company
and its
Subsidiary
Company

63

Management
Structure

64

Nomination of
Directors and
Executives

73

- Use of Internal
Information
- Dividend
Payment Policy

75

Corporate
Governance

76

Risk
Management

83

Company's
Internal
Control

86

Related
Transactions

91

Report of the
Board of Directors'
Responsibilities
to the Financial
Statements

95

Summary of
Operating
Results and
Financial Analysis

96

Report of the
Independent
Auditor and
Financial
Statements

101

ไม้สังเคราะห์
“สวยงาม”
มีมิติ เฉกลเช่นไม้จริง



แดงทิวสับ



สันดซี่



น้ำตาลเบอร์

NEW
COLOR



Siding Boards

VISION, MISSION AND CORE VALUES

Vision

“To Be a Better Choice for 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 shall deliver quality products and design differentiation with value and competitive pricing by utilizing modern technology and offering excellent services to the customers with our strong distribution channels and effective management.

For our employees, we shall 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 shall support and help 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 shall create financial return with continuous growth and stability.

Core Values

“We shall be diligent, focused at work, strive toward success and excellence in order to maintain balance of interest fairly for all stakeholders. We shall operate in unity with honesty and transparency, promote learning and sharing, and continue with unceasing development in order to achieve superior differentiation, as well as care for the society, community and environment for sustainable development.”

The abbreviation, “D-BUILDS” is defined as “**Determined, Transparent, Yearning for Development, Environmental Protection**”, having the meaning for each character of the abbreviation as follows:

D	B	U	I	L	D	S
Diligence	Balance	Unity	Integrity	Learning	Differentiation	Social Responsibility
Being focused in achieving success and excellence with work diligence and determination.	Insisting on maintaining the balance of interest for all stakeholders with fairness.	Believing that unity will bring on success.	Holding fast to honesty and transparency which will lead to excellence.	Promoting learning and sharing to become intellect and good person accepted by the society.	Unceasing development for superior differentiation.	Caring for the society, community and environment for sustainable development.

Company’s Objectives and Strategies

The Company’s Board of Directors has established that the Company’s vision, mission and core values be reviewed at least once within 5 years in order for the executives and employees of the Company to have the same objectives and aim in the same direction. The Management’s work performance review and assessment are regularly performed to ensure that the operations have been executed according to the business plan and in line with the established objectives and strategies in order to achieve sustainable development. Accordingly, the objectives and strategies have been established as follows.

1. Marketing Strategy Emphasis is put on continuous growth, looking after both domestic and export customers in order to retain existing customer base and steadily increase new customer base, creating balance of benefits with mutual agreement of income based on fairness, as well as continuous development of customers to increase competitiveness and also to build sustainable business development.

2. Production Strategy Emphasis is put on effective and flexible production planning in accordance with the marketing plan, supporting the marketing side by development of new products or improvement of current products to have more variety in such colors, sizes, looks and features. For instance, the improvement of lathes, fences, and decorative floor, to look like real wood in order to meet consumers’ demand and maintain the level of cost to stay competitive.

3. Human Resource Strategy Focus on building and preparing the personnel within the organization to strictly adhere to honesty and transparency, caring for their quality of life and safe living by development of knowledge and capability in both manufacturing and marketing skills, in order to be ready to propel the organization toward its success and excellence to support sustainable growth in both domestic and export markets.

COMPANY PROFILE

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 1,047,958,000 issued and paid-up ordinary shares totaling Baht 1,047,958,000.

BACKGROUND

1985	August 28, 1985: The Company was established under the name of Siam City Tiles and Pipes Company Limited (SCTP) 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".

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., 40 th 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 Kaengkhroi, Saraburi 18110 Tel: 0-3622-4171-8 Ext. 401-420
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,
1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Tel: 0-2677-2000, Fax: 0-2677-2222
E-mail (general issues) : info@kpmg.co.th
E-mail (service request) : yyothakarnpinij@kpmg.co.th
Website : www.kpmg.com



STATEMENT FROM THE CHAIRMAN

During year 2014, Thailand was still faced with political problem and slump in prices of agricultural products resulting in significant deceleration in consumer spending, particularly from the agricultural sector in the provincial areas where their purchasing power have been reduced. As a result, Company's revenues have been affected with decline of both sales volume and prices through domestic sales distribution agent channel. In order to lessen such impact, the Company has increased its sales to the developing markets by selling to the CLMV countries and by selling to housing projects in Bangkok and the perimeter.

As for the operating results of year 2014, the Company's revenues from product sales and services decreased by 3.95 percent from the previous year, which came from revenue of product sales through the domestic sales distribution agents which decreased by 6.53 percent; however, the revenue from sales to housing projects increased by 10.73 percent and revenue from export sales increased by 14.12 percent. The Company's net profit declined by 35.84 percent due to fierce pricing competition and reduction in total sales.

Financial Status and Performance for Year 2014

In 2014, the consolidated financial statements of the Company and its subsidiary company (together referred to as the "Corporate Group") had revenues from sales and services totaling Baht 4,227.89 million, a decrease of 3.95 percent from the previous year. The net profit was Baht 289.29 million, a decrease of 35.84 percent from the previous year. Nonetheless, the Company's financial status and cash flow are still strong and is capable of paying back Baht 250 million of long-term loan and Baht 25.80 million of short-term loan and also paying Baht 345.79 million of dividend to the shareholders, which is actually higher than the Company's dividend payment policy. The Company's liquidity ratio was 1.19 times and the debt to equity ratio was 0.69 times.

Key Factors in Sustainable Development

For key factors in sustainable development in 2014, the Company gave precedence to conducting its business operation toward success and excellence with corporate responsibility toward society and environment, which must be initiated with the development of the Diamond People; namely, directors, executives and employees at every level to adhere to honesty and transparency. Moreover, the interest of every group of stakeholders must be well maintained and balanced with fairness, including continuous improvement of environmental friendly manufacturing process. Accordingly, the plan for sustainable development 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 kindness among the employees, having conscience to help each other during disaster which also includes the family members of the employees. Accordingly, 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, the number of accidents were reduced to 25 times in 2013 to 22 times in 2014 or a decrease of 12 percent by organizing several campaigns and activities to promote safety such as "Safety Week No. 9" activity, which was

first initiated in year 2006. For year 2014, such activity was held during December 2-4, 2014, having contest concerning safety aspect in order to encourage participation from the Diamond People in accident reduction campaign.

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 2014, the Company organized a total of 75 courses and 93 classes or 8,653 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, including training on anti-corruption to learn about the danger of corruption, etc.

2. Fair “Diamond Business” Operation

The Company holds to the principles of fair business operation by adhering to the code of conduct, which consists of fair business operating policy toward every group of stakeholders in the business chain, namely the shareholders, customers, trading partners and competitors, with fairness and without seeking for own benefit, which has conflict of interest with the Company, for the best interest in business operation toward sustainable success. In 2014, the Company’s Board of Directors has resolved for the Company **to announce its intention to join with the Private Sector Collective Action Coalition Against Corruption (CAC)** and has established the Prevention and Anti-Corruption Committee to work on the anti-corruption measure, prepare handbook and good practice on anti-corruption and also prepare self-assessment form concerning anti-corruption measure, in order to receive the certificate as the member of CAC from the CAC Committee, which is under process at the moment.

3. Responsibility toward “Diamond Society”

The Company has established that the responsibility to the society become part of the Code of Conduct by starting with a small society of Diamond people or Diamond Society, including the directors, executives and employees being the key part in building potential in competitiveness and capability toward society in the community level by organizing activities during various festivals. Accordingly, this year, the Company has added the “DBP Changes to Avoid Office Syndrome” activity, which has resulted from sitting at work for long period of time, by giving knowledge on body and muscle exercises to reduce backache, neck pain and prevention and alleviation of Office Syndrome symptoms at every area of the Company and several work units have exercise activity every morning before starting work to prepare the body for the daily work.

4. Responsibility toward “Diamond Community”

The Company plays a part in the development of people in the community by taking its expertise in roof installation including its knowledge and skill to train and develop the people in the community so that they can use it as their profession and earn a living. Several programs and activities have been organized by the Company, such as the “**Diamond Heart Technicians**” Project, which has been organized continuously in the past. In 2014, Diamond extended earlier results by cooperating with the Saraburi Technical College to organize the “Diamond Heart Technicians” training course for students of high vocational college level to have knowledge in roof installation, siding boards and eaves by offering training courses on both theoretical and practical parts, totaling five days, to increase knowledge in roof installation besides learning from textbooks. As a result, the students shown a lot of interest in the training courses.

5. Responsibility toward “Environment”

The Company realizes the importance of environmental responsibility. Accordingly, this year, the Company has focused on the improvement of manufacturing process so that it becomes environmental friendly. In order to achieve its goal, several working teams have been assigned to take on each task and responsibility, which can be summarized as follows.

5.1 Air Pollution Reduction Projects: There were four projects undertaken, namely (A) recycle of dust in the siding board production line; (B) dust reduction in the concrete tiles production line; (C) solution odor elimination at the CT-KK production line at Khon Kaen Province; and (D) reduction of coating loss in the CT-5 production line at Saraburi Province.

5.2 Energy Management Project: There were two projects undertaken, namely (A) reduction of electricity consumption in the AAC production line; and (B) utilization of natural gas (NG) replacing bunker oil.


5.3 Manufacturing Process Improvement for Energy Consumption Reduction: There were four projects undertaken, namely (A) improvement of production capacity of the cellulose plant production line; (B) improvement of the air compressor system in the FC, NT and CT production lines; (C) improvement of the steam system in the NT-9 production line; and (D) improvement of heat system of CL-4 production line.

5.4 Energy-Related Activities: This year, the Energy Management Committee presented the “Energy Booth” to promote an energy conservation mind by duplicating the use of natural energy to produce electricity such as solar power from solar cells and wind power from wind turbine, etc., having a slogan for this year as “Think for Earth, Do it for Earth Everyday Everywhere Everytime” as the amount of energy consumed and time remaining depend on our daily behavior on energy consumption.

Every project mentioned above has reduced impact to the environment including reduction of air pollution, dust and odor from the manufacturing process and reduction of energy consumption. Energy usage has been efficiently managed. The Energy Management Committee reviews and improves on the policy, objectives and work plan every year in order to continuously reduce energy consumption, which has resulted in lower cost of raw materials and energy.

6. 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 2014 as follows.

6.1 A four-star award () being placed in the “**Very Good**” group and the award in the **Top Quartile** level within the group of companies with market capitalization of Baht 3,000 to 9,900 million, for the assessment of corporate governance, with a score of 86 percent, due to the adjustment of assessment criteria and scoring to be more in line with the ASEAN CG Scorecard.

6.2 Award on the assessment of the Annual General Meeting of Shareholders of the Listed Companies Year 2014 by the Thai Investors Association (TIA), receiving score in the range of 100 points (“**Excellent**”).

6.3 “**Investor’s Choice Award**” from the Thai Investors Association (TIA) on the AGM assessment on September 25, 2014, receiving a full score of 100 points (“**Excellent**”) for the 4th consecutive years from 2011 to 2014.

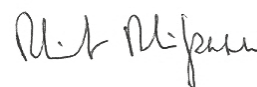
7. Dividend Payment in Year 2014

The Board of Directors wishes to inform the shareholders of the operating results according to the separate financial statements of year 2014. The Company’s net profit was Baht 301.78 million or Baht 0.29 per share from the par value of Baht 1.00 per share. It is thus proposed to appropriate the earnings for dividend payment at Baht 0.27 per share to the shareholders. Accordingly, the Company had already paid the interim dividend of Baht 0.15 per share on October 3, 2014. Therefore, the remaining dividend of Baht 0.12 per share or 93 percent of the net earnings per share in year 2014 will be paid out on May 22, 2015. The Board of Directors has approved dividend payment at a high rate for the past several years to continuously provide good return to the shareholders.

8. Business Outlook in Year 2015

During year 2014 until 2015, Thai economy has been affected by weak purchasing power from the agricultural sector and export sector, which have not yet recovered. However, the Company anticipates that during the second half of this year 2015, the overall economic situation should improve due to capital investment and financial supports from the government sector, which should help improve the market for construction materials. During this economic fluctuations, the Company’s Board of Directors shall carry out its tasks with prudence by adhering to the principles of good corporate governance, as well as efficiently manage its working capital in order for the Company to maintain good financial status and liquidity. Also at the same time, the Company will focus on export sales to the neighboring countries where growth rates are better.

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



Mr. Prakrit Pradipasen
Chairman of the Board



30 YEARS of
SUSTAINABLE GROWTH

1985

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

REPORT OF THE AUDIT COMMITTEE

The Audit Committee has been assigned with the roles and responsibility as chartered by the Board of Directors. The important 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 independent auditor for the Company and its subsidiary company by which the current auditor may be re-appointed or terminated; 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; review of the risk management for appropriateness and effectiveness; review and providing comments on the audit plan and operation of the Internal Audit team; as well as carry out work so that the Management appropriately establish the process for whistle-blowing or complaint by the stakeholder. Accordingly, the Audit Committee wishes to present the Report of the Audit Committee for the year 2014, which can be summarized as follows.

1. The quarterly and yearly financial statements for 2014 of the Company and subsidiary company have been reviewed and when any significant errors were found, external auditor and accounting manager were consulted and concluded jointly before rectification. It was concluded that the quarterly and yearly financial statements for year 2014 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 scopes of audit work by the Audit Committee in year 2014 were established to cover significant risk factors and sufficiency of internal controls of the Company and subsidiary 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 by following the principles of good corporate governance in compliance with the regulations as established by the Stock Exchange of Thailand and relevant laws concerning with the Company's business operation, by emphasizing that the Company has full review on a completeness of information according to the review form for the annual registration statements and review form for the completeness of information disclosure as established by the Securities and Exchange Commission and the Stock Exchange of Thailand.
4. Transactions involving acquisition and disposition of assets, as well as related transactions and transactions that may result in a conflict of interest during year 2014 have been reviewed and found to have pricing and commercial conditions according to normal business in general.
5. Risk management system during year 2014 was reviewed and recommendations were given to the management to rectify any deficiencies to ensure a more secured and proper system.
6. Progresses on any lawsuits during 2014 were reviewed and the Audit Committee has made recommendation to the management to rectify any deficiencies to ensure a more secured and proper undertaking.
7. The Audit Committee has considered the selection of the independent auditor and determination of the audit fee for year 2015 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 2015 for the appointment of Ms. Bongkot Amsageam, certified public accountant registration no. 3684, or Mr. Thanit Osathalert, certified public accountant registration no. 5155, or Mrs. Wilai Buranakittisopon, certified public accountant registration no. 3920, of KPMG Phoomchai Audit Ltd., all of whom are qualified public accountants according to the regulations of the Securities and Exchange Commission, as the independent auditor for the Company and its subsidiary company for year 2015. The audit fee for year 2015 has been determined at Baht 1,370,000 for the Company and Baht 350,000 for the subsidiary company, totaling Baht 1,720,000, which are deemed appropriate.
8. In 2014, the Audit Committee held a total of 6 meetings. The Chairman of the Audit Committee and all three members of the Audit Committee attended all the meetings and reported its operation to the Company's Board of Directors for acknowledgment and consideration regularly once every quarter.

The Audit Committee is fully independent in carrying out its responsibilities and has received cooperation from all parties involved. Regular meetings with the management and quarterly meetings with the independent auditor have been held to acknowledge any notice concerning with the financial statements and internal control on accounting. No significant errors or irregularities were found.

February 19, 2015

On behalf of the Audit Committee



(Mr. Sakda Maneeratchatchai)

Chairman of the Audit Committee

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 2014, the Committee held four meetings to consider the following issues:

1. 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 Nomination and Remuneration Committee has established the following rules and procedures:

- 1.1 The Nomination and Remuneration Committee acknowledges the names of directors retiring by rotation and the list of external candidates nominated to replace them that have been proposed by the Company directors and by the minor shareholders.
- 1.2 The Nomination and Remuneration Committee considers and nominates appropriate person for the directorship position from the list of proposed candidates. The appointed person for the directorship position must meet all the qualifications and requirements and has no forbidden characteristics according to the law.
- 1.3 The Nomination and Remuneration Committee selects and proposes suitable candidates for the directorship position to replace those Directors whom retired by rotation to the meeting of the Board of Directors for its consideration before proposing to the Annual General Meeting of Shareholders.

2. Consideration of remunerations for the Board of Directors

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

- 2.1 Remuneration must be suitable and in accordance with the duties and responsibilities of each director.
- 2.2 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 retain quality directors.
- 2.3 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:

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

3. 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.

4. Consideration of the annual salary adjustment and yearly bonus for the Company's executives and employees

- 4.1 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.
- 4.2 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 comparison of salary adjustment with companies in similar industries.

5. Selection and nomination for the replacement of Audit Committee Members retiring by rotation

The Nomination and Remuneration Committee selects and nominates the Audit Committee Members for replacing those whom are retired by rotation every three years. The Nomination and Remuneration Committee has established the following rules and procedures:

- 5.1 The Nomination and Remuneration Committee acknowledges the names of the Audit Committee Members retiring by rotation and the list of external candidates nominated to replace them that have been proposed by the Company directors.
- 5.2 The Nomination and Remuneration Committee considers and nominates appropriate persons for the Audit Committee Member positions from the list of proposed candidates. The appointed persons for the Audit Committee Member positions must meet all the qualifications and requirements and have no forbidden characteristics according to the law.
- 5.3 The Nomination and Remuneration Committee selects and proposes suitable candidates to replace the Audit Committee Members whom are retired by rotation to the meeting of the Board of Directors for its consideration.

February 13, 2015

On Behalf of the Nomination and Remuneration Committee,



(Mr. Chaikut Srivikorn)

Chairman of the Nomination and Remuneration Committee

REPORT OF THE RISK MANAGEMENT COMMITTEE

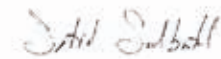
The Risk Management Committee has performed its duties as assigned by the Management Committee and the Board of Directors. During year 2014, the Risk Management Committee held eight meetings altogether with the committee comprising of 15 executives from every department of the Company having knowledge 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.

January 9, 2015

On behalf of the Risk Management Committee



(Mr. Satid Sudbuntad)

Chairman of the Risk Management Committee

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee has performed its duties as assigned by the Board of Directors. During the past year 2014, four meetings were held to consider several matters, 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. This information has been disseminated on the Company's website and intranet system.
2. Monitored and supervised so that the Good Corporate Governance Handbook and the Code of Conduct were followed and developed into a corporate culture by assigning the subject on corporate governance and code of conduct as part of the orientation for new employee, employee training and development program, ISO and safety training, as well as printing pamphlets for dissemination of information to every employee for acknowledgment.
3. Participated in the CG Forum 4/2014 Seminar: Announcement of Corporate Governance Report (CGR) and Talk on the Performance Assessment of the Board of Directors and Determination of Directors' Remunerations, which was useful to the operation of the Committee in effective management and supervision by using self-assessment results as a tool for potential development and promote learning and new experiences continuously in the work of Committee members to become professional committee members later.
4. Reviewed the self-assessment of the Board of Directors' performance form once a year by using the assessment form as guided by the Thai Institute of Directors (IOD) and the Stock Exchange of Thailand with adjustments made appropriate for the Company. In year 2014, the assessment of performance of the whole Board of Directors, individuals and sub-committees were established with the following objectives.
 - 4.1 For acknowledgment of problems and obstacles which have caused the work not achieving its objective during the past year.
 - 4.2 For more effective work of the Board of Directors due to clear acknowledgment of its roles, duties and responsibilities.
 - 4.3 For improvement of relationship between the Company's Board of Directors and the Management.
 - 4.4 Summary results of the self-assessment of the performance of the whole Board of Directors, individuals and sub-committees for year 2014 had an average scores ranging between 88.4 percent and 96.7 percent. Accordingly, the committee members gave suggestions for work improvement for each of the committees, which was beneficial to the Company.
5. On the Anti-corruption, the Company announced its intention to join the Private Sector Collective Action Coalition against Corruption (CAC) and in order for the Company's operation to be transparent and be accepted by every group of stakeholders, the Corporate Governance Committee has become the project advisor and recommended that the Prevention and Anti-Corruption Committee be appointed to achieve successful implementation. Currently, work is being undertaken in order to receive the certificate as the member of CAC, which is expected to be completed within the 2nd quarter of year 2015.
6. In 2014, the Company received the following awards of pride relating to the assessment on corporate governance.
 - 6.1 A four-star award (▲▲▲▲) being placed in the **"Very Good"** group and the award in the **Top Quartile** level within the group of companies with market capitalization of Baht 3,000 to 9,900 million, for the assessment of corporate governance, with a score of 86 percent, due to the adjustment of assessment criteria and scoring to be more in line with the ASEAN CG Scorecard.
 - 6.2 Award on the assessment of the Annual General Meeting of Shareholders of the Listed Companies Year 2014 by the Thai Investors Association (TIA), receiving score in the range of 100 points (**"Excellent"**).
 - 6.2 **"Investor's Choice Award"** from the Thai Investors Association (TIA) on the AGM assessment on September 25, 2014, receiving a full score of 100 points (**"Excellent"**) for the 4th consecutive years from 2011 to 2014.

The work concerning corporate governance during the past year has achieved the established target. The Corporate Governance Committee shall focus on the development of good corporate governance as well as anti-corruption program to further enhance its effectiveness and transparency of the management in order to build confidence and be accepted by every group of stakeholders.

January 27, 2015

On behalf of the Corporate Governance Committee



(Mr. Thanit Pulivekin)

Chairman of the Corporate Governance Committee

REPORT OF THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

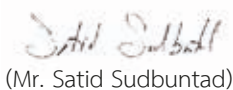
The Corporate Social Responsibility Committee (CSR Committee) has performed its duties as assigned by the Management Committee. In 2014, the CSR Committee held a total of three meetings to consider relevant matters, which can be summarized as follows.

1. Reviewed the policy concerning the social and environmental responsibility and disseminated such announcement on the Company's website so that the directors, executives and every employee may acknowledge and practice accordingly.
2. Prepared plan and budget for the work on social and environment by allocating into activities within the Company to take care of Employees' livelihood and 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 in order for communication among the Company and every stakeholder for better effectiveness and to gain access to the information and news of the Company quickly, completely and accurately.
4. Concerning with the responsibility to "Diamond Society", activities were organized during various festivals in order to promote love, generosity and social consciousness among the employees, including organizing the "DBP Changes to Avoid Office Syndrome" activity to reduce back and neck pain and alleviate the office syndrome symptoms in every area in order to increase work efficiency for the Company's employees.
5. Concerning with the responsibility to "Diamond Community", the Company plays a part in the development of people in the community by taking its expertise in roof installation including knowledge and skill to train and develop the people in the community so that they have the knowledge and skill in roof installation, creating jobs and earnings for the people in the community, which can be summarized as follows.
 - 5.1 "Diamond Heart Technicians" Project Class 3 has been regularly organized and in 2014, the Project was extended further to cooperate with the Saraburi Technical College to organize the "Diamond Heart Technicians" training courses for students of high vocational college level to have the knowledge in roof installation, and siding boards and eaves installation. The courses comprised of both theoretical and practical parts for a total of five days, making the students learn about the roof installation in practice besides learning from textbook. The students were quite interested in the training courses.
 - 5.2 "Friends Helping Friends" Project was created to alleviate hardship of the employees and their family members of Diamond People whom had suffered from disasters by sharing out things and consumer goods with Diamond People getting together and organizing "volunteer spirit" activity to distribute things to the flood suffering communities, etc.
 - 5.3 "Community Relations" Project was organized to support Company's products for constructions and repairs of offices of the government sector, schools and temples in the nearby community, including the "volunteer spirit" activity for the Company's employees to gather together and volunteer to build toilets and repair school buildings during Children's Day and also temples in the community, etc.
6. Concerning with the responsibility to "Environment", the Company realizes the importance of environmental responsibility and this year, has emphasized on the improvement of manufacturing process to become environmental friendly by implementing projects such as reduction of air pollution project and energy management project, etc., including several energy related activities. This year, the Energy Management Committee presented the Energy Booth in order to promote energy conservation consciousness.
7. The Company's executives were assigned to attend courses concerning the development training on social and environmental responsibility which were organized by the Corporate Social Responsibility Institute (CSRI) and the Stock Exchange of Thailand for the benefit of preparing the Corporate Social Responsibility and Sustainability Report (CSR Report). The program consisted of two theoretical courses including the Preparation of the CSR Report Class and the Managing CSR for Sustainable Development Class No.5, No.8; and the six practical courses including the Strategic CSR Management, Effective CSR Communication, Sustainability Risk & Material Analysis, CSR Evaluation & Knowledge Management, Responsible Supply Chain Management and Workplace Quality & Human Rights, etc.
8. Prepared the Corporate Social Responsibility and Sustainability Report for reporting its operation during year 2014.

The operations of the Corporate Social Responsibility Committee during the past year have achieved the established plan with cooperation from employees of every working unit, who realize the importance of responsibility to the society, community and environment, which is an important mechanism for promoting and pushing forward the Company's business to remain and grow steadily, sustainably and acceptable by every group of stakeholders.

February 9, 2015

On behalf of the Corporate Social Responsibility Committee



(Mr. Satit Sudbuntad)

Chairman of the Corporate Social Responsibility Committee

Diamond Building Products Public Company Limited

REPORT OF THE PREVENTION AND ANTI-CORRUPTION COMMITTEE

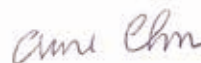
The Company is determined to make the employees at every level become aware of the danger from corruption that can cause adverse impact to the Company's business operation, shareholders and every stakeholder. Hence, the Board of Directors has resolved for the Company to announce its intention to join with the Private Sector Collective Action Coalition against Corruption (CAC) and has established the Prevention and Anti-Corruption Committee to work on the anti-corruption measures. During year 2014, three meetings were held to consider several matters, which can be summarized as follows.

1. Preparation of handbook and good practices on anti-corruption
2. The Prevention and Anti-Corruption Committee members were sent to attend training courses on anti-corruption organized by the Institute of Directors (IOD), a network member of the Anti-Corruption Organization of Thailand; namely Tackling Corruption through Public-Private Collaboration Seminar and Anti-Corruption: The Practical Guide (ACPG 12/2014 and ACPG 14/2014) Courses. The members also participated in the "Hand in Hand" activity to bring knowledge from training courses to recommend and use as guidelines for the operation of the Prevention and Anti-Corruption Committee later.
3. Preparation of self-assessment form concerning anti-corruption measure, in order to receive the certificate as the member of CAC from the CAC Committee. The self-assessment form is under a review process on the assessment results and credential with relevant work units, which is expected to be completed within the 2nd quarter of year 2015.
4. Arrangement of training program on December 16, 2014 and December 25, 2014 for the employees and executives of the Company from the level of Department Manager and higher to have understanding on the corruption issues.
5. Preparation of self-assessment form concerning risks of corruption for each work unit's operation. Accordingly, the Prevention and Anti-Corruption Committee will participate in the assessment of risks of corruption in business operation for the whole company and find protection measure, which should be completed within the 1st quarter of year 2015.

The Prevention and Anti-Corruption Committee shall perform its duties with responsibility and honesty in order to receive the certificate as the member of CAC, which should lead to having the directors, executives and every employee adhere to behaving themselves and performing their duties under the framework of law and ethic for sustainable development hereafter.

January 30, 2015

On behalf of the Prevention and Anti-Corruption Committee



(Mr. Asanee Chantong)

Chairman of the Prevention and Anti-Corruption Committee



กระเบื้องลอนกรีกแบบเรียบ

อดามัส

ADAMAS



เรียบ สวย ทุกมุมมอง
ในสไตล์ โมเดิร์น

EVERYTHING in ONE

ตราเพชร

“สร้างสรรเรือนบ้านให้เป็นอริบ ในหนึ่งเดียว”

BOARD OF DIRECTORS

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



Mr. Prakrit Pradipasen

Chairman / Age 72 Years/ Nationality : Thai

Shareholding in the Company as of Year 2013 : 2014 = 1.40% : 1.40% of the paid-up capital and total voting rights.

Position as the Director : Started from January 9, 2003, totaling 11 years

Education

- 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

Training

- Year 2003 Director Accreditation Program

Work Experience

Time	Position	Company
Listed Companies		
2000 - Present	Independent Director / Audit Committee Chairman / Nomination and Remuneration Committee Member	Supalai Plc.
2000 - Present	Independent Director/ Audit Committee Chairman / Independent Director	Susco Plc.
2000 - Present	Chairman/ Independent Director/ Nominating and Corporate Governance Committee Chairman	Asian Marine Service Plc. The Erawan Group Plc.
Companies (Not listed companies)		
2002 - Present	Director	Myriad Materials Co.,Ltd.
2004 - 2011	Chairman	Thai Sugar Millers Crop

Mr. Chaiyut Srivikorn

Director / Nomination and Remuneration Committee Chairman / Age 48 Years /

Nationality : Thai

Shareholding in the Company as of Year 2013 : 2014 = 0.30% : 0.30% of the paid-up capital and total voting rights.

Position as the Director : Started from January 20, 2003, totaling 11 years

Education

- Bachelor of Economics, New York University, USA
- Master of Public Administration, NIDA

Training

- Year 2005 Director Accreditation Program
- Year 2008 Role of the Compensation Committee
- Year 2011 Successful Formulation and Execution of Strategy

Work Experience

Time	Position	Company
Listed Companies : None		
Companies (Not listed companies)		
2002 - Present	Director	Myriad Materials Co.,Ltd.
1999 - Present	Executive Director	TCH Suminoe Co.,Ltd.
1999 - Present	Chairman	Thai Outdoor Sport Co.,Ltd.
1998 - Present	Executive Director	Srivikorn Group Holdings Co.,Ltd.



Mr. James Patrick Rooney

Director / Age 76 Years / Nationality : American

Shareholding in the Company as of Year 2013 : 2014 = 0.42% : 0.42% of the paid-up capital and total voting rights.

Position as the Director : Started from January 20, 2003, totaling 11 years

Education

- The American Graduate School of International Management, MBA
- Yale University Department of Far Eastern Studies
- Pomona College, BA

Training

- Year 2004 Director Certification Program
- Year 2008 Charter Director

Work Experience

Time	Position	Company
Listed Companies		
2003 - Present	Director	Samitivej Plc.
Companies (Not listed companies)		
2003 - Present	Director	Myriad Materials Co.,Ltd. , Bangkok, Thailand
1998 - Present	Director	AsiaWorks Television Limited, Bangkok, Thailand
1994 - Present	Director	Bangkok Airways Limited, Bangkok, Thailand
1979 - Present	Chairman	J.P. Rooney&Associates Ltd. , Bangkok, Thailand





Mr. Phaithoon Kijsamrej

Director / Nomination and Remuneration Committee Member / Age 71 Years / Nationality : Thai

Shareholding in the Company as of Year 2013 : 2014 = 0.17% : 0.14% of the paid-up capital and total voting rights.

Position as the Director : Started from January 9, 2003, totaling 11 years

Education

- Bachelor of Commerce, Chulalongkorn University
- Asian Institute of Management, Manila, Philippines
- Pacific Rim Bankers Program, University of Washington, Seattle, USA

Training

- Year 2005 Director Accreditation Program
- Year 2005 Director Certification Program

Work Experience

Time	Position	Company
Listed Companies : None		
Companies (Not listed companies)		
2004 - Present	Audit Committee Chairman	The Thai Chamber of Commerce and Board of trade of Thailand
2003 - Present	Director	Myriad Materials Co.,Ltd.
2003 - Present	Director	Elm Tree Co.,Ltd.
2001 - Present	Director	Siam Administrative Management Co.,Ltd.
1998 - Present	Director	SCMB Co.,Ltd.

Mr. Thanit Pulivekin

Independent Director / Audit Committee Member / Corporate Governance Committee Chairman / Age 64 Years / Nationality : Thai

Shareholding in the Company as of Year 2013 : 2014 = -None-
Position as the Independent Director : Started from April 24, 2013, totaling 1 years

Education

- B.Sc (Chemical Engineering), Chulalongkorn University

Training

- Year 2013 Director Accreditation Program
- Year 2013 Audit Committee Program

Work Experience

Time	Position	Company
Listed Companies		
2002 - 2010	Vice President-Technical and Engineering	Siam City Cement Plc.
Companies (Not listed companies)		
2011 - Present	Director	Pattaya Grand Village Co.,Ltd.



Mr. Sakda Maneeratchatchai

Independent Director / Audit Committee Chairman / Age 70 Years / Nationality : Thai / Shareholding in the Company as of Year 2013 : 2014 = 0.39% : 0.39% of the paid-up capital and total voting rights.

Position as the Independent Director : Started from April 17, 2009, totaling 5 years

Education

- Bachelor of Electrical Engineering, FEATI University, Philippines

Training

- Year 2005 Director Accreditation Program
- Year 2005 Audit Committee Program

Work Experience

Time	Position	Company
Listed Companies		
1999 - 2006	Director / Executive Director / Managing Director	Diamond Building Products Plc.
2007 - 2008	Advisor	Diamond Building Products Plc.
Companies (Not listed companies) : None		



Mr. Anun Louharanoo

Independent Director / Audit Committee Member / Nomination and Remuneration Committee Member / Age 61 Years / Nationality : Thai
Shareholding in the Company as of Year 2013 : 2014 = 0.22% : 0.22% of the paid-up capital and total voting rights.

Position as the Independent Director : Started from January 10, 2005, totaling 9 years

Education

- Bachelor of Accounting, Thammasat University
- Bachelor of Laws, Thammasat University

Training

- Year 2003 Director Accreditation Program
- Year 2003 Director Certification Program
- Year 2004 Audit Committee Program
- Year 2006 Director Certification Program
- Year 2006 Improving the Quality of Financial Reporting
- Year 2007 Monitoring the System of Internal Control and Risk Management
- Year 2007 Monitoring the Internal Audit Function
- Year 2007 Corporate Governance Workshop Board Performance Evaluation
- Year 2008 Role of the Compensation Committee

Work Experience

Time	Position	Company
Listed Companies		
2012 - Present	Independent Director / Audit Committee Member	Thailand Carpet Manufacturing Plc.
2003 - Present	Director	Thai Agro Energy Plc.
1985 - Present	Director / Executive Director / Chief Financial Officer / Company Secretary	Lanna Resources Plc.
Companies (Not listed companies)		
2008 - Present	Director	PT. Singlurus Pratama
2006 - Present	Commissioner	PT. Lanna Mining Services
1998 - Present	Director	PT. Lanna Harita Indonesia
2004 - 2011	Independent Director / Audit Committee Member	Royal Porcelain Plc.

Mr. Woodthikrai Soatthiyanon

Independent Director / Corporate Governance Committee Member / Age 61 Years / Nationality : Thai

Shareholding in the Company as of Year 2013 : 2014 = -None-

Position as the Independent Director : Started from January 12, 2011, totaling 3 years

Education

- LL.B., Ramkhamhang University
- Thai Barrister at Law
- Master of Public and Private Management, School of Public Administration, National Institute of Development Administration

Training

- Year 2011 Director Accreditation Program

Work Experience

Time	Position	Company
Listed Companies		
2007 - 2008	Director	Ayudhya Allianz C.P. Life Plc.
2005 - 2006	SVP-Bancassurance Strategie Support, Bancassurance Dept	Ayudhya Allianz C.P. Life Plc.
Companies (Not listed companies)		
2008 - Present	Managing Partner	Woodthikrai Soatthiyanon Law office



Mr. Asanee Chantong

Director / Management Committee Chairman / Managing Director / Age 62 Years / Nationality : Thai

Shareholding in the Company as of Year 2013 : 2014 = 0.14% : 0.14% of the paid-up capital and total voting rights.

