



“Baan Pluk Pree Dee” Bangkok
The ASA Architectural Conservation Award Year 2015
Category: Buildings and Private Homes
From the Association of Siamese Architects
under the Royal Patronage of His Majesty the King

Diamond Building Products Public Company Limited Annual Report 2015



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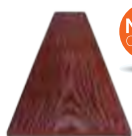
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“สวยงาม”
มีมิติ เหนือชั้นไม่จริง



แดงทิวสับ



สับเคซี่



น้ำตาลเบอร์รี่



ไม้สังเคราะห์

VISION, MISSION, CORE VALUES, OBJECTIVES AND STRATEGIES



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:

						
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.

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 floor plank, 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 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.
Registered Capital	1,047,958,000 ordinary shares at a par value of Baht 1 per share totaling Baht 1,047,958,000 and 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, Phaholyothin Place Bldg., 40 th Floor, Phaholyothin 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, Mitraphap Road, Tambon Tan Diao, Amphur Kaengkhoi, 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 Auditor

Thailand Securities Depository Co., Ltd.
93 Ratchadaphisek Road, Dindaeng, Bangkok 10400
Tel: 0 2009 9000 , Fax: 0 2009 9991
SET Contact center: 0 2009 9999
E-mail: SETContactCenter@set.or.th
Website: http://www.set.or.th/tsd

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 2015, Thailand's economy grew much less than the government and private sector had anticipated, having been affected by the decline in agricultural commodity prices, decline in export and a slowdown in construction of government's major projects, which have resulted in significant price reduction of construction materials, particularly in the provincial market areas where purchasing power has shrunk due to the decline in agricultural products. Accordingly, the Company has made certain adjustments in order to cope with the changing economic situation as follows.

Overall Operating Results: According to the consolidated financial statements of the Company and its subsidiary company (together referred to as the "Corporate Group") had a total revenue in year 2015 of Baht 4,165.12 million, a slight decrease from the previous year of 1.48 percent, but the net profit was Baht 330.99 million, an increase of over 14.41 percent from the previous year due to the following reasons.

(1) Reduction of production cost and raw materials expenses as well as increase of production efficiency and use of energy management measures, which have resulted in a gross profit margin increase from 24.01 percent in year 2014 to 25.87 percent in year 2015.

(2) Increase of export to the neighboring CLMV countries (Cambodia, Laos, Myanmar and Vietnam) with growing market and start exporting to other markets including Indonesia and India: As a result, the Company's export sales volume increased by 10.86 percent from the previous year.

(3) Development of new products that serve market requirements: The Company has developed wood substitute products such as floor plank, decorative plank and vent ceiling, which have high growth rate to substitute real wood that are rare and expensive. The Company's wood substitute products are resistant to contraction, bending and termite, suitable for tropical countries.

(4) Reduction of financial expenses by having repaid the long term loan of Baht 680 million and refinanced part of its long



term loan which had not reached its maturity, which resulted in a reduction of interest payment obligation from Baht 50.61 million in year 2014 to Baht 34.33 million in year 2015, thus reducing its debt-to-equity ratio to only 0.55 times or reduction of over 20.77 percent from the previous year.

Good Corporate Governance: As a listed company in the stock exchange since 2005, the Company is determined to become a leading organization with professional management giving precedence to 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), having received the following awards of pride.

(1) The Company was placed in the “Excellent” group with a five-star award (★★★★★) for the assessment of Corporate Governance and ranked in the Top Quartile level within the group of companies with market capitalization of Baht 3,000 million to Baht 9,999 million, having received a score of 90 percent in year 2015 which is higher than score received in year 2014 at 86 percent, according to the assessment criteria and scoring procedure that are more in line with the ASEAN CG Scorecard (ACGS).

(2) **AGM Assessment Award:** The Company received an “Excellent” rating within 100-point range for the Annual General Meeting (AGM) Assessment of the Listed Companies Year 2015 by the Thai Investors Association (TIA) for the 5th year consecutively from year 2011 to 2015.

Corporate Social Responsibility (CSR): The Company is determined to manage the business with corporate social responsibility which is an important factor for sustainable development by starting with the development of Diamond People including directors, executives and employees at every level to adhere to integrity, honesty and transparency as well as holding to the principle of fair business practice and the code of conduct toward every group of stakeholders in the business chain; namely, the shareholders, customers, trading partners and competitors without seeking its own benefit and creating conflict of interest with the Company for the utmost interest and sustainable success. The Company has carried out such work and been certified as follows.

(1) **ESG 100 (Environmental, Social and Governance: ESG):** On June 22, 2015, the Company was placed among 100 listed companies by the Thaipat Institute, for having outstanding environmental, social and governance (ESG 100).

(2) **Private Sector Collective Action Coalition Against Corruption (CAC):** The Company received the Anti-Corruption Certificate as the CAC member No. 125 on October 16, 2015 for a 3-year period from the certified date.

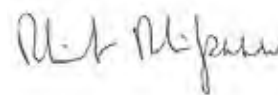
(3) **The Company became the Partnership Against Corruption for Thailand (PACT Network),** established by the Thaipat Institute to develop and implement concrete, practical action-oriented anti-corruption mechanisms and raise awareness of anti-corruption issues among employees and executives to be used as additional tools for overseeing the operations.

Dividend Payment Year 2015: According to the Company’s separate financial statements of year 2015, the net profit was Baht 343.97 million or Baht 0.33 per share from a par value of Baht 1.00 per share. The Board of Directors, therefore, proposed to appropriate the earnings for dividend payment at Baht 0.25 per share to the shareholders. Accordingly, the Company had already paid the interim dividend of Baht 0.12 per share on September 25, 2015. Therefore, the remaining dividend of Baht 0.13 per share will be paid out on May 23, 2016. Such dividend payment accounts for 75.76 percent of the net earnings per share in year 2015. The Board of Directors has always considered paying high rate of dividend to the shareholders for the past several years in order to continuously provide good return to the shareholders.

Future Trend: In year 2016, Thai economy is expected to gradually recover due to acceleration of investments from the government sector as well as its assistance measures for agricultural sector. Lower fuel price should also contribute to more spending on other products by the consumers. Weakening Thai Baht currency should improve Country’s export market. The Company anticipates that the construction materials market should improve along with the increasing purchasing power of the consumers.

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.

Lastly, the Company wishes to offer our condolences on the death of Mr. James Patrick Rooney, the Company’s Director, who passed away on October 5, 2015. He had been the Company’s Director since 2003 and served an important role in the listing of Company into the Stock Exchange of Thailand, as well as offering advice in several matters which were always beneficial to the operation of the Company. The Board of Directors and employees express deepest regret and sympathy on the loss of Mr. James Patrick Rooney whose merit will be forever remembered.



Mr. Prakrit Pradipasen
Chairman of the Board

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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 2015, which can be summarized as follows.

1. The quarterly and yearly financial statements for year 2015 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 2015 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 2015 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 2015 have been reviewed and found to have pricing and commercial conditions according to normal business in general.
5. Risk management system during year 2015 was reviewed and recommendations were given to the management to rectify any deficiencies to ensure a more secured and proper system.
6. Progress of legal cases was reviewed during year 2015 and the recommendations were given to file a lawsuit against the debtor or account receivable for the tax benefit pertaining to the bad debt write off according to the Revenue Code.
7. Self-assessment forms on Anti-Corruption containing 71 assessment items were reviewed for the Company to apply for the member of Private Sector Collective Action Coalition Against Corruption Council by which the Company has been certified since October 16, 2015.
8. The Audit Committee has considered the selection of the independent auditor and determination of the audit fee for year 2016 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 2016 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 2016. The audit fee for the Company is Baht 1,410,000, an increase of Baht 40,000 or 2.92 percent and the audit fee for the Diamond Materials Co., Ltd., a subsidiary company, is the same as previous year at Baht 350,000, for a total of Baht 1,760,000, which is deemed appropriate.
9. In year 2015, 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 16, 2016

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 year 2015, 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 of the Director for the Vacant Director Position

Due to the death of the Director, Mr. James Patrick Rooney, on October 5, 2015, the Nomination and Remuneration Committee considered the nomination of a director to replace the director position that became vacant by establishing the rule and procedure for the nomination as follows.

- 5.1 The Nomination and Remuneration Committee had acknowledged the death of the director resulting in a vacant position and learned the name lists of outside persons being proposed for the nomination as Company's director.
- 5.2 The Nomination and Remuneration Committee considered and selected an appropriate person to be the director from the proposed name lists, having qualifications and without incompatibility in accordance with the established law.
- 5.3 The Nomination and Remuneration Committee has selected and proposed the name of person suitable to become the director in place of the vacant position to the Company's Board of Directors' Meeting for its consideration.

January 18, 2016

On Behalf of the Nomination and Remuneration Committee,

(Mr. Chaiyut Srivikorn)

Chairman of the Nomination and Remuneration Committee



REPORT OF THE RISK MANAGEMENT COMMITTEE

The Risk Management Committee has performed its duties in order to manage and mitigate risks as well as organized effective risk control activities covering key operations that are significant to the business operation in order to be assured that established objectives will be achieved. During the year 2015, the Risk Management Committee, comprising of 15 executives from every department of the Company, held twelve meetings altogether to consider various matters, which can be summarized as follows.