Position as the Director : Started from January 1, 2007, totaling 7 years

Education

- Bachelor of Science (Chemistry), Chiangmai University
- Master of Management, Sasin Graduate Institute of Business Administration, Chulalongkorn University

Training

- Year 2007 Director Accreditation Program
- Year 2009 Financial Statements for Directors

Work Experience

Time	Position	Company
Listed Companies : None		
Companies (Not listed companies)		
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 68 Years / Nationality : Thai
Shareholding in the Company as of Year 2013 : 2014 = 0.26% : 0.26% of the paid-up capital and total voting rights.

Position as the Director : Started from January 12, 2011, totaling 3 years

Education

- Bachelor of Industrial Electrical Technology, King Mongkut's Institute of technology North Bangkok
- Master of Business Administration, NIDA

Training

- Year 2011 Director Accreditation Program

Work Experience

Time	Position	Company
Listed Companies : None		
Companies (Not listed companies)		
2013 - Present	Director	Diamond Materials Co.,Ltd.
2000 - 2004	Managing Director	Kohler (Thailand) Plc.

Mr. Satid Sudbuntad

Director / Management Committee Member / Corporate Governance Committee Member / Deputy Managing Director Sales & Marketing / Age 54 Years / Nationality : Thai

Shareholding in the Company as of Year 2013 : 2014

= 0.52% : 0.52% of the paid-up capital and total voting rights.

Position as the Director : Started from January 24, 2000, totaling 14 years

Education

- 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., U.S.A.
- 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)

Training

- Year 2001 Director Certification Program
- Year 2003 Finance for Non-Finance Director
- Year 2005 Audit Committee Program

Work Experience

Time	Position	Company
Companies (Not listed companies)		
2013 - Present	Director	Diamond Materials Co.,Ltd.
1999 - 2005	Director	Karat faucet Co.,Ltd.
Listed Companies : None		



Mr. Krit Phanratnamala

Director / Age 46 Years / Nationality : Thai

Shareholding in the Company as of Year 2013 : 2014 = -None-

Position as the Director : Started from January 12, 2011, totaling 3 years

Education

- 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.

Training

- Year 2007 Director Accreditation Program
- Year 2009 Advanced Audit Committee Program

Work Experience

Time	Position	Company
Listed Companies		
2011 - Present	Audit Committee and Independent Director	Group Lease Plc.
2006 - Present	Audit Committee and Independent Director	Union Mosaic Industry Plc.
2008 - 2014	Audit Committee and Independent Director	Quality House Plc.
Companies (Not listed companies)		
2006 - Present	Director	Royal Porcelain Plc.
2005 - Present	Investment Director	Thai Prosperity Advisory Co., Ltd.
2011 - 2014	Director	Biodegradable Packaging for Environment Plc.

Executives



Mr. Suwit Kaewamphunsawat *

Management Committee Member/ Assistant Managing Director Sales & Marketing / Age 51 Years/ Nationality : Thai
Shareholding in the Company as of Year 2013 = 0.27% of the paid-up capital and total voting rights.

Position as the Executive : Started from January 12, 2005, totaling 9 years

Education

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

Training

- None

Work Experience

Time	Position	Company
Listed Companies		
2004 - 2014	Management Committee Member / Assistant Managing Director Sales & Marketing	Diamond Building Products Plc.
2000 - 2004	Sales Manager	Diamond Building Products Plc.
1999 - 2000	Sales and Marketing Manager	Diamond Building Products Plc.
Companies (Not listed companies)		
2013 - 2014	Director	Diamond Materials Co.,Ltd.

Remark

* Mr. Suwit Kaewamphunsawat resigned from executive position ended October 31, 2014, Accordingly, sales and marketing work shall be assigned to be under direct supervision of Mr. Satid Sudbuntad, the Director and Deputy Managing Director of Sales and Marketing.

Company Secretary



Ms. Thanakarn Phanthapirat

Management Committee Member/ Assistant Managing Director Accounting & Finance / Company Secretary / Age 59 Years / Nationality : Thai
Shareholding in the Company as of Year 2013 : 2014 = 0.26% : 0.26% of the paid-up capital and total voting rights.

Position as the Company Secretary : Started from August 1, 2008, totaling 6 years

Education

- Bachelor of Accounting, Chiang Mai University
- Master of Business Administration, NIDA

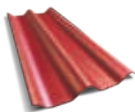
Training

- Year 2004 Company Secretary Program

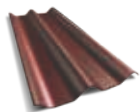
Work Experience

Time	Position	Company
Listed Companies		
2001 - 2006	Accounting & Finance Manager	Diamond Building Products Plc.
Companies (Not listed companies)		
2013 - Present	Director/ Company Secretary	Diamond Materials Co.,Ltd.
1997 - 2000	Accounting Manager	Toyota (Thailand) Co.,Ltd.

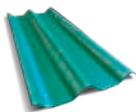
กระเบื้องลอนคู่
“แกร่ง นน”
สมชื่อ



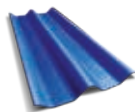
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เขียวมันั๋น



ฟ้ารุ่งโรจน์

Annual Report 2014

Roman Tiles

BUSINESS OPERATIONS

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. Roofing Product Group is divided into 3 categories as follows:
 - 1.1 Fiber Cement Tiles, namely Roman Tiles, Small Corrugated Tiles, Jatulon Tiles and Fiber Cement Ridges, etc.
 - 1.2 Concrete Tiles, namely Gran Onda, Adamas and Concrete Ridges, etc.
 - 1.3 Jearanai Tiles, namely Jearanai Tiles and Jearanai Ridges, etc.
2. Board and Ceiling Product Group, namely Boards, Ceilings and Autoclaved Aerated Concrete, etc.
3. Siding Board Product Group, namely Siding Boards, Lathes, Eaves, Fences and Decorativa Flooring etc.
4. Special Products Group comprises of the 2 groups of products as follows:
 - 4.1 Roof Accessories, namely Battens, Foils, Bird Guards and Paints, etc.
 - 4.2 Non-Roof Products, namely Truss and Gypsum Boards, etc.
5. Roof stripping and installation services, truss and Siding board product group 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	2014		2013		2012	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues from sales and services						
1. Revenue from Product Sales	3,901.96	92.29%	4,065.13	92.35%	3,631.54	93.51%
1.1 Roofing Tiles Products	2,220.09	52.51%	2,432.01	55.25%	2,579.90	66.43%
1.2 Board and Ceiling Products	611.42	14.46%	521.36	11.84%	226.80	5.84%
1.3 Siding Board Products	673.85	15.94%	686.94	15.61%	581.05	14.96%
1.4 Special Group Products	396.60	9.38%	424.82	9.65%	243.79	6.28%
2. Revenue from Services	325.93	7.71%	336.71	7.65%	252.04	6.49%
Total Revenues from sales and services	4,227.89	100.00%	4,401.84	100.00%	3,883.58	100.00%

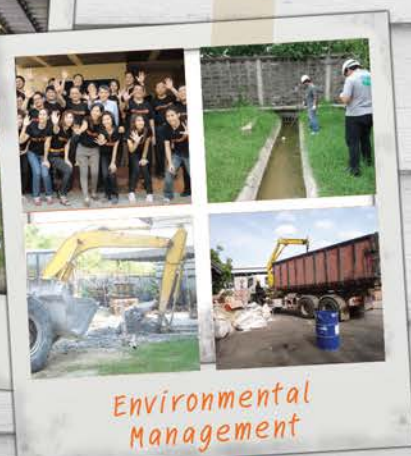
แปลว่าวัสดุ
“ประหยัด”
 ใช้งานง่าย
 ได้มาตรฐาน

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY REPORT

ECONOMIC MANAGEMENT



ENVIRONMENTAL MANAGEMENT





SOCIAL MANAGEMENT

Diamond
Heart
Technicians
project



Community
Activities



Training
Activities



Anti-corruption
Activities



safety
Activities



Factory
site Visits



Health
Activities



Corporate Social Responsibility Policy:

- 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.

Sustainable Business Operation

There have been many global changes during the past year and several incidents have made impact to the climate condition. Sudden and severe natural disasters had occurred including flood, mudslides consuming and destroying houses, and unprecedented earthquakes in several countries, including Thailand, which had faced many severe earthquakes, which damaged and made an impact on us all. As the matter of fact, these misfortunes are basically consequences of human actions damaging the environment causing environmental disequilibrium from deforestation as well as excess use of natural resources, especially, utilization of energy resources in every process, including government sector, industrial sector and households, which has contributing to global warming condition. Hence, every sector must turn around and seriously look after its own action and operation in order to reduce or mitigate such impact.

The Stock Exchange of Thailand has stipulated that the publicly listed companies must prepare the CSR Corporate Sustainability Report, following the global trend concerning the environment, particularly on the business sector, having realized the importance of resource utilization to reduce environmental impact and placing importance into sustainable development.

As for the part of the Company has been in the business for over 30 years, always adhering to ethical business operation and holding to the principles of good governance, and having established the Corporate Social Responsibility (CSR) as part of the Company's Code of Conduct, with determination to be the organization that is well accepted by the shareholders and every group of stakeholders. The Company has been developed for sustainability, emphasizing on the development of Diamond People and Diamond Society in order to attain good quality of life and safe living, as well as improvement of manufacturing process in order to become environmental friendly and care for the surrounding communities and environment, creating jobs and profession within the community by bringing in roof installation knowledge for the people and youth in the community so that they can earn a living to support the family. Hence, the **"Diamond Heart Technicians"** Project was initiated to encourage our employees to have volunteer spirit for helping the surrounding community and the people with determination to operate the business with ethics and create values for sustainable development.

Corporate Governance and Code of Conduct

The Company is one of country's major roof construction companies and it was actually the first company within the group of roof construction companies to be publicly listed in the Stock Exchange with intention to become the leading organization that has effective, transparent, fair and accountable management system, including social and environment responsibility for the utmost benefit of the shareholders and all stakeholders.

The Company's Board of Directors, as the leader in corporate governance, certainly gives precedence to good corporate governance to be used as a tool to protect and resolve problems or issues concerning conflicts of interest. As a result, the Company has been trusted and accepted by every group of stakeholders, which shall enable the Company to operate the business successfully with continuity and sustainability. In addition, the Company has prepared the Good Corporate Governance Handbook to be strictly followed by the directors, executives and employees at every level, which is considered a very important task and duty for everyone by which the principles within such handbook should not be neglected by any person.

The Company has also established the Code of Conduct in writing and announced it since year 2005 with constant and appropriate revisions since. The Code of Conduct has been made for the directors, executives and employees at every level to follow, setting 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, local culture, customs and tradition, fair competition, political neutrality, anti-corruption, responsibility to society, community and environment.



**30 YEARS of
SUSTAINABLE GROWTH**

1986-87

Construction of Factory including installation of fiber cement tile production lines, FC-1 and FC-2.

Diamond Stakeholders

The Company has established a sustainable management for every group of stakeholders who expects business operation with diversity and differentiation, by proposing their opinions through provided channels such as questionnaires on business satisfaction and organization of activities for the executives to meet with the stakeholders, for instance, arrangement of meeting with employees, customers, trading partners and shareholders, etc. There is an impact assessment received from the stakeholders so to meet the requirements of each group of stakeholders and proceed in the same direction. Accordingly, the strategic plan for the sustainable development for the stakeholders has been established as follows.

<div>Employee</div> <div><p>Communication Channels : Arrangement of monthly meeting between executives and Customer Committee, organization of activities in several festivals, safety activities to hear complaints and suggestions.</p><p>Responsible Unit : Human Resource Division</p><p>Reporting : Managing Director and Management Committee</p><p>Expectation : Requires good and appropriate salary and welfare, good and safe working environment</p><p>Sustainable Development Plan :</p><ol style="list-style-type: none">1) Create effective human resource management system.2) Create fair remuneration and welfare system.3) Maintain safe working environment by offering accident and health insurance.4) Develop personnel to have knowledge and competitiveness to become good people of society.5) Establish working regulations which shall benefit the Company and employees.6) Consider complaints from the employees, of which have been taken care of, such as increases in cost of living welfare, provident fund, emergency loan welfare, addition of dental care in the health insurance and increase welfare for priesthood and marriage.7) Organize activities during important festivals throughout the year such as Mother's Day, Children's Day and organize safety activities to reduce accidents during festivals such Songkran and New Year holidays, etc.</div>	<div>Shareholder</div> <div><p>Communication Channels :</p><ol style="list-style-type: none">1) Arrangement of the Annual General Meeting of Shareholders, listening to suggestions or complaints2) Arrangement of factory site visits to see manufacturing process.3) Company's website Section "Investors Information"4) Participate in the activities to meet with the investors organized by the Stock Exchange of Thailand such as the Opportunity Day, Thailand Focus and Road Show in the Country and overseas.<p>Responsible Unit : Investor Relations Office</p><p>Reporting : Managing Director and Company's Board of Directors</p><p>Expectation : Requires good return on investment, equitable treatment of shareholders and correct and transparent disclosure of information.</p><p>Sustainable Development Plan :</p><ol style="list-style-type: none">1) Build confidence for investor2) Create stable and sustainable investment return3) Disclose correct, transparent and accountable information using trustworthy accounting and internal control system through various channels so that shareholders and investors can quickly access the information.</div>
<div>Domestic Customer</div> <div><p>Communication Channels : Customer Satisfaction Questionnaire, Complaint Form and Sale Promotion Activities</p><p>Responsible Unit : Marketing Division</p><p>Reporting : Deputy Managing Director Sales and Marketing and Management Committee</p><p>Expectation : Requires prompt delivery of the products and good services at competitive price. Should any problem arise, it must be resolved quickly and development of knowledge and capability are required for competitiveness.</p><p>Sustainable Development Plan :</p><ol style="list-style-type: none">1) Delivery products and provide quality services at fair prices.2) Contact the customer with polite, effective and trustworthy manner.3) Develop and provide customer with knowledge and capability for competitiveness.4) Survey customer satisfaction on all aspects concerning the operation every year to develop and use the results to improve and develop a more effective operation, aiming to meet the requirements of the customer.5) The Company has provided channels for receiving complaints from the customers in order to promptly resolve the problem for the customer, building confidence for the customers.</div>	<div>Export Customer</div> <div><p>Communication Channels : Customer Satisfaction Questionnaire, Complaint Form and Sale Promotion Activities</p><p>Responsible Unit : Export Department and Marketing Division</p><p>Reporting : Deputy Managing Director Sales and Marketing, Management Committee</p><p>Expectation : Creates satisfaction leading to confidence in the Company and Diamond products.</p><p>Sustainable Development Plan :</p><ol style="list-style-type: none">1) Deliver good quality and long lasting or durable products.2) Train and convey correct installation method to building contractors to prevent impact from natural calamity such as heat and rain, hoping for the occupants to live comfortably under Diamond products.3) Provide knowledge for correct method of product storage to reduce damage from product storage.4) Recommend products that are suitable for different types of environment in each country.5) Listen to suggestions concerning product quality and services for further improvement.</div>
<div>Trading Partner – Domestic & Overseas Account Payable</div> <div><p>Communication Channels : Meeting with trading partners, visits from trading partners, trading partner inspection and receiving suggestions and complaints in writing or by e-mail.</p><p>Responsible Unit : Purchasing Department and Administration Division</p><p>Reporting : Managing Director</p><p>Expectation : Builds satisfaction as business partners</p><p>Sustainable Development Plan :</p><ol style="list-style-type: none">1) Operate business based on business relationship of international standard, equality and fairness.2) Build confidence by strictly complying with contracts, financial responsibility and agreed conditions.3) Do not ask or receive or pay any dishonest benefits.4) Adhere to equality, honest business operation and joint benefit.</div>	<div>Trading Partner – Contractor</div> <div><p>Communication Channels : Monthly Meeting of the Occupational Safety, Health and Workplace Environment Committee.</p><p>Responsible Unit : Contractor Coordination Section and Administration Division</p><p>Reporting : Managing Director, Occupational Safety, Health and Workplace Environment Committee, Social Security Contributions Report</p><p>Expectation : Compensation and welfare, employee rights, safety and good workplace environment</p><p>Sustainable Development Plan : Determined to comply with the welfare and labor protection law in order to have good welfare and labor foundation with safety and good workplace environment.</p></div>

Consumer



Communication Channels :

Customer satisfaction survey on products and services
Responsible Unit : Marketing Division and Sales Division

Reporting : Deputy Managing Director Sales and Marketing and Managing Director

Expectation :

- 1) Requires good quality products and services with fair prices.
- 2) Requires sales person with polite manner and can convey product installation method correctly.
- 3) Requires good aftersales service and quick problem resolving, if problem arises.

Sustainable Development Plan:

- 1) Deliver good quality product and services with correct order, on-time and fair prices.
- 2) Provide training for shop sales personnel for universal sales principle, politeness and correct method of communication.
- 3) Provide effective and prompt aftersales services.

Government Office



Communication Channels :

Request for opinions and consultation on taxation issues through website of the Revenue Department

Responsible Unit : Legal Office and Accounting and Finance Division

Reporting : Managing Director and Management Committee

Sustainable Development Plan:

- 1) Build confidence with the Government Office
- 2) Consult taxation issues through website of the Revenue Department in order to correctly and completely pay taxes.
- 3) Strictly abide by the relevant laws and regulations.
- 4) Do not ask, receive or pay any benefit illegally and stand against corruption.

Trading Partner – Transport Operator or Carrier



Communication Channels :

- 1) Weekly and monthly meeting with transport operators or carriers including daily work monitoring.
- 2) Survey on customer satisfaction of the transport or carrier service.

Responsible Unit : Transport Section and Logistics Division

Reporting : Managing Director

Expectation :

- 1) Receives compensation according to agreement terms and equivalent to other businesses.
- 2) Provision of prompt and efficient product delivery service without impacting the society.
- 3) Prevention of product transport accidents both inside and outside the Company with accident insurance policy by the transport operator.

Sustainable Development Plan :

- 1) Establish product transport system with good standard to prevent social and environmental impact.
- 2) Accept and hire local product transport or carrier operators and provide opportunity for personnel in the surrounding communities to work as the carriers.
- 3) Organize skill training for the transport drivers for effective work.
- 4) Manage to reduce energy consumption and accidents as follows:
 - Full load and 2-way transport on both head hauling and back.
 - Encourage the transport operators to use alternative energy such as NGV instead of oil or gasoline.
 - Utilize shipping transport to reduce cost and road traffic. Product transport by train or by rail is under study and preparation.
 - Build product distribution points in the provincial part to reduce product transport cost.

Community



Communication Channels :

Organization of activities with the community and listen to complaints

Responsible Unit : Human Resources Division

Reporting : Managing Director and Management Committee

Expectation : Building good relation between each

other, creating profession and promoting people in the community to have jobs for sustainability.

Sustainable Development Plan :

- 1) Promote job creation in the community by establishing policy for hiring from the surrounding communities.
- 2) Respect the law and principles of human rights without discrimination.
- 3) Promote and foster good sense into the employees to seriously and constantly have social responsibility
- 4) Promote activities that create sustainable benefits for the surrounding communities, such as the “Diamond Heart Technicians” Project, which offers professional training for roof installation for the community people to have work and make a living for the family.
- 5) Promote activities to carry on beautiful tradition of the community such as other merit making traditions, etc.
- 6) Listen to complaints and concerns on environmental impact in order to improvement and sustainable development.

Business Competitor



Communication Channels :

Monthly meeting of business group representatives at the Federation of Thai Industries.

Responsible Unit : Investor Relations Office

Reporting : Deputy Managing Director Sales and Marketing, Managing Director and Management Committee

Sustainable Development Plan :

- 1) Operate under good business competition rule and framework
- 2) Do not seek for confidential information of the business competitor illegally or inappropriately.
- 3) Do not destroy reputation of business competitor's by making accusation in a bad way, either directly or indirectly.

Mass Media



Communication Channels :

Executives meet mass communication activities and offering of opinions.

Responsible Unit : Investor Relations Office

Reporting : Deputy Managing Director Sales and Marketing, Managing Director and Management Committee

Sustainable Development Plan :

- 1) Promote good corporate image.
- 2) Build good relationship with the mass media.
- 3) Refrain from false communication, distortion of fact or against morality.

Management for Sustainability

Throughout the past 30 years, concerning key factors in sustainable development, The Company has emphasized on business operation toward success and excellence with social and environmental responsibility by starting with the development of Diamond People; namely, directors, executives and employees at every level, to adhere to honesty and transparency, and to have good quality of life and safe living. Moreover, every group of stakeholders must be taken care of and their interest must be maintained and balanced with fair treatment. Also, manufacturing process must always be improved to be more environmental friendly.

Analysis of Sustainable Development Factors

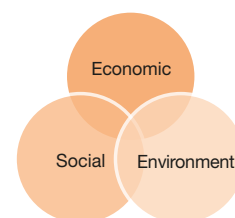
The Corporate Social Responsibility Committee (CSR Committee), which comprises of representatives from every working unit, has convened meetings and discussions to review the factors in sustainable development, by considering together with the opinions of the stakeholders received from several organized activities. The assessment has been considered together with the risk assessment results. The list of the significant factors in sustainable development in year 2014 is shown in the table below, of which details for each of the factors are listed under the topic of Guidelines for Sustainable Operation.

Sustainable Development Factors



Guidelines for Sustainable Operation

The CSR Committee, comprising of representatives from every work unit, has established guidelines for operation based on the analysis results of the factors in sustainable development. For the past year, The Company has been focusing on the development and improvement of the manufacturing process in order to reduce any environmental impact by assigning each work unit to prepare plan for manufacturing process improvement. Sub-working groups have been set up to be responsible for each task to achieve the target, such as working group on reduction of impact from air pollution, dust, odor, noise, water and wastes from the manufacturing process and management of energy. Accordingly, the guidelines for sustainable operation have been established involving economic, social and environment, as follows.



Operation	Guidelines	Operation Results
1. Economic Management		
1.1 Value Chain Management	<ol style="list-style-type: none"> Improvement of value chain process, namely raw materials, manufacturing process, packaging, transport system, domestic and export sales agents and consumers, to reduce environmental impact. 	<ol style="list-style-type: none"> Raw materials purchase based on ISO 14001. Reduction of air pollution, energy and resources consumption.
1.2 Products and Services	<ol style="list-style-type: none"> Develop environmental friendly products such as autoclaved aerated concrete (AAC), concrete tiles (Adamas), etc. Improvement of manufacturing process to reduce environmental impact. 	<ol style="list-style-type: none"> Revenue increase from concrete tiles (Adamas) by 1.59%. Revenue increase from autoclaved aerated concrete (AAC) product by 41.22%.

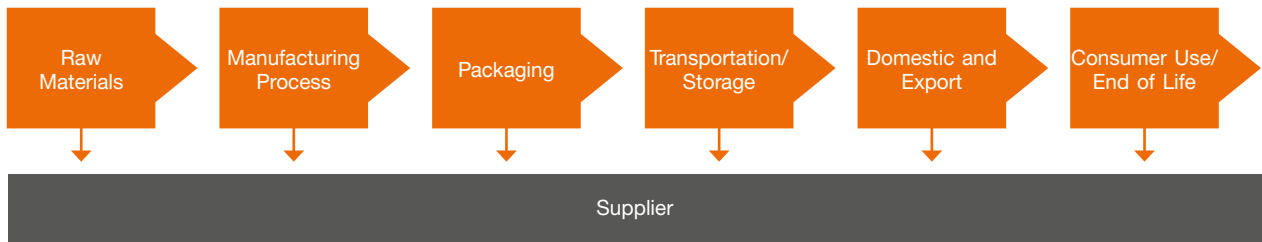
Operation	Guidelines	Operation Results
2. Social Management		
2.1 Occupational Health and Safety Management	<ol style="list-style-type: none"> 1) Prepare handbook for accident protection measure, organize safety training, organize campaign for reduction of risky behaviors. 2) Create good and safe atmosphere for good living quality including family of the employee. 	<ol style="list-style-type: none"> 1) Accident incidents were reduced from 25 times in 2013 to 22 times in 2014 or 12 percent without any fatality. 2) Risky areas for accident were reduced by 21 areas.
2.2 Care for Employees	<ol style="list-style-type: none"> 1) Treat the labor according to human rights principles with fairness and equality. 2) Promote learning for improved work skill and potential. 3) Prepare annual employee development and training plan in advance for every level. 	<ol style="list-style-type: none"> 1) Managed hiring, wages, compensation and other benefits based on equality and dignity as part of the organization. 2) Strictly complied with the Labor Protect Act and relevant laws. 3) Organized 8,653 hours of development and training courses.
2.3 Sustainable Social and Community Development	<ol style="list-style-type: none"> 1) Internal Society: Organize activities during festivals such as Mother's Day, Children's Day, Songkran, and Buddhist Lent Day, etc. 2) Nearby Communities: Create jobs, foster knowledge and volunteer spirit, participation in sustainable community development. 	<ol style="list-style-type: none"> 1) Participation in the activities shall foster love, generosity among each other and helping spirit. 2) Created jobs for the community people with over 75 percent of Diamond people are local people. 3) Organized "Diamond Heart Technicians" Project to teach and develop technical profession for people and youth in the community to earn a living for sustainable community development.
3. Environmental Management		
3.1 Water Management	Installation of water treatment pond system for treatment of water from manufacturing process before being recycled.	Water consumption was reduced by over 50 percent of volume consumed in the system.
3.2 Waste Management	<p>Management of waste treatment according to ISO 14000.</p> <ol style="list-style-type: none"> 1) Reuse such as bags, paint buckets and pallets, etc. 2) Recycle such as dusts from manufacturing process 3) Waste disposal according to the law by landfilling method. 	<ol style="list-style-type: none"> 1) Non-hazardous wastes were reduced by 8.28 percent from previous year. 2) Hazardous wastes increased by 15.22 percent from previous year but only 1.81 percent increase for reuse and 85.45 percent increase for recycle as compared with previous year. 3) Recycled over 2,000 tons a year of dusts from manufacturing process by manufacturing into cleats for tile support, reducing Baht 870,000 in purchase per year.
3.3 Dust Management	<ol style="list-style-type: none"> 1) Recycle dusts from groove such as lathes, ceiling border, and eaves. 2) Installation of dust collectors at dust-filled areas such cement silos, which all collected cement dust can be recycled. 	<ol style="list-style-type: none"> 1) Reduction of particulates in the air and monitoring of air quality at the operating sites are within the standard values. 2) Reduction of cement losses by Baht 918,000 a year and reduction of dust disposal by Baht 80,000 a year.
3.4 Solution Odor Management	Installation of solution odor treatment system using activated charcoal.	Reduction of exhaust gas from manufacturing process by over 80 percent, reducing air pollution.
3.5 Reduction of Coating Loss in Manufacturing Process	Improvement of manufacturing process to control consumption rate of coating and spraying of concrete tiles.	<ol style="list-style-type: none"> 1) Reduction of manufacturing wastes for disposal by Baht 696,960 a year. 2) Reduction of expensive coating and spraying cost by over Baht 580,171.68 a year.
3.6 Energy Management	<ol style="list-style-type: none"> 1) Reduction of electricity consumption during the On-Peak period, where the tariff is twice as much as the Off-Peak period. 2) Utilization of natural gas instead of bunker oil. 3) Improvement of manufacturing process to reduce energy consumption. 4) Utilization the steam to replace the use of natural gas (NG) in the curing process of the Autoclave system at NT-8 to NT-10 production lines. 5) Organization of energy activities. 	<ol style="list-style-type: none"> 1) Electricity cost was reduced by Baht 10,395 per day. 2) Natural gas consists of over 90 percent of Methane (CH₄), not creating CO, SO₂, NO₂, reducing air pollution and corrosion of machinery. 3) Improvement of manufacturing process can reduce energy consumption cost of about Baht 3 million a year. 4) Utilization of steam with higher temperature than steam produced by the Company, resulting in 40 percent reduction in energy consumption and reduction of 4 staff positions.

1. Economic Management

1.1 Sustainable Supply Chain

The Company has appropriately carried out all procedures concerning the value chain by considering the utmost benefit of all the stakeholders, starting from the purchasing, manufacturing process, trading partner – transport operators, and every group of trading partners such as domestic and export sales representatives, sales projects and responsibility to the consumers, which are the customers at the end of the supply chain.

The Company has issued management regulations for every procedure starting from the purchase of main raw materials, which must follow standard system and process control according to the ISO 9001 and ISO 14001. The raw materials received prior to entering the manufacturing process must go through quality inspection at every step in accordance with established quality standards in order to obtain finished product with quality. Afterward, the products shall be delivered or shipped to domestic customers and overseas or export customers by the transport trading partners with good shipping standard, delivering the products to the customers on time for further distribution or sale to the consumers afterward.



(A) Raw Materials

The Company has established policy for the purchase of each type of raw materials. In particular, the main raw materials must be coming from at least two suppliers to mitigate risk from shortage of raw material. Therefore, the selection of new suppliers for the main raw materials is very important. The selection criteria for the new supplier must follow standard system and process control, i.e. the supplier must have ISO 9001 and ISO 14001 certifications. There must also be assessment on the suppliers and the improvement of raw material quality must not impact the environment. For the supplier of sand, the trading partner must have legitimate sand concession from the government office and pass credit terms check and price comparison with other business trading partners with the same standard.

As for the raw material inspection process before entering the manufacturing process, every type of raw materials shall go through quality inspection in accordance with established standard in order to obtain the finished products with quality according to established standard.

(B) Manufacturing Process

The Company is determined to continuously improve its manufacturing process to be environmental friendly in order to lessen impact to the ecosystem of the community and surrounding environment. This year, improvements of the manufacturing process were focused on the reduction of air pollution, dust, odor, noise and water, and also valuable management of energy usage and management of wastes or scraps for reuse or recycling, by which several projects have resulted in production cost reduction as follows.

(1) Water : Water management in the manufacturing process has been designed as a closed loop system in order to reduce water consumption and prevent process water from contaminating with public water resources.

(2) Electricity : Electrical power management involves measure for reduction of electricity consumption throughout the organization, with Diamond people taking part in the program to inspect for leaking points of air and water in the manufacturing process and appropriately follow the proposed period for turning on and off the lightings, air conditioners and other electrical appliances, which allowed saving and reduction of electrical cost of about Baht 3 million a year.

(3) Natural Gas : Fuel management in the manufacturing process of the autoclaved aerated concrete (AAC) was undertaken by converting from the use of bunker fuel oil to natural gas to reduce emission of carbon monoxide (CO) gas, global warming and air pollution.

(4) Odor : Management of odor in the manufacturing process was carried out by installation of odor elimination system in the concrete tiles manufacturing process, which could reduce exhaust volume released from the manufacturing process by over 80 percent, thus reducing pollutions in the air.

(5) Wastes : Waste management in the manufacturing process was undertaken by bringing dust from the synthetic wood manufacturing process and sludge from the roof tiles manufacturing process for recycling process to produce cleats for tile support to prevent damage or breaking of products during transport, thus reducing waste disposal in the manufacturing process.

(C) Packaging

The Company puts emphasis on the selection of packaging as products are construction materials that are heavy and fragile. Therefore, the packaging used must be strong and can support the weight of the products being delivered

to stores and consumers with safely and good quality. The packaging also includes shockproof materials to prevent damage of products during transport. Presently, shockproof materials such straws and papyrus have been added to corrugated paperboard, which possess good shock absorbing quality and are also low cost. They can also be purchased from people in nearby community, creating revenues for the people in the community. As for the pallets, the transport people are requested to return the pallets to the Company after delivering products to the customers for reuse. The number of plastic pallets has been increased, replacing wooden pallets, thus reducing deforestation, global warming and it is environmental friendly.

(D) Transportation/Storage

The Company has developed an efficient transportation system, delivering products to the hands of customers and consumers with safely and good quality. Also, properties and drivers are taken care of and protected in the event of accident. The management of transportation system is also aimed to reduce energy consumption and environmental impact, which can be described as follows.

(1) Transport operators are encouraged to replace the use of gasoline with natural gas to reduce emission of greenhouse gases, thus lessening global warming effect.

(2) Management of product transport so that there are full load of goods on both ways, head hauling and back hauling, to reduce hauling with empty load, fuel consumption and energy cost.

(3) Using multimodal transportation by land transport and shipping transport. Transport by ship is used for products that are headed to the southern parts to reduce traffic problem, road accident risk, delivery distance and energy consumption.

(4) Training and development courses are arranged for the transport people at least twice a year. The training topics are concerned with quality and efficient services, professional, transport safety and efficient work procedure, which are aimed to provide the transport people with knowledge and capability for sustainable work profession.

(5) For safety management, measures have been established for each and every transport operator to have property and accident insurance policy to cover properties and drivers in order to mitigate risk, reduce loss in the event of accident. Safe living is also encouraged and annual health checkup is organized for good health.

(6) Distribution Centers (DC) have been set up for expansion and distribution of products to the provincial part, which have promoted and created jobs for the people in the community nearby the Distribution Center, reducing traffic problem and energy consumption for the surrounding areas.

(E) Domestic and Export

The Company's domestic sales agents spread out in over 700 branches and 6,000 outlets throughout the Country, dividing into 3 separate groups, namely sales agent group, modern trade group and housing project group. As for export sales agents, they are in over 10 countries, which are mostly neighboring countries along the border. Every group of sales agents is treated as family member of Diamond with fair and appropriate management of compensation and benefits. Consultation or advice is provided when the agent is faced with business problem. Training and development plan and courses in several topics have been set up and carried out to provide and increase knowledge and competitiveness for the agents, such as:

(1) Training courses in the orderly or organized storage procedure to maximize the storage areas, clean and convenient in finding products, as well as reduction of dust and air pollution in the storage area.

(2) Training courses for the store front personnel to have competitive skill and knowledge on product sales.

(3) Training courses for new products such as launching of the autoclaved aerated concrete (AAC) products or Diamond Block, which development courses for the agents were organized in the name of "Mobile AAC" project, providing training to the agents and technicians in the provincial area on the AAC board or wall system, installation and benefits.

(F) Consumer Use/End of Life

The Company has responsibility to the consumers, the last group of stakeholders in the business value chain, purchasing Diamond products for their use. The survey on customer satisfaction to the Diamond products showed that the consumers expect good quality products with fair prices and quick after sale services, including correct product usage instruction. Therefore, Diamond has established the marketing communication for the utmost benefit of the consumers as follows.

(1) Product 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 or agent stores including caution for storing the product on the label or insert.

(2) 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.

(3) **Communication** : 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.

(4) **Communication Channel** : Through Company's website, www.dbp.co.th, which the consumers may see the products and calculate the costs by themselves.

During year 2014, 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.

1.2 Products 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:

(A) **Roofing Product Group** is divided into 3 categories as follows:

- (1) Fiber Cement Tiles, namely Roman Tiles, Small Corrugated Tiles, Jatulon Tiles and Fiber Cement Ridges, etc.
- (2) Concrete Tiles, namely Gran Onda, Adamas and Concrete Ridges, etc.
- (3) Jearanai Tiles, namely Jearanai Tiles and Jearanai Ridges, etc.

(B) **Board and Ceiling Product Group**, namely Boards, Ceilings and Autoclaved Aerated Concrete, etc.

(C) **Siding Board Product Group**, namely Siding Boards, Lathes, Eaves, Fences and Decorative Flooring etc.

(D) **Special Products Group** comprises of the 2 groups of products as follows:

- (1) Roof Accessories, namely Battens, Foils, Bird Guards and Paints, etc.
- (2) Non-Roof Products, namely Truss and Gypsum Boards, etc.