1. Regularly reviewed the risks at all levels by performing evaluation and analysis of risk factors covering operation according to strategy on manufacturing, sales, services, personnel development and other areas which may impact Company's operations.
2. Established risk management plan and risk control guidelines in order to manage risks so that they are at the level acceptable by the Company.
3. Monitored and oversaw significant risk factors to achieve results in accordance with the risk management plan, risk control guidelines and strategy of the Company by preparing the Report of the Risk Management Committee for review by the Audit Committee before proposing to the Management Committee and the Board of Directors of the Company for consideration at least once every quarter.
4. Prepared crisis management plan including audit and reporting process in order to enhance confidence that the Company possesses appropriate and effective risk management system.
5. Supervised and oversaw that the risk management plan was properly carried out within the framework and reviewed information concerning the risks were correctly and regularly disclosed to the compliance unit and public.
6. Prepared self-assessment form on corruption risks of every department in cooperation with the Prevention and Anti-Corruption Committee for every department to perform such self-assessment and used the risk assessment results to improve on the rules and regulations to cover such risks. The Company has established that the self-assessment form on corruption risks be reviewed and the self-assessment is performed by every department at least once a year.

During the past year, the Risk Management Committee has carried out its duties according to the established plan. The risk management was systematically functioned and the work results were closely monitored, successfully controlling risks at acceptable level so that they did not impact Company's operations for the best interest of the Company and every stakeholder.

January 25, 2016

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 operates according to the good corporate governance principles in order for the Company to manage the business with effectiveness, transparency and fairness, adhering to the business code of conduct that is acceptable by every group of stakeholders. During the year 2015, six 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. The Company has performed its task with regard to the anti-corruption aspect as follows.
 - 3.1 The Company applied and became the member of the Private Sector Collective Action Coalition Against Corruption (CAC) in order to demonstrate that the Company's operation is transparent and accepted by every group of stakeholders. The Corporate Governance Committee is the Project's advisor, recommending for the appointment of the Prevention and Anti-Corruption Committee to carry out duties in accordance with the rule as stipulated by CAC. Accordingly, the CAC Council has resolved to certify the Company as the CAC Member No. 125 on October 16, 2015 for a 3-year period from the certified date.
 - 3.2 The Company applied to become the member of **the Partnership Against Corruption for Thailand (PACT Network)**, established by the Thaipat Institute to develop and implement concrete, practical action-oriented anti-corruption mechanisms and raise awareness of anti-corruption issues among employees and executives to be used as additional tools for overseeing the operations.
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 2015, the Company established that there is the self-assessment of the performance of the Board of Directors, Sub-Committees as a whole board and as an individual, having 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 Board of Directors, Sub-Committees as a whole board and as an individual for year 2015 had an average scores ranging between 85.9 percent and 99.6 percent. Accordingly, the committee members gave suggestions for work improvement for each of the committees, which was beneficial to the Company.
5. Participated in the CG Forum 3-4/2015 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.
6. In year 2015, the Company received the following awards of pride relating to the assessment on corporate governance.
 - 6.1 The Company was placed in the **"Excellent"** group with a **five-star award (★★★★★)** for the assessment of Corporate Governance and ranked in the **Top Quartile** level within the group of companies with market capitalization of Baht 3,000 million to Baht 9,999 million, having received a score of 90 percent in year 2015 which is higher than score received in year 2014 at 86 percent, according to the assessment criteria and scoring procedure that are more in line with the ASEAN CG Scorecard (ACGS).
 - 6.2 **AGM Assessment Award:** The Company received an **"Excellent"** rating within **100-point** range for the Annual General Meeting (AGM) Assessment of the Listed Companies Year 2015 by the Thai Investors Association (TIA) for the 5th year consecutively from year 2011 to 2015.
 - 6.3 **ESG 100 (Environmental, Social and Governance: ESG):** On June 22, 2015, the Company was placed among 100 listed companies by the Thaipat Institute, for having outstanding environmental, social and governance (ESG 100).

During the past year, the Corporate Governance Committee has achieved its established plan on the work involving the corporate governance. The Corporate Governance Committee is determined to improve on the good corporate governance including the anti-corruption task in order to have effective and transparent management which should build confidence and be accepted by every group of stakeholders permanently.

January 25, 2016

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) adheres to the business code of conduct and good governance, having performed its duties as assigned from the Management Committee. During the year 2015, the CSR Committee, comprising of 14 executives from every department of the Company, attended the meetings to consider the follow 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 encourage love, generosity and social consciousness among the employees. In year 2015, altogether 15 activities to create happiness in the workplace were organized in order to achieve **"Happy Workplace"** organization for the employees and community, such as Happy Body: cigarette smoking reduction campaign, Happy Heart: blood donation activity, Happy Soul: work-life balance, Happy Brain: HR check in activity, Happy Relax, 30-minute easy yoga and office syndrome reduction activity, Happy Money: money saving activity, Happy Family: Mother's Day Do it for Mom activity, Happy Society: product support for community and home construction for impoverished people, etc.
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 community people, students from the Saraburi Technical College and students from the Phra Dabot Project, etc., so that they have the knowledge and skill in roof installation, creating jobs and earnings for the people in the community. **"Diamond Heart Technicians"** Project has been regularly organized and in year 2015, the Project was carried out in cooperation with the Phra Dabot Foundation to build a model house based on the New Theory on agricultural demonstration plot at the Luk Phra Dabot Project, Bangphli District, Samutprakarn Province. The training courses for Phra Dabot Project students comprised of both theoretical and practical parts for a total of four days, supported with the products and equipment for the construction of the model house, which was named **"Sufficient Diamond House"**, by which the students could take the knowledge to build low-cost housing residence. The students were quite interested in the training courses.
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 the reduction of dust and air pollution project, reduction of coating loss and use of raw material residue and remaining materials for recycling into other products, energy management project, etc., including organization of several energy related activities and booth exhibitions 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, including classes on the Preparation of the CSR Report, the Managing CSR for Sustainable Development and the Responsible Supply Chain Management, etc.
8. On June 22, 2015, the Company received the award of pride, **ESG 100 (Environmental, Social and Governance) Certificate**, being placed among 100 listed companies by the Thaipat Institute for having outstanding environmental, social and governance.
9. Prepared the Corporate Social Responsibility and Sustainability Report for reporting its operation during year 2015.

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 15, 2016

On behalf of the Corporate Social Responsibility Committee

(Mr. Satid Sudbuntad)

Chairman of the Corporate Social Responsibility Committee

REPORT OF THE PREVENTION AND ANTI-CORRUPTION COMMITTEE



The Company is determined to have the employees at every level realize the danger of corruption which will affect the operation of the Company and every group of stakeholders. Therefore, the Company has announced its intention to join the Private Sector Collective Action Coalition Against Corruption (CAC) and established the Prevention and Anti-Corruption Committee, comprising of 14 executives from every department of the Company. The Prevention and Anti-Corruption Committee has held meetings to consider several matters which can be summarized as follows.

1. Preparation of handbook and regulation for good practice on anti-corruption which have been disseminated to the employees and stakeholders for their acknowledgment.
2. Preparation of self-assessment form together with the Risk Management Committee concerning anti-corruption risk of every department for every department to perform the self-assessment. The results of the self-assessment on anti-corruption risk did not show significant impact on the Company's operation and regulations and orders have been revised to cover such risks. Moreover, the Company has established that the self-assessment on anti-corruption risk is reviewed and taken by every department at least once every year.
3. Preparation of self-assessment form concerning anti-corruption measure in accordance with the regulation stipulated as the CAC member, which have been reviewed by the Internal Audit and Compliance Control Office. Accordingly, the Company was certified as the CAC Member No. 125 on October 16, 2015 for a 3-year period from the certified date.
4. Application to become the member of the Partnership Against Corruption for Thailand (PACT Network), established by the Thaipat Institute to develop and implement concrete, practical action-oriented anti-corruption mechanisms and raise awareness of anti-corruption issues among employees and executives to be used as additional tools for overseeing the operations.
5. Organization of training for the employees and enrollment of members of the Prevention and Anti-Corruption Committee for the training courses during year 2015 as follows.
 - 5.1 Enrolled the Prevention and Anti-Corruption Committee Members to the Anti-Corruption in Practice – Action-Oriented training course organized by the PACT Network to reinforce an understanding in the anti-corruption in practice for the business organization and prevention of the Company and its subsidiary companies to involve in corruption according to the anti-corruption regulation of international standard.
 - 5.2 Enrolled the Prevention and Anti-Corruption Committee Members to the Anti-Corruption in the Organization Training Course at the Federation of Accounting Professions under the Royal Patronage of His Majesty The King for 6 working days to bring knowledge from the training for suggestions and use as practice guideline.
 - 5.3 Organized internal training for the employees at the command level and operation level on November 18 and November 23-30, 2015 to disseminate for understanding concerning the Company's policy on anti-corruption.

During the past year, the Prevention and Anti-Corruption Committee has performed and achieved its established plan with the Company having been certified as the member of the Private Sector Collective Action Coalition Against Corruption (CAC) which has affectively made all the directors, executives and employees realize more about their responsibility, behave themselves and perform their duties under the legal framework and ethic for sustainable development.

January 25, 2016

On behalf of the Prevention and Anti-Corruption Committee

(Mr. Asanee Chantong)

Chairman of the Prevention and Anti-Corruption Committee

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BOARD OF DIRECTORS

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



Mr. Prakrit Pradipasen

Chairman / Age 73 Years/ Nationality : Thai

Shareholding in the Company as of Year 2014 : 2015 = 1.40% : 1.40% of the paid-up capital and total voting rights.