(E) **Roof stripping and installation services**, truss and siding board product group installation by teams of experts who have received training with the Company to give confidence for the customers that whenever the Company's product is purchased, there will be good and efficient installation service. The technicians are categorized into 2 groups as follows:

- (1) Central Technicians stationing at Saraburi who are experts normally work on housing projects, etc.
- (2) Local Technicians of distribution agents throughout the country, having been trained and developed with professional knowledge and skill on installation of roof, truss and siding board group of products, capable of transferring their knowledge to other local technicians, creating jobs and revenues for the people in the surrounding communities, including recommendation on the correct methods of wastes or scraps from work to help reduce air pollution.

(F) **Development of Environmental Friendly Products**

(1) Siding board product group has variety of product development that meet the requirement of the market, differentiated itself from the competitors by emphasizing outstanding colors, patterns that resemble wood, durable and fair prices.

(2) Board product group has development of products to reduce energy consumption by adding AAC or Diamond Block production line or lightweight block, which are thermal insulation products, refractory, not storing heat in the house, sound absorption, reduce noise between rooms and therefore appropriate for residence, energy saving and reduction of electricity cost from air conditioners.

2. Social Management

2.1 Occupational Health and Safety Management

The Company is determined to continuously oversee the safety of Diamond People, contractors and visitors. The Occupational Health, Safety and Environment Committee (OHS Committee) has been established and together with the Safety, Health and Environmental Department (SHE Department) have prepared the handbook for 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 number of accidents. Due to serious attempt at safety protection, accident incidents have been reduced to 22 times as compared with 25 times in 2013 without having any fatality or reduction of 12 percent.

In 2014, the OHS Committee has established the action plan to control all the risks consisting of 28 plans such as prevention for blasting of silo, supporting equipment for the forming roll and staircase for FC crane, etc., by which 21 plans have been implemented, resulting in the reduction of over 21 accident-prone areas.



30 YEARS
DIAMOND

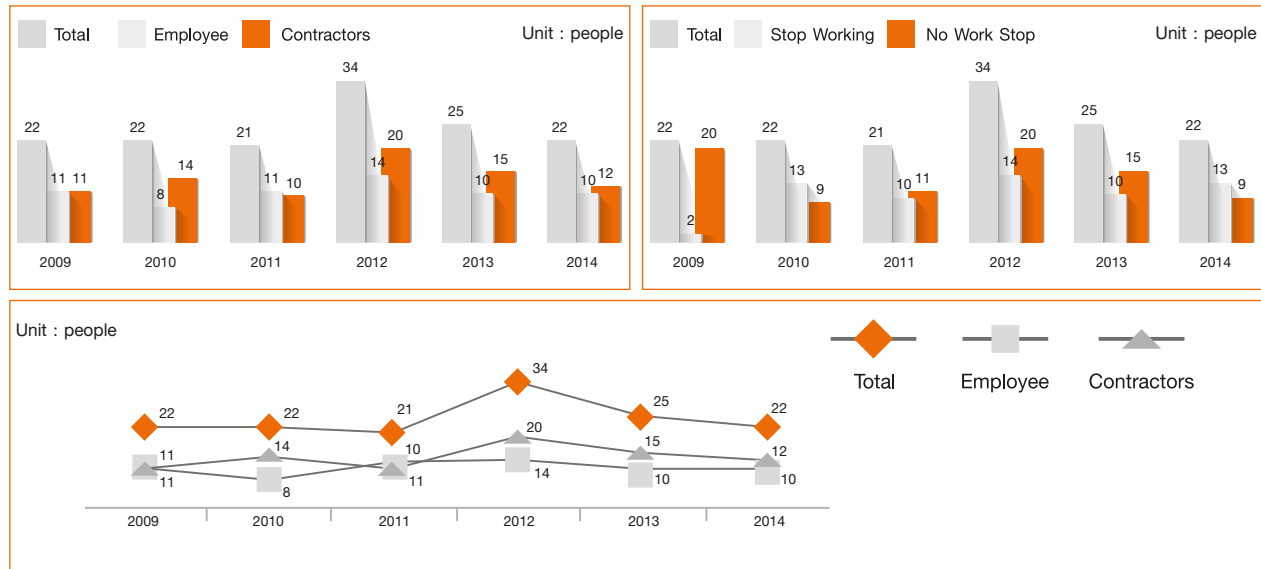
30 YEARS of
SUSTAINABLE GROWTH

1988

- Completion of fiber cement tile production lines, FC-1 and FC-2, and ready for commercial operation with production capacity of 100,000 tons per year.
- Received the Thai Industrial Standard (TIS) from the Thai Industrial Standard Institute, Ministry of Industry.

Accident Statistics from for the Past 6 Years

Accident Statistic	Total	Employees	Contractors	Contractors by Group			Level of Severity	
				Production Maintenance	Transport	Repair Construction	Stop Working	No Work Stop
2009	22	11	11	7	3	1	2	20
2010	22	8	14	12	1	1	13	9
2011	21	11	10	8	-	2	10	11
2012	34	14	20	17	1	2	14	20
2013	25	10	15	11	2	2	10	15
2014	22	10	12	11	1	-	13	9



Accident Protection Measure

(A) Procedure for Working at High Places

The OHS Committee and SHE Department realize the risk on accident from installation of roof and truss in high places, product loading and unloading, covering of canvas on the truck. Accordingly, meetings on safety between employees and contractors are organized on a regular basis and procedure and safety equipment protection for working at high places have been established as follows.

- (1) Loading-unloading of products: Crane must be inspected. Safety hat, safety shoes and gloves, back support and safety belt must be worn.
- (2) Installation of roof and truss: Must have flag or traffic baton waving and siren signal at work site.
- (3) Safety belt must be worn when covering truck with canvas.
- (4) Visitors must walk on the designated paths.



Installation of Roof and Truss in High Place



Canvas Covering for Trucks

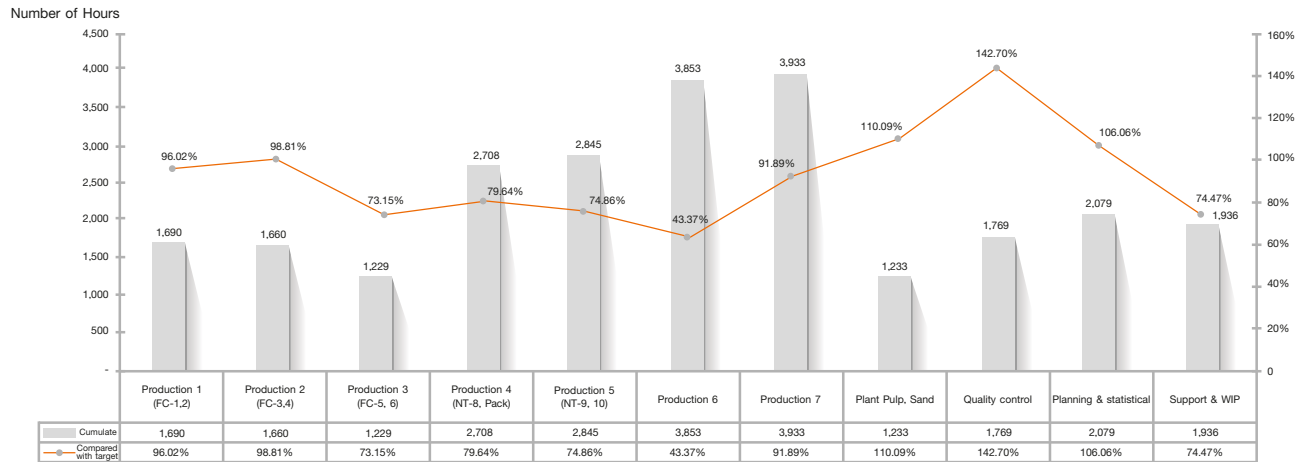


(B) Safety Knowledge Training

The OHS Committee and SHE Department have 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 mind at workplace by organizing training on the role and duty of the OHS Committee and SHE Department and training on workplace safety, namely crane operation, driving vehicles, transportation, first-aid, basic firefighting, safety meeting. Over 60,000 hours of training on safety issues for the whole plant have been recorded so far. In particular, the safety training for the production part, which is considered high risk area for accident, have recorded over 38,000 hours of training hours.

Graph showing hours of Talk into safety Awareness since January to December of year 2014



(C) Training on Emergency Response

The OHS Committee and the SHE Department have together organized training on emergency response such as emergency practice drill 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. The procedure for crisis management has been established to cover 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 the policy and guidelines 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.

Fire Evacuation Drill

(E) Safety Campaign and Promotion Activities

Throughout the year, the OHS Committee and SHE Department have continuously organized activities during several festivals to promote and campaign on safety and accident reduction, resulting in Diamond People becoming aware of the safety issues and participating in prevention of accidents, which can be summarized as follows:

(1) **“SHE LOVES YOU: SHE LOVES YOUR LIFE YEAR 3” Activity:** A campaign for safety during the Month of Love Festival was organized on February 13, 2014 at Diamond Kitchen to make people in the organization aware of the love of life and accident protection.

(2) **“Safety Talk and KYT” Activity:** A campaign to promote and convey on at least ten safety-related stories per week, totaling more than 1,000 stories per year.

(3) **“Annual Health Checkup Year 2014” Activity:** was held on October 1-3, 2014: Health checkup program for employees and contractors according to their risk factors by the Research Thai Occupational Medicine Co., Ltd.

(4) **Risky Behavior Report Activity:** by designating each target area to report on the risky and unsafe behavior to the SHE Department 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.

(5) **Near Miss Accident Report Activity:** was the campaign which was welcome and participated by the owners of the area. The target is 300 items.

(6) **“Regulation: 100% Wear Helmet and Safety Shoes” Activity:** starting from August 1, 2014 in the FC Manufacturing Plant area for every employee and labor.

(7) **Campaign Activity “Traffic for Safety”:** to prevent traffic accident within the Company.

(8) **“Safety Week No. 9” Activity:** the campaign for promoting safety within the Company starting from Safety Week No. 1 since year 2006. In 2014, the Safety Week No. 9 activity was held during December 2- 4, 2014, having contests on safety for Diamond People to cooperate in the campaign for accident reduction.



This year, the Energy Management Committee also presented the “Energy Booth” to promote energy conservation mind by duplicating the use of natural energy to produce electricity such as solar power from solar cells and wind power from wind turbine, etc. The slogan for this year was **“Think for Earth Do it for Earth Everyday Everywhere Every time”** as the amount of energy consumed and time remaining depend on our daily behavior on energy consumption.

2.2 Care for Diamond People

The Company believes that Diamond People have the potential to conduct and take the business to sustainable business success. Hence, the development of Diamond Society to attain good quality of life and safe living is the main task that must be undertaken constantly by realizing the importance of occupational safety, health and environment of the workplace, based on the belief that accident, injury and work related illness can be prevented by building safety mind and cooperation by everyone in the organization.

(A) Development Training for Diamond People

The Company believes that development training and personnel development shall promote Diamond People to have more knowledge, skill and capability for their work, creating internal knowledge. The development training program is planned in advance every year in order to increase work potential and competitiveness. In 2014, the development training program for the Diamond People was conducted as follows.

Type of Courses	Year 2012 Training Hours	Year 2013 Training Hours	Year 2014		
			Number of Courses	Number of Classes	Number of Training Hours
Productivity Improvement	3,010	2,169	12	14	2,455
Standard System	234	1,407	6	6	444
Human Resource Development	5,625	825	20	30	2,373
Technical Training	1,287	1,107	22	24	1,140
Safety	1,314	468	5	7	534
Others	3,231	828	10	12	1,707
Total	14,701	6,804	75	93	8,653

Personnel development and training for Diamond People in year 2014 focused on getting Diamond People to develop work capability and increase productivity, to learn and understand the Core Value (D-BUILDS), inspire consciousness on safety in the workplace and environment, as well as training on anti-corruption for employees at the manager level in order to convey to other employees at operation level to learn about the danger of corruption, which can be summarized as follows.

(1) Productivity Improvement

The Company has brought in several programs and activities for increase of productivity in every process with objective to develop its personnel to possess knowledge, skill and consciousness in the development of work operations, with training programs being organized to increase work potential of the personnel. Accordingly, the productivity improvement programs and activities have been carried out continuously and sustainably. The Company has engaged TPM Thai Training and Consulting Co., Ltd. as consultant to recommend TPM programs and activities for improvement of production efficiency in order to reduce process wastes, damage to machinery and accidents by providing training courses for every level of employees from the executives to employees at operational level including courses on TPM, Kaizen, 5S and Maintenance Awareness, etc. Diamond People can take various tools from each course and apply them in their operation to increase production capacity, improve efficiency and also reduce production cost. Related programs and activities can be summarized as follows.

1) **5S Activity** is participated by every executive, employee and contractor, in cooperation to develop and improve working environment for orderliness, cleanliness and less pollution and risk areas, by dividing into 4 categories, namely large-sized factory, small-sized factory, materials storage and office. As a result, in 2011 and 2012, 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 of Accounting and Finance Division.

2) **TPM (Total Productive Maintenance)** is a maintenance system in a multiplication form with participation by everyone through small group activities with intention to increase the productivity of machinery, reduction of machinery damages, reduction of accidents and reduction of losses in the manufacturing process (zero accident, zero defect, zero failure) by starting with the development of capability, skill and consciousness for the care of equipment and machinery of the employees. The employees shall be trained to become experts on machinery, who can utilize and maintain the machinery very effectively, which is beneficial to the operation and performance of the organization. Accordingly, the Company has continuously organized training programs since year 2010, with courses such the Autonomous Maintenance, Focus Improvement, Overall Equipment Effective, and Maintenance Awareness, which have been well received and participated by employees of every department.

3) **OEE (Overall Equipment Effectiveness)** is the indicator of efficiency and effectiveness of the equipment having three main variables; namely, capacity, 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 shown below.

OEE	Unit	Year 2013	Year 2014	
		BM	Target	BM
FC Plant	%	88	89	92
CT Plant	%	89	89	86

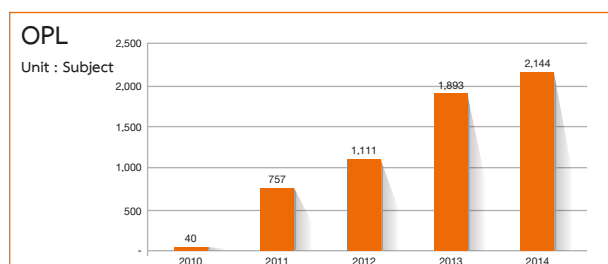
Remark : BM = Standard criteria obtained from the past year, FC = Fiber Cement Production Division, CT = Concrete Tile Production Division

4) **Losses** is the reduction of losses in the manufacturing process through inspection and finding of losses from the beginning of the process until the end, as well as brainstorming process for improvement on occurrence of losses. In 2014, the results have been extended to the warehouse area to reduce losses from warehouse or storage management also. Sample of Losses shown below.

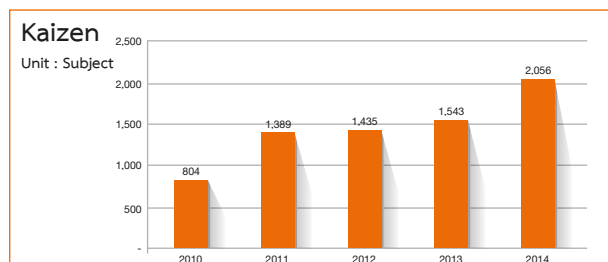
Losses	Unit	Year 2013	Year 2014	
		BM	Target	Actual
FC Plant	Million Baht	51	40	89
CT Plant	Million Baht	41	6	5

Remark : BM = Standard criteria obtained from the past year, FC = Fiber Cement Production Division, CT = Concrete Tile Production Division

5) **OPL (One Point Lesson)** is a communication tool for transferring knowledge to the employees. In conducting OPL, employees of each work unit shall propose a systematic work procedure with less steps of work and convey this to employees within the work unit to follow in order to improve work efficiency. In 2014, OPL program was conducted with a total 2,144 lessons, or an increase of 13.26 percent from the previous year.



6) **Kaizen** is an activity that emphasizes a development of potential in thinking and promotes creative thinking of the employees, providing opportunity for the employees to make recommendations on the reduction of cost and energy consumption. In 2014, there were over 2,056 topics or recommendations on Kaizen activities from the employees, or an increase of 33.25 percent over the previous year.



7) **Quality Control Circle (QCC)** is the quality control group activity carrying out work on improvement of quality in the work process by working in a team using procedure and steps for resolving problems scientifically, promoting employees to organize the Quality Control Circle (QCC) activities by providing knowledge and arranging QCC Story course, disseminating works of the QCC group in the Company's Intranet system so that every employee can gain access to such information and use it for own improvement. Moreover, Annual QCC Award Contest is held to provide opportunity for employees at every level to show their capabilities and development in work presentation to mitigate problems and increase work quality.

- **Annual QCC Award Year 2014**

The Company organized the contest for showing works on production cost reduction and work efficiency increase, having several groups participating in the contest, which can be summarized as follows:

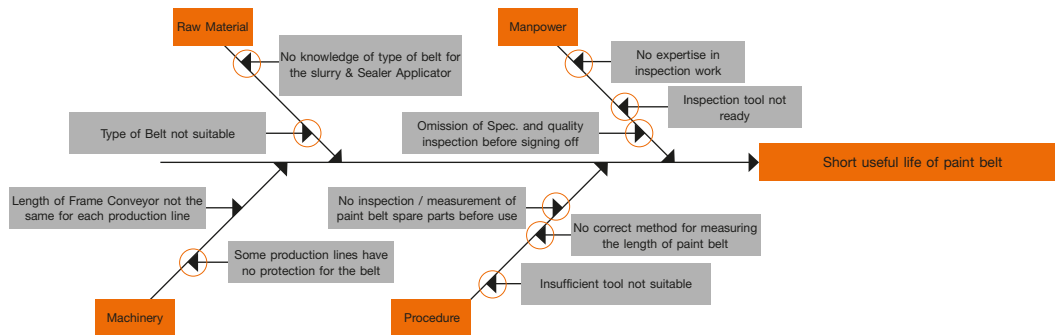
1st Prize : Extension of Useful Life of Paint Belts Spare Parts in the CT-2 to CT-5 and CF-2 Lines

Problem : It was found that the useful life of the paint belts during the past six months (January – June 2013) was reduced from 11 weeks to 7 weeks as compared with year 2012. According to the results from inspection, the edges of the belts were split and filled with a lot of calcareous component on both sides before the end of their useful life.

Objectives :

- 1) To extend the useful life of spare parts in the paint belts of the CT-2 to CT-5 and CF-2 lines.
- 2) To reduce expenses on the paint belt spare parts of the Slurry & Sealer Applicator, which tend to increase in prices.
- 3) To resolve problems concerning under quality of spare parts and specification not matching its use.

Root Cause Analysis Using Fishbone Diagram



Problem Solving Method : After identifying the causes of the problems, problem solving measures and work plan could be established, which can be summarized as follows:

- 1) Installation of rollers to support the belts in every production line.
- 2) Changes of the type of paint belt to match its use and condition.
- 3) Establishment of Standard Operation (SOP) and preparation of handbook concerning procedures for selection and inspection of paint belt to prevent from recurrence of problem.

Monitoring of Problem Solving Results : Based on the two periods of monitoring, cost could be reduced from Baht 1.95 per ton to Baht 0.96 per ton or 50.67 percent, equivalent to Baht 332,260 (during July 2013 to November 2014).

2nd Price : Project on Resolving Problem with Deflection Ability of Grade "R" Siding Board Products

Problem : The deflection value of grade "R" siding board products (waiting for quality inspection) at NT-9 is higher than the established standard value. According to the inspection results, moisture area was found in the middle of the board causing weakness of the siding board, resulting in the strength value lower than standard and lower deflection ability. Therefore, the products had to be kept for another 2 to 4 weeks to wait for the water to evaporate, which affected production plan and loss of revenue, as well as waste of storage spaces. In 2013, there were over 2,867 tons of grade "R" siding board products and therefore, such problem needed to be addressed and resolved.

Objective : To resolve problem with deflection ability of the grade "R" siding board products.

Root Cause Analysis : Based on the root cause analysis using fishbone diagram, it was found that the heating process of the spacer to the siding board in the curing process was hindered by the condensed water confined in the spacer due to restricted flow problem.

Problem Solving Method : Increase the slope angle of the spacer and siding board for another 1 degree by adding supporting metal sheet to the siding board truck in order to increase slope for the spacer and siding board to allow better and quicker flow of water and no water accumulation in the spacer.

Monitoring of Problem Solving Results : Based on the monitoring results during June 2013 to April 2014, all of the deflection value problems could be resolved and based on continuous monitoring during the 3-month period from May to July 2014, there was no deflection value found. Accordingly, all products could be delivered as Grade “A” products, reducing impact to the production plan and loss of revenue, as well as reducing product storage area.

(2) Core Value (D-BUILDS)

With the vision of the executives believing that human resource is an important mechanism propelling the organization and with determination to have all Diamond People become aware and understand the meaning of the core value, D-BUILDS; therefore, training programs have been organized since 2012. In 2014, the Company organized “DBP Walk Rally” for the employees of top head level, which is an important target group with close relationship and capable of conveying the message to the employees at the operation level. The objectives were basically to review their understanding of the core value, D-BUILDS, and for the participants to become enthusiastic and be a role model in practicing of such core value.

(3) Development of Safety Consciousness

With determination to seriously reduce accident in the workplace, safety in the workplace is considered a major duty of the executives and therefore training classes have been organized to build safety consciousness for the employees and contractors continuously, such as safe forklift driving course, first-aid course and safe use of electricity, etc.

(4) Development of Environmental Protection Consciousness

The Company realizes the importance of building consciousness in environmental protection starting with the executives who are the leaders in thinking, to establish direction and organize development training on environment and communicate to every employee to become aware of environmental protection and management. In 2014, World Environment Day Exhibition was organized by focusing on providing knowledge, campaign promoting employees to participate in the energy conservation, which was participated by the executives and employees.

(5) Development Training on Social and Environmental Responsibility

The Corporate Social Responsibility Institute (CSRI) of the Stock Exchange of Thailand organized training courses on the Corporate Social Responsibility (CSR) for year 2014 in both theoretical and practical parts for the executives and employees of the listed companies responsible for CSR work and other CSR related fields. Accordingly, the Company enrolled its employees to participate in 8 courses altogether as follows.

1) Theoretical Part (2 Courses) : Preparation of the CSR Report Class No. 5, No. 8 and Managing CSR for Sustainable Development Class No. 5, No. 8

2) Practical Part (6 Courses) : Strategic CSR Management , Effective CSR Communication, Sustainability Risk & Material Analysis, CSR Evaluation & Knowledge Management, Responsible Supply Chain Management and Workplace Quality & Human Rights.

(B) Respect for Human Rights

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

(1) Adhere to the principle of human rights covering individual safety and protection, free from any violations or abuses, freedom of association, equality, equal opportunity regarding race, skin color, religion, gender, origin, sexual preference or disability and work dignity. Provide humane working environment, health and safety of the employees without forced labor and child labor, etc.

(2) Manage to have humane working environment, providing safe, healthy and clean workplace with sufficient lighting, clean drinking water, toilets, fire escapes and exits and necessary fire extinguishers in event of fire, emergency first-aid kits, etc.

(3) Establish policy for the SHE Department having inspection plan to check on fire escapes and exits and fire extinguishers and equipment in good and safe working condition all the time, assessment of risky and unsafe areas, measure for remedy for reduction of accident and make sure that the employees are safe at work, as well as organize fire evacuation and extinguishing drill in event of fire at least once a year.

(C) Fair Labor Practices

The Company practices principles of justice on the human resource management, wages, compensation, benefit and other employment terms, caring and treating the employees with equality and dignity as they are part of the organization propelling the business to its success. Moreover, the Company adheres to the Labor Protection Act and Labor Relations Act including other relevant laws and regulations, which can be categorized as follows.

(1) Personnel Recruitment : The personnel recruitment system has been developed by adding another channel through company's network, Face Book: DBP Career, for interested people to easily and quickly access the job positions. In cooperation with the Saraburi Technical College in accepting student trainee to support labor market, including joining job recruitment booth with Saraburi employment service and other schools and institutions, etc.

(2) Employment : The Company considers the potential of the personnel of every position and puts importance on the recruitment, appointment and transfer process based on suitability of qualifications such as knowledge, skill, capability and experience, as well as physical condition and other regulations necessary for the personnel in that particular position. Accordingly, the Company shall consider and determine appropriate remuneration based on job description, employment level, wage rate in the labor market and work performance.

(3) Labor Relations : Cooperation among working units and among employees and executives are strongly encouraged.

1) Provide opportunity for Diamond People at every level to express their opinions or make suggestions for work improvement as well as organize activities based on the course of the "Happy Workplace" program.

2) Promote labor relations based on bilateral system by attending meeting with the representatives of the employees at least once a month to discuss about employees' welfare, establishment of regulations that are beneficial to employees and Company as well as consideration of employees' complaints and resolving conflicts within the organization, etc.

(4) Welfare : The Company focuses on providing welfare programs to the employees to reinforce good morale and spirit in work and duties of the employees. In 2014, the Company has considered the following welfare programs.

1) Welfare on life insurance, accident insurance and health insurance in case of the employee becoming ill or having accident both during work or outside. In every case, the employee can get medical treatment at the specified clinic or hospital, lessening financial burden on the employee on medical treatment expenses according to the specified rights and privileges.

2) Welfare assistance in terms of financial assistance such as shift payment, active payment, cost of living and provident fund, etc. Since 2013, the provident fund for employee's future security had been increased from previous 3%, 4% and 5% according to employment period to 3%, 5% and 7%. The employee can choose saving proportion according to the specified employment period with the Company contributing into the provident fund at the same rate.

3) Welfare on financial assistance such as emergency loan welfare in order to alleviate hardship and necessities on living expenses for the employees.

(5) Complaints : 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 superior and employee or between employees themselves, the employee may file a 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 also for happiness of the employees at work.

(6) Equal Opportunity : Treatment of employees with equality, justice, impartial treatment and non-violation of individual liberty both directly and indirectly. The Company operates the business based on principles of fairness and equality according to human rights principles.

(7) Communication : Issuance of "DBP News" Journal for communication within the organization for Diamond People to learn of any significant news and changes of the Company, as well as arrangement of "Traveling HR" activity to create cooperation among nearby companies by combining a group of Kaengkhroi HR to meet, discuss and exchange information such as employment, etc.

(8) Awards of Pride on Labor Relations this year are as follows.

1) Received the Distinguished Enterprise Award in labor relation and welfare from the Ministry of Labor.

2) Received the Certificate for Workplace Drug Preventive and Correction Measures from the Governor of Saraburi Province.

3) Received Honor Certificate for participation in the group blood donation from the Thai Red Cross Society.

2.3 Sustainable Social and Community Development

(A) Responsibility toward Society of Diamond People

Building a "Happy Workplace" in the organization is Company's responsibility and duty so that every employee feels happy working with the Company. The Company realizes that the society of Diamond People, comprising of directors, executives and employees at every level, is the heart of the matter for development of capability and competitiveness toward society at the community level, as well as encouragement of work in the same direction. Activities have been organized during several festivals to promote love and generosity among the employees, building helping spirit during bad times such as natural disasters, which also includes the family members of the employees. This year, there have been over 18 programs and activities such as:

(1) "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.

(2) **“Mom, We Love You” Activity** : The Company organized activities during the Mother’s Day every year by having several contests to send happiness to the mother. This year, contest on hat decoration by hands for the mother was held and campaign for writing their loving thoughts for the mother and sending postcard to say they love their mother, promoting family institution.

(3) **“The 3rd 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 money saving and investment, opened Finance Clinic.

(4) **“Blood Donation: Activity** : Employees participated in the blood donation drive every year in January, April, July and October at the Diamond Kitchen.

(5) **“DBP Changes to Avoid Office Syndrome” Activity** : The Company organized lecture on the topic of body and muscle exercises to reduce backache, neck pain and prevention and alleviation of Office Syndrome symptoms at every area of the Company and several work units have exercise activity every morning before work such as the Accounting and Finance Division.

(6) **“Mind Development for Balanced Life - 4th Year” Activity** : The Company organized this activity to promote Buddhism by encouraging employees to participate in practicing the dharma at the Sang Tham Song Chevit Buddhist Meditation Center, Nongkhae District, Saraburi Province.

(7) **“Health Promotion – Illness Prevention” Activity** : The Company organized this activity to promote knowledge on health and social security by inviting experts from the Social Security Office and Saraburi Hospital for the lecture at the Diamond Kitchen.

(8) **“Friends Helping Friends” Project** : The Company supports and provides consumer goods to alleviate hardship of the employees and their family members of Diamond People, suffering from disasters such as flood, house fire, etc.

(9) **“Hidden Place Not Hidden Cancer” Activity** : the Company organized medical examination on cervical cancer for female employees and contractors to reduce risk and learn about self-treatment.

(10) **Other activities** and programs such as “Feeling Fresh – Herbal Drink from Diamond Heart – 3rd Year” and “Low Price Goods”, etc.

(B) Diamond Business

The Company adheres to the principles of fair business operation and the employees must carry out duties with prudence, honesty and adhere to the business ethics, which has a fair business operating policy toward every group of stakeholders in the business chain, namely the shareholders, customers, trading partners and competitors, with fairness and without seeking for own benefit, which has conflict of interest with the Company and stakeholders, as well as keeping confidential of the information relating to business operation with the stakeholders for the best interest of the Company.

(1) Fair Business Practices

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, providing actual information and accurate reports, negotiating and resolving 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 operation framework.

2) Having policy to treat its business competitors conforming with international practice and under fair business competition framework, 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 of the consumers without impacting the environment.

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 straws and papyrus from the group of people in the community providing them with an income.

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. The Company’s employment of disabled people has its limitation due to the fact that it is a manufacturing plant. Nonetheless, the Company has set up a concession by providing areas within the factory for selling products or service (Section 35) for disabled persons to come in and sell their products to improve their quality of life such as:

- Year 2013-2014, the Company opened a coffee shop in front of the factory, which opens every day. As for the dolls painting store and handcrafts store, they are organized together with Annual Safety Week and Children’s Day activities, etc.

- Year 2015, the Company participated in the Concession for Disabled program, organizing the first

activity called “DRT’s Kindness to Disabled”, which was the market fair for the disabled persons, selling children’s clothes and printed shirts made by disabled persons at the Diamond Kitchen, which had many support according to the slogan “There’s no happiness as permanent as being a giver”, etc.

5) Compensation measures has been established in case of a stakeholder has suffered damage from violation of lawful rights by the Company by providing opportunity for whistle-blowing or filing complaint about illegal action or immoral conduct to the Independent Directors and Audit Committee. The Audit Committee shall examine the information and report to the Board of Directors afterward.

6) Operating guidelines for the executives and employees have been established based on honesty and transparency with preparation and dissemination of Handbook for the Good Corporate Governance and Code of Conduct on the Company’s website (www.dbp.co.th) for the executives and employees to acknowledge and strictly follow throughout the organization with regular follow-up of compliance on the regulations.

(2) 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 Policy on Anti-Corruption 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, etc.

In 2014, the Company’s Board of Directors’ Meeting No. 262 dated February 28, 2014 has resolved for the Company to announce its intention to join with the Private Sector Collective Action Coalition Against Corruption (CAC) and has established Prevention and Anti-Corruption committee to work on the anti-corruption measure, prepare handbook and good practice on anti-corruption and also prepare self-assessment form concerning anti-corruption measure, in order to receive the certificate as the member of CAC from the CAC Committee, which is under process at the moment.

1) Development Training on Anti-Corruption

In accordance with the Thai Institute of Directors (IOD) being the member of the Anti-Corruption Organization of Thailand has organized training courses and activities on anti-corruption and the Company has enrolled and sent the executives whom are the members of the Anti-Corruption Working Group to the following training courses and activities

- Seminar on Tackling Corruption through Public-Private Collaboration.
- Anti-Corruption Course : The Practical Guide (ACPG 12/2014 and ACPG 14/2014).
- Anti-Corruption Activity under the theme, “HAND IN HAND... Fighting Reform for Sustainable Victory”.

Event Location : Centara Grand Hotel and Bangkok Convention Center at Central World, Bangkok.

2) Training for Diamond People

The Company has organized training for employees of department manager level and above on 15 December 2014 and 25 December 2014 in order for the employees at the head level to disseminate the information to the operation level employees to acknowledge the danger of corruption, the collapse of several companies with business operations involving in corruption activities, background and importance of anti-corruption, and that the Company has announced intention to join with the Private Sector Collective Action Coalition Against Corruption (CAC) and Company’s practices concerning anti-corruption to receive the certificate as member of the CAC from the CAC Committee, as well as having the self-assessment concerning the risks on corruption incidents for each work unit, which was well-received with good cooperation. The results of training shall be extended to employees at every level, including preparation of pamphlets to disseminate the anti-corruption policy to all employees at every level.

During the past year, the Company has received several complaints and whistle-blowing reports such as improper business conduct that might lead to corruption activities by the employee, which were sent directly to the Audit Committee. From the results of the investigation, no serious conduct was found to damage the Company’s reputation or cause any damage to the Company. The internal audit system has also been improved to be more concise.

(C) Community Management

The community level operations have been expanded 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 and improve the quality of life. Activities to help the society have also been undertaken in many cases, such as flood disaster. Learning development and social responsibility consciousness of the youth were encouraged and supported. Accordingly, during 2014, the Company carried out the following community level activities.

(1) Job Creation in the Community : The Company has established policy to hire people from the surrounding community which helps to support the community people to earn income. The Company's headquarter in Saraburi Province employs about 900 people, which more than 75 percent are local people in the community. Except for certain positions that could not be recruited from within the community, they would be opened from other sources. This hiring policy also applies to branch offices in Khon Kaen Province and Chiang Mai Province with job recruitment being done from within their community first.

(2) Participation in Human Resource Development in the Community : By taking the knowledge, skill and experience in roof installation to train and develop people in the community, students and technical college students in the area in order to create jobs for the people in the community which can become their profession and be considered as sustainable community development. Several programs have been organized as follows.

1) **"Phra Dabot" Project :** Diamond has participated in the technical training program and supplied course materials for the students of Phra Dabot School under 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 courses in building contractor -roof tile installation for Phra Dabot students to consider as an alternative choice as well as another course for expansion of technical knowledge and profession.

2) **"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 provides all construction equipment and materials and turns the building to be under supervision of PhraDabot School under Royal Patronage. The Company continues with this project to expand on the skill development of the students of PhraDabot School.

3) **"Diamond Heart Technicians" Project Class 1-2 :** Diamond organized training courses for people in the community, providing knowledge in roof installation, siding boards and eaves installation by utilizing "Diamond" products. The Company continues to carry out this project to develop skill for the people in the community which they can use to become their profession.

In 2014, **"Diamond Heart Technicians" Project Class 3 :** Diamond extended the results by cooperating with the Saraburi Technical College to organize "Diamond Heart Technicians" training course for students of high vocational college level to have knowledge in roof installation, siding boards and eaves. The course comprised of both theoretical and practical parts to increase knowledge in roof installation. The students were quite interested in the training course.

4) Building Volunteer Spirit

- **"Friends Helping Friends" Project :** To alleviate hardship of the employees and their family members of Diamond People whom had suffered from disasters by sharing out thing and consumer goods and the Diamond People got together and organized volunteer activity to distribute thing to the flood suffering communities, etc.

- **Volunteer Spirit Project :** Diamond People got together and organized volunteer activity to build toilets, paint and repair school building during Children's Day festival and also for temples in the community.

(3) Promotion of Culture and Tradition in the Community

The Company gives priority to the people in the community and continuously takes part in the activities that promote culture and tradition of the community as follows.