Position as the Director : Started from January 9, 2003, totaling 12 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 and Nomination and Remuneration Committee Member	Supalai Plc.
2000 - Present	Independent Director and Audit Committee Chairman and Independent Director	Susco Plc.
2000 - Present	Chairman, Independent Director and 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 and Nomination and Remuneration Committee Chairman / Age 49 Years

Nationality : Thai

Shareholding in the Company as of Year 2014 : 2015 = 0.30% : 0.30% of the paid-up capital and total voting rights.

Position as the Director : Started from January 20, 2003, totaling 12 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)		
2015 - Present	Executive Director	TCMC Furniture (UK) Co., Ltd.
2012 - Present	Chairman	Action Perfect Co., Ltd.
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. Phaithoon Kijsamrej

Director and Nomination and Remuneration Committee Member / Age 72 Years

Nationality : Thai

Shareholding in the Company as of Year 2014 : 2015 = 0.14% : 0.14% of the paid-up capital and total voting rights.

Position as the Director : Started from January 9, 2003, totaling 12 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)		
2015 - Present	Audit Committee Chairman	Siam Solar Power Co., Ltd.
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 and Corporate Governance Committee

Chairman / Age 65 Years / Nationality : Thai

Shareholding in the Company as of Year 2014 : 2015 = None

Position as the Independent Director : Started from April 24, 2013, totaling 2 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)		
2014 - Present	Director	Phaholyothin Place Juristic Person
2011 - Present	Director	Pattaya Grand Village Co., Ltd.



Mr. Sakda Maneeratchatchai

Independent Director and Audit Committee Chairman / Age 71 Years / Nationality : Thai

Shareholding in the Company as of Year 2014 : 2015 = 0.39% : 0.39% of the paid-up capital and total voting rights.

Position as the Independent Director : Started from April 17, 2009, totaling 6 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		
2007 - 2008	Advisor	Diamond Building Products Plc.
1999 - 2006	Director, Executive Director and Managing Director	Diamond Building Products Plc.

Companies (Not listed companies) : None

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Mr. Anun Louharanoo

Independent Director, Audit Committee Member and Nomination and Remuneration

Committee Member / Age 62 Years / Nationality : Thai

Shareholding in the Company as of Year 2014 : 2015 = 0.22% : 0.22% of the paid-up capital and total voting rights.

Position as the Independent Director : Started from January 10, 2005, totaling 10 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 (Refresher Course)
- 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 and Audit Committee Member	Thailand Carpet Manufacturing Plc.
2003 - Present	Director	Thai Agro Energy Plc.
1985 - Present	Director, Executive Director, Chief Financial Officer and Company Secretary	Lanna Resources Plc.
2004 - 2011	Independent Director and Audit Committee Member	Royal Porcelain 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



Mr. Woodthikrai Soatthiyanon

Independent Director and Corporate Governance Committee Member / Age 62 Years

Nationality : Thai

Shareholding in the Company as of Year 2014 : 2015 = None

Position as the Independent Director : Started from January 12, 2011, totaling 4 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 Dapt	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 and Chief Executive Officer

Age 63 Years / Nationality : Thai

Shareholding in the Company as of Year 2014 : 2015 = 0.14%: 0.14% of the paid-up capital and total voting rights.

Position as the Director : Started from January 1, 2007, totaling 8 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. Satid Sudbuntad

Director, Management Committee Member, Corporate Governance Committee

Member and Chief Operating Officer / Age 55 Years / Nationality : Thai

Shareholding in the Company as of Year 2014 : 2015

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

Position as the Director : Started from January 24, 2000, totaling 15 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
Listed Companies : None		
Companies (Not listed companies)		
2013 - Present	Director	Diamond Materials Co., Ltd.
1999 - 2005	Director	Karat faucet Co., Ltd.





Mr. Maitree Tawonatiwasna

Director, Management Committee Member and Deputy Chief Executive Officer

Age 69 Years / Nationality : Thai

Shareholding in the Company as of Year 2014 : 2015 = 0.26% : 0.26% of the paid-up capital and total voting rights.

Position as the Director : Started from January 12, 2011, totaling 4 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.
1997 - 2004	Managing Director	Kohler (Thailand) Plc.

Mr. Krit Phanratnamala

Director / Age 47 Years / Nationality : Thai

Shareholding in the Company as of Year 2014 : 2015 = -None-

Position as the Director : Started from January 12, 2011, totaling 4 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		
October 2015 - Present	Director	Dhipaya Life Assurance Plc.
2011 - Present	Independent Director and Audit Committee	Group Lease Plc.
2006 - Present	Independent Director and Audit Committee	Union Mosaic Industry Plc.
2006 - 2015	Director	Royal Porcelain Plc.
2008 - 2014	Independent Director and Audit Committee	Quality House Plc.
Companies (Not listed companies)		
2015 - Present	Independent Director and Audit Committee	TPBI Plc.
2005 - Present	Investment Director	Thai Prosperity Advisory Co., Ltd.
2011 - 2014	Director	Biodegradable Packaging for Environment Plc.