1) **"National Children's Day" Activity :** The Company supported activities on the Children's Day at the Tan Diao Sub district Administrative Office, Huay Li Temple School, Talingchan Sub district on January 10, 2014, with activities such as games, sculpture painting, prizes, food and drinks for the students and guardians attending the event.

2) **"Grandparent is Full, Diamond is Pleased" Activity :** The Company donated consumer goods to support and contribute fund for buying lunch for old people at the nursing home in Lopburi Province.

3) **"Lent Candle Offering" Activity :** Promoting lent candle offering tradition in 2014 at temples in the area of Kaengkhoi District in Saraburi Province at Khonhom Temple, Tan Diao Sub district and Huay Li Temple, Talingchan Sub district.

4) **"Community Relations" Project :** Supported and provided roofing tiles and siding board products for construction for the government sector, schools in the nearby community and temples.

(D) Social Assistance Projects

Tawan-Yim (Smiling Sun)" Project : Good social assistance activities which Diamond has joined with VC Sport Production Co., Ltd., the producer of Sunshine Radio on radio station FM 107.75 Pattaya, being used as the channel for public relations for gathering kindness from the radio listeners and other organizations to help deficient schools with Diamond continuing to support and donate roofing tiles and siding board products to be used as construction materials for school buildings, canteens and multipurpose buildings for several schools under the **"Tawan-Yim"** Project from year 2012 to 2014.

1) **“Sending Love, Sharing Happiness to 2 Small Hands” Project** : In 2012, Donation of Roman Tiles, eaves, Diamond Board and equipment for construction of a 2-story sleeping quarter building for Baan Kru Boon chu Special Education School, Moo 5, Plu taluang Sub district, Sattahip District, Chonburi Province.

2) **“Adding Happiness, Weaving Dream, Sharing Love for Children” Project** : In 2013, Donation of Roman Tiles, siding boards, Diamond Board and equipment for construction of small children development center building for Baan Tung Noi School, Botong District, Chonburi Province.

3) **“Renovation of Multipurpose Building of Khao Chi Chan School” Project** : In 2014, Donation of Roman Tiles and equipment for renovation and construction of a multipurpose building for Baan Khao Chi Chan School, Moo 11, Baan San Poakhae, Bang Saray Sub district, Sattahip District, Chonburi Province.

(E) Social Investment and Social Impact Assessment

The Company properly 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 2014.

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 manufacturing process.

(F) **Communication and Dissemination** : Works concerning society and community are 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”**.

3. Environmental Responsibility

The Company realizes the importance of environmental responsibility. During 2014, the Company gave placed importance on the improvements of manufacturing process in order to prevent impact to the environment or destroy environment or community’s resources. Moreover, activities and campaign on the conservation of environment must be promoted and carried out, which can be summarized as follows.

3.1 Process Water Management

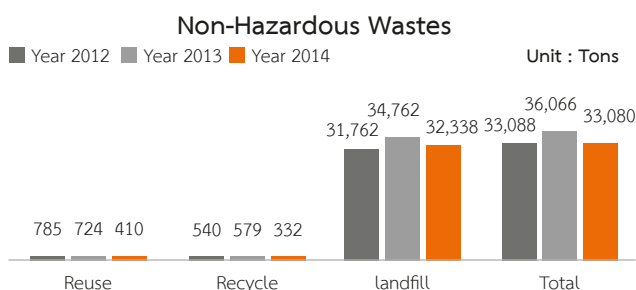
For the management of water in the manufacturing process, the Company uses raw water from Pa Sak River, of which permission has been granted by the Royal Irrigation Department. The raw water gets treated and passed to the manufacturing process. About 1,800 cubic meters of water is used in the process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

3.2 Process Waste Management

Management of waste in the manufacturing process to mitigate impact to the environment 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.

(A) **Non-Hazardous Wastes**, which are mainly broken tiles, woodchips, plastic pieces, scrap iron, scrap paper, dusts and other garbage, are treated based on ISO-14001 guideline as follows.

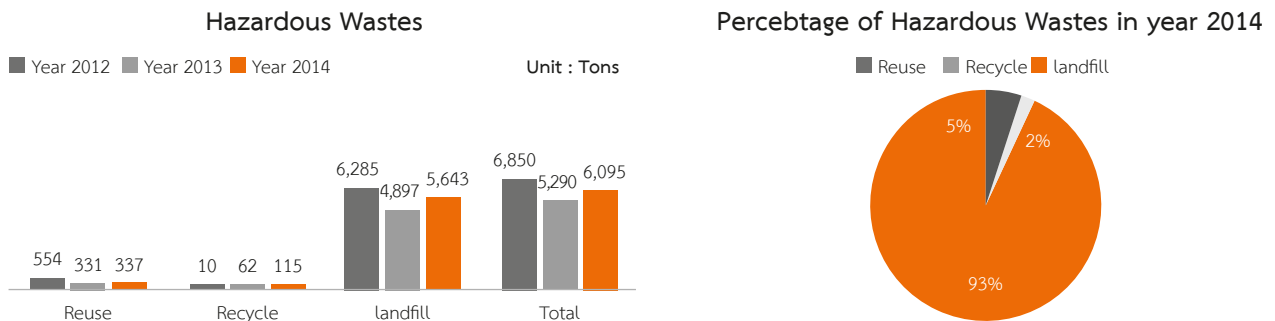
- (1) **“Reuse”**: such as using big bag for putting in residual or dusts and fixing wooden pallets for reuse.
- (2) **“Reduce”**: such as designing smaller-sized pallets so that less wood is used.
- (3) **“Recycle”**: recycling for reuse such as 1) scrap papers from office shall be used in the pulp process in the factory; 2) residuals, dusts or leftover from groove, synthetic wood are recycled for several uses such as cleats for tile support and paving blocks, etc ; 3) for remaining woodchips, scrap iron and plastic are separated and sold.
- (4) **“Disposal”**: such as broken tiles are treated according to the law and used as landfill at permitted areas.



The results from the process waste management in 2014 showed that the non-hazardous wastes could be reduced by 8.28 percent from previous year.

(B) Hazardous Wastes, mostly come from the manufacturing 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.

- (1) “Reuse” such as oil barrels, paint containers, solvent containers which are being used several times.
- (2) “Recycle” such as contaminated materials being recycled and used as mixed fuel water paint, oil paint and sealer.
- (3) “Disposal” is carried out according to the law such as wet cake or sludge through stabilization or solidification before being used as landfill.



Even though the hazardous wastes increased by 15.22 percent in 2014 but the improvement of manufacturing process to reduce pollution could increase the waste reuse by 1.81 percent and recycle by 85.48 percent from previous year.

3.3 Dust Management

(A) Recycle of Dust in Siding Board Production Lines (NT-8 and NT-9)

In the manufacturing process of siding boards using groove such as lathes, Ceiling Border, eaves and surface polishing, there are approximately 2,000 tons of dust spreading into the air, which must be disposed by landfilling. The Company, therefore, has undertaken projects for recycling of dust, replacing cement and silica powder in the manufacturing process of siding boards (NT-8, NT-9) of about 5 percent, which does not affect the quality of the products, to mitigate environmental impact. Accordingly, three projects have been carried out, resulting in a reduction of residual disposal cost and production cost as follows.

- (1) Reduction of dust disposal cost of approximately Baht 80,000 per year (2,000 tons per year x Baht 40 per ton).
- (2) Reduction of cement and silica powder cost of approximately Baht 918,000 per year (1,000 ton per year x Baht 918 per ton).
- (3) Reduction of purchase of cleats for Roman Tiles of approximately Baht 870,000 per year (300,000 pieces x Baht 2.9 per piece).

Project	Dust Use (tons/year)	Disposal Cost (Baht/ton)	Reduction of Dust Disposal Cost (Baht)	Cement, sand & others (Baht/ton)	Number of Cleats for Tile Support (Pieces)	Production Cost Reduction (Baht)
1. Recycle of Dust Project(NT-8, NT-9)	1,000	40	40,000	918	-	918,000
2. Cleat Production from Dust Project for Roman Tiles for transportation	660	40	26,400	-	300,000	870,000
3. Interlocking Brick Production from Dust Project for road and fence repair	340	40	13,600	-	-	-
Total	2,000	40	80,000	918	300,000	1,788,000

(B) Dust Reduction Project (Concrete Tiles Production Line, Saraburi Province)

In the manufacturing process of concrete tiles, major raw materials used are sand, cement, crushed stone and ashes, which are being transported, blown, weighed, mixed, pressed and polished, spreading a lot of dust. Therefore, dust reduction projects have been undertaken for better working environment by installing various types of dust collector and removal system at dust-full areas as follows.

(1) Utilization of SILO-TOP Installation: High efficiency dust filtering system, popular for collecting cement dust being blown into the silo using special polypleat filtering elements, which are cleaned by automatic jet pulse system. The collected dust is separated by air flow through the polypleat filter and falls within the silo so that all the collected dust can be recycled, reducing loss of raw material and production cost.

(2) Utilization of Large Dust Collector: Collecting dust from the manufacturing process using bag filter system, which eliminates small-sized dust by using cotton bag. This system is used to collect dust at process of mixing, weighing, polishing and transport. All collected dust can be recycled by partly substituting sand and crushed stone, which can reduce loss of raw material and production cost.

(3) Construction of Setting Chamber: A large dust settling chamber for dust falling onto the floor from its own weight, suitable for coarse and large-sized or heavy dust.

Accordingly, the measurement of air quality was conducted by Global Environmental Management Co, Ltd., whom has concluded on the results of measurement of air quality in the place of business that the total dust in every area of the concrete tile plant is within the standard values as stipulated in the Ministerial Announcement of the Ministry of Interior B.E. 2520.

3.4 Solution Odor Management

(A) Solution Odor Elimination Project at the CT-KK Production Line, Khon Kaen Province

In the manufacturing process of concrete tiles (CT), volatile matter or solution is mixed with resin and used for coating and spraying onto the tiles for glossy look, beauty, and durability. Such volatile matter is petrochemical product with strong odor, affecting health of employees and nearby community. Therefore, the Company has undertaken the project to eliminate odor of the volatile matter in the manufacturing process using the activated carbon or activated charcoal, which is natural or organic matter having carbon and hydrogen as basic elements, a dark and porous product with adsorption quality suitable for water treatment, odor filtering, breathing protection mask and air purifier. The Company utilizes the activated charcoal for odor elimination in the spraying process. There are three sets of odor elimination systems as follows.

- Spraying and coating area (System 1).
- Transporting to storage shelves and mouth of curing tunnels areas (System 2).
- In the tile curing tunnels (System 3).

Accordingly, the measurement of air quality after installation of the odor elimination system in the manufacturing process was conducted by C.T. Environment and Chemical Co., Ltd., which can be summarized as follows.

(1) Measurement of Chemicals in the Workplace

The results of chemical measurement in the place of business showed that the total dust in all three areas are within the standard values as stipulated in the Ministerial Announcement of the Ministry of Interior B.E. 2520 regarding workplace safety relating to surrounding conditions (chemical) as follows.

Measuring Location	Air Quality Index	Unit **	Measuring Results	Standard Values
1. Color Tile Coating Area	Total Dust	mg/m ³	3.750	Not exceeding 15
	Xylene	mg/m ³	2.571	Not exceeding 435 *
2. Molding Area	Total Dust	mg/m ³	1.167	Not exceeding 15
	Xylene	mg/m ³	18.418	Not exceeding 435 *
3. Tiles Sorting Area	Total Dust	mg/m ³	1.858	Not exceeding 15
	Xylene	mg/m ³	2.867	Not exceeding 435 *

Source : Report of Environmental Measurement on February 27, 2014

: mg/m³ = Milligrams per Cubic Meter

Remark

* Reference Standard by the National Institute of Occupational Safety and Health (NIOSH)

** Standard of the Occupational Safety and Health Administration (OSHA)

(2) Measurement of Air Quality from Ventilation Funnel

The results of measurement air quality from the ventilation funnels of System 1-3 showed that the values of Total Suspended Particulate and Xylene are within the standard values as stipulated in the Ministerial Announcement of the Ministry of Industry regarding specification of amount of impurities in the air released from factory B.E. 2549 as follows.

Air Quality Index	Unit	Concentration ^{1/}			Standard Values ^{2/}
		SYSTEM 1	SYSTEM 2	SYSTEM 3	
Total Suspended Particulate (TSP)	mg/m ³	0.185	0.191	0.099	Not exceeding 400*
	kg/day	0.054	0.134	0.108	-
Xylene	ppm.	0.506	1.365	0.491	Not exceeding 200
	mg/m ³	2.198	5.928	2.134	-
	kg/day	0.642	4.174	2.321	-

Source : Report of Environmental Measurement on February 27, 2014.

: 1/ Concentration of Pollution at Dry Air, Standard Pressure 760 Millimeter of Mercury, Temperature 25 degrees Celsius.

: 2/ Concentration of Pollution during Measurement.

: mg/m³ = Milligram per Cubic Meter, kg/day = Kilogram per Day, ppm. = Part per Million

Remark

* Announcement of Ministry of Industry Regarding Specification of Amount of Impurities in the Air Released from Factory B.E. 2006.

3.5 Reduction of Coating Loss in Manufacturing Process

(A) Project on Reduction of Coating Loss (CT-5 Production Line, Saraburi Province)

This project is the continuation of solution odor management above since the volatile matters are the same, having high loss ratio. Thus, the objectives of the project are as follows.

- To reduce coating loss, reduce wastes from the process that need to be treated.
- To reduce cost of coating utilization in the manufacturing process of concrete tiles which is a very expensive raw material.
- To set standard for the rate of coating utilization.

Improvement work on the spraying system to reduce the loss of coating from spraying outside the concrete tile around special tray and control of coating thickness according to the 80 micron standard by performing the following.

- (1) Set timer for Start-Stop of spraying nozzle in advance to reduce loss of coating material.
- (2) Adjust appropriate distance between the command equipment and spraying nozzle for Start-Stop command.
- (3) Adjust distance of spraying nozzle and working piece not exceeding 3 centimeters to reduce loss of coating material from spraying to the sides but has not affecting the coating of the whole piece of tile.

(4) Adjust the flow of coating material to be consistent by setting pressure liquid for spraying control in accordance with the seller's standard.

(5) Adjust distance between concrete tiles not to exceed 3 centimeters and set the inverter appropriately to control the speed of conveyor to reduce loss of coating material over the gap between tiles but not affecting the coating of the whole piece of tile.

Experiment Results

Description	Previous	After Improvement	Remarks
Coating Consumption Rate (liters/tons of product)	2.39	2.35	0.04 liters/tons Reduction
Coating Disposal Rate (liters/day)	150	70	Remaining Coating for Disposal 40 liters/day

Return on Investment

- Reduction of coating consumption rate at Production Line CT2-5 of approximately Baht 2.64 per ton (0.04 liter per ton x Baht 66 price per liter) at 219,762 tons in 2014, resulting in coating cost reduction of Baht 580,171.68 per year.
- Reduction of coating waste for disposal at Production Line CT-5 of approximately Baht 2,640 per day (40 liter per day x Baht 66 price per liter) for 264 days of production in 2014, resulting in disposal cost for coating waste of Baht 696,960 per year.

3.6 Energy Management

Presently, energy is considered very important of the Country and is among the Country's top priorities, especially the electricity supply with constant demand increase. With increasing demand for electricity, management on electricity consumption must be effective and worthwhile by emphasizing appropriate reduction of electricity power consumption in order to decrease construction of new power plants in the future, as well as assessment of electricity power demand which is beneficial for the energy management and power development plan in the future.

The Company gives precedence to the conservation of energy and effective use of energy by assigning it as the main duty in the operation, emphasizing every Diamond person to participate in the energy conservation, which has been undertaken continuously as follows.

(A) Project on Reduction of Electricity Consumption for the Autoclaved Aerated Concrete (AAC) Production Line

The Company has continued to control the electricity demand charge for both the fiber cement tiles and concrete tiles production lines and this year on the new AAC production line by adjusting the period of high electricity demand from the On Peak period to the Off Peak period by selecting the highest power demand machinery driving large motors such as the sand mill with the highest power demand for the motor of 630 kW to be used during the Off Peak period as much as possible to reduce electricity power consumption.

(1) Management on Time of Use of Electricity

AAC Plant is categorized as Large Industries (Type 4) consumer of electricity and uses Time of Use (TOU) tariff rate or the electricity tariff rate based on the period of use, being classified as Type 2 with electrical voltage of 12-14 kilovolts. The electricity tariff rate is based on the time period of use dividing into 2 periods below.

Description	Day and Time Period	TOU Electricity Rate
On Peak Period	Monday-Friday during 09.00-22.00 hrs.	High electricity tariff due to large number of electricity consumers. Electricity cost is derived from investment on power plants, power lines and distribution system including fuel cost for electricity generation.
Off Peak Period	Monday-Friday during 22.00-09.00 hrs. Saturday, Sunday and Official Holiday	Low electricity tariff due to small number of electricity consumers. Electricity cost is derived only from fuel cost resulting in lower cost of electricity during Off Peak period than that of On Peak period by over 50 percent.

Category	Demand Charge (Baht/Kilowatt)		Energy Charge (Baht/Unit)		Service Charge (Baht/Month)
	On Peak	Off Peak	On Peak	Off Peak	
1. Voltage of 69 Kilovolts and higher	74.14	-	3.5982	2.1572	312.24
2. Voltage of 12-24 Kilovolts	132.93	-	3.6796	2.1760	312.24
3. Voltage lower than 12 Kilovolts	210.00	-	3.8254	2.2092	312.24

(2) Return on Power Consumption during the Off Peak Period

Operating the Sand Mill during the Off Peak period reduces Demand Charge by $630 \times 1.50 = \text{Baht } 945$ per hour (electricity tariff difference between On Peak and Off Peak period = $3.6796 - 2.1760 = \text{Baht } 1.50$). Operating the machine 11 hours in a day during the Off Peak period instead of the On Peak period would save Baht 10,395 per day of electricity tariff (Baht 945 \times 11 hours).

(B) Project on Utilization of Natural Gas (NG) Replacing Bunker Oil

The AAC plant previously used bunker oil as fuel for the boiler of 14 tons per hour capacity from March 2013. Since the bunker oil has approximately 2 percent of sulfur content by weight, its combustion creates SO_2 at the exhaust funnel with lots of black carbon and ashes and incomplete combustion also creates carbon monoxide or CO gas and heat loss into atmosphere including SO_2 , NO_2 and CO, which are harmful to the health of humans, animals and plants, and also have impact to the surrounding community and environment. Especially the CO gas, it could cause a decline in brain function, slowing down decision making and alertness of the driver. CO gas has also been found to cause heart disease or even death if taken in high quantity.

Accordingly, The Company has switched the fuel to Natural Gas (NG) since August 8, 2014, resulting in a more complete combustion, reducing impact from air pollution, global warming condition and also consuming less energy, as follows.

(1) NG combustion is complete without leaving unburned carbon, without creating CO, SO_2 , and NO_2 since NG has over 90 percent of Methane (CH_4) content by volume, reducing machinery corrosion.

(2) Not creating black carbon and ashes since NG, unlike the bunker oil, has no Si-Ca, AL, P, and Na. There is no need to install heating surface (Soot Blower) and ashes collection equipment, reducing disposal cost for black carbon and ashes.

(3) Economizer has been installed at the exhaust funnel exit to utilize the heat to warm up the water for feeding into the boiler. Previously, the temperature of the water fed into the boiler was between 99 to 100 degrees Celsius, but after the installation of the economizer, the water temperature was raised to 120 to 150 degrees Celsius, reducing fuel consumption and heat loss from the exhaust funnel.

(C) Utilization of Alternative Energy

The alternative energy project utilizes steam energy from an independent power plant locating adjacent to the Company's factory. The steam is considered a waste heat from power generation process which can still be used as fuel in the manufacturing process. Hence, the Company has utilized the steam to replace the use of natural gas (NG) in the curing process of the Autoclave system at NT-8 to NT-10 production lines. Since the steam temperature is higher than the steam being produced by the Company, it has resulted in a 40 percent reduction in NG consumption and reduction of 4 staff positions working in the boiler room, reduction of cleaning water for the boiler and reduction of resource usage, as well as higher stability than using electricity in the manufacturing process, which brings about the reduction of impact to the community and environment.

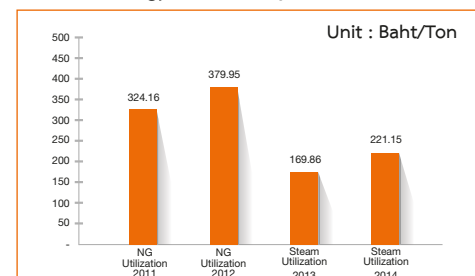
According to the record data of energy consumption rate from January 2012 to December 2013, the steam energy decreased by Baht 158.80 per ton (379.95 to 221.15) or 40 percent, which was equivalent to Baht 14.75 million per year in energy cost reduction (production volume of siding board products at NT-8 to NT-10 production lines in 2014 totaled 92,927 tons) and labor cost reduction for 4 staff of Baht 480,000 per year, having a total production cost reduction of Baht 15.23 million per year.

(D) Energy Saving Products

Global warming is happening and everyone in the society needs to pay serious attention and join together to resolve the problem, including government sector, private sector and any other organization alike. Such concern has initiated and alerted the operators, manufacturers and service providers to start develop and improve their efficiency and manufacturing process to produce eco-friendly products that do not harm the environment.

Accordingly, Diamond has invested in the production of the autoclaved aerated concrete (AAC) or the Diamond Block, utilizing special technology of MASA Henke Maschinenfabrik GmbH of Germany. The product is made from natural and safe raw materials, has fire-resistant quality and is safe when burning without creating pollution. It can withstand burning fire for over four hours, preventing a spread of fire, limiting damage of areas and properties with no harmful smoke or chemical released during burning to poison the residents. The product can be handled or contacted even if it

Energy Consumption Rate



**30 YEARS of
SUSTAINABLE GROWTH**

1990

Installation of concrete tile production line, CT-1, with production capacity of 40,000 tons per year.

is burnt at high temperature as it contains no toxic substance, having passed the international standard inspection by the Fire Safety Research Center of Chulalongkorn University. The test results show that the Diamond Block can withstand the heat of over 1000 °C for over four hours and therefore it can be appropriately considered as an eco-friendly product, alleviating the global warming condition and suitable for residence, having the following qualities.

(1) 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 moved in case of high rise building.

(2) Being heat insulator, fire-resistant, non-heat storage within the house, sound absorption, noise reduction between rooms, suitable for living residence, energy saving and electricity cost reduction from air-conditioners.

(3) No hazardous content, made from raw materials including Portland cement, sand, lime, gypsum, water and special mixture to become cement base, which is safe to use, long usage life, can be utilized in every climate zone, durable to sunlight, wind, water and fog, non-deterioration and strong.

(E) Improvement of Manufacturing Process to Reduce Energy Consumption

The Company realizes the importance of utilizing consuming energy efficiently to reduce environmental impact and global warming condition. In 2014, the Energy Management Committee has established measure for the Production Division to inspect and improve high power consumption machinery and equipment in order to reduce electricity power usage, resulting in a saving of over Baht 3 million per year on electricity consumption, which can be summarized as follows.

(1) Improvement of production capacity of Cellulose Plant production line from previously operating 4 plants down to operating only 3 plants with the same overall production capacity, resulting in a reduction of electricity consumption of 660,323 units per year or Baht 2.3 million per year.

(2) Improvement of the air compressor system by fixing air leak points on the FC, NT and CT production lines, resulting in less work of the air compressor and reduction of electricity consumption of 145,643 units per year or Baht 0.5 million per year.

(3) Improvement of the steam system by fixing the leaking steam trap of the NT-9 production line, resulting in a reduction of steam consumption equivalent to heat energy reduction of 841,904 megajoules per year or Baht 0.2 million per year.

(4) Improvement of heat system of CL-4 production line by installing heat insulator at the preheat chamber to reduce heat loss, resulting in a saving of heat loss of 236,115 megajoules per year or Baht 0.09 million per year.

Inspection of Surrounding Environment in Accordance to Industrial Standards

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. In year 2014, the Company had made improvements to the manufacturing process to reduce environmental impact, resulting in the Company passing all the standards and criteria in the environmental condition monitoring and measurements in the workplace including air, dust, noise, water and wastes in the manufacturing process, having no adverse impact or damage to the environment and resources of the community, which can be summarized as follows.

(1) 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.

(2) Measurement of air quality in the communities to observe the air quality.

(3) Monitoring of noise pollution, dust and chemical, which passed all the standard criteria.

(4) Monitoring of surface water quality surrounding the factory to be within the specified standard.

(5) Having the base solution pond system for recycling of water for re-use in the process, reducing water consumption and water pollution.

(6) 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.



**30 YEARS of
SUSTAINABLE GROWTH**

1991

Installation of concrete tile production line, CT-2, with production capacity of 50,000 tons per year and later increased production capacity of 30,000 tons per year in year 2013.



Air Quality
Measurement at
Factory Fence



Air Quality
Measurement at
Funnel



Water Quality
Measurement



Waste Disposal

Monitoring of Chrysotile in the Workplace

Area	Unit	Measured Values in 2013	Measured Values in 2014	Standard Values
FC raw materials preparation area	fiber/cm ³	< 0.001 – 0.016	< 0.001 – 0.007	Not exceeding 2
Tile testing area	fiber/cm ³	-	< 0.001	Not exceeding 2
Cover pacing/glazing area	fiber/cm ³	0.015	0.004	Not exceeding 2
Broken tiles storage area	fiber/cm ³	< 0.001	-	Not exceeding 2
Chrysotile storage area	fiber/cm ³	< 0.001	0.004	Not exceeding 2
Product distribution area	fiber/cm ³	< 0.001	-	Not exceeding 2

Source : Report of Environmental Measurement on May 11-12, 2013, April 21-22, 2014 By Global Environmental Management Co., Ltd.
: fiber/cm³ = fiber per 1 cm³ atmosphere

Monitoring of Air Quality in the Workplace

Monitoring Items	Unit	Measured Values in 2013	Measured Values in 2014	Standard Values
Total Suspended Particulate in the factory	mg/m ³	1.23 - 9.48	1.12 – 2.43	Not exceeding 15
Particle matter (<10 micron)	mg/m ³	1.00 – 4.89	0.39 – 0.50	Not exceeding 5
Xylene	ppm	0.071 – 3.463	0.001 – 0.005	Not exceeding 100

Source : Report of Environmental Measurement on May 11-12, 2013, April 21-22, 2014 By Global Environmental Management Co., Ltd.
: mg/m³ = milligram per cubic meter, ppm. = parts per million

Monitoring of Air Quality from the Factory's Funnels

Monitoring Items	Unit	Measured Values in 2013	Measured Values in 2014	Standard Values
Total Suspended Particulate (TSP)	mg/m ³	12.64	23.94	Not exceeding 320
Sulfur Dioxide	ppm	2.70	3.00	Not exceeding 60
Carbon Monoxide	ppm	10.50	12.00	Not exceeding 690
Nitrogen Dioxide	ppm	23.43	17.65	Not exceeding 200
Xylene	ppm	2.180 – 33.433	0.008 – 0.021	Not exceeding 200

Source : Report of Environmental Measurement on May 11-12, 2013, April 21-22, 2014 By Global Environmental Management Co., Ltd.
: mg/m³ = milligram per cubic meter, ppm. = parts per million

Monitoring of Air Quality Around Factory Fence

Monitoring Items	Unit	Measured Values in 2013	Measured Values in 2014	Standard Values
Total Suspended Particulate (TSP) 24-hr Avg.	mg/m ³	0.155	0.130	Not exceeding 0.330
Particle Matters (PM-10) 24-hr Avg.	mg/m ³	0.093	0.044	Not exceeding 0.120
Noise Level 24-hr Avg.	dB(A)	55.3	70	Not exceeding 70
Disturbance Sound Level 24-hr Avg.	dB(A)	1.6	4	Not exceeding 10

Source : Report of Environmental Measurement on May 11-12, 2013, April 21-22, 2014 By Global Environmental Management Co., Ltd.
: mg/m³ = milligram per cubic meter, dB(A) = decibel A = unit for measuring sound level meter

Investments on Reduction of Environmental Impact for the Past 6 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 and 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 and Emergency Doors	6.40
2014	Dust collection system, Water system for fire and Xylene Odor Elimination System	14.99

Awards of Pride

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 manufacturing 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).

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 2008-14 : Received the Distinguished Enterprise Award in labor relation and welfare from the Ministry of Labor, except 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" 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 2010-2013: The Company was placed in the "Excellent" group with a five-star award (▲▲▲▲▲) for assessment of Corporate Governance and received score of 95 percent in the Top Quartile level in the group of companies with market capitalization of Baht 3,000 to 9,900 million.

- Year 2014: The Company was placed in the "Very Good" group with a four-star award (▲▲▲▲) for assessment of Corporate Governance and received score of 86 percent in the Top Quartile level in the group of companies with market capitalization of Baht 3,000 to 9,900 million, due to the adjustment of assessment criteria and scoring to be in line with the ASEAN CG Scorecard.

- 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.

- Year 2014: Received "Investor's Choice Award" from the Thai Investors Association (TIA) of the AGM assessment on September 25, 2014 with 100 full score for the 4th consecutive years from 2011 to 2014.



30 YEARS of
SUSTAINABLE GROWTH

1992

Installation of fiber cement tile production lines, FC-3 and FC-4 with production capacity of 100,000 tons per year.

Awards of Pride



Safety Award



5S Award Model



Enterprise Award
in Safety



"Diamond" as the "Thailand's
Most Admired Brand"
for roofing tiles in
Construction Materials Group



Outstanding Company
Performance Awards



Top Corporate Governance
Report Awards



Thailand Trust Mark



"Investors' Choice Award" for
AGM Assessment



Enterprise Award in Labor
Relation Welfare

SIGNIFICANT CHANGES IN THE PAST YEAR

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.

June

On June 13, 2014 was the date for the exercise of warrants No.15 (Last Exercise) with 146,000 ordinary shares being exercised at Baht 1.00 per share totaling Baht 146,000. The Company registered the change of paid-up capital increase with the Ministry of Commerce on June 24, 2014, resulting in an increase in paid-up capital to Baht 1,047,958,000.

Future Projects

The Company has continued to increase its production capacity in line with market demand. Product research and development and improvement of manufacturing efficiency to increase competitiveness have also been undertaken. During year 2013, the Company had invested in several projects, including the AAC-1 Project, CT-KK Project and AAC-CM Project. As the result, the Company's production capacity has been increased to 982,000 tons per year, which is sufficient to support current market demand. Therefore, in 2014, the Company has focused on the development of supporting machinery and efficiency improvement of existing machinery to reduce environmental impact, which can be summarized as follows.

1. **Paint Production Line Project:** In the manufacturing process of fiber cement tiles and siding boards, there are variety of colors, natural and other colors to enhance their appearance and add value to the products. Hence, color paints are required from several sources, which are costly. Therefore, the Company carried out research and development on the paint for its own manufacturing process. In 2014, the Company manufactured its own standard paint for use in the fiber cement tiles and siding boards manufacturing process, reducing the production cost by 10 percent and increasing the product value by 10 percent.
2. **Improvement of Manufacturing Efficiency of Existing Machinery for Reduction of Environmental Impact Projects:** The Company realizes the importance of environmental responsibility and in year 2014, the Company has focused on the improvement of manufacturing process to become friendly to the environment. Therefore, the working teams have been assigned to be responsible for each of the following tasks.
 - 2.1 Air Pollution Reduction Project: There were four projects undertaken, namely (A) recycle of dust in the siding board production line; (B) dust reduction in the concrete tiles production line; (C) solution odor elimination at the CT-KK production line at Khon Kaen Province; and (D) reduction of coating loss in the CT-5 production line at Saraburi Province.
 - 2.2 Energy Management Project: There were two projects undertaken, namely (A) reduction of electricity consumption in the AAC production line; and (B) utilization of natural gas (NG) replacing bunker oil.
 - 2.3 Manufacturing Process Improvement for Energy Consumption Reduction: There were four projects undertaken, namely (A) improvement of production capacity of the cellulose plant production line; (B) improvement of the air compressor system in the FC, NT and CT production lines; (C) improvement of the steam system in the NT-9 production line; and (D) improvement of heat system of CL-4 production line.

Every project mentioned above has reduced impact to the environment and the energy usage has been efficiently managed. The duties of the working teams are to review and improve on the policy, objectives and work plan every year in order to continuously reduce energy consumption.

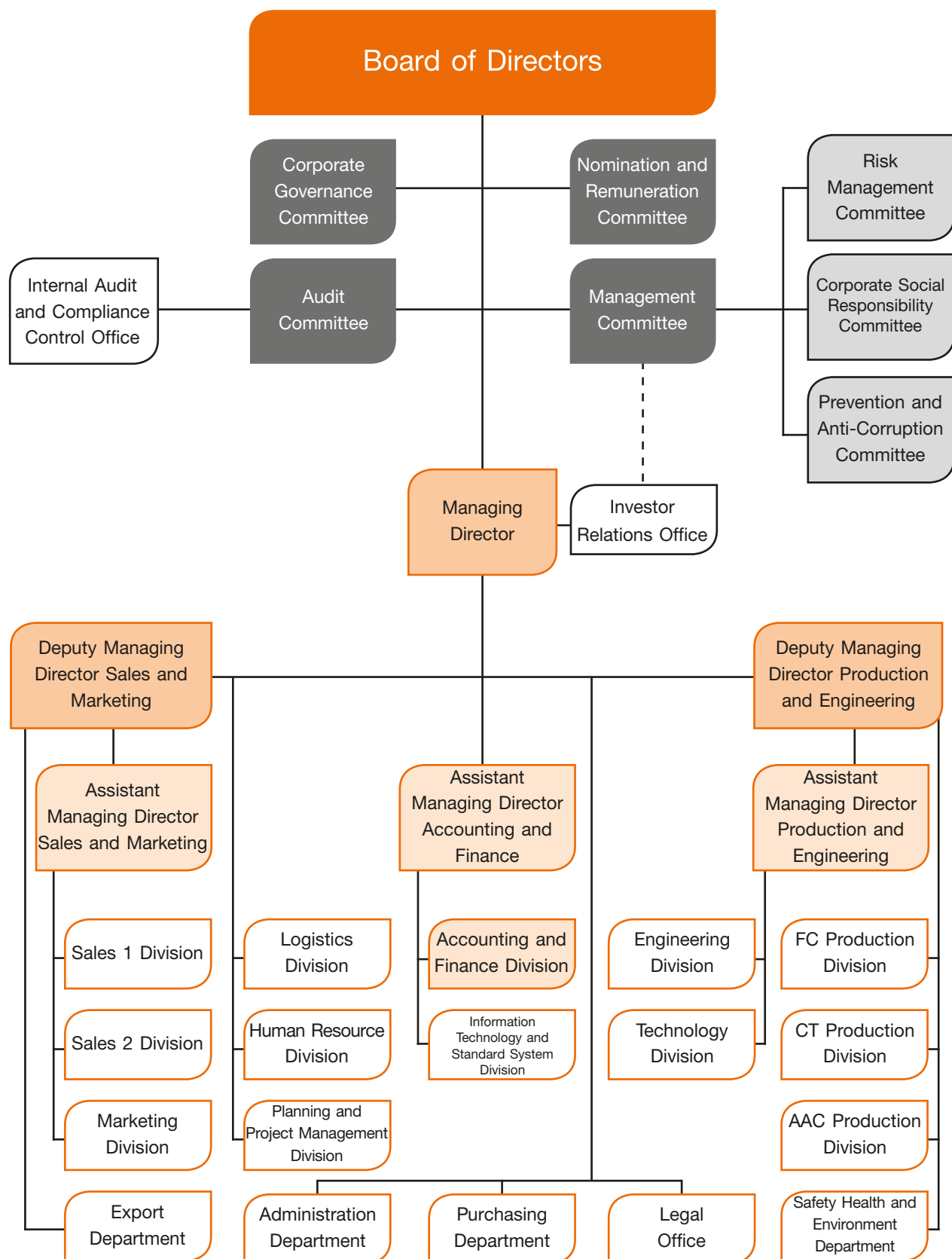
FINANCIAL INFORMATION

(Unit : Million Baht)	Consolidated Financial Statements		Separate Financial Statements		
	2014 *	2013	2014 *	2013	2012 Restated
Financial Status					
Total Assets	3,791	4,240	3,797	4,232	3,669
Total Liabilities	1,547	1,940	1,542	1,935	1,431
Shareholders' Equity	2,245	2,300	2,255	2,297	2,238
Operating Results					
Revenue from sales of goods and rendering of service	4,228	4,402	4,228	4,402	3,884
Gross Profit	1,015	1,171	1,016	1,160	1,173
Income before depreciation, finance costs and income tax expense (EBITDA)	747	901	746	891	926
Income before finance costs and income tax expense	415	607	428	605	716
Net Income	289	451	302	449	546
Financial Ratios					
Net Profit Margin (%)	6.84	10.24	7.14	10.19	14.05
EBITDA Margin (%)	17.66	20.47	17.65	20.25	23.85
Return on Equity (%)	12.73	19.87	13.26	19.79	25.32
Return on Total Assets (%)	7.20	11.40	7.52	11.36	16.08
Debt to Equity Ratio (times)	0.69	0.84	0.68	0.84	0.64
Interest Coverage Ratio (Times)	15.09	13.16	15.08	13.08	27.26
Net Gearing Ratio (times)	0.53	0.62	0.53	0.62	0.39
Earnings Per Share (Baht Per Share)	0.28	0.43	0.29	0.43	0.53
Book Value (Baht Per Share)	2.14	2.21	2.15	2.21	2.17
Summary Stock Information "DRT"					
Market Price as at Year End (Baht Per Share)	5.10	7.90	5.10	7.90	7.35
Number of Registered Common Shares (Million Shares)	1,050	1,050	1,050	1,050	1,050
Number of Paid – up Common Shares (Million Shares)	1,048	1,047	1,048	1,047	1,038
Par Value (Baht Per Share)	1.00	1.00	1.00	1.00	1.00
Market Capitalization as at Year End (Million Baht)	5,345	8,274	5,345	8,274	7,630
Price Earnings Ratio as at Year End (Baht Per Share)	18.21	18.37	17.59	18.37	13.87
Dividend Per Share (Baht Per Share)	0.27	0.38	0.27	0.38	0.40
Dividend Payout Ratio (%)	96	88	93	88	75

Remarks

* During 2014, 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



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

Head Office : 408/163-165 Paholyothin Place Building
40th Floor, Paholyothin Road, Samsennai,
Phayathai, Bangkok 10400
Telephone: 0-2619-0742
Fax: 0-2619-0488

Branch Office : 263, Moo 10, Tambol Maefae, Amphoe Sansai,
Chiang Mai 50290
Telephone: 0-3622-4171-8
Fax: 0-3622-4187

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, 2014, there were four Directors appointed by the Parent Company.

Name	Position	Board of Directors' Meeting (Times)	
		2014	2013
1. Mr. Asanee Chantong	Chairman of the Board	4/4	9/9
2. Mr. Satid Sudbuntad	Director	4/4	9/9
3. Mr. Maitree Tawonatiwasna	Director	3/4	9/9
4. Ms. Thanakarn Phanthapirat	Director and Secretary	4/4	9/9
Mr. Suwit Nardwangmuang *	Director (term ended 31/10/14)	4/4	9/9

Remark

* Mr. Suwit Kaewamphunsawat resigned from executive position, effective on October 31, 2014.

Investment Policy in the Subsidiary and/or Associated Company

The Company has policy for investing in the business that has potential for growth and provides appropriate investment return. Accordingly, the Company shall conduct such task under the relevant laws and regulations and if possible, the Company shall send its representative to become a director of the subsidiary and/or associated company to jointly establish policy and strategy and/or send its personnel to participate in the management of the company depending on circumstances.

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 2014, the subsidiary company had significant transactions with the parent company which holds 99.99 percent of shareholding in the subsidiary company and has four 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 39,326.77 tons of autoclaved aerated concrete totaling Baht 83.12 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 2.11 million with outstanding payment of Baht 4.21 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.

INDUSTRIAL SITUATION AND COMPETITION

1. Industrial Situation and Competition

During year 2014, Thailand was still faced with political problem and slump in prices of agricultural products resulting in significant deceleration in consumer spending, particularly from the agricultural sector in the provincial areas. As a result, Company's revenues have been affected with decline in both sales volume and prices through domestic sales distribution agent channels. In order to lessen such impact, the Company has increased its sales to the developing markets by selling to the border areas and the neighboring CLMV countries that still have strong demand for construction materials, as well as expanding housing project work to the provincial areas as property development operators have increasingly debuted several residential projects in the economic regional provinces. For the domestic distribution agents, the Company has organized training and development for the distribution agents to have capability and to support the stores and outlets for modern product arrangement and display to be more convenient for the consumers in choosing the products, and increase competitiveness for the domestic distribution agents. All these factors have been beneficial for the Company, 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 and synthetic wood substitute 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 domestic market has been affected by the economic condition, especially from the slump in prices of agricultural products leading to the decline of demand for industrial construction products, particularly in the southern region areas with extremely low rubber prices. Moreover, new producers have entered the market for roofing products and wood substitute products, which have made the competition more intense. More importantly, the substitute product, such metal sheet, has gained more popularity and replaced the Roman tiles, forcing the operators in the market to make necessary adjustments to cope with the changing situation.

Market shares in 2013 are as follows.

Manufacturers (Unit: million Baht)	Sales in 2013	
	Amount	Market Share
1. Siam Cement Group	13,605.91	46.21%
2. Mahaphant Group	6,876.82	23.36%
3. Diamond Building Products Pcl.	4,401.84	14.95%
4. Kitermit Group (Olaranvanich)	1,751.89	5.95%
5. Conwood	1,526.11	5.18%
6. Thai Ceramic Roofing Tiles Co., Ltd.	1,115.99	3.79%
7. Srikungdhonburi Co., Ltd.	163.93	0.56%
Total	29,442.49	100.00%

Source : Department of Business Development, Ministry of Commerce

1.3 Competition in Overseas Markets

In 2014, the value of exported roofing tiles, synthetic woods, boards and ceilings from Thailand to overseas markets was Baht 3,246.94 million, an increase of 114.97 percent from 2013, being categorized according to trading countries as follows.

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

Product Description (Unit : million Baht)	2014	2013	2012
Fiber Cement Tiles	915.21	857.76	795.10
Concrete Tiles	422.47	305.00	208.14
Boards and Ceilings	10.37	27.21	38.20
Synthetic Woods	1,898.89	320.46	334.50
Total Export Value	3,246.94	1,510.43	1,375.94
Expansion rate increase (decrease) (%)	114.97%	9.77%	(12.39%)

Source : Thai Customs Department

Trading Countries

Trading Countries (Unit : million Baht)	Fiber Cement Tiles	Ratio	Concrete Tiles	Ratio	Boards & Ceilings	Ratio	Synthetic Woods	Ratio
Australia	0.00	0.00%	0.00	0.00%	0.00	0.00%	1,510.49	79.55%
Laos	571.05	62.40%	127.31	30.13%	9.18	88.56%	41.54	2.19%
Cambodia	239.40	26.16%	259.90	61.52%	0.17	1.67%	22.76	1.20%
Singapore	0.00	0.00%	0.66	0.16%	0.00	0.00%	120.78	6.36%
Russian Federation	0.00	0.00%	0.00	0.00%	0.00	0.00%	109.19	5.75%
China	51.78	5.66%	0.20	0.05%	0.30	2.88%	0.30	0.02%
Myanmar	34.10	3.73%	29.91	7.08%	0.67	6.51%	29.39	1.55%
Others	18.88	2.05%	4.49	1.06%	0.05	0.38%	64.44	3.38%
Total Export Value	915.21	100.00%	422.47	100.00%	10.37	100.00%	1,898.89	100.00%

Source : Thai Customs Department

The Company mainly exports its 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 2014 was at Baht 564.54 million or 17.39 percent of the total export value.

1.4 Future Competitive Trends

(A) **Roofing Product Group** has been significantly affected by the substitute products such as the metal sheet, which has started to impact the concrete tiles whilst new producers have entered the market.

(B) **Wood Substitute and Board Group** has been continuously developed to meet variety of usage, becoming a full alternative to wood products. Major producers in the industry have increased their production capacity to meet the growth and also with new producers, which has resulted in a more intense competition. The majority of producers have focused on the sales promotion program and campaign to push the sales and capture more market share.

(C) **Autoclaved Aerated Concrete Group** has been affected by increasing supply with existing producers still increasing production capacity and new producers entering the market, resulting in excess production capacity, whilst product popularity has not increased much with certain market sector still prefers to use old products such as bricks and blocks leading to a more intense competition.

Therefore, in order to handle the increased competition, the Company has focused on constant improvement of product quality according the product slogan called “**Strong, Durable, Live Up to its Name, It must be Diamond**”, having product differentiation that is better than the products of competitors. Having been in the business for over 30 years, the Company has taken care of our distribution agents and customers as members of the Diamond Family, as well as improved the after-sales services toward excellence.

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)	2014	Ratio	2013	Ratio	2012	Ratio
Domestic Market	3,337.42	85.53%	3,570.42	87.83%	3,208.40	88.35%
• Agent Group	2,351.02	60.25%	2,586.95	63.64%	2,650.55	72.99%
• Modern Trade Group	553.45	14.18%	592.46	14.57%	299.13	8.24%
• Housing Project Group	432.95	11.10%	391.01	9.62%	258.72	7.12%
Export Market	564.54	14.47%	494.71	12.17%	423.14	11.65%
Total	3,901.96	100.00%	4,065.13	100.00%	3,631.54	100.00%

The Company has two main distribution channels as follows:

2.1 Domestic Market is categorized into 3 channels as follows:

(A) **Agent Group:** Currently, there are over 6,000 agents and stores located throughout the Country. Due to impact from the economic situation and factor from low agricultural product prices, especially the rubber prices, the purchasing power has been reduced, causing the revenue portion from the domestic agent group to decline by 9.12 percent from the previous year.

(B) **Modern Trade Group:** namely, Thai Watsadu, Siam Global House and Mega Home with 90 branches altogether locating throughout the Country, have also been affected by the economic condition, causing its revenue portion to decline by 6.58 percent from the previous year.

(C) **Housing Project Group:** As property development operators have increasingly debuted several residential projects in the economic regional provinces; therefore, the Company has expanded its project work to over 200 projects in Bangkok, the perimeter and provincial areas, resulting in an increase of revenue portion of 10.73 percent from the previous year.

2.2 Export Market: Due to impact from the economic situation in the Country, the Company has been interested in expanding its business to the border areas and overseas countries that are still in demand for construction material products. The Company currently sells products to more countries than the previous year, including Laos, Cambodia, Myanmar, China, Philippines, India, Taiwan, Malaysia, Vietnam, Brunei and Indonesia, resulting in an increase in revenue proportion from export of 14.12 percent as compared with the previous year.

3 Competitive Strategies

The Company has established strategic plan and marketing plan in accordance with the established target for each year. The strategic plan is regularly reviewed also when the product sales do not meet the established target, which can be summarized 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 emphasizes on research and development to improve product quality and reduce production costs, placing importance on development of new forms and colors, such as the development of 230-meter Jatulon tile to meet the requirement of commercial building group and development of new colors to increase choices for the consumers, such as Claudia Orange, Passion Orange, Naruebest Green, Rungravee Red, etc. Also, variety of

forms of usage and new colors have been developed and added to the wood substitute product group, namely decorative floor, skirt board and decorative stair, 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 focuses on taking care of the distribution agents as members of the Diamond Family and development of distribution agents to be strong and become important force for pushing Company's products forward along with increasing the number of new distribution agents with capability to cover the whole the country in order to increase its market share. Therefore, the task of maintaining and developing the distribution agents is considered very important by establishing the distribution channel development unit, organizing marketing activities and training programs to provide knowledge on new products. For the domestic stores, there has been 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. Management of Products or Services

4.1 Production

The Company has continued to expand its production capacity, having current production capacity of 982,000 tons per year, which is sufficient for the market demand. Even though in 2014, the Company's overall production capacity was estimated at 70 percent as the result of sluggish economy in the Country; however, if all the conditions should return to normal, the current production capacity should be sufficient for the market demand.

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 62.75 percent in 2013 to 62.20 percent in 2014.

(B) International sources

Asbestos, synthetic fibers, paper pulp, etc., are purchased from international sources. The proportion of international provision decreased from 37.25 percent in 2013 to 37.80 percent in 2014.

4.3 Problems concerning raw materials

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

SHAREHOLDING STRUCTURE

10 Largest Shareholders	No. of Shares	Proportion
1. Myriad Materials Co.,Ltd.	629,128,600	60.03%
2. Bualuang Long-Term Equity Fund	23,947,600	2.29%
3. Bualuang Long-Term Equity Fund 75/25	17,113,100	1.63%
4. Mr. Prakit Pradipasen	14,619,500*	1.40%
5. Bualuang Siriphol Corporate Governance Mutual Fund	10,616,200	1.01%
6. Mrs. Siriwan Jungthirapanich	10,000,000	0.95%
7. Bualuang Siriphol Corporate Governance RMF	9,761,400	0.93%
8. STATE STREET BANK AND TRUST COMPANY	9,754,800	0.93%
9. Bualuang Flexible Retirement Mutual Fund	9,370,200	0.89%
10. Bualuang Infrastructure Retirement Mutual Fund	7,416,700	0.71%
11. Others	306,229,900	29.23%
Total	1,047,958,000	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 30th Annual General Meeting of Shareholders (Year 2015) and rights to receive dividends on the Record Date of Wednesday, March 11, 2015, 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 Thursday, March 12, 2015.

Currently, Myriad Material Co., Ltd. is the major shareholder of the Company, having the group of Mr. Chaikut Srivikorn 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. Chaikut Srivikorn, 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.



30 YEARS of
SUSTAINABLE GROWTH

1994

Installation of fiber cement tile production line, FC-5, with production capacity of 50,000 tons per year.

SHAREHOLDING OF DIRECTORS AND EXECUTIVES

Information from report on securities holding of Directors and executives as at December 31, 2014.

Names	Ordinary Shares (shares)		
	As at December 31, 2014	As at December 31, 2013	Increase / (Decrease)
1. Mr. Prakrit Pradipasen *	14,619,500	14,619,500	-
2. Mr. Phaithoon Kijssamrej	1,500,100	1,800,100	(300,000)
3. Mr. Chaikut Srivikorn	3,100,100	3,100,100	-
4. Mr. James Patrick Rooney	4,350,100	4,350,100	-
5. Mr. Thanit Pulivekin	-	-	-
6. Mr. Sakda Maneeratchatchai	4,099,600	4,099,600	-
7. Mr. Anun Louharanoo	2,350,000	2,350,000	-
8. Mr. Asanee Chantong	1,439,900	1,439,900	-
9. Mr. Satid Sudbuntad	5,400,000	5,400,000	-
10. Mr. Maitree Tawonatiwasna *	2,700,000	2,700,000	-
11. Mr. Krit Phanratanamala	-	-	-
12. Mr. Woodthikrai Soatthiyanon	-	-	-
13. Ms. Thanakarn Phanthapirat	2,760,000	2,760,000	-
14. Mr. Krit Kullertprasert	420,000	420,000	-
Mr. Suwit Kaewamphunsawat (term ended 31/10/14) **	-	2,850,000	-
Total	42,739,300	45,889,300	(300,000)

Remark:

* Number of shareholding including spouse and minor child.

** Mr. Suwit Kaewamphunsawat resigned from executive position ended October 31, 2014.



30 YEARS of
SUSTAINABLE GROWTH

1995

Installation of fiber cement tile production line, FC-6, with production capacity of 50,000 tons per year.

REMUNERATION FOR DIRECTORS, EXECUTIVES AND EMPLOYEES

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

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

1.1 Board of Directors and Sub-committees

The NRC 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.

- (A) 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.
- (B) 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.
- (C) Remuneration is considered based on the operating results of the Company for each year.
- (D) 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.
- (E) 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 allowance) and annual remuneration (such as bonus or 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 Executives and Employees of the Company

The NRC has considered establishing format and rule for payment of remuneration and welfare for the executives and employees of the Company in both short term and long term as follows.

- (A) **Consideration of Short Term Remuneration:** Salary and annual remuneration (bonus) payments are undertaken as follows.
 - (1) The Company has established the Key Performance Indicators (KPI) for the Company to be used for consideration of salary adjustment and bonus payment for the employees of the Company by considering the annual budget and operating targets of the Company, as well as the market and economic situation. The NRC then provides its comments to the Company's Board of Directors for its consideration and approval.
 - (2) The Company has established the rule for assessment of work performance and established the payment structure for salary, annual remuneration (bonus) and annual salary increase for the executives from the Assistant Managing Director and higher. The NRC then provides its comments to the Company's Board of Directors for its consideration and approval.
 - (3) The Company has established the payment structure for salary, benefit and other welfares for the Company's employees in both explicit (cash) and non-cash basis.
- (B) **Consideration of Long Term Remuneration:** Remuneration at the retirement or when quitting the job are undertaken as follows.
 - (1) The Company has established provident fund for the employees to promote money saving of the employees. The Company contributes an equal amount as paid by the employee at the rate of 3%, 5% and 7% of base salary depending on period of employment and willingness of the employee. The fund will be paid to the employee at the retirement or when the employee quits the job.
 - (2) The Company has conducted assessment of benefits of employee at retirement or when the employee quits the job determined by actuarial method, which derives from projected benefit liability of employee having right to receive severance benefit at retirement in accordance with the Labor Protection Act. Such liability has been calculated by the independent actuary and from assumptions based on the actuarial method termed the Projected Unit Credit Method, which is projected from current value of cash flow of benefit expected to be paid in the future by calculating based on salary of the employee, turnover rate of employees, mortality, employment period and other factors.
 - (3) Other remunerations such as the Employee Stock Option Program (ESOP) with the objective of getting the employees motivated and work with all capacity, which should result in an increase of Company's share value. Moreover, the program should motivate those employees with knowledge and capability and are important to increase competitiveness of the Company, etc.

2. Remuneration Payment

2.1 Explicit Remuneration

- (A) **Monthly Remuneration of the Directors** (for the year ending December 31, 2014)

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.

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

(B) Annual Remuneration of the Directors (for the year ending December 31, 2014)

Name (Unit : million Baht)	Annual Remuneration			Bonuses	Total
	Board of Directors	Audit Committee	Nomination and Remuneration Committee		
1. Mr. Prakit Pradipasen	0.96	-	-	0.30	1.26
2. Mr. Phaithoon Kijssamrej	0.60	-	0.12	0.30	1.02
3. Mr. Chaiyut Srivikorn	0.60	-	0.24	0.30	1.14
4. Mr. James Patrick Rooney	0.60	-	-	0.30	0.90
5. Mr. Thanit Pulivekin	0.60	0.24	-	0.30	1.14
6. Mr. Sakda Maneeratchatchai	0.60	0.36	-	0.30	1.26
7. Mr. Anun Louharano	0.60	0.24	0.12	0.30	1.26
8. Mr. Asanee Chantong	0.60	-	-	0.30	0.90
9. Mr. Satid Sudbuntad	0.60	-	-	0.30	0.90
10. Mr. Maitree Tawonatiwasna	0.60	-	-	0.30	0.90
11. Mr. Krit Phanratanamala	0.60	-	-	0.30	0.90
12. Mr. Woodthikrai Soatthiyanon	0.60	-	-	0.30	0.90
Total	7.56	0.84	0.48	3.60	12.48

(C) Comparison of Remunerations of Directors and Executives

Remuneration (Unit : Million Baht)	2014		2013		2012	
	Persons	Amount	Persons	Amount	Persons	Amount
Directors' Remuneration & Bonus	12	12.48	12	13.76	12	13.39
Executives' Salary, Bonus and Others *	5 **	32.03	6	33.33	6	31.09
Total		44.51		47.09		44.48

Remark

* This includes provident fund of year 2014:2013:2012 = 1.78 : 1.23 : 1.16 Million Baht

** Mr. Suwit Kaewamphunsawat resigned from the executive position, effective on October 31, 2014.

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, which 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.

AUDIT FEE OF THE COMPANY AND ITS SUBSIDIARY COMPANY

For the fiscal year ended December 31, 2014.

The appointed certified public accountant for the Company and its subsidiary of year 2014 and year 2013 was Ms. Bongkot Amsageam, certified public accountant registration no.3684, of KPMG Phoomchai Audit Ltd. The audit fees for year 2014 increased from year 2013 by 1.12 percent, which can be summarized as follows.

Description (Unit: Baht)	2014	2013	Increase / (Decrease)	
			Amount	%
Audit Fee of the Company				
Annual audit fee	660,000	630,000	30,000	4.76
Interim financial statements audit fee consolidated financial statements audit fee	360,000	360,000	-	-
Other expenses	320,000	240,000	80,000	33.33
	-	141,372 *	(141,372)	(100.00)
Total	1,340,000	1,371,372	(31,372)	(2.29)
Audit Fee of the Subsidiary Company **				
Annual audit fee	280,000	250,000	30,000	12.00
Interim financial statements audit fee	60,000	40,000	20,000	50.00
Total	340,000	290,000	50,000	17.24
Total	1,680,000	1,661,372	18,628	1.12

Remarks:

* Expense paid for the transfer of audit work from the auditor, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd., to another auditor, KPMG Phoomchai Audit Ltd., for Baht 49,000 and other expenses such as travelling expense, photocopy expense and telephone expense, etc.

** The audit fee of the subsidiary company started from the financial statements for the 3rd quarter of 2013 due to the fact that the subsidiary company commenced its operation on May 9, 2013.



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 comprises of experts from various disciplines having expertise and experience in such fields as industry, engineering, management, sales and marketing, accounting and finance, legal and corporate governance. At least one of the non-executive directors must possess knowledge and understanding of the Company's business, leadership quality, vision, independent thinking, dedication to work and responsibility, prudence and honesty for the best interest of the Company, shareholders and every group of stakeholders.

As of December 31, 2014, 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)	
		2014	2013
1. Mr. Prakrit Pradipasen	Chairman of the Board	13/13	12/12
2. Mr. Phaithoon Kijamrej	Director	13/13	11/12
3. Mr. Chaiyut Srivikorn	Director	11/13	11/12
4. Mr. James Patrick Rooney	Director	10/13	12/12
5. Mr. Thanit Pulivekin	Independent Director (started April 24, 2013)	12/13	9/9
Mr. Somboon Phuvoravan	Independent Director (ended April 24, 2013)	-	3/3
6. Mr. Sakda Maneeratchatchai	Independent Director (started April 17, 2009)	13/13	11/12
7. Mr. Anun Louharanoo	Independent Director (started January 10, 2005)	13/13	12/12
8. Mr. Asanee Chantong	Director / Managing Director	13/13	12/12
9. Mr. Satid Sudbuntad	Director / Deputy Managing Director	13/13	12/12
10. Mr. Maitree Tawonatiwasna	Director / Deputy Managing Director	13/13	12/12
11. Mr. Krit Phanratanamala	Director	13/13	12/12
12. Mr. Woodthikrai Soatthiyanon	Independent Director (started January 12, 2011)	13/13	12/12
13. Ms. Thanakarn Phanthapirat	Company Secretary	13/13	12/12

Directors authorized to sign on behalf of the Company are Mr. Prakrit Pradipasen, Mr. Chaiyut Srivikorn, 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.

- 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.
- To establish that the vision and mission be reviewed and at least within five years and participate in the formulation of vision and mission so that the executives and employees have the same objectives.
- 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-corruption by having the management practice and adhere to all the policies and report the work performance at least once a year.
- 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).

5. 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.
6. 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.
 - 6.1 Audit Committee.
 - 6.2 Nomination and Remuneration Committee.
 - 6.3 Corporate Governance Committee.
 - 6.4 Management Committee.
7. 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.
 - 7.1 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.
 - 7.2 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.
8. 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.
9. 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.
10. In order for the Board of Directors to achieve its objectives, it has been established that the Board of Directors has approval authority according to the work regulations and approval authority as approved from the meeting of the Board of Directors as follows.
 - 10.1 Financial Approval Authority Above the Authority of the Management Committee, namely:
 - (A) Write-off of assets that are no longer in use, damaged, deteriorated, to be destroyed or sold as scrap, which has been reviewed by the Audit Committee already.
 - (B) Write-off of inventory or adjustment of items from inventory counting, which has been reviewed by the Audit Committee already.
 - (C) Write-off of bad debt from normal commercial transaction with evidence of appropriate debt collection activities but without success and that it would not be worthwhile to sue the debtor, having more expenses than the debt payment (according to the Ministerial Regulation No.186 B.E. 2534), which has been reviewed by the Audit Committee already.
 - (D) Opening or closing of fixed deposit account, saving account and current account with the financial institution, including acceptance or termination of credit line with the financial institution.
 - (E) Long-term loan or promissory note of more than one year contract term.
 - (F) Service employment contracts of more than one year contract term.
 - 10.2 Approval of the establishment, merger or termination of subsidiary company or joint venture company of the Company in compliance with the notifications of the Stock Exchange of Thailand and the Securities and Exchange Commission concerning the acquisition or disposition of assets and relevant laws.
 - 10.3 Approval of investment in the fixed asset, namely, installation of new production line or improvement of existing production line, in compliance with the notifications of the Stock Exchange of Thailand and the Securities and Exchange Commission concerning the acquisition or disposition of assets and relevant laws.
 - 10.4 Other approval authorities in accordance with the Company's regulations.

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 2014, the Audit Committee held 6 meetings altogether.

As of December 31, 2014, the Audit Committee comprised the following 3 members.

Names	Positions	Audit Committee's meeting (Sessions)	
		2014	2013
1. Mr. Sakda Maneeratchatchai	Audit Committee Chairman (appointed April 24, 2013)	6/6	10/10
Mr. Somboon Phuvoravan	Audit Committee Chairman (ended April 24, 2013)	-	4/4
2. Mr. Anun Louharanoo *	Audit committee Member	6/6	10/10
3. Mr. Thanit Pulivekin	Audit committee Member (appointed April 24, 2013)	6/6	6/6

Remark

* 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 Wiriyakhattiyaporn 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; to review internal control and internal audit systems to be sufficient and effective; to consider the independence of the internal audit, as well as to approve the appointment, transfer and dismissal of the head of the internal audit unit or any other units responsible for the internal audit work; to select and propose appointment of the independent auditor and the audit fee, as well as to propose for reappointment or termination the previous independent auditor, by taking reliability into consideration, including attending the meeting with the independent auditor without the management at least once a year; to consider connected transactions or transactions that may have conflicts of interest; to prepare an audit committee report to be disclosed in the Company's annual registration statement (Form 56-1) and the annual report (Form 56-2); and to 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 Wiriyakhattiyaporn, 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 2014, the Nomination and Remuneration Committee held 4 meetings altogether.

As of December 2014, the Nomination and Remuneration Committee comprised of the following 3 members.

Names	Positions	Nomination and Remuneration Committee Meeting (Sessions)	
		2014	2013
1. Mr. Chaiyut Srivikorn	Nomination and Remuneration Committee Chairman	4/4	5/5
2. Mr. Phaithoon Kijssamrej	Nomination and Remuneration Committee Member	4/4	5/5
3. Mr. Anun Louharanoo	Nomination and Remuneration Committee Member	4/4	5/5

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.
 - 1.1 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.
 - 1.2 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.
 - 2.1 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 allowances) 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.
 - 2.2 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.
 - 2.3 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 the Nomination and Remuneration Committee Report: The Report is prepared 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 and 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 an 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 2014, the Corporate Governance Committee held 4 meetings altogether with every member attending all the meetings.

As at December 31, 2014, the Company has a total of 3 Corporate Governance Committee members as follows.

Names	Positions	Corporate Governance Committee Meeting (Sessions)	
		2014	2013
1. Mr. Thanit Pulivekin	Corporate Governance Committee Chairman	4/4	3/3
2. Mr. Woodthikrai Soatthiyanon	Corporate Governance Committee Member	4/4	3/3
3. Mr. Satid Sudbuntad	Corporate Governance Committee Member	4/4	3/3

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

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 self-assessment of the performance of the Board of Directors and sub-committees, as well as , to approve the results of the assessment in order to propose to the Board of Directors of the Company for its consideration. In 2014, there were self-assessment of the performance of the Board of Directors as a whole, as an individual and of the sub-committees, which can be summarized as follows.

2.1 Objectives:

- (A) To be aware of the problems and obstacles which have prevented operation from achieving its objectives during the past year.
- (B) For the Board of Directors and sub-committees to accomplish more effective work by clearly acknowledging their own responsibilities.
- (C) To help improve the relationship between the Board of Directors and the Management.

2.2 Assessment Procedure: Each member of the Board of Directors or committee shall use the Self-Assessment of Performance Form for the whole board, the individual and the sub-committees by specifying the comments of each member by making a check mark (✓) in the scoring box from 1-5 for each topic, having the following definitions.

1 = Strongly Disagree 2 = Disagree 3 = Agree 4 = Mostly Agree 5 = Strongly Agree

2.3 Topics of Assessment for the Board of Directors as a Whole and as an Individual: The highest topics of assessment are categorized into 7 topics except for Topic (A)*, which is only for the assessment of the whole Board of Directors.

- (A)*Structure and Qualifications of the Board of Directors.
- (B) Roles, Duties and Responsibilities of the Board of Directors.
- (C) Meeting of the Board of Directors.
- (D) Performance of the Board of Directors.
- (E) Relationship with the Management.
- (F) Self-Development of the Directors and Executives.
- (G) Summary Assessment of the Board of Directors' Performance for each topic with opinions on the strengths, weaknesses and improvements.

2.4 Topics of Assessment for the Sub-Committees: The highest topics of assessment are categorized into 6 topics except for Topic (C)*, which is only for the assessment of the Audit Committee, the Nomination and Remuneration Committee and the Corporate Governance Committee.

- (A) Structure of the Sub-Committee.

- (B) Knowledge and Capability of the Sub-Committee.
- (C)*Independence of the Sub-Committee.
- (D) Roles, Duties and Responsibilities of the Sub-Committee.
- (E) Meeting of the Sub-Committee.
- (F) Summary Assessment of the Performance of the Sub-Committee for each topic with opinions on the strengths, weaknesses and improvements.

2.5 Summary Results of the Self-Assessment of the Performance of the Board of Directors as a Whole and as an Individual and the Sub-Committees:

- (A) The Board of Directors as a whole received an average assessment score of 93.5 percent, having the highest score on Topic (C), Meeting of the Board of Directors at 96.3 percent and the lowest score on Topic (F), Self-Development of the Directors and Executives at 89.3 percent.
- (B) The Board of Directors as an individual received an average assessment score of 93.1 percent, having the highest score on Topic (D), Performance of the Board of Directors at 96.9 percent and the lowest score on Topic (B), Roles, Duties and Responsibilities of the Board of Directors at 90.5 percent.
- (C) Summary results of the assessment for every board and sub-committee are as follows.

Board of Directors/Committees	Performance Assessment	
	2014	2013
1. Board of Directors as a whole	93.5%	94.0%
2. Board of Directors as an individual	93.1%	94.2%
3. Audit Committee as a whole	94.4%	96.4%
4. Nomination and Remuneration Committee as a whole	92.8%	92.4%
5. Corporate Governance Committee as a whole (started in 2014)	95.6%	-
6. Management Committee as a whole (started in 2014)	96.7%	-
7. Risk Management Committee as a whole (started in 2014)	88.4%	-

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 2014, the Management Committee held 40 sessions of weekly meeting altogether.

As of December 31, 2014, the Management Committee comprised the following 4 members.

Names	Position	Management Committee Meeting (Sessions)	
		2014	2013
1. Mr. Asanee Chantong	Management Committee Chairman	40/40	38/38
2. Mr. Satid Sudbuntad	Management Committee Member	40/40	36/38
3. Mr. Maitree Tawonatiwasna	Management Committee Member	38/40	38/38
4. Ms. Thanakarn Phanthapirat	Management Committee Member and Secretary	39/40	36/38
Mr. Suwit Kaewamphunsawat	*Management Committee Member	28/33	38/38

Remark

* Mr. Suwit Kaewamphunsawat has resigned effective on October 31, 2014 and work concerning sales and marketing has been assigned directly under Mr. Satid Sudbuntad, the Director and Deputy Managing Director in Sales and Marketing.

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 legal officer becoming the Risk Committee Member by position. 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 2014, the Risk Management Committee held 8 meeting sessions.

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 2014, 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 2014, the CSR Committee held 3 meetings altogether.

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 Anti-Corruption Committee

The Management Committee has been assigned by the Company's Board of Directors to appoint the Anti-Corruption Committee and the Board of Directors has resolved to enroll and join the Private Sector Collective Action Coalition against Corruption (CAC) in order for the Company to operate its business with transparency and accepted by every group of stakeholders. In order to achieve the objectives, the anti-corruption working groups have been appointed as follows.

1. Anti-Corruption Steering Committee comprises of at least 3 Company's executives from the level of Assistant Managing Director and higher, having the Managing Director be appointed as the Chairman of the Anti-Corruption Steering Committee by position. Its duties and responsibilities include establishment of anti-corruption policy, supporting, offering advice and resolving problems of the Anti-Corruption Working Committee for effective operation, etc.

2. Anti-Corruption Working Committee comprises of at least 9 Company's executives from the level of Department Manager and higher, including the Legal Department Manager, to work on a preparation of the handbook and good practice on anti-corruption, regulations and instructions related to the anti-corruption, risk assessment on Company's corruption activity, organization of training and development of executives and employees for awareness and understanding of the anti-corruption task, including communication, public relations and monitoring of performance in accordance with the established policy.

Accordingly, in 2014, the Anti-Corruption Committee held three meetings altogether to plan and carry out work in order to receive the certificate as the member of the Private Sector Collective Action Coalition against Corruption (CAC), which should be completed within the 2nd quarter of 2015.

2.4.4 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, 2014, The Company had 4 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. Ms. Thanakarn Phanthapirat	Assistant Managing Director in Finance and Accounting
Mr. Suwit Kaewamphunsawat *	Assistant Managing Director in Sales and Marketing

Remark

* Mr. Suwit Kaewamphunsawat has resigned effective on October 31, 2014 and work concerning sales and marketing has been assigned directly under Mr. Satid Sudbuntad, the Director and Deputy Managing Director in Sales and Marketing.

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.

1. Accounting, Taxation: Authorized persons are specified for each item.
2. Approval for Purchasing/Hiring and Repairing: Financial amount is specified for each position.
3. Financial approval, cash or check payment: Financial amount is specified for each position.
4. Short-term loan not more than 1 year term: Financial amount is specified for each position.
5. Long-term loan: Must be proposed to the Board of Directors for consideration and approval.
6. Service employment contracts not more than 1 year term: Financial amount is specified for each position.
7. 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.
8. 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.

Furthermore, to supervise the business to be in compliance with the Company's rules and regulations and the Securities and Exchange Laws, regulations and good practices of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand and other laws related to the Company's business operation.