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Mr. Warayu Pradipasen *

Director / Age 38 Years / Nationality : Thai

Shareholding in the Company as of Year 2014 : 2015 = None : 0.01% of the paid-up capital and total voting rights.

Position as the Director : Started from November 5, 2015, totaling 2 month

Education

- Diploma, 12th Grade Wilbraham & Monson Academy, Massachusetts, USA
- Bachelor of Science, Civil Engineering Rensselaer Polytechnic Institute, New York, USA
- Master of Science, Business Administration (Logistics and Transportation) University of Maryland at College Park, Maryland, USA. (Royal Thai Government Scholarship)

Training : None

Work Experience

Time	Position	Company
Listed Companies : None		
Companies (Not listed companies)		
2015 - Present	Section Head of Infrastructure Development (Plan and Policy Analyst - Senior Professional Level) and Office of the Permanent Secretary	Ministry of Transport

Remark:

* Mr. James Patrick Rooney has retired from the director position since October 5, 2015 due to his death and Mr. Warayu Pradipasen was appointed on November 5, 2015 as the director to replace the retired director position.

Mr. James Patrick Rooney *

Director / Age 77 Years / Nationality : American

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

Position as the Director : Started from January 20, 2003, totaling 12 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



Remark:

* Mr. James Patrick Rooney has retired from the director position since October 5, 2015 due to his death and Mr. Warayu Pradipasen was appointed on November 5, 2015 as the director to replace the retired director position.

Company Secretary

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Ms. Thanakarn Phanthapirat

Management Committee Member, Assistant Managing Director Accounting and Finance and Company Secretary / Age 60 Years / Nationality : Thai

Shareholding in the Company as of Year 2014 : 2015 = 0.26% : 0.26%

of the paid-up capital and total voting rights.

Position as the Company Secretary : Started from August 1, 2008, totaling 7 years

Education

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

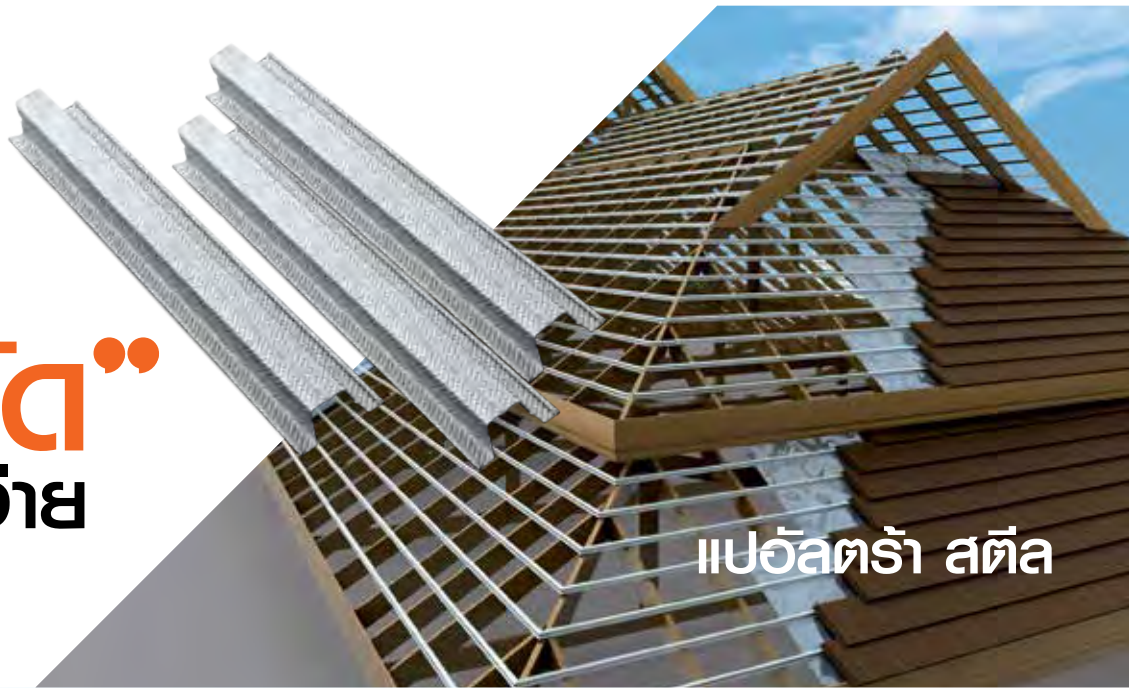
Training

- Year 2004 Company Secretary Program

Work Experience

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

แป๊อลตราสตัล
“**ประหยัด**”
ใช้งานง่าย
ได้มาตรฐาน



แป๊อลตรา สตัล



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 five main groups of products are as follows.