NOMINATION OF DIRECTORS AND EXECUTIVES

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.
 - (A) One shareholder will have each share being counted as one vote.
 - (B) Each shareholder must use all the votes according to (A) 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.
 - (C) 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 Prevention and Anti-Corruption Committee comprises of the following anti-corruption working groups:
 - (A) Prevention and Anti-Corruption Steering Committee comprises of at least 3 Company's executives from the level of Assistant Managing Director and higher, having the Managing Director be appointed as the Chairman of the Prevention and Anti-Corruption Steering Committee by position. Its duties and responsibilities include establishment of anti-corruption policy, supporting, offering advice and resolving problems of the Prevention and Anti-Corruption Working Committee for effective operation, as well as, consideration and order on the issues that the Chairman of the Working Committee has no authority or conclusion cannot be reached.
 - (B) Prevention and Anti-Corruption Working Committee comprises of at least 9 Company's executives from the level of Department Manager and higher, including the Legal Office Manager, to work on a preparation of the handbook and good practice on anti-corruption, regulations and instructions related to the anti-corruption, risk assessment on Company's corruption activity, organization of training and development of executives and employees for awareness and understanding of the anti-corruption task, including communication, public relations and monitoring of performance in accordance with the established policy.
- 3.4 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, 2014 until December 31, 2014. There was no shareholder proposing any meeting agenda or nominating any new director.



30 YEARS of
SUSTAINABLE GROWTH

2001

Changed and registered the company name to "Diamond Roofing Tiles Company Limited" (DRT).

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, 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, 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 and 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.
 - 3.1 Deduction of salary or compensation.
 - 3.2 Terminate, fire or removal from the position of executive 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.
 - 3.3 Notify the incident to the Stock Exchange of Thailand and/or the Office of the Securities and Exchange Commission.
 - 3.4 Report the case for legal prosecution.
 - 3.5 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.

DIVIDEND PAYMENT POLICY

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 2015 are as follows:

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.

Dividend	2014 *	2013	2012
Earnings Per Share (Baht Per Share)	0.29	0.43	0.53
Dividend Per Share (Baht Per Share)	0.27	0.38	0.40
Dividend Payout Ratio (%)	93%	88%	75%
Dividend Paid (million Baht)	283	396	414
Number of Paid – up Common Shares (Million Shares)	1,048	1,047	1,038
Par Value (Baht Per Share)	1.00	1.00	1.00

Remark:

* In 2014, 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 2014, the projected dividend payment was calculated based on the number of issued and paid-up shares outstanding as at end of year 2014; 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 11, 2015 (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.

CORPORATE GOVERNANCE

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 2014, the Company received awards relating to corporate governance as follows.

1. The Company was placed in the **“Very Good”** group with a four-star award (▲▲▲▲) for the assessment of Corporate Governance and received score of 86 percent in the **Top Quartile** level in the group of companies with market capitalization of Baht 3,000 to 9,900 million, due to the adjustment of assessment criteria and scoring to be in line with the ASEAN CG Scorecard.
2. The Company received an **“Excellent”** rating within 100-point range for the Annual General Meeting Assessment of the Listed Companies Year 2014 by the Thai Investors Association (TIA).
3. The Company received **“Investor’s Choice Award”** on September 25, 2014 from the Thai Investors Association (TIA) on the AGM assessment, having earned a full score of 100 points (**“Excellent”**) for the 4th consecutive years from 2011 to 2014.

Good Corporate Governance Policy:

Corporate Governance is considered a responsibility of the Directors, executives and employees in conducting their duties with accountability, prudence and honesty; ensuring equitable treatment of shareholders; protecting against the use of inside information for the benefit of oneself or other persons illegally; disclosing information transparently; practicing the code of conduct with every stakeholder without violating human rights; being political neutrality and anti-corruption, in order to achieve sustainable development.

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 accountable. 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 every year, which was disseminated on the Company’s website (www.dbp.co.th) for the first time in 2010 and can be summarized as follows. **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 any way 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. Meeting invitation is also advertised and published in the newspapers at least 3 days before the meeting date in order for the shareholders to have sufficient time for consideration and information study for 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.



**30 YEARS of
SUSTAINABLE GROWTH**

2003

Received the industrial standard
certification, ISO 9001: 2000 from SGS
Thailand Limited (SGS)

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. Accordingly, 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.

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 every 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 every 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 prohibits 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 established regulation, 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 to 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 the code of conduct by posting it on the Company's website to be used as guideline for practice toward the rights of all stakeholders, either internal stakeholders such as the Company's employees and executives or external stakeholders such as the 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 the quality policy, safety and environment policy, corporate social responsibility policy, anti-corruption policy and promotes the employees to follow these policies. Moreover, the Company has established practice guidelines concerning these policies so to boost confidence from every group of stakeholders on the Company's business operation.



30 YEARS of SUSTAINABLE GROWTH

2004

- Installation of concrete tile production line, CT-3, for production of flat sheet tiles under the name "ADAMAS" with production capacity of 25,000 tons per year.
- Converted to a public company limited and changed the company name to "Diamond Roofing Tiles Public Company Limited".

- 1.3 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).
- 1.4 The Company has established policy and regulation concerning the remuneration and welfare for the employees in conformity with the Company's operating results and established rule on the key performance indicator (KPI) to be used for consideration of salary adjustment and annual remuneration or bonus payment. In addition, the Company has established the provident fund for the employees in order to promote money saving of the employees, with the Company contributing equal amount as the employee's payment at the rate of 3%, 5% and 7% of the base salary according to the employment and willingness of the employee.
- 1.5 The Company has established policy concerning the training and development of the employees by planning on the Annual Training Roadmap in advance and disclosing the number of training hours within the Corporate Social Responsibility and Sustainability Report included in the Annual Report.
- 2. Disclosure of Compliance with the Policy and Preparation of Corporate Social Responsibility and Sustainability 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.

3. Policy on Whistle-Blowing and Complaints

The Company conducts the business with transparency and fairness and also realizes that corruption will have an impact on the Company's operation and therefore, the Board of Directors has established the "Policy on Whistle-Blowing and Complaints" of stakeholders in writing in accordance with the principles of good corporate governance, in order to have a mechanism for participation of the stakeholders. Accordingly, the Board of Directors has established measure or channels for the whistle-blowing and complaints as follows.

3.1 Providing Opportunity for the Stakeholders for the Whistle-Blowing and Complaints.

The stakeholder who wishes to contact the Board of Directors directly without passing through the Company's executives in order to express any opinions concerning business operation, including whistle-blowing or complaints, such as wrongful conduct or fault, illegal or unethical activity or corruption, etc., may do so by sending the complaint directly to the Audit Committee of the Company as follows.

- By Mail to :-
The Chairman of the Audit Committee
69-70 Moo 1, Mitraphap Road, Km. 115
Tambon Talingchan, Amphur Muang, Saraburi 18000
- By E-Mail Address : Corpcenter@dbp.co.th

3.2 Protection for the Whistle-Blower.

The stakeholder, who has submitted the whistle-blowing or complaints according to 3.1 above, does not need to disclose his/her name.

3.3 Procedure after Receiving the Whistle-Blowing or Complaints.

The Audit Committee shall examine the information or fact as reported by the whistle-blower according to 3.1 above and then propose the matter directly to the Board of Director for its acknowledgment and consideration.

3.4 Correction Measure and Compensation.

In the case that the stakeholder suffers damage from the violation of law, the Company is willing to listen to comment or complaint and shall immediately rectify the fault or impact, including finding protection measure so that such incident will not occur again and considering appropriate compensation for the damaged person on a case-by-case basis.

In addition to the complaint channel above, the Company has established the procedure for management of the complaints from the employees as every employee has duty to report any incident or behavior in the workplace that is wrongful or suspicious of violation of any principles of good corporate governance of the Company or regulations or laws, to the supervisor or directly report to the Internal Audit and Compliance Control Office if any activity was found or might be illegal or in violation of the principles of good corporate governance of the Company, which may have an



**30 YEARS of
SUSTAINABLE GROWTH**

2005

- Received the occupational health and safety management system standard (OHSAS 18001:1999) from SGS (Thailand) Ltd. (SGS)
- Installation of production line, NT-7, utilizing new technology for production of non-asbestos products into the market under the name "Jearanai", with production capacity of 24,000 tons per year.
- Registered the ordinary shares for trading with the Stock Exchange of Thailand and shares were first traded on November 29, 2005 under the stock trading acronym of "DRT"

impact on the employees and other stakeholders and the Company. The Internal Audit and Compliance Control Office shall examine the fact and summarize details of such incident and report to the Audit Committee for its consideration and suggestions and proceed to rectify the problem or take legal action for such wrongdoing. Nonetheless, the information on the whistle-blower and other details shall be kept confidential in order to build confidence for the whistle-blower.

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 accuracy, 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 is updated regularly.
- 1.2 The Company has established that the Company's objectives or strategies be disclosed within the Annual Report (Form 56-2).
- 1.3 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.
- 1.4 The Company has established that the Board of Directors reports 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).
- 1.5 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.
- 1.6 The Company has established that the audit fees and other expenses of the auditor be disclosed within the Annual Registration Statements (Form 56-1) and the Annual Report (Form 56-2).
- 1.7 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.
- 1.8 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, and also, the remunerations received by each Director from the subsidiary company for the directorship position (if any).

1.9 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 such as the Company's vision and mission, objectives or strategies, business nature, background and information of the Board of Directors, executives and Company Secretary, shareholding structure of both direct and indirect and corporate structure, etc.



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 comprises of experts from various disciplines who possess the expertise, experience, leadership, vision, independent decision, dedication and effort for their responsibilities. They also exercise prudence and honesty for the best interest of the Company and its shareholders. The Board of Directors has established the composition, qualifications, roles, duties, responsibilities and approval authority of the Board of Directors and all sub-committees and has specified which directors are independent directors, including having established the policy and rule for the nomination and determination of remunerations for the Company's directors and executives as well as preparation of the succession plan. Moreover, the Human Resource Development project (HRD Project) has been organized for development of executives and employees at every level within the organization, having the plan to promote the executives to enroll in relevant courses necessary for management skill development. In addition, the Board of Directors has approved of the corporate governance policy, the risk management policy, the anti-corruption policy in writing covering the whole organization, which have been disseminated on the Company's website and in the Annual Report.

The Board of Directors has established that at least one of the non-executive directors must possess knowledge on the Company's business operation to be able to control and supervise the management for the best interest of the Company. The Board of Directors stipulates that the Chairman of the Board of Directors and the Managing Director are of different individuals, having separated their scopes of duties and responsibilities and stipulated that the number of companies that the Managing Director may take up the position suitable to the nature and condition of the Company's business, which should not be more than 3 listed companies. Furthermore, there is a review once a year on the self-assessment forms of the Board of Directors' performance as a whole and as an individual and of all the sub-committees in order for the directors or committee members to review their own performance on the strengths and weaknesses and to improve on the performance of the Board of Directors for the utmost benefit to the Company's business operation.

The Board of Directors has established that the meeting of the Board of Directors is convened at least once every three months and that the meeting schedule is prepared in advance every year. Each meeting must be attended by the Company's directors by at least one-half of the total number of Company's directors to be considered a meeting quorum. Each director is entitled to one vote, except for the director who has an interest in certain matter shall have no right to vote in such agenda. If the vote counts are even, the meeting chairman shall have the right for another vote as a casting vote. The Company Secretary is assigned to convene the meeting by sending the meeting invitation to the directors at least seven days before the meeting date, etc. (more details about the Board of Directors' Meeting can be found in the Good Corporate Governance Handbook disseminated on the Company's website.)

Accordingly, in 2014, the Company has joined the Private Sector Collective Action Coalition against Corruption (CAC) by signing the announcement of intention to join CAC on May 15, 2014.

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 such as 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 approve the announcement of the Code of Conduct for the Company's operations in conformity with the Good Corporate Governance Policy and thereby having established the framework for the code of conduct to be used as practice guideline toward every group of stakeholders; code of conduct on conflict of interest regardless whether they are internal stakeholders, namely the employees and executives of the Company or external stakeholders, namely the shareholders, customers, trading partners, competitors, creditors, society, community and environment, including policy on non-violation of human rights and local tradition and culture, political neutrality, marketing communication and anti-corruption. The Board of Directors has reviewed and improved on the code of conduct appropriately and regularly.



**30 YEARS of
SUSTAINABLE GROWTH**

2007

- Installation of siding board production line, NT-8, with production capacity of 35,000 tons per year.
- Changed all the information technology system into SAP ERP system, replacing previous Oracle system, supporting all the current and future requirements with real-time information system connecting the whole organization.
- Changed the registered par value from Baht 5.00 per share at 200 million shares to a par value of Baht 1.00 per share at 1 billion shares with registered capital of Baht 1 billion.

Development of Corporate Governance in 2014

1. The Company has established the process for monitoring and supervision for compliance with the Good Corporate Governance Handbook and announcement of the Code of Conduct for every employee to develop into corporate culture, having assigned the subjects on the corporate governance, corporate social responsibility and the code of conduct as part of the orientation of new employees, development training on ISO system and safety system, as well as preparation of pamphlets for dissemination to every employee for acknowledgment.
Moreover, in 2014, the Company has organized development training on December 16 and 25, 2014 for the employees and executives of the Company at the level of department manager and above for the awareness and understanding of anti-corruption subject.
2. The Board of Directors has resolved to approve for the Company to announce its intention to join the Private Sector Collective Action Coalition against Corruption (CAC) and has established the Anti-Corruption Committee to implement anti-corruption measures, prepare handbook and good practice on anti-corruption and prepare self-assessment form concerning the anti-corruption measures in order to receive the certificate as the member of the Private Sector Collective Action Coalition against Corruption from the CAC Committee, which is under process at the moment.
3. The Company sent the executives whom are members of the Prevention and Anti-Corruption Committee to participate in the Tackling Corruption through Public-Private Collaboration Seminar and the anti-corruption training course : The Practical Guide (ACPG 12/2014 และ ACPG 14/2014) and participated in the anti-corruption activity called “HAND IN HAND... Fighting Reform for Sustainable Victory”, as the Thai Institute of Directors (IOD) has become the member of the Anti-Corruption Organization of Thailand and organized training courses and activities on anti-corruption.
4. The Company participated in the CG Forum 4/2014 Seminar: Announcement of Corporate Governance Report (CGR) and Talk on the Performance Assessment of the Board of Directors and Determination of Directors’ Remunerations, which was useful to the operation of the Committee toward an effective management and supervision by using the self-assessment results as a tool for continuous development and promotion of learning and new experiences in the duty of the Committee members to later become professional and qualified committee members.
5. The Company participated in the development training concerning with the social and environmental responsibility which were organized by the Corporate Social Responsibility Institute (CSRI) and the Stock Exchange of Thailand and assigned the executives to attend these training courses for the benefit of preparing the Corporate Social Responsibility and Sustainability Report (CSR Report). The program consisted of two theoretical courses including the Preparation of the CSR Report Class and the Managing CSR for Sustainable Development Class No.5, No.8; and the practical courses including the Strategic CSR Management, Effective CSR Communication, Sustainability Risk & Material Analysis, CSR Evaluation & Knowledge Management, Responsible Supply Chain Management and Workplace Quality & Human Rights, etc.



30 YEARS of
SUSTAINABLE GROWTH

2008

- Issued 49.65 million units of warrant to the directors and/or employees of the Company, including increase of registered capital of Baht 49.65 million with the total registered capital of 1,049.65 million shares at par value of Baht 1.00 per share.
- Treasury Stock Program for financial management purposes with financial amount not exceeding Baht 75 million and number of shares not exceeding 5 percent of issued and paid-up shares or 50 million shares.
- Established the Product Distribution Center at Khon Kaen Province (DC-KK).

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.

1. Risks from External Factors

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

The Cabinet held meeting in December 2014 to consider the matter concerning the termination of the use of asbestos (Chrysotile) as proposed by the Ministry of Public Health. Accordingly, it was found that the health impact was not obvious and there was no proof yet for the death caused by the use of asbestos, similar to cigarette smoking case. Therefore, the Cabinet resolved to send the matter back to the Ministry of Public Health for further thorough review and study of the health impact. As a result, the plan for termination of asbestos usage by the Ministry of Industry has been delayed until a clear study on health impact has been completed to support the asbestos termination plan to be reconsidered by the Cabinet. 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.

- (A) 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.
- (B) 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.
- (C) 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.
- (D) 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, and the subsidiary company, DMATS, which manufactures the aerated autoclaved concrete (AAC) at Chiangmai Province, etc.

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.



**30 YEARS of
SUSTAINABLE GROWTH**

2009

- Changed the certification agency for industrial standard certification, ISO 9001:2008, OHSAS 18001:2007, ISO 14001:2004 from SGS (Thailand) Ltd. to (SGS) to TUV NORD Thailand Co., Ltd. (TUV NORD).
- Upgraded the quality management system standard certification from ISO 9001: 2000 to ISO 9001: 2008 and changed the policy on quality.

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.

- (A) Research, development, design of production formulas to reduce costs as well as study for alternative raw materials.
- (B) Finding sources for the raw materials at low cost, good quality both locally and overseas.
- (C) 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 as new operator entering and pressuring the market through pricing strategy, causing intense price competition. Hence, the Company has employed a strategy by tackling market near the border areas with the neighboring countries which admire products of Thailand. As a result, the revenue portion from export has increased from 12.17 percent from the previous year to 14.47 percent this year. In addition, the expansion of market in housing projects of both domestic and export has resulted in an increase of revenue portion from housing projects from 9.62 percent of previous year to 11.10 percent this year. Even though the revenue portion in the country has reduced but the Company still uses the strategy of increasing the number of product distribution centers throughout the country to gain more access to products and develop strength for the network of sales agents for both domestic and export agents. The Company places importance on before and after-sales services, quick and timely delivery of products in order to differentiate the Company's product and be a better choice for construction materials and services of the Company.

1.4 Risk Related to Financial Instruments

- (A) On foreign currency exchange rate risk, due to the purchase and sales of products that are in foreign currencies, the Company mitigates this risk by purchasing forward exchange contract that has a maturity of no more than one year and also opening an FCD account for receiving and making payment in foreign currencies to reduce fluctuations in exchange rate.
- (B) On interest rate related risk, the Company has some short-term loans with floating interest rate but on all the long-term loans, the Company has mitigated the interest risk by using fixed interest rate.

2. Risk from Internal Factors

2.1 Risk Related to Environmental Impact

The Company is determined to produce environmental-friendly products, having obtained the industrial standard certificate in the environmental management system, ISO 14001. In 2014, the Company gave priority to the improvement of manufacturing process so that there were neither impact nor destructive to the environment and resources of the community. Also, the Company organized activities and campaign to promote conservation of environment such as the management of water in the manufacturing process which has resulted in a reduction of water used in the manufacturing process by over 50 percent of the total amount of water usage; the management of wastes in the manufacturing process which has resulted in increase of reuse and recycle of waste materials; the management of energy to reduce energy consumption in the manufacturing process such as use of natural gas and steam energy to replace bunker oil and electricity which has reduced the cost of production (details can be seen in the "Corporate Social Responsibility (CSR) and Sustainability Report on Page 20).

2.2 Risk Related to Occupational Health and Safety

The Company is exposed to risk involving accidents in the workplace. Hence, the Company has been concentrated in the management of safety of the Diamond People, trading partners, contractors, transporters and visitors. The Occupational Health, Safety and Environment Committee (OHS Committee) together with the Safety, Health and Environmental Department (SHE Department) have prepared the handbook for 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 number of accidents. 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, the Company managed to reduce the number of accidents from 25 times in 2013 to 22 times in 2014 without any fatality or a reduction of 12 percent.



2.3 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. Hence, the Company has developed a personnel recruitment system by adding network channel, Facebook: DBP Career of the Company for interested people to gain access to information on job positions easily and quickly. Moreover, the Company cooperated with Saraburi Technical College in accepting student trainees to prepare and support the labor market, as well as participated in job recruitment booth with Saraburi Employment Service and other schools and institutions, etc. The Company has also established policy for the human resources development for Company's employees at every level in order to provide knowledge and skills, as well as improve employees' compensation policy for appropriateness and fairness to increase competitiveness and support future growth.

2.4 Risk Related to Adequate Production Capacity for Market Demand

The Company has adequate production capacity to sufficiently serve the market demand by upgrading existing machinery and equipment and installing new machinery and equipment to support future demand of the market. During 2013 to 2014, the Company has increased production capacity in several projects, including the AAC-1, CT-KK and AAC-CM projects having a total production capacity of 982,000 tons per year, which should be adequate for the market demand currently and in the future.

2.5 Risk Related to Administration and Management of Majority Shareholders

The Company is a subsidiary Company of Myriad Materials Co., Ltd., which is the majority shareholder with 60.03 percent of shares (as at December 31, 2014). In combination with the shares owned by the Directors who are the representatives of Myriad Materials Co., Ltd., the shareholding proportion is more than 65% of the shares. Thus, Myriad Materials 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.



30 YEARS of
SUSTAINABLE GROWTH

2011

- Changed and registered the company name to "Diamond Building Products Public Company Limited" (DBP).
- Purchased land plot of 145 Rai, 3 Ngan and 98 Square Wah area for Baht 117 million, locating on the Mitraphap Road, Tambon Tan Diao (Lup Lao), Amphur Kaengkhroi, Saraburi Province, across from the existing factory to increase production capacity.

INTERNAL CONTROL

The Board of Directors has established that the Company must have appropriate and adequate internal control system, including regular assessment and monitoring, by having the Internal Audit and Compliance Control Office (Internal Audit Office) report the results of the operation to the Audit Committee regularly by adhering to the international standard for internal audit work and method in order for the Company to have the internal audit system that is appropriate, adequate and effective, acceptable by all stakeholders.

In 2014, the assessment of the Company's internal audit system was conducted in accordance with the internal audit rule of the Committee of Sponsoring Organization of Treadway Commission (COSO), which was improved in year 2013. The Audit Committee has an opinion that the Company's internal audit system is appropriate and adequate, which can be summarized as follows.

1. Control Environment

1.1 The Company adheres to the values of integrity and morality by establishing the following guidelines:

- (A) The Company has established the Code of Conduct in writing for the directors, executives and employees to follow and use as practice guideline for performing their duties with honesty including performance of daily routine and practice toward the trading partners, customers and outsiders appropriately. The Code of Conduct is also disseminated to the employees and outsiders for acknowledgment.
- (B) The Company has established measure and procedure for approval of connected transactions and transactions involving acquisition or disposition of assets of the Company within the Corporate Governance Handbook and has also established the policy for anti-corruption, prohibiting the directors, executives and employees at every level to carry out or accept any form of corruption either directly or indirectly and suitable penalty has also been established if such regulation above was violated. In addition, all executives and employees have been informed and new employees shall be informed during the orientation and have to sign their names for acknowledgment of such regulation.
- (C) The Company has established that there will be monitoring and assessment of performance in accordance with the Code of Conduct and the Internal Audit Office shall have a self-assessment conducted by the executives and employees or assessment by independent expert from outside the organization.
- (D) The Company rectifies the actions that are against the principles of honesty and ethics appropriately and timely.

1.2 The Board of Directors of the Company is independent from the Management and has oversight function and development of internal control by establishing the following guidelines:

- (A) The Company has established roles and duties of the Board of Directors of the Company to be clearly separated from the Management, which have been included in the Charter of each committee, which can be summarized as follows.
 - The Board of Directors is independent from the Management, having roles, duties and responsibilities in establishment of policies, strategies, objectives, annual plan and budget, as well as supervision of performance of directors and executives in accordance with their assignments with effectiveness and best interest to the Company and shareholders by having regular monitoring and assessment of the performance, etc.
 - The Management has roles, duties and responsibilities in the daily management of Company's business in accordance with the objectives, policies, business plan and budget as approved by the Board of Directors, etc.
- (B) The Board of Directors must possess knowledge concerning with the Company's business and expertise that are beneficial to the Company. At least one-third (1/3) of the total number of the Board of Directors must be independent directors who possess knowledge, capability, reliable and are independent in performing their duties such as no business relationship with the Company and no other relationship that may influence their discretion and independent function.
- (C) The Board of Directors has duty to control the development of the internal control in the organization, appropriately and adequately covering the control environment, risk assessment, control activities, information and communication and monitoring activities.

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 by establishing the following guidelines:

- (A) The Management Committee, comprising of the executives from the assistant managing director level and higher, has duty to establish the corporate structure which supports the achievement of Company's objectives by considering the appropriateness in the business and by law, including effective internal control by separating roles and duties on important tasks which create check and balance among them and having the Internal Audit Office that reports directly to the Audit Committee.
- (B) The Management Committee has established the chain of command and reporting according to the duties and responsibilities of each line of work. For the case that involves several departments, working team shall be established comprising of executives from each line in order to achieve the objectives and report to the head of such working team.
- (C) The Board of Directors has established that the sub-committee prepares the charter which clearly specifies

the roles, duties and responsibilities, including roles and duties of the Managing Director and top executives. For the employees at every level from the division manager and lower, the Human Resources Division shall oversee and establish roles, duties and responsibilities of every position to achieve the objectives.

1.4 The Company is determined to motivate, develop and retain employees with knowledge and capability by performing the following tasks:

- (A) **Personnel Recruitment:** The Company has a fair policy and procedure for recruitment of personnel, by considering the qualifications, education background, experience, physical condition and other conditions required for employee in such position, through several channels. In 2014, the Company has developed and added another channel for personnel recruitment system through Facebook network: DBP Career which matches current lifestyle and participated with educational institutions such as accepting student trainees, organizing activities in the educational institutions to support the increase of personnel with knowledge and capability.
- (B) **Personnel Development:** Preparation of Training Roadmap for use as guideline for personnel development according to the objectives of each department and the Company, for building knowledge, capability and skill for effective work and importantly considering the benefit that the Company will receive.
- (C) **Employee Retention:** By establishing a fair and appropriate compensation or remuneration according to the job description and capability of the employee; conducting performance assessment twice a year by immediate supervisor; overseeing the welfare and benefits; maintain safe and sanitary workplace environment; as well as organizing activities for the happiness of employees all year long and providing opportunity for employees to express opinions in order to improve work efficiency of the employees themselves and the Company.
- (D) **Monitoring:** In order for the established policy to be practiced and proceed in a correct and appropriate direction, the Company has established internal inspection and monitoring procedure, including establishment of work objectives that must be routinely checked and reported to the immediate supervisor.
- (E) **Performance Assessment:** Performance assessment procedure has been established for the probation period and annual performance assessment twice a year for consideration of adjustment of remuneration and bonus, including consideration of job promotion. For the employee who proposes guideline or opinions for improvement of work efficiency, the Company shall promote and present awards and praise the employee throughout the organization. For the employee who does not pass the criteria, there shall be procedure for work efficiency improvement to be monitored every three to six months. Nonetheless, if such employee still cannot improve the performance efficiency, the Company needs to proceed according to the Company's regulations by informing the employee of such regulation, starting from signing the performance assessment result form, salary adjustment letter or individual assessment and monitoring, etc.
- (G) **Succession Plan:** The succession plan is under planning to be established in writing later.

1.5 The Company has established that the employees have duty and responsibility in internal control in order to achieve Company's objectives by performing the following tasks:

- (A) The Company has assigned the Internal Audit Office to have duties in the audit, assessment and monitoring of work performance in every department to be in accordance with established regulation. If any process does not yet have good work practice, it shall work together with such responsible department to prepare the good practice guideline for everyone to follow and practice or if it is found that there is deficiency in the existing practice guideline, which may have risk for corruption activity, then it must be improved to mitigate such risk.
- (B) The Board of Directors has established the Key Performance Indicator (KPI) to assess the work performance in order to provide motivation and appropriate compensation by considering both the practice in accordance with the code of conduct and Company's short-term and long-term objectives. KPI is reviewed based on the annual budget plan each year.
- (C) The Board of Directors and executives have reviewed that the KPI does not put too much pressure for each employee in carry out the duties, by linking it to the success of performance in accordance with the internal control also.

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 by performing the following tasks:

- (A) 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, having been reviewed by the Audit Committee and audited by the independent auditor who is certified by the Securities and Exchange Commission every year.
- (B) 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, which have different sizes of transactions including business trend to be sufficient for the decision making reflecting actual business activities of the Company.
- (C) 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.

2.2 The Company has established that there is analysis for every type of risks which may impact the objectives of the Company covering all parts of the organization by performing the following tasks:

The Risk Management Committee, comprising of executives from every department totaling at least 10 persons, holds meeting to analyze every type of risks that may have impact on the business operation at the level of organization, business unit, operating unit and various work duties including both internal and external factors, which cover risks on strategy, work compliance and information technology, etc. The risk assessment involves identification of the 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 of the risk analysis and assessment, the Company has prepared the Risk Map and established guidelines for correction and management of 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 Management Committee, the Audit Committee and the Board of Directors once every quarter 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 by performing the following tasks:

- (A) The Company has announced its Anti-Corruption Policy.
- (B) The Board of Directors has resolved for the Company to announce its intention to join with the Private Sector Collective Action Coalition against Corruption (CAC). In order for the Company to operate with transparency, the Anti-Corruption Committee has been established to prepare the handbook for operating regulation concerning with the anti-corruption, having self-assessment concerning risk from anti-corruption in each

Anti-Corruption Policy:

The directors, executives and employees of the Company at every level are prohibited from engaging in or accepting any type of corruption either directly or indirectly, covering domestic business and every relevant department and that regular review on the anti-corruption practice according to the policy be carried out as well as review on the practice guidelines and regulations in conformity with the changing business, rules, regulations and laws.

department and prepare the self-assessment form concerning the anti-corruption measures, in order to receive the certificate as the member of CAC, which should be completed by the 2nd quarter of 2015.

- (C) The Company shall regularly review operating targets every year during the preparation of annual budget by considering the possibility of achieving the established targets as well as consideration of validity in providing incentives or compensation to the employees that may promote inappropriate action by the employees; for instance, the Company should not set sales target too high that may influence creating the sales figures, etc.
- (D) The Audit Committee has assigned the Internal Audit Office to prepare the annual audit plan to make assessment of performance of every department to be in accordance with the established guidelines. If it is found that there is no practice or not in compliance with the established operating regulations by which corruption may occur, guideline for correction shall be proposed and additional protection measure shall be implemented. The meeting shall be held with the executives of such department being audited in order to rectify the problem together.
- (E) The Company has communicated with every employee for their understanding and practice according to the established policy and practice guideline.

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 Measures

3.1 The Company has established control measures to help mitigating the risks that will not achieve objectives to be within acceptable level by performing the following tasks:



- (A) The Company has assigned the Risk Management Committee to monitor the operation of the departments that have been found to have risks and help mitigating these risks to be within acceptable level and report such progress to the Audit Committee and the Board of Directors for acknowledgment.
- (B) The Company has established the control measures in writing, appropriately covering several procedures such as operating regulations and financial approval authority, procurement and hiring and general management, by establishing scope of authorities and duties, procedure and financial amount for approval by the executives of each level clearly and concisely to prevent corruption, including procedure for investment approval, procedure for procurement and buyer selection, information entry detailing the decision on the procurement, procedure for disbursement of materials and equipment or request for use of tools, etc.
- (C) The Company has established that the Company Secretary compiles information concerning major shareholders, directors, executives and their related persons, including connected persons, for the benefit of monitoring and review of the related transactions or transactions that may have conflict of interest, as well as regularly update the information, which shall be reviewed by the Internal Audit Office.
- (D) The Company has established that execution of contract that obligates the Company for more than one year period must be approved by the Board of Directors, such as asset sale and purchase contract, long-term loan agreement, by having the Internal Audit Office monitor the compliance with contractual obligations for the whole period of Company's obligation such as monitoring of debt collection according to the payment term period or review of appropriateness of the contract, etc.
- (E) The Company has established various appropriate internal controls such as manual and automated control or preventive and monitoring control, having control in every level of the organization such as subsidiary company, line of work level or process, etc.
- (F) The Company has absolutely separated work roles and responsibilities into three aspects so that there is a check between each other, namely (1) approval authority, (2) duty on accounting and information record entry and (3) duty on supervision and storage of assets.

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

- (A) The Company realizes about the necessity for improvement of its information technology system in order to develop the operating system so that it is efficient and connected with the whole organization. Hence, the Company has put all the information technology system into the system called Enterprise Resources Planning (ERP) and the internal control using the SAP Software version ECC6 for a real-time information-based system for accurate and quick management of information, sufficient for consideration and effective decision making by the directors and executives, and the Business Intelligence system (BI) for convenient access to any reports. The Information Technology and Standard System Division has specified access right to the use of computer system for operation, making transaction, approval of transaction or any other transaction in accordance with the authority and responsibility.
- (B) The Company has established that every employee is responsible for utilizing the information technology and communication system in compliance with the laws and regulations, orders, established standards and the Computer Crimes Act. The Information Technology and Standard System Division is the supervisor of safety of the technology system and process of acquisition, development and maintenance of the technology system.

3.3 The Company has organized control activities through policy which has outlined expectations and procedures in order to bring about practices according to the established policy by performing the following tasks:

- (A) The Company has established measure and approval procedure for the connected transactions and acquisition and disposition of assets of the Company by prohibiting the individual who has an interest in such transaction or may have conflict of interest from approving such connected connection with oneself and such transaction must be reviewed and approved by the Audit Committee in order to prevent the opportunity or taking interest of the Company for one's own use or benefit. For the best interest of the Company, the transaction is being treated as if it is done with the third party 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.
- (B) The Company has monitored and supervised the operation of the subsidiary company by appointing the directors and executives to monitor and supervise the operation of the subsidiary company so that it operates in accordance with the policy, objectives, business plan, operating regulation and approval authority and regulations of the parent company.
- (C) The Company has placed importance on the internal control by designating the division manager to have duty for conveying the policy and management process, including correction of operating errors, to the knowledgeable and capable employees within the department 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 System

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

- (A) The Company has stored the information used in the operation from inside and outside of the organization. The

Information Technology and Standard System Division has developed the information technology system called Enterprise Resources Planning (ERP) by using the SAP Software for a real-time information-based system by specifying the access right to the information and protecting the information system using firewall system in order to gain access to quality information and securely store and maintain the information.

- (B) The Board of Directors has established that meeting be convened at least once a month 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 the 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 if the information are not sufficient, additional information can be requested to the Company Secretary; and to prepare the minutes of the meeting of the Board of Directors having details which can be re-checked 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. In addition, this shall include the arrangement of the meeting of shareholders, which the Company Secretary must prepare meeting agendas, minutes of the meeting, having adequate details and information to support the decision making.

4.2 The Company has established that there is 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.

(A) Communication channel inside the Company

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

(B) Communication channels outside the Company

- The Company has established the Investor Relations Office by designating the executives at the level of deputy managing director of sales and marketing or higher 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 .
- On Company's website : http://www.dbp.co.th/trade_information.htm under the topic "Investor Relations"

- (C) Channels for Whistleblowing or Complaint by the Stakeholders:** The policy and channels for the stakeholder have been established so that the stakeholder who wishes 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. can contact the Board of Directors directly without passing through the executives of the Company.

5. Monitoring System

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 by performing the following tasks:

- (A) 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 department to monitor its own work performance and report to the superiors respectively according to the chain of command every month. The Internal Audit Office has also been assigned to review the internal control system and practices independently according to the internal control system as established for every department and every activity of the Company and to report to the Audit Committee according to the annual internal audit plan and guideline as established by the Audit Committee with auditing policy in a preventive manner and beneficial to the department; to consider reliability and accuracy of the financial reports as well as adequate disclosure of information.
- (B) The Company encourages the Internal Audit persons to perform their duties in accordance with the International Standards for the Professional Practice of Internal Auditing (IIA) for transparency and to perform the audit according to the good corporate governance guideline in order to increase efficiency and effectiveness in the operation.

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.

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 prior to making such transaction or independent expert must be engaged to provide comments to the Audit Committee as part of the consideration before proposing to the Board of Directors and/or the Meeting of Shareholders for consideration and approval, 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.

In 2014, 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	
			2014	2013	2014	2013
Supalai Plc. (Buyer)	Having mutual directors but no possession of inter-related shares. • Diamond Building Products Plc. (Seller) having Mr. Prakit Pradipasen as Chairman of the Board • Supalai Plc. (Buyer) having Mr. Prakit Pradipasen as Independent Director, Audit Committee Chairman and Nomination and Remuneration Committee Member	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.	96.82	35.47	34.03	13.87
Quality House Plc. (Buyer) *	Having mutual directors but no possession of inter-related shares. • Diamond Building Products Plc. (Seller) having	Purchase of tiles including installation at normal prices and commercial conditions in general. <u>Pricing Policy</u>	2.18	8.70	-	4.51

Company	Relationship	Transactions	Amount (Million Baht)			
			Product Sales and Services		Accounts Receivable	
			2014	2013	2014	2013
	Mr.Krit Phanratanamala as Director. • Quality House Plc. (Buyer) having Mr. Krit Phanratanamala as Independent Director and Audit Committee Member.	Use normal pricing as compared with real estate development group with normal commercial conditions in general.				
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 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.	14.06	35.43	-	14.93
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. <u>Pricing Policy</u> Use normal pricing as compared with real estate development group with normal commercial conditions in general.	1.83	12.07	-	2.33
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.	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.	3.97	21.53	-	10.72

Company	Relationship	Transactions	Amount (Million Baht)			
			Product Sales and Services		Accounts Receivable	
			2014	2013	2014	2013
	<ul style="list-style-type: none"> • 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. 					
Casa Ville (Phetburi 2553) Co., Ltd. (Buyer) *	<p>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.</p> <ul style="list-style-type: none"> • Diamond Building Products Plc. (Seller) having Mr. Krit Phanratanamala as Director. • Casa Ville (Phetburi 2553) Co., Ltd. (Buyer) having Mr. Krit Phanratanamala Independent Director and Audit Committee Member in Quality House Plc. 	<p>Purchase of tiles including installation at normal prices and commercial conditions in general.</p> <p>Pricing Policy</p> <p>Use normal pricing as compared with real estate development group with normal commercial conditions in general.</p>	-	0.06	-	-
Total			118.86	113.26	34.03	46.36

2. Purchase of Finished Products for Sale

Company	Relationship	Transactions	Amount (Million Baht)			
			Purchase of Finished Products		Other Receivables	
			2014	2013	2014	2013
Diamond Materials Co.,Ltd. (Seller)	Subsidiary of Diamond Building Products Plc. (Buyer) holding 99.99% of paid-up shares in Diamond Materials Co., Ltd.	<p>Purchase of autoclaved aerated concrete for sale to customers and market expansion</p> <p>Pricing Policy</p> <p>Use market price according to normal business</p>	83.12	69.78	4.01	11.78
Total			83.12	69.78	4.01	11.78

3. Purchase of Raw Material

Company	Relationship	Transactions	Amount (Million Baht)			
			Purchase of Raw Material		Account Payable	
			2014	2013	2014	2013
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, Audit Committee Member and Nomination and Remuneration 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	0.08	4.99	-	0.33
Total			0.08	4.99	-	0.33

4. Management Fee Revenue

Company	Relationship	Transactions	Amount (Million Baht)			
			Revenue from Fee		Other Receivables	
			2014	2013	2014	2013
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	2.11	2.10	4.21	4.75
Total			2.11	2.10	4.21	4.75

Remark

* Mr. Krit Phanratnamala is no longer in the positions of Independent Director and Audit Committee Member of Quality House Plc. Therefore, transactions with Quality House Plc. and its subsidiary companies, namely Casa Ville Co., Ltd., The Confidence Co., Ltd., Gusto Village Co., Ltd. and Casa Ville (Phetburi 2553) Co., Ltd., etc. were not required to be shown as related transactions from April 11, 2014.

Opinion of the Audit Committee

The Audit Committee examined and reviewed the related transactions occurred in the Company's accounting record during year 2014 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

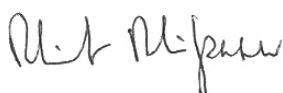
The Board of Directors gives priority and is responsible for the financial statements year 2014 of Diamond Building Products Public Company Limited including financial information presented in the annual report. The financial statements were prepared in compliance with the Notification of the Department 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.

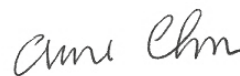
For this purpose, the Board of Directors has appointed the Audit Committee comprising the independent and non-executive directors with complete qualifications in accordance with the Securities and Exchange Act (No. 4) B.E. 2551 (2008) and the regulations of the Capital Market Supervisory Board to verify 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 2014.

February 25, 2015

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



(Mr. Prakrit Pradipasen)
Chairman of the Board



(Mr. Asanee Chantong)
Managing Director

DIAMOND BUILDING PRODUCTS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

MANAGEMENT DISCUSSION AND ANALYSIS

(For the Consolidated Financial Statements of the Year Period Ending December 31, 2014)

1. Overall Operating Results

The total revenue and net profit of the Company and its subsidiary (together referred to as the “Corporate Group”) in year 2014 were Baht 4,227.89 million and Baht 289.29 million, which decreased from the previous year by 3.95 percent and 35.84 percent, respectively. This was due to the fact that Thailand was still faced with political problem during year 2014 and the slump in prices of agricultural products resulting in significant deceleration in consumer spending, particularly in the agricultural sector in the provincial areas where their purchasing power have been reduced. In addition, price competition has become intense resulting in a significant decline in the Corporate Group’s profit.

2. Analysis of Operating Results and Profitability

2.1 Revenues from Sales and Services

Description	Year 2014		Year 2013		Increase / (Decrease)	
	Million Baht	% of Total Revenue	Million Baht	% of Total Revenue	Million Baht	%
Revenues from Sales	3,901.96	91.81	4,065.13	91.78	(163.17)	(4.01)
Revenues from Services	325.93	7.67	336.71	7.60	(10.78)	(3.20)
Total Revenue from Sales and Services	4,227.89	99.48	4,401.84	99.38	(173.95)	(3.95)
Gain on Sales of Fixed Assets	1.35	0.03	1.58	0.04	(0.23)	(14.56)
Gain on Foreign Exchange Rate - Net	2.62	0.06	-	-	2.62	-
Other Revenue	18.18	0.43	25.56	0.58	(7.38)	(28.87)
Total Other Revenue	22.15	0.52	27.14	0.62	(4.99)	(18.39)
Total Revenue	4,250.04	100.00	4,428.98	100.00	(178.94)	(4.04)

The Corporate Group’s total revenue of year 2014 decreased from the previous year by 4.04 percent, consisting of:

- Revenues from sales were Baht 3,901.96 million, which decreased from the previous year by Baht 163.17 million or 4.01 percent, due to the decrease in revenues from sales of fiber cement roof tiles and autoclaved aerated concrete blocks caused by less purchasing power and fierce pricing competition.
- Revenues from services were Baht 325.93 million, which decreased from the previous year by Baht 10.78 million or 3.20 percent, due to the decrease in revenue from transportation of Baht 30.17 million but the revenue from services increased by Baht 19.39 million.
- Other revenue was Baht 18.18 million, which decreased from the previous year by Baht 7.38 million, due to the reversal of impairment loss of unused land of Baht 4.02 million and reversal of allowance for doubtful debts of Baht 5.44 million but in 2013, there were reversal of impairment loss of unused land of Baht 12.50 million and reversal of decline in value of inventories of Baht 6.68 million.

2.2 Cost of Sales and Services

Description	Year 2014		Year 2013		Increase / (Decrease)	
	Million Baht	% of Sales	Million Baht	% of Sales	Million Baht	%
Cost of Sales	2,842.67	67.24	2,830.67	64.31	12.00	0.42
Cost of Services	370.02	8.75	399.94	9.09	(29.92)	(7.48)
Total Cost of Sales and Services	3,212.69	75.99	3,230.61	73.39	(17.92)	(0.55)

The Corporate Group's total cost of sales and services of year 2014 decreased from the previous year by 0.55 percent, consisting of:

- Cost of sales was Baht 2,842.67 million, which increased from the previous year by Baht 12 million or 0.42 percent, due to the increase in sales volume of 3.30 percent and increase in depreciation of assets of 3.08 percent.
- Cost of services was Baht 370.02 million, which decreased from the previous year by Baht 29.92 million or 7.48 percent, due to the decrease in transportation cost of Baht 37.19 million, due to a more effective management of the transportation process by arranging appropriate types of transport with increase of full truckload and 2-way hauling but the cost of services increased by Baht 7.27 million.

2.3 Selling and Administrative Expenses

Description	Year 2014		Year 2013		Increase / (Decrease)	
	Million Baht	% of Sales	Million Baht	% of Sales	Million Baht	%
Selling Expenses	180.44	4.27	153.11	3.48	27.33	17.85
Administrative Expenses	397.09	9.39	390.98	8.88	6.11	1.56
Management's Remuneration *	44.51	1.05	47.09	1.07	(2.58)	(5.48)
Total Expenses	622.04	14.71	591.18	13.43	30.86	5.22

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 Corporate Group's total expenses of year 2014 increased from the previous year by 5.22 percent due to the increase in sales volume of 3.30 percent, consisting of:

- Selling expenses were Baht 180.44 million, which increased from the previous year by Baht 27.33 million or 17.85 percent, due to the increase in marketing and sales promotion expenses, which was in line with the increase in sales volume.
- Administrative expenses were Baht 397.09 million, which increased from the previous year by Baht 6.11 million or 1.56 percent.
- Managements' remunerations were Baht 44.51 million, which decreased from the previous year by Baht 2.58 million or 5.48 percent, due to the decrease in bonus payment to the directors and resignation of executive during the 4th quarter 2014.

2.4 Profitability

Description	Year 2014		Year 2013		Increase / (Decrease)	
	Million Baht	% of Sales	Million Baht	% of Sales	Million Baht	%
Revenues from Sales and Services	4,227.89	100.00	4,401.84	100.00	(173.95)	(3.95)
Costs of Sales and Services	3,212.69	75.99	3,230.61	73.39	(17.92)	(0.55)
GP	1,015.20	24.01	1,171.23	26.61	(156.03)	(13.32)
EBITDA	746.83	17.66	901.21	20.47	(154.38)	(17.13)
EBIT	415.33	9.82	607.18	13.79	(191.85)	(31.60)
NP	289.29	6.84	450.92	10.24	(161.63)	(35.84)
EPS (Baht per Share) *	0.28		0.43		(0.15)	(34.88)
Weighted Average Number of Ordinary Shares (Million Shares) *	1,047.82		1,040.20		7.62	0.73
Return on Equity (ROE) (%)	12.73%		19.87%		(7.14%)	
Return on Assets (ROA) (%)	7.20%		11.40%		(4.20%)	

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

Gross Profit (GP)

- The Corporate Group's gross profit of year 2014 decreased from the previous year by Baht 156.03 million or 13.32 percent, due to reduction in the market prices from a more competitive environment and increase cost of cement as the raw material, as well as the increase in depreciation of Baht 31.29 million or 3.08 percent.

Net Profit (NP)

The Corporate Group's net profit and net earnings per share of year 2014 decreased from the previous year as follows:

- The Corporate Group's net profit was Baht 289.29 million, a decrease from the previous year by Baht 161.63 million or 35.84 percent, due to the decrease in gross profit margin, increase in selling and administrative expenses and increase in interest payment.
- The Corporate Group's net earnings per share was Baht 0.28 per share, a decrease from the previous year by Baht 0.15 per share or 34.88 percent, due to the decrease in net profit of 35.84 percent.

EBITDA

- The Corporate Group's EBITDA of year 2014 was Baht 746.83 million, a decrease from the previous year by Baht 154.38 million or 17.13 percent, due to the decrease in gross profit of 13.32 percent and increase in selling and administrative expenses of 5.22 percent.

Earnings Efficiency

- Return on Equity (ROE):** The Corporate Group's ROE decreased from 19.87 percent as at end of 2013 to 12.73 percent as at December 31, 2014 or a decrease of 7.14 percent, due to the decrease in net profit of 35.84 percent but the shareholders' equity increased by 0.14 percent from the previous year.
- Return on Assets (ROA):** The Corporate Group's ROA decreased from 11.40 percent as at end of 2013 to 7.20 percent as at December 31, 2014 or a decrease of 4.20 percent, due to the decrease in net profit of 35.84 percent and increase in total assets of 1.55 percent from the previous year.

2.5 Financial Position

Description	Statement of Financial Position		Increase / (Decrease)	
	As at December 31, 2014	As at December 31, 2013		
	Million Baht	Million Baht	Million Baht	%
Total Assets	3,791.06	4,240.07	(449.01)	(10.59)
Total Liabilities	1,546.54	1,940.43	(393.89)	(20.30)
Total Shareholders' Equity	2,244.52	2,299.64	(55.12)	(2.40)
Weighted Average Number of Ordinary Shares (Million Shares) *	1,047.82	1,040.20	7.62	0.73
Book Value (Baht per Share) *	2.14	2.21	(0.07)	(3.17)

Remark:

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

- The Corporate Group's total assets as at December 31, 2014 decreased from the end of year 2013 by Baht 449.01 million or 10.59 percent due to the decrease in fixed assets of Baht 233.30 million, decrease in intangible assets of Baht 6.04 million, decrease in inventory of Baht 121.50 million, decrease in cash and cash in bank of Baht 45.08 million, decrease in trade accounts receivable and other accounts receivable of Baht 42.22 million, decrease in other current assets and other non-current asset of Baht 1.40 million and decrease in cash advance for the purchase of fixed assets of Baht 0.06 million, but there were increase in deferred income tax of Baht 0.59 million.
- The Corporate Group's total liabilities as at December 31, 2014 decreased from the end of year 2013 by Baht 393.89 million or 20.30 percent due to the decrease in bank overdraft and short-term loan of Baht 25.80 million, decrease in long-term loan of Baht 398 million, decrease in trade accounts payable and other accounts payable of Baht 100.29 million, decrease in finance lease liabilities of Baht 0.61 million, decrease in other current liabilities of Baht 7.91 million and decrease in current income tax payable of Baht 19.58 million (due to the provision of corporate income tax payment year 2014 of Baht 76.02 million but there were payment of accrued corporate income tax for year 2013 of Baht 35.46 million, payment of corporate income tax in the middle of year 2014 of Baht 56.07 million and payment of withholding tax of Baht 4.07 million) but there were increase in current portion of long-term loan due in one year of Baht 150 million and increase in provision for post-employment benefits obligation of Baht 8.30 million.

- The Corporate Group's total shareholders' equity as at December 31, 2014 decreased from the end of year 2013 by Baht 55.12 million or 2.40 percent due to the increase in net profit of Baht 289.29 million and increase in registered capital and share premium of Baht 1.38 million (from the exercise of ESOP No. 14 dated February 17, 2014 for 444,000 shares and No. 15 dated June 13, 2014 for 146,000 shares at the exercise price of Baht 2.34 per share (last time for the exercise)), but there was dividend payment of Baht 345.79 million, resulting in the share book value decrease from Baht 2.21 per share as at end of year 2013 to Baht 2.14 per share as at December 31, 2014.

2.6 Cash Flows

Description	Unit : Million Baht	
	Year 2014	Year 2013
Cash Flows from (used in) Operating Activities	688.44	458.00
Cash Flows from (used in) Investing Activities	(57.40)	(570.35)
Cash Flows from (used in) Financing Activities	(675.81)	113.89
Unrealized exchange gain (loss) of cash and cash equivalents	(0.31)	0.56
Cash Increase (Decrease) – Net	(45.08)	2.10
Cash at the Beginning of the Period	58.60	56.50
Cash at the Ending of the Period	13.52	58.60
CFROE = Cash Flow Return on Equity Increase (Decrease) (%)	30.30%	20.19%

- The Corporate Group's net cash from operating activities of year 2014 was Baht 688.44 million, which was higher than the net profit before tax by Baht 323.73 million due to the transactions that did not affect the cash such as depreciation of assets and amortization of Baht 331.50 million, net decrease in trade accounts receivable and other accounts receivable of Baht 42.17 million, net decrease in inventory of Baht 118.97 million, increase in other non-current liabilities of Baht 8.30 million and increase in other current liabilities of Baht 42.69 million, but there were decrease in trade accounts payable and other accounts payable of Baht 117.47 million, increase in other current assets and other non-current assets of Baht 6.83 million and there was a payment of accrued corporate income tax for year 2013 of Baht 35.46 million and payment of corporate income tax in the middle of year 2014 of Baht 56.07 million and payment of withholding tax of Baht 4.07 million.
- The Corporate Group's net cash used in investing activities of year 2014 was Baht 57.40 million, due to investment in the CT-KK Project of Baht 4.99 million, CT-KK xylene odor control system project of Baht 11.33 million, purchase of other fixed assets of Baht 42.83 million, but there were cash received from sales of damaged and other fixed assets of Baht 1.59 million and interest income of Baht 0.16 million.
- The Corporate Group's net cash used in financing activities of year 2014 was Baht 675.81 million, due to the repayment of long-term loan and financial lease of Baht 257.33 million, interest payment of Baht 50.27 million, decrease in bank overdraft and short-term loan of Baht 25.80 million and dividend payment of Baht 345.79 million but there were increase in long-term loan of Baht 2 million and increase of registered capital and share premium of Baht 1.38 million (from the exercise of ESOP No. 14-15).

2.7 Financial Ratios

Financial Ratios	As at December 31, 2014	As at December 31, 2013
Current Ratio (Times)	1.19	1.39
Quick Ratio (Times)	0.55	0.63
Cash flow Liquidity Ratio (Times)	0.66	0.52
Account Receivable Turnover Ratio (Times)	7.56	8.23
Average Collection Period (Days)	48	44
Inventory Turnover Period (Days)	19	20
Average Payable Period (Days)	17	18
Cash Cycle (Days)	50	46
Total Debt to Equity Ratio (Times)	0.69	0.84
Interest Coverage Ratio (Times)	15.09	13.16
Debt Service Coverage Ratio (Times)	2.43	4.11

3. Asset Management Capability

3.1 Debtor Quality, Accounts Receivable Aging, Provision and Sufficiency of Allowance for Doubtful Debts

The Corporate Group's trade accounts receivable and other accounts receivable as at December 31, 2014 account for 14.57 percent of the total assets with 79.42 percent not yet due for payment. The Corporate Group has established policy for setting provision or allowance for doubtful debts which is based on the analysis of accounts receivable aging and assessment of past debt collection experience. Accordingly, the Corporate Group has experienced very little bad debts and has not found any irregularity in 2014 and there was no bad debt in the past 2013.

3.2 Inventory and Deterioration or Obsolete

The Corporate Group's inventory as at December 31, 2014 accounts for 17.80 percent of the total assets, of which 21.13 percent are finished products and 41.89 percent are raw materials. The Corporate Group conducts inventory checking every month and has employed accounting policy for setting provision for deteriorated inventory based on product life which is based on the generally accepted accounting standards.

4. Liquidity and Capital Sufficiency

The Corporate Group has appropriate capital management, having prepared operating cash flows statements every day to acknowledge the daily cash-in and cash-out, in order to learn about liquidity, debt service coverage and sources of fund for the best interest, which can be summarized as follows.

- The Corporate Group's total debt to equity ratio as at December 31, 2014 was at 0.69 times, a decrease from end of year 2013 due to the decrease in total liabilities from the end of 2013 of 20.30 percent and decrease in shareholders' equity from the end of 2013 of 2.40 percent, and the interest coverage ratio was at 15.09 times, an increase from end of 2013, due to an increase in cash flow from operating activities from the previous year of 56.41 percent and increase in interest on loan from the previous year of 16.64 percent.
- The Corporate Group's current ratio as at December 31, 2014 was 1.19 times, a decrease from the end of year 2013, due to the decrease in current assets of 14.33 percent but there was a decrease in current liabilities of 0.32 percent and the quick ratio was 0.55 times, a decrease from the end of year 2013, due to the decrease in inventory by 15.26 percent and the cash flow liquidity ratio was 0.66 times, an increase from end of year 2013, due to an increase in cash flow from operating activities from the previous year by 56.41 percent.
- The Corporate Group's cash cycle as at December 31, 2014 was 50 days, an increase from the end of year 2013 by 4 days, due to an increase in average collection period of 4 days and decrease in inventory turnover period of 1 days but average payable period decreased by 1 day.
- The Corporate Group's debt service coverage ratio decreased from 4.11 times as at end of year 2013 to 2.43 times as at December 31, 2014, due to a decrease in EBITDA from end of year 2013 of 17.13 percent, an increase in long-term loan and financial lease liabilities due within one year of 45.41 percent and increase in loan interest payment.

5. Debt Obligation

The Corporate Group has policy to mitigate risk from interest fluctuation by taking long-term loan with fixed interest rate. Currently, the Corporate Group has obligations according to terms and conditions of the loan agreements with several commercial banks having fixed interest rate at every bank, which can be summarized as follows.

5.1 Loan Agreement in NT-10 Project: The Corporate Group entered into a long-term loan agreement of Baht 450 million. This loan bears interest at 3-month THBFX plus 1.25 percent per annum. As at December 31, 2014, the Corporate Group had interest rate swap contracts with a financial institution to swap a 3-month THBFX floating interest rate to averaged fixed rate at 3.03 percent per annum for the long-term loan of Baht 450 million. The contract term is 4 years up to March, 2016. As at December 31, 2014, the outstanding loan balance was at Baht 187.50 million.

5.2 Loan Agreement in AAC-1 Project: The Corporate Group entered into a long-term loan agreement of Baht 500 million. This loan bears interest at fixed rate of 4.35 percent per annum from the first withdrawal date to June 30, 2013 and from July 1, 2013 to June 30, 2018 bearing interest at fixed rate of 5.10 percent per annum. As at December 31, 2014, the outstanding loan balance was Baht 330 million.

5.3 Loan agreement in AAC-CM and CT-KK Projects: The Corporate Group entered into a long-term loan agreement of Baht 300 million. This loan bears interest at fixed rate of 3.67 percent per annum from the first withdrawal date to December 27, 2016. As at December 31, 2014, the outstanding loan balance was Baht 300 million.

As at December 31, 2014, the Corporate Group had long-term debt obligations with commercial banks totaling Baht 817.50 million. Accordingly, the Corporate Group must comply with the terms and conditions stipulated in the loan agreements, which state that the Total Debt to Equity Ratio (D/E Ratio) must not exceed 2 times and the Debt Service Coverage Ratio (DSCR) must not be less than 1.25 times. It appeared that as at December 31, 2014, the Corporate Group was able to maintain the above financial ratios as stipulated by such loan agreements.

6. Factors Having Impact on Future Operating Results

During year 2014 until year 2015, the Thai economy has been affected by weak purchasing power from the agricultural sector and troubled export sector which has not yet recovered. However, the Corporate Group expects that during the second half of this year 2015, the overall economic situation should improve due to capital investment and financial support from the government sector, which should improve the construction material market situation.

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 2014, 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 2014, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



(Bongkot Amsageam)
Certified Public Accountant
Registration No. 3684

KPMG Phoomchai Audit Ltd.
Bangkok
19 February 2015

Statement of financial position

(in Baht)

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December 2014	31 December 2013	31 December 2014	31 December 2013
<i>Current assets</i>					
Cash and cash equivalents	6	13,522,158	58,600,372	12,974,302	56,795,833
Trade accounts receivable	5, 7	522,926,160	570,029,078	522,926,160	570,029,078
Other receivables	8	29,444,856	24,560,578	37,163,953	39,282,382
Inventories	9	674,787,787	796,292,528	664,230,223	776,123,433
Other current assets		11,127,840	11,682,710	3,939,576	4,719,928
Total current assets		1,251,808,801	1,461,165,266	1,241,234,214	1,446,950,654
<i>Non-current assets</i>					
Investment in subsidiary	10	-	-	200,000,000	200,000,000
Investment properties	11	67,111,804	67,111,804	67,111,804	67,111,804
Property, plant and equipment	12	2,404,434,241	2,637,732,735	2,251,199,766	2,473,620,765
Intangible assets	13	45,983,955	52,026,966	15,983,955	22,026,966
Deferred tax assets	14	20,444,010	19,852,406	20,283,089	19,809,642
Other non-current assets		1,273,959	2,181,726	1,220,959	2,128,726
Total non-current assets		2,539,247,969	2,778,905,637	2,555,799,573	2,784,697,903
Total assets		3,791,056,770	4,240,070,903	3,797,033,787	4,231,648,557

Statement of financial position (Cont.)

(in Baht)

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December 2014	31 December 2013	31 December 2014	31 December 2013
<i>Current liabilities</i>					
Bank overdrafts and short-term loans					
from financial institutions	15	394,200,000	420,000,000	394,200,000	420,000,000
Trade accounts payable	5, 16	108,019,732	202,238,931	106,465,776	199,035,452
Other payables	17	106,581,235	112,649,012	104,390,342	110,149,176
Current portion of long-term loans					
from financial institutions	15	400,000,000	250,000,000	400,000,000	250,000,000
Current portion of finance lease liabilities	15	6,320,066	6,114,723	6,320,066	6,114,723
Income tax payable		15,884,920	35,464,466	15,884,920	35,214,816
Other current liabilities	18	16,533,865	24,449,609	16,260,259	24,396,290
Total current liabilities		1,047,539,818	1,050,916,741	1,043,521,363	1,044,910,457
<i>Non-current liabilities</i>					
Long-term loans from financial institutions	15	417,500,000	815,500,000	417,500,000	815,500,000
Finance lease liabilities	15	7,536,527	8,349,550	7,536,527	8,349,550
Employee benefit obligations	19	73,964,437	65,661,901	73,673,297	65,448,081
Total non-current liabilities		499,000,964	889,511,451	498,709,824	889,297,631
Total liabilities		1,546,540,782	1,940,428,192	1,542,231,187	1,934,208,088

Statement of financial position (Cont.)

(in Baht)

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December 2014	31 December 2013	31 December 2014	31 December 2013
Equity					
Share capital:	20				
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		1,047,958,000	1,047,368,000	1,047,958,000	1,047,368,000
Additional paid in capital:					
Premium on ordinary shares	20	166,511,520	165,720,920	166,511,520	165,720,920
Surplus on treasury shares		165,206,460	165,206,460	165,206,460	165,206,460
Retained earnings					
Appropriated					
Legal reserve	22	105,000,000	105,000,000	105,000,000	105,000,000
Unappropriated	22	759,840,008	816,347,331	770,126,620	814,145,089
Total equity		2,244,515,988	2,299,642,711	2,254,802,600	2,297,440,469
Total liabilities and equity		3,791,056,770	4,240,070,903	3,797,033,787	4,231,648,557

Statement of comprehensive income

(in Baht)

	Note	Consolidated financial statements For the year ended		Separate financial statements For the year ended	
		31 December 2014	31 December 2013	31 December 2014	31 December 2013
Income					
Revenue from sale of goods and rendering of services		4,227,889,760	4,401,842,337	4,227,889,760	4,401,842,337
Other income	24	22,156,976	27,137,748	24,173,798	29,077,935
Total income		4,250,046,736	4,428,980,085	4,252,063,558	4,430,920,272
Expenses					
Cost of sales of goods and rendering of services		3,212,687,145	3,230,607,271	3,211,881,223	3,242,196,396
Selling expenses	25	180,435,956	153,113,722	180,483,245	153,140,704
Administrative expenses	26	441,593,971	438,076,405	431,762,416	430,810,237
Finance costs	29	50,608,217	43,387,528	50,608,217	43,387,045
Total expenses		3,885,325,289	3,865,184,926	3,874,735,101	3,869,534,382
Profit before income tax expense		364,721,447	563,795,159	377,328,457	561,385,890
Income tax expense	30	(75,428,909)	(112,871,468)	(75,547,066)	(112,664,441)
Profit for the year		289,292,538	450,923,691	301,781,391	448,721,449
Other comprehensive income					
Defined benefit plan actuarial gains		-	5,161,630	-	5,161,630
Income tax expense on other comprehensive income		-	(1,032,326)	-	(1,032,326)
Other comprehensive income for the year, net of income tax		-	4,129,304	-	4,129,304
Total comprehensive income for the year		289,292,538	455,052,995	301,781,391	452,850,753
Earnings per share (in Baht)	31				
Basic earnings per share		0.28	0.43	0.29	0.43
Diluted earnings per share		-	0.43	-	0.43

Statement of changes in equity

Consolidated financial statements	Note	(in Baht)				Total equity
		Issued and paid-up share capital	Premium on ordinary shares	Surplus on treasury shares	Retained earnings	
					Legal reserve	Unappropriated
For the year ended 31 December 2013						
Balance at 1 January 2013		1,038,104,000	153,307,160	165,206,460	105,000,000	776,748,936
<i>Transactions with owners, recorded directly in equity</i>						
<i>Contributions by and distributions to owners of the Company</i>						
Issue of ordinary shares	20	9,264,000	12,413,760	-	-	-
Dividends to owners of the Company	32	-	-	-	-	(415,454,600)
Total contributions by and distributions to owners of the Company		9,264,000	12,413,760	-	-	(393,776,840)
Comprehensive income for the year						
Profit		-	-	-	-	450,923,691
Other comprehensive income		-	-	-	-	4,129,304
Total comprehensive income for the year		-	-	-	-	455,052,995
Balance at 31 December 2013		1,047,368,000	165,720,920	165,206,460	105,000,000	816,347,331
						2,299,642,711

Statement of changes in equity (Cont.)

(in Baht)							
Consolidated financial statements	Note	Issued and paid-up share capital	Premium on ordinary shares	Surplus on treasury shares	Retained earnings		Total equity
					Legal reserve	Unappropriated	
For the year ended 31 December 2014							
Balance at 1 January 2014		1,047,368,000	165,720,920	165,206,460	105,000,000	816,347,330	2,299,642,710
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners of the Company							
Issue of ordinary shares	20	590,000	790,600	-	-	-	1,380,600
Dividends to owners of the Company	32	-	-	-	-	(345,799,860)	(345,799,860)
Total contributions by and distributions to owners of the Company							
		590,000	790,600	-	-	(345,799,860)	(344,419,260)
Comprehensive income for the year							
Profit		-	-	-	-	289,292,538	289,292,538
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year							
		-	-	-	-	289,292,538	289,292,538
Balance at 31 December 2014		1,047,958,000	166,511,520	165,206,460	105,000,000	759,840,008	2,244,515,988

Statement of changes in equity (Cont.)

(in Baht)							
Separate financial statements	Note	Issued and paid-up share capital	Premium on ordinary shares	Surplus on treasury shares	Retained earnings		Total equity
					Legal reserve	Unappropriated	
For the year ended 31 December 2013							
Balance at 1 January 2013		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	20	9,264,000	12,413,760	-	-	-	21,677,760
Dividends to owners of the Company	32	-	-	-	-	(415,454,600)	(415,454,600)
Total contributions by and distributions to owners of the Company							
		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 changes in equity (Cont.)

(in Baht)							
Separate financial statements	Note	Issued and paid-up share capital	Premium on ordinary shares	Surplus on treasury shares	Retained earnings		Total equity
					Legal reserve	Unappropriated	
For the year ended 31 December 2014							
Balance at 1 January 2014		1,047,368,000	165,720,920	165,206,460	105,000,000	814,145,089	2,297,440,469
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners of the Company							
Issue of ordinary shares	20	590,000	790,600	-	-	-	1,380,600
Dividends to owners of the Company	32	-	-	-	-	(345,799,860)	(345,799,860)
Total contributions by and distributions to owners of the Company							
		590,000	790,600	-	-	(345,799,860)	(344,419,260)
Comprehensive income for the year							
Profit		-	-	-	-	301,781,391	301,781,391
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year							
		-	-	-	-	301,781,391	301,781,391
Balance at 31 December 2014							
		1,047,958,000	166,511,520	165,206,460	105,000,000	770,126,620	2,254,802,600

Statement of cash flows

(in Baht)

	Consolidated financial statements For the year ended		Separate financial statements For the year ended	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
<i>Cash flows from operating activities</i>				
Profit for the year	289,292,538	450,923,691	301,781,391	448,721,449
<i>Adjustments for</i>				
Depreciation	323,917,668	287,124,915	310,769,014	279,645,576
Amortisation of intangible assets	6,043,011	5,952,792	6,043,011	5,952,792
Amortisation of premium on forward exchange contracts	1,537,982	948,608	1,537,982	948,608
Interest income	(157,254)	(550,387)	(151,904)	(536,401)
Finance costs	50,608,217	43,387,528	50,608,217	43,387,045
Employee benefits	10,010,715	9,520,865	9,933,395	9,307,045
Doubtful debts and bad debts (reversal)	(5,440,000)	1,594,514	(5,440,000)	1,594,514
Loss on inventories written off	-	8,238,488	-	8,238,488
Allowance for decline in value of inventories (reversal)	4,379,110	(14,917,662)	3,865,645	(14,917,662)
Reversal of impairment loss on assets	(4,017,266)	(12,500,000)	(4,017,266)	(12,500,000)
Unrealised loss (gain) on exchange rate	(944,581)	358,165	(944,581)	358,165
Gain on disposal of property, plant and equipment	(1,352,182)	(1,577,471)	(1,352,184)	(1,567,472)
Income tax expense	75,428,909	112,871,468	75,547,066	112,664,441
	749,306,867	891,375,514	748,179,786	881,296,588

Statement of cash flows

(Cont.)

(in Baht)

	Consolidated financial statements For the year ended		Separate financial statements For the year ended	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	52,498,008	(101,420,888)	52,498,008	(101,420,887)
Other receivables	(4,884,278)	3,783,887	2,118,429	(10,937,917)
Inventories	114,586,373	(171,017,391)	105,488,306	(150,848,296)
Other current assets	(705,327)	(7,041,738)	(479,842)	(78,958)
Other non-current assets	346,589	(811,310)	346,589	(758,309)
Trade accounts payable	(93,199,007)	77,453,371	(91,549,484)	74,249,892
Other payables	(24,271,065)	(44,927,697)	(23,969,505)	(47,420,149)
Other current liabilities	(7,917,595)	(54,384,729)	(8,137,882)	(54,438,048)
Other non-current liabilities	(1,708,179)	-	(1,708,179)	-
Cash generated from operating activities	784,052,386	593,009,019	782,786,226	589,643,916
Income tax paid	(95,600,059)	(135,008,636)	(95,350,409)	(135,008,496)
Net cash from operating activities	688,452,327	458,000,383	687,435,817	454,635,420
<i>Cash flows from investing activities</i>				
Interest received	157,254	550,387	151,904	536,401
Purchase of property, plant and equipment	(59,159,088)	(524,708,001)	(56,880,545)	(353,124,074)
Sale of property, plant and equipment	1,592,105	3,488,815	1,592,105	3,478,815
Prepayment for purchases of assets	-	(17,827,740)	-	(17,827,740)
Purchase of intangible assets	-	(31,850,000)	-	(1,850,000)
Net cash outflow on acquisition of subsidiary	-	-	-	(200,000,000)
Net cash used in investing activities	(57,409,729)	(570,346,539)	(55,136,536)	(568,786,598)

Statement of cash flows

(Cont.)