1. Roofing Product Group is divided into 2 categories as follows.
 - 1.1 Fiber Cement Tile Group, namely Roman Tiles, Small Corrugated Tiles, Jatulon Tiles, Jearanai Tiles and Fiber Cement Ridges, etc.
 - 1.2 Concrete Tile Group, namely CT Diamond, Adamas and Concrete Ridges, etc.
2. Board and Ceiling Product Group, namely Boards, "Diamond Board" Ceiling and Autoclaved Aerated Concrete or Diamond Block, etc.
3. Siding Board Product Group, namely Siding Boards, Lathes, Eaves, Fences and Floor Plank, etc.
4. Special Products Group, consisting of 2 product groups as follows:
 - 4.1 Roof Accessory Group, namely Heat Insulators, Foils, Bird Guards and Mortar Paint, etc.
 - 4.2 Non-Roof Product Group, namely Truss, Beam, Purlins and Gypsum Boards, etc.
5. Roof stripping and installation services comprises of truss, roof and siding board product group by the team of experts and installation teams who have received training and examination from the Company to build confidence for the customers that whenever the Company's product is purchased, there will be good and effective installation and after-sales services, which can be summarized as follows.
 - 5.1 Installation service from the central part stationing at Saraburi Plant who are experts normally work on housing projects, etc.
 - 5.2 Installation service in the local part stationing at the distribution agents throughout the Country by local technicians whom have been trained and examined on knowledge and skills on installation of roof, truss and siding board group of products professionally, capable of transferring their knowledge to other local technicians, creating job and revenue for the people in the surrounding communities, including recommendation on the correct methods for disposal of wastes or scraps from work to help reduce air pollution.

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Revenue Structure

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

Products and Services	2015		2014		2013	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues from sales and services						
1. Revenue from Product Sales	3,834.53	92.06%	3,901.96	92.29%	4,065.13	92.35%
1.1 Roofing Products	2,119.95	50.90%	2,220.09	52.51%	2,432.01	55.25%
1.2 Board and Ceiling Products	645.51	15.50%	611.42	14.46%	521.36	11.84%
1.3 Siding Board Products	720.81	17.31%	673.85	15.94%	686.94	15.61%
1.4 Special Products	348.26	8.35%	396.60	9.38%	424.82	9.65%
2. Revenue from Services	330.59	7.94%	325.93	7.71%	336.71	7.65%
Total Revenues from sales and services	4,165.12	100.00%	4,227.89	100.00%	4,401.84	100.00%

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY REPORT

Economic Management



Opening of Thai Watsadu, Global House and Mega Home Branches



Visiting Stores Abroad



Home and Garden Fair



Receiving TIS for Concrete Tile Products

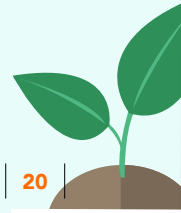
Environmental Management

Environmental and Energy Conservation Activities

Receiving ISO 9001:2015 Certificate



Receiving ESG 100 Certificate





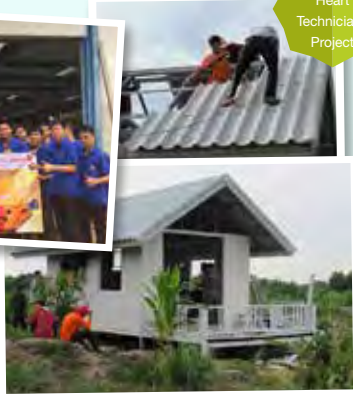
Social Management



Diamond
Heart
Technicians
Project



Sufficient Diamond House



Happy Soul
(Peace)



Happy Body
(Good
Health)



Happy Heart
(Kindness)



Happy Relax
(Relax)



Happy Society
(Good Society)

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Happy Family
(Good Family)



Happy Brain
(Knowledge
Quest)



Happy
Money (Wise
Spending)



7 Basic Safety
Rules or "SHE 7
Rules" Activities



Anti-Corruption
Activities



The Company has been in the business for over 30 years by adhering to business ethics and holding to the principles of good governance, and thereby having established that the corporate social responsibility (CSR) becomes 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 organization 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 on manufacturing process to become environmental friendly and care for the surrounding communities and environment, creating jobs and professions 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 their family. Hence, the **"Diamond Heart Technicians"** Project was initiated to encourage our employees to have volunteer spirit for helping the surrounding community and people with determination to manage 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 actually the first company within the group of roof construction companies to be publicly listed in the Stock Exchange of Thailand with intention to become the leading organization that has effective, transparent, fair and accountable management system, as well as social and environment responsibility for the utmost benefit of the shareholders and every group of stakeholders.

Accordingly, the Company's Board of Directors gives precedence to good corporate governance and business code of conduct which can be considered 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 manage the business successfully. In addition, the Company has prepared the Good Corporate Governance Handbook to be strictly practiced by directors, executives and employees at every level, which is considered 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 regular and appropriate revisions being made as practice guideline for directors, executives and employees at every level, setting out clear code of conduct toward every group of stakeholders including shareholders, customers, trading partners, competitors, creditors, employees, society, community 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.