(in Baht)

	Consolidated financial statements For the year ended		Separate financial statements For the year ended	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
<i>Cash flows from financing activities</i>				
Finance costs paid	(50,264,281)	(42,133,132)	(50,264,281)	(42,132,649)
Increase (decrease) in short-term loans from financial institutions	(25,800,000)	308,858,220	(25,800,000)	308,858,220
Finance lease payments	(7,330,637)	(5,614,608)	(7,330,637)	(5,614,608)
Proceeds from long-term loans from financial institutions	2,000,000	416,947,743	2,000,000	416,947,743
Repayment of long-term loans from financial institutions	(250,000,000)	(170,395,817)	(250,000,000)	(170,395,817)
Proceeds from issue of ordinary shares	1,380,600	21,677,760	1,380,600	21,677,760
Dividends paid	(345,798,210)	(415,452,600)	(345,798,210)	(415,452,600)
Net cash from (used in) financing activities	(675,812,528)	113,887,566	(675,812,528)	113,888,049
Net increase (decrease) in cash and cash equivalents	(44,769,930)	1,541,410	(43,513,247)	(263,129)
Cash and cash equivalents at 1 January	58,600,372	56,496,370	56,795,833	56,496,370
Effect of exchange rate changes on balances held in foreign currencies	(308,284)	562,592	(308,284)	562,592
Cash and cash equivalents at 31 December	13,522,158	58,600,372	12,974,302	56,795,833
<i>Supplementary disclosure of cash flows information:</i>				
<i>Non-cash transactions:</i>				
Acquisitions of property, plant and equipment for which payment has not yet to be made	18,738,781	267,098	18,753,547	259,715
Acquisitions of property, plant and equipment under finance lease agreements	5,836,143	587,850	5,836,143	587,850
Transfer prepayments for purchases of assets to property, plant and equipment	3,100,436	76,919,486	3,100,436	76,919,486
Transfer investment properties to property, plant and equipment	-	36,826,144	-	36,826,144

Notes to the financial statements

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Business acquisition
5	Related parties
6	Cash and cash equivalents
7	Trade accounts receivable
8	Other receivables
9	Inventories
10	Investment in subsidiary
11	Investment properties
12	Property, plant and equipment
13	Intangible assets
14	Deferred tax
15	Interest-bearing liabilities
16	Trade accounts payable
17	Other payables
18	Other current liabilities
19	Employee benefit obligations
20	Share capital
21	Warrants to purchase common shares
22	Reserves
23	Segment information
24	Other income
25	Selling expenses
26	Administrative expenses
27	Employee benefit expenses
28	Expenses by nature
29	Finance costs
30	Income tax expense
31	Earnings per share
32	Dividends
33	Financial instruments
34	Commitments with non-related parties
35	Thai Financial Reporting Standards (TFRS) not yet adopted



30 YEARS of
SUSTAINABLE GROWTH

2013

- Installation of autoclaved aerated concrete production line, AAC-1, with production capacity of 140,000 tons per year.
- Expansion of concrete tile production line base, CT-KK, to Khon Kaen Province (moved from production line, CT-1 of year 2010) with production capacity of 50,000 tons per year.
- Purchase of autoclaved aerated concrete factory, AAC-CM, at Chiang Mai Province and established as the subsidiary company, Diamond Materials Co., Ltd. with initial, "DMATS", with production capacity of 50,000 tons per year.

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 19 February 2015.

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), Tambol Talingchan, Amphur Muang, Saraburi, Thailand.

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

The Company’s major shareholder was Myriad Materials Co., Ltd. (60.03% 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 2014 and 2013 are given in notes 5 and 10.

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 annual accounting periods beginning on or after 1 January 2014:

TFRS	Topic
TAS 1 (revised 2012)	Presentation of financial statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 10	Interim Financial Reporting and Impairment
TIC 15	Operating Leases - Incentives
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TIC 32	Intangible Assets - Web Site Costs

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 2015 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 35.

(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 3 (s)	Current and deferred taxation
Note 19	Measurement of defined employee benefit obligations
Note 33	Valuation of financial instruments

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(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 respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

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.

Foreign currency differences are generally recognised in profit or loss.

(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 and is calculated using standard cost adjusted to approximate average cost.

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 profit-sharing 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) 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.

(q) 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.

(r) 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.

(s) 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.

(t) 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 year. 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 the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

(u) 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.

4. 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. Management finalised their review of the fair value and there was no revision required.

For the period from 9 May 2013 to 31 December 2013, Diamond Materials Co., Ltd. contributed revenue of Baht 69.9 million and profit of Baht 0.8 million to the Group's results. If the acquisition had occurred on 1 January 2013, management estimated that the subsidiary's total revenue and total profit for the year ended 31 December 2013 would have been Baht 110.8 million and Baht 4.4 million, respectively.

5. 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 (Until 11 April 2014)
Casa Ville Company Limited	Thailand	Common director (Until 11 April 2014)
The Confidence Company Limited	Thailand	Common director (Until 11 April 2014)
Gusto Village Company Limited	Thailand	Common director (Until 11 April 2014)
Casa Ville (Phetburi 2553) Company Limited	Thailand	Common director (Until 11 April 2014)
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:

(in thousand Baht)

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Subsidiary				
Purchase of merchandise goods	-	-	83,116	69,784
Management fee income	-	-	2,112	2,100
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	37,301	38,777	37,301	38,777
Post-employment benefits	2,199	836	2,199	836
Total	39,500	39,613	39,500	39,613
Other related parties				
Sales of goods or rendering of services	118,863	113,256	118,863	113,256
Purchase of raw materials	78	4,990	-	-

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

(in thousand Baht)

Trade accounts receivable from related parties	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Other related parties				
Supalai Public Company Limited	34,034	13,865	34,034	13,865
Quality Houses Public Company Limited	-	4,510	-	4,510
Casa Ville Company Limited	-	14,932	-	14,932
The Confidence Company Limited	-	2,332	-	2,332
Gusto Village Company Limited	-	10,723	-	10,723
Total	34,034	46,362	34,034	46,362

(in thousand Baht)

Other receivable from related party	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Subsidiary				
Diamond Materials Co., Ltd.	-	-	8,225	16,527

(in thousand Baht)

Trade account payable - related party	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Other related party				
The Lanna Resources Public Company Limited	-	329	-	-

6. Cash and cash equivalents

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash on hand	100	100	100	100
Cash at banks - current accounts	7,827	34,246	7,805	34,225
Cash at banks - savings accounts	5,595	24,254	5,069	22,471
Total	13,522	58,600	12,974	56,796

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Thai Baht (THB)	12,608	48,137	12,060	46,333
United States Dollars (USD)	914	10,463	914	10,463
Total	13,522	58,600	12,974	56,796

7. Trade accounts receivable

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Related parties	5	34,034	46,362	34,034	46,362
Other parties		499,082	539,297	499,082	539,297
Total		533,116	585,659	533,116	585,659
Less allowance for doubtful accounts		(10,190)	(15,630)	(10,190)	(15,630)
Net		522,926	570,029	522,926	570,029
Bad and doubtful debts expense for the year (reversal)		(5,440)	1,560	(5,440)	1,560

Aging analyses for trade accounts receivable were as follows:

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Related parties				
Within credit terms	19,009	19,759	19,009	19,759
Overdue				
Less than 91 days	14,599	22,219	14,599	22,219
91 - 180 days	426	3,394	426	3,394
181 - 360 days	-	830	-	830
Over 360 days	-	160	-	160
	34,034	46,362	34,034	46,362

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Other parties				
Within credit terms	419,696	403,223	419,696	403,223
Overdue				
Less than 91 days	69,478	122,032	69,478	122,032
91 - 180 days	3,047	3,908	3,047	3,908
181 - 360 days	736	3,420	736	3,420
Over 360 days	6,125	6,714	6,125	6,714
	499,082	539,297	499,082	539,297
Total	533,116	585,659	533,116	585,659
Less allowance for doubtful accounts	(10,190)	(15,630)	(10,190)	(15,630)
Net	522,926	570,029	522,926	570,029

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:

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Thai Baht (THB)	518,734	564,243	518,734	564,243
United States Dollars (USD)	4,192	5,786	4,192	5,786
Total	522,926	570,029	522,926	570,029

8. Other receivables

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Related parties	5	-	-	8,225	16,527
Other parties					
Accrued sales discount		19,370	10,639	19,190	10,639
Prepaid expenses		2,939	3,239	2,905	3,204
Advance payments to suppliers		4,536	7,283	4,283	5,605
Others		2,600	3,400	2,561	3,307
Total		29,445	24,561	37,164	39,282

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Thai Baht (THB)	16,504	21,245	24,223	35,966
United States Dollars (USD)	12,941	3,316	12,941	3,316
Total	29,445	24,561	37,164	39,282

9. Inventories

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Finished goods	126,581	176,246	118,852	159,071
Merchandise goods	16,020	23,189	16,020	23,189
Semi-finished goods	94,186	139,161	94,186	139,161
Work in progress	63,032	37,026	63,032	37,026
Raw materials	282,656	274,506	279,973	271,989
Supplies	57,560	49,942	56,901	49,464
Goods in transit	45,174	102,265	45,174	102,265
	685,209	802,335	674,138	782,165
Less allowance for decline in value	(10,421)	(6,042)	(9,908)	(6,042)
Total	674,788	796,293	664,230	776,123
Inventories recognised as an expense in 'cost of sales of goods':				
- Cost	2,838,286	2,845,584	2,837,993	2,857,173
- Write-down to net realisable value (reversal)	4,379	(14,918)	3,866	(14,918)
Net	2,842,665	2,830,666	2,841,859	2,842,255

10. Investment in subsidiary

(in thousand Baht)

	Separate financial statements	
	2014	2013
At 1 January	200,000	-
Additions	-	200,000
At 31 December	200,000	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 2014 and 2013, and dividend income from the investment for the years then ended, were as follows:

(in thousand Baht)

Separate financial statements											
	Description of business	Ownership interest (%)		Paid-up capital		Cost		At cost - net		Dividend income	
		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Subsidiary											
Diamond Materials Co., Ltd.	Manufacturing of autoclaved aerated concrete	99.99	99.99	200,000	200,000	200,000	200,000	200,000	200,000	-	-
Total						200,000	200,000	200,000	200,000	-	-

The subsidiary was incorporated in Thailand.

11. Investment properties

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cost				
At 1 January	69,812	106,638	69,812	106,638
Transfer to property, plant and equipment	-	(36,826)	-	(36,826)
At 31 December	69,812	69,812	69,812	69,812
Allowance for impairment				
At 1 January	(2,700)	(15,200)	(2,700)	(15,200)
Reversal of allowance for impairment	-	12,500	-	12,500
At 31 December	(2,700)	(2,700)	(2,700)	(2,700)
Net book value				
At 1 January	67,112	91,438	67,112	91,438
At 31 December	67,112	67,112	67,112	67,112

Investment properties are land held for future projects. As at 31 December 2014, the fair value of investment properties was Baht 144.2 million (2013: Baht 144.2 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 2014 of totaling Baht 25.4 million (2013: Baht 25.4 million) was jointly owned by two other companies.

12. Property, plant and equipment

(in thousand Baht)

	Consolidated financial statements						
	Land and improve-ment	Building structures and improve-ment	Machinery and equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construc-tion and installation	Total
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 and 1 January 2014	229,003	704,870	3,813,204	67,854	66,239	106,206	4,987,376
Additions	-	1,344	13,208	2,692	7,503	64,289	89,036
Transfers	-	63,741	99,963	285	-	(163,989)	-
Disposals	-	(16,465)	(8,377)	(980)	(8,948)	(5)	(34,775)
At 31 December 2014	229,003	753,490	3,917,998	69,851	64,794	6,501	5,041,637

	Consolidated financial statements						
	Land and improve-ment	Building structures and improve-ment	Machinery and equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construc-tion and installation	Total
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							
and 1 January 2014	-	319,404	1,925,825	51,430	45,115	-	2,341,774
Depreciation charge for the year	-	33,671	273,404	7,781	9,062	-	323,918
Disposals	-	(14,271)	(8,168)	(957)	(8,944)	-	(32,340)
At 31 December 2014	-	338,804	2,191,061	58,254	45,233	-	2,633,352
Allowance for impairment							
At 1 January 2013	-	-	-	-	-	7,869	7,869
Increase (decrease)	-	-	-	-	-	-	-
At 31 December 2013							
and 1 January 2014	-	-	-	-	-	7,869	7,869
Increase (decrease)	-	-	-	-	-	(4,018)	(4,018)
At 31 December 2014	-	-	-	-	-	3,851	3,851
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 and 1 January 2014							
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
At 31 December 2014							
Owned assets	229,003	414,686	1,726,937	11,597	6,869	2,650	2,391,742
Asset under finance leases	-	-	-	-	12,692	-	12,692
	229,003	414,686	1,726,937	11,597	19,561	2,650	2,404,434

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2014 amounted to Baht 1,295.8 million (2013: Baht 1,173.9 million).

	Separate financial statements						
	Land and improve-ment	Building structures and improve-ment	Machinery and equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construc-tion and installation	Total
Cost							
At 1 January 2013	134,443	505,488	3,103,029	61,273	64,489	521,856	4,390,578
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 and 1 January 2014	208,906	633,553	3,735,413	67,689	64,018	106,206	4,815,785
Additions	-	1,344	11,021	2,623	7,488	64,289	86,765
Transfers	-	63,741	99,963	285	-	(163,989)	-
Disposals	-	(16,465)	(8,377)	(980)	(8,948)	(5)	(34,775)
At 31 December 2014	208,906	682,173	3,838,020	69,617	62,558	6,501	4,867,775
Accumulated depreciation							
At 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 and 1 January 2014	-	316,947	1,921,086	51,407	44,855	-	2,334,295
Depreciation charge for the year	-	29,480	264,950	7,725	8,614	-	310,769
Disposals	-	(14,271)	(8,168)	(957)	(8,944)	-	(32,340)
At 31 December 2014	-	332,156	2,177,868	58,175	44,525	-	2,612,724
Allowance for impairment							
At 1 January 2013	-	-	-	-	-	7,869	7,869
Increase (decrease)	-	-	-	-	-	-	-
At 31 December 2013 and 1 January 2014	-	-	-	-	-	7,869	7,869
Increase (decrease)	-	-	-	-	-	(4,018)	(4,018)
At 31 December 2014	-	-	-	-	-	3,851	3,851
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 and 1 January 2014							
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
At 31 December 2014							
Owned assets	208,906	350,017	1,660,152	11,442	5,341	2,650	2,238,508
Asset under finance leases	-	-	-	-	12,692	-	12,692
	208,906	350,017	1,660,152	11,442	18,033	2,650	2,251,200

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2014 amounted to Baht 1,295.8 million (2013: Baht 1,173.9 million).

Property, plant and equipment under construction

During the year ended 31 December 2014, the Group had equipment under installation. Cost incurred up to 31 December 2014 totalled Baht 2.7 million (2013: projects for factory construction and machinery under installation of Baht 98.3 million).

Borrowing costs relating to the acquisition of the new property, plant and equipment capitalised to costs of assets amounted to Baht 7.1 million (2014: Nil).

13. Intangible assets

(in thousand Baht)

	Consolidated financial statements			
	Deferred know-how and technical assistance fees	Software licences	Software under installation	Total
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 and 1 January 2014	56,888	33,542	-	90,430
Additions	-	-	-	-
Transfers	-	-	-	-
At 31 December 2014	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 and 1 January 2014	22,406	15,997	-	38,403
Amortisation for the year	2,689	3,354	-	6,043
At 31 December 2014	25,095	19,351	-	44,446
Net book value				
At 1 January 2013	7,171	18,959	-	26,130
At 31 December 2013 and 1 January 2014	34,482	17,545	-	52,027
At 31 December 2014	31,793	14,191	-	45,984

(in thousand Baht)

	Separate financial statements			
	Deferred know-how and technical assistance fees	Software licences	Software under installation	Total
Cost				
At 1 January 2013	26,888	31,692	-	58,580
Additions	-	-	1,850	1,850
Transfers	-	1,850	(1,850)	-
At 31 December 2013 and 1 January 2014	26,888	33,542	-	60,430
Additions	-	-	-	-
At 31 December 2014	26,888	33,542	-	60,430
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 and 1 January 2014	22,406	15,997	-	38,403
Amortisation for the year	2,689	3,354	-	6,043
At 31 December 2014	25,095	19,351	-	44,446
Net book value				
At 1 January 2013	7,171	18,959	-	26,130
At 31 December 2013 and 1 January 2014	4,482	17,545	-	22,027
At 31 December 2014	1,793	14,191	-	15,984

14. Deferred tax

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Deferred tax assets	20,444	19,852	20,283	19,810
Deferred tax liabilities	-	-	-	-
Net	20,444	19,852	20,283	19,810

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

(in thousand Baht)

	Consolidated financial statements (Charged) / Credited to:			
	At 1 January 2014	Profit or loss	Other comprehensive income	At 31 December 2014
Deferred tax assets				
Trade accounts receivable (<i>doubtful accounts</i>)	3,112	(1,088)	-	2,024
Inventories (<i>allowance for decline in value</i>)	1,208	876	-	2,084
Investment properties (<i>allowance for impairment</i>)	540	-	-	540
Property, plant and equipment (<i>allowance for impairment</i>)	1,574	(804)	-	770
Finance lease liabilities	286	(53)	-	233
Employee benefit obligations	13,132	1,661	-	14,793
Total	19,852	592	-	20,444

(in thousand Baht)

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

(in thousand Baht)

	Separate financial statements (Charged) / Credited to:			
	At 1 January 2014	Profit or loss	Other comprehensive income	At 31 December 2014
Deferred tax assets				
Trade accounts receivable (<i>doubtful accounts</i>)	3,112	(1,088)	-	2,024
Inventories (<i>allowance for decline in value</i>)	1,208	773	-	1,981
Investment properties (<i>allowance for impairment</i>)	540	-	-	540
Property, plant and equipment (<i>allowance for impairment</i>)	1,574	(804)	-	770
Finance lease liabilities	286	(53)	-	233
Employee benefit obligations	13,090	1,645	-	14,735
Total	19,810	473	-	20,283

(in thousand Baht)

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

Deferred tax asset has not been recognised as at 31 December 2014 in respect of the following item:

(in thousand Baht)

	Consolidated financial statements	Separate financial statements
Tax losses	15,173	-
Total	15,173	-

The tax losses of the subsidiary will expire in 2019. Deferred tax asset has not been recognised in respect of this item because it is not probable that future taxable profit will be available against which the subsidiary can utilise the benefits therefrom.

15. Interest-bearing liabilities

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current				
Short-term loans from financial institutions				
Unsecured	394,200	420,000	394,200	420,000
Short-term loans from financial institutions	394,200	420,000	394,200	420,000
Current portion of long-term loans from financial institutions				
Unsecured	400,000	250,000	400,000	250,000
Current portion of long-term loans	400,000	250,000	400,000	250,000
Current portion of finance lease liabilities	6,320	6,115	6,320	6,115
Total current interest-bearing liabilities	800,520	676,115	800,520	676,115
Non-current				
Long-term loans from financial institutions				
Unsecured	417,500	815,500	417,500	815,500
Finance lease liabilities	7,537	8,350	7,537	8,350
Total non-current interest-bearing liabilities	425,037	823,850	425,037	823,850

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

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Within one year	794,200	670,000	794,200	670,000
After one year but within five years	417,500	815,500	417,500	815,500
Total	1,211,700	1,485,500	1,211,700	1,485,500

Long-term loans

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Loan agreement in February 2011	187,500	337,500	187,500	337,500
Loan agreement in October 2011	330,000	430,000	330,000	430,000
Loan agreement in December 2013	300,000	298,000	300,000	298,000
	817,500	1,065,500	817,500	1,065,500
Less current portion	(400,000)	(250,000)	(400,000)	(250,000)
Total	417,500	815,500	417,500	815,500

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 2014, the outstanding balance of loan amounted to Baht 187.5 million (2013: Baht 337.5 million). As at 31 December 2014 and 2013, 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 2014, the outstanding balance of loan amounted to Baht 330.0 million (2013: Baht 430 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 2014, the outstanding balance of loan amounted to Baht 300 million (2013: Baht 298 million).

As at 31 December 2014, the Group had unutilised credit facilities amounting to Baht 2,654.2 million (2013: Baht 2,746.7 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:

(in thousand Baht)			
	Consolidated financial statements 2014		
	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	7,045	725	6,320
After one year but within five years	8,295	758	7,537
Total	15,340	1,483	13,857
(in thousand Baht)			
	Consolidated financial statements 2013		
	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	6,897	782	6,115
After one year but within five years	8,955	605	8,350
Total	15,852	1,387	14,465
(in thousand Baht)			
	Separate financial statements 2014		
	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	7,045	725	6,320
After one year but within five years	8,295	758	7,537
Total	15,340	1,483	13,857
(in thousand Baht)			
	Separate financial statements 2013		
	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	6,897	782	6,115
After one year but within five years	8,955	605	8,350
Total	15,852	1,387	14,465

As at 31 December 2014 and 2013, the Company entered into finance lease agreements with several local leasing companies to purchase vehicles. Such lease agreements have terms expiring up to 2019, and bear interest at rates ranging from 5.6% to 12.0% per annum in 2014 (2013: ranging from 5.4% to 12.0% per annum). The agreements are repayable in 60 installments starting from October 2010.

Interest-bearing liabilities of the Company as at 31 December 2014 and 2013 were denominated entirely in Thai Baht.

16. Trade accounts payable

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Related parties	5	-	329	-	-
Other parties		108,020	201,910	106,466	199,035
Total		108,020	202,239	106,466	199,035

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Thai Baht (THB)	79,118	134,386	77,564	131,182
United States Dollars (USD)	28,858	67,331	28,858	67,331
Euro (EUR)	44	522	44	522
Total	108,020	202,239	106,466	199,035

17. Other payables

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Accrued operating expenses	41,346	34,065	39,815	32,437
Payables for acquisition of assets	18,754	18,084	18,754	18,076
Others	46,481	60,500	45,821	59,636
Total	106,581	112,649	104,390	110,149

18. Other current liabilities

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Revenue department payable	8,373	13,447	8,242	13,401
Contract guarantee	6,632	6,970	6,489	6,962
Retention	1,517	4,023	1,517	4,023
Others	12	10	12	10
Total	16,534	24,450	16,260	24,396

19. Employee benefit obligations

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Statement of financial position				
Obligations for:				
Post-employment benefits	73,964	65,662	73,673	65,448
For the year ended 31 December				
Statement of comprehensive income:				
Recognised in profit or loss:				
Post-employment benefits	10,010	9,521	9,933	9,307
Recognised in other comprehensive income:				
Actuarial gains recognised in the year	-	(5,162)	-	(5,162)

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:

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Defined benefit obligations at 1 January	65,662	61,303	65,448	61,303
Current service costs and interest	10,010	9,521	9,933	9,307
Actuarial gains in other comprehensive income	-	(5,162)	-	(5,162)
Benefits paid by the plan	(1,708)	-	(1,708)	-
Defined benefit obligations at 31 December	73,964	65,662	73,673	65,448

Expenses recognised in profit or loss (Note 27).

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current service costs	6,741	6,727	6,677	6,513
Interest on obligation	3,269	2,794	3,256	2,794
Total	10,010	9,521	9,933	9,307

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cost of sales of goods and rendering of services	3,540	3,384	3,503	3,309
Selling expenses	926	818	926	818
Administrative expenses	5,544	5,319	5,504	5,180
Total	10,010	9,521	9,933	9,307

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

(%)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Discount rate	4.77	4.77	4.77	4.77
Future salary increment rate	6.61	6.61	6.61	6.61
Turnover rate	0 - 15	0 - 15	0 - 15	0 - 15

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

20. Share capital

(million shares / in million Baht)

	Par value per share (in Baht)	2014		2013	
		Number	Amount	Number	Amount
Authorised					
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
Issued and paid-up					
At 1 January					
- ordinary shares	1	1,047	1,047	1,038	1,038
Issue of shares	1	1	1	9	9
At 31 December					
- ordinary shares	1	1,048	1,048	1,047	1,047

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.

On 17 February and 13 June 2014, the holders of 0.6 million units exercised options to purchase 0.6 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 1,047.4 million (1,047.4 million shares at Baht 1 par value) to Baht 1,047.9 million (1,047.9 million shares at Baht 1 par value) and the premium on ordinary shares increased from Baht 165.7 million to Baht 166.5 million. The Company registered the increase in the issued and paid-up share capital with the Ministry of Commerce on 25 February and 24 June 2014, respectively.

As at 31 December 2014, the Company had premium on ordinary shares of Baht 166.5 million (2013: Baht 165.7 million).

21. 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 20).

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 and 13 June 2014, the holders of 0.6 million units exercised their options to purchase 0.6 million ordinary shares at an exercise price of Baht 2.34 per share, amounted to Baht 1.4 million.

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.

As at 31 December 2014, the outstanding unexercised warrants were 1.7 million units (31 December 2013: 2.3 million units) and the exercise period was ended. At the Board of Directors' meeting of the Company held on 8 September 2014, the Board of Directors approved that the Company shall not allocate the outstanding unexercised warrants to employees and shall propose to shareholders at the annual general meeting of the shareholders of the Company to approve the reduction of the Company's authorised share capital.

22. 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.

23. 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.

24. Other income

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Reversal of doubtful debts and bad debts	5,440	-	5,440	-
Reversal of allowance for impairment	4,018	12,500	4,018	12,500
Reversal of allowance for decline in value	-	6,679	-	6,679
Gain on exchange rate	2,620	-	2,620	-
Gain on disposal of assets	1,352	1,577	1,352	1,567
Others	8,727	6,382	10,744	8,332
Total	22,157	27,138	24,174	29,078

25. Selling expenses

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Promotional expenses	118,168	93,024	118,215	93,051
Employee benefit expenses	41,786	41,320	41,786	41,320
Others	20,482	18,770	20,482	18,770
Total	180,436	153,114	180,483	153,141

26. Administrative expenses

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Employee benefit expenses	201,625	199,838	199,092	197,880
Storage expenses	86,270	94,872	86,259	94,872
Depreciation and amortisation	56,250	26,160	51,633	25,048
Service fees	30,063	35,356	29,496	32,871
Tax and fees	10,129	11,578	9,879	10,682
Fuel and energy expenses	10,007	9,217	9,728	9,213
Rental expense	9,496	9,143	9,191	8,944
Utilities expenses	8,640	9,095	8,403	9,050
Others	29,114	42,817	28,081	42,250
Total	441,594	438,076	431,762	430,810

27. Employee benefit expenses

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Wages and salaries	327,021	310,406	321,481	306,726
Social securities	8,168	6,092	7,909	5,973
Provident Fund	14,019	10,406	14,019	10,406
Post-employment benefits	10,010	9,521	9,933	9,307
Others	77,412	77,801	76,591	76,609
Total	436,630	414,226	429,933	409,021

Defined benefit plans

Details of the defined benefit plans are given in note 19.

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.

28. Expenses by nature

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Changes in inventories of finished goods and work in progress	75,804	(61,361)	66,357	(44,186)
Raw materials and consumables used	1,440,336	1,497,428	1,402,746	1,455,787
Employee benefit expenses	436,630	414,226	429,933	409,021
Depreciation and amortisation	331,499	294,026	318,350	286,547
Storage expenses	435,327	479,869	431,782	476,115
Service fees	252,687	257,542	246,598	249,552
Others	862,434	940,067	928,361	993,311
Total cost of sales of goods and rendering of services, selling expenses and administrative expenses	3,834,717	3,821,797	3,824,127	3,826,147

29. Finance costs

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Interest expense:				
Bank overdrafts and loans from financial institutions	49,745	49,340	49,745	49,339
Interest on finance leases	863	1,130	863	1,130
Total interest expense	50,608	50,470	50,608	50,469
Less amount capitalised as costs of assets under construction	-	(7,082)	-	(7,082)
Net	50,608	43,388	50,608	43,387

30. Income tax expense

Income tax recognised in profit or loss

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current tax expense				
Current year	76,021	109,623	76,021	109,373
Deferred tax expense				
Movements in temporary differences	(592)	3,249	(473)	3,291
Total income tax expense	75,429	112,872	75,548	112,664

Income tax recognised in other comprehensive income

(in thousand Baht)

	Consolidated financial statements					
	2014			2013		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Defined benefit plan actuarial gains	-	-	-	5,162	(1,032)	4,130
Total	-	-	-	5,162	(1,032)	4,130

(in thousand Baht)

	Separate financial statements					
	2014			2013		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Defined benefit plan actuarial gains	-	-	-	5,162	(1,032)	4,130
Total	-	-	-	5,162	(1,032)	4,130

Reconciliation of effective tax rate

	Consolidated financial statements			
	2014		2013	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		364,721		563,795
Income tax using the Thai corporation tax rate	20.00	72,944	20.00	112,759
Tax losses not recognised		3,154		-
Expenses not deductible for tax purposes		1,639		2,046
Expenses with tax deductible benefits		(2,308)		(1,934)
Total	20.68	75,429	20.02	112,871

	Separate financial statements			
	2014		2013	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		377,328		561,386
Income tax using the Thai corporation tax rate	20.00	75,466	20.00	112,277
Expenses not deductible for tax purposes		1,757		2,044
Expenses with tax deductible benefits		(1,675)		(1,657)
Total	20.02	75,548	20.07	112,664

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. Royal Decree No. 577 B.E. 2557 dated 10 November 2014 extends the reduction to 20% for the accounting period 2015 which begins on or after 1 January 2015.

The Group has applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2014 and 2013 in accordance with the clarification issued by the FAP in 2012.

31. Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2014 and 2013 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	
	2014	2013	2014	2013
Profit attributable to ordinary shareholders of the Company (basic)	289,293	450,924	301,781	448,721
Number of ordinary shares outstanding at 1 January	1,047,368	1,038,104	1,047,368	1,038,104
Effect of warrants to purchase common shares exercised	453	2,100	453	2,100
Weighted average number of ordinary shares outstanding (basic)	1,047,821	1,040,204	1,047,821	1,040,204
Earnings per share (basic) (in Baht)	0.28	0.43	0.29	0.43

Diluted earnings per share

The calculations of diluted earnings per share for the year ended 31 December 2013 were based on the profit for the year attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the year after adjusting for the effects of all dilutive potential ordinary shares as follows:

(in thousand Baht / thousand shares)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Profit attributable to ordinary shareholders of the Company (basic)	-	450,924	-	448,721
Profit attributable to ordinary shareholders of the Company (diluted)	-	450,924	-	448,721
Weighted average number of ordinary shares outstanding (basic)	-	1,040,204	-	1,040,204
Effect of warrant to purchase common shares exercised	-	6,830	-	6,830
Weighted average number of ordinary shares outstanding (diluted)	-	1,047,034	-	1,047,034
Earnings per share (diluted) (in Baht)	-	0.43	-	0.43

32. Dividends

At the annual general meeting of the shareholders of the Company held on 25 April 2014, the shareholders approved the appropriation of dividend of Baht 0.38 per share, amounting to Baht 396.3 million after deduction of interim dividends of Baht 0.2 per share. The remaining unpaid dividends were Baht 0.18 per share totaling Baht 188.6 million. The dividend was paid to shareholders in May 2014.

At the Board of Directors' meeting of the Company held on 8 September 2014, the Board of Directors approved the appropriation of interim dividend of Baht 0.15 per share, amounting to Baht 157.2 million. The dividend was paid to shareholders in October 2014.

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.

33. 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 2014 and 2013, the Company had interest rate swap contracts with a financial institution to swap a 3-month THBFIX 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:

(in thousand Baht)

	Effective interest rate (% per annum)	Consolidated financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
2014					
Current					
Short-term loans from financial institutions	2.19	394,200	-	-	394,200
Non-current					
Long-term loans from financial institutions	3.71 - 5.10	400,000	417,500	-	817,500
Total		794,200	417,500	-	1,211,700
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

(in thousand Baht)

	Effective interest rate (% per annum)	Separate financial statements			
		Within 1 year	After 1 year but within 5 years	After 5 years	Total
2014					
Current					
Short-term loans from financial institutions	2.19	394,200	-	-	394,200
Non-current					
Long-term loans from financial institutions	3.71 - 5.10	400,000	417,500	-	817,500
Total		794,200	417,500	-	1,211,700
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

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:

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
United States Dollars					
Cash and cash equivalents	6	914	10,463	914	10,463
Trade accounts receivable	7	4,192	5,786	4,192	5,786
Other receivables	8	12,941	3,316	12,941	3,316
Trade accounts payable	16	(28,858)	(67,331)	(28,858)	(67,331)
Euro					
Trade accounts payable	16	(44)	(522)	(44)	(522)
Gross balance sheet exposure		(10,855)	(48,288)	(10,855)	(48,288)
Currency forwards	34	30,651	-	30,651	-
Net exposure		19,796	(48,288)	19,796	(48,288)

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.

34. Commitments with non-related parties

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Capital commitments				
Agreements of construction and acquisition of machinery and equipment	13,248	38,829	13,248	38,829
Total	13,248	38,829	13,248	38,829

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Non-cancellable operating lease commitments				
Within one year	10,266	9,752	10,266	9,752
After one year but within five years	1,752	7,759	1,752	7,759
Total	12,018	17,511	12,018	17,511
Other commitments				
Unused letters of credit	116,383	106,556	116,383	106,556
Forward exchange contracts	30,651	-	30,651	-
Total	147,034	106,556	147,034	106,556

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 2014, the Group had outstanding forward exchange contracts of US Dollars 0.9 million and Euro 0.1 million (2013: Nil) equivalent to Baht 30.7 million (2013: Nil).

35. Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic	Year Effective
TAS 1 (revised 2014)	Presentation of Financial Statements	2015
TAS 2 (revised 2014)	Inventories	2015
TAS 7 (revised 2014)	Statement of Cash Flows	2015
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors	2015
TAS 10 (revised 2014)	Events after the Reporting Period	2015
TAS 12 (revised 2014)	Income Taxes	2015
TAS 16 (revised 2014)	Property, Plant and Equipment	2015
TAS 17 (revised 2014)	Leases	2015
TAS 18 (revised 2014)	Revenue	2015
TAS 19 (revised 2014)	Employee Benefits	2015
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates	2015
TAS 23 (revised 2014)	Borrowing Costs	2015
TAS 24 (revised 2014)	Related Party Disclosures	2015
TAS 27 (revised 2014)	Separate Financial Statements	2015
TAS 33 (revised 2014)	Earnings per Share	2015
TAS 34 (revised 2014)	Interim Financial Reporting	2015
TAS 36 (revised 2014)	Impairment of Assets	2015
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets	2015
TAS 38 (revised 2014)	Intangible Assets	2015
TAS 40 (revised 2014)	Investment Property	2015
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations	2015
TFRS 8 (revised 2014)	Operating Segments	2015
TFRS 10	Consolidated Financial Statements	2015

TFRS	Topic	Year Effective
TFRS 13	Fair Value Measurement	2015
TSIC 15 (revised 2014)	Operating Leases - Incentives	2015
TSIC 25 (revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	2015
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2015
TSIC 32 (revised 2014)	Intangible Assets - Web Site Costs	2015
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease	2015
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment	2015
TFRIC 13 (revised 2014)	Customer Loyalty Programmes	2015

The Group has made a preliminary assessment of the potential initial impact on consolidated and separate financial 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.



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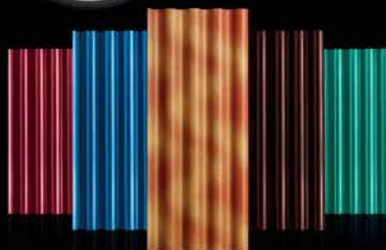
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