Corporate Social Responsibility Policy:

The Corporate Social Responsibility Committee (CSR Committee) has established the policy on corporate social responsibility for business management to be in line with the Company's core values which are "Determined, Transparent, Yearning for Development, Environmental Protection" as follows.

- (1) Operate the business with ethics and accountability to the society and environment.
- (2) Be concentrated on the development of surrounding society and community in terms of economy, society and environment for better living quality.
- (3) Respect the laws and human rights without discrimination, regardless of race, nationality, religion and culture by managing the business with fairness and promoting sustainable development together.
- (4) Encourage and foster volunteer spirit and social responsibility consciousness among employees seriously and continuously for mutual benefit without expecting anything in return.
- (5) Promotes activities that are beneficial and sustainable to the society, community and environment.

Stakeholder Management

The Company operates its business under the code of conduct, adhering to accountability and respect to the right of every group of stakeholders, both inside and outside the Company, as well as responsibility toward society, community and environment, which shall lead to business sustainability. In order to be assured that legal rights of stakeholders are fairly protected and equally treated, beneficial to every group of stakeholders with various expectations toward the business, the Company provides communication channels for receiving suggestions and recommendation from every group of shareholders so to correctly meet the objectives and proceed in the same direction. Accordingly, the strategic plan toward every group of stakeholders for sustainable development has been established as follows.

Employee



Communication Channels:

Arrangement of monthly meeting between executives and Employee Committee, organization of activities in several festivals, safety activities to hear complaints and suggestions.

Responsible Unit: Human Resource Division.

Reporting: Chief Executive Officer and Chief Operating Officer.

Expectation: Requires good and appropriate salary and welfare, good and safe working environment.

Sustainable Development Plan:

- 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, etc.
- 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 as Songkran and New Year holidays, etc.

Shareholder



Communication Channels:

- 1) Arrangement of the Annual General Meeting of Shareholders, listening to suggestions or complaints.
- 2) 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.

Responsible Unit: Investor Relations Office.

Reporting: Chief Executive Officer, Chief Operating Officer and Board of Directors.

Expectation: Requires good return on investment, equitable treatment of shareholders and correct and transparent disclosure of information.

Sustainable Development Plan:

- 1) Build confidence for investors.
- 2) Create stable and sustainable investment return.
- 3) 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.

Domestic Customer



Communication Channels:

Customer Satisfaction Questionnaire, Complaint Form and Sale Promotion Activities.

Responsible Unit: Marketing Division and Sales Division.

Reporting: Chief Operating Officer.

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.

Sustainable Development Plan:

- 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) Promptly resolve problem for the customer after receiving complaint from the customer in order to build confidence for the customers.

Export Customer



Communication Channels:

Customer Satisfaction Questionnaire, Complaint Form and Sale Promotion Activities.

Responsible Unit: Export Department and Marketing Division.

Reporting: Chief Operating Officer.

Expectation: Creates satisfaction leading to confidence in the Company and Diamond products.

Sustainable Development Plan:

- 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 future improvement.

Trading Partner – Domestic & Export Account Payable



Communication Channels:

Meeting with trading partners, visits from trading partners, trading partner inspection and receiving suggestions and complaints in writing or by E-mail.

Responsible Unit: Purchasing Department and Administration Division.

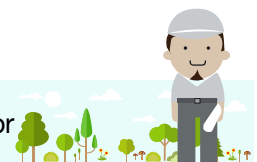
Reporting: Chief Operating Officer.

Expectation: Builds satisfaction as business partners.

Sustainable Development Plan:

- 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 equitable, honest business operation and joint benefit.

Trading Partner – Contractor



Communication Channels:

Monthly Meeting of the Occupational Safety, Health and Workplace Environment Committee.

Responsible Unit: Contractor Coordination Section and Human Resource Division.

Reporting: Chief Operating Officer, Occupational Safety, Health and Workplace Environment Committee, and Social Security Contributions Report.

Expectation: Compensation and welfare, employee rights, safety and good workplace environment.

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.

Consumer



Communication Channels:

Customer satisfaction survey on products and services.

Responsible Unit: Marketing Division and Sales Division.

Reporting: Chief Executive Officer and Chief Operating Officer.

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: Chief Executive Officer and Chief Operating Officer.

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



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: Chief Operating Officer.

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 areas to reduce product transport cost.

Community



Communication Channels:

Organization of activities with the community and listen to complaints.

Responsible Unit: Human Resources Division.

Reporting: Chief Executive Officer and Chief Operating Officer.

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.
- 7) “Friends Helping Friends” Project to support and alleviate hardship of employees in the communities affected by fire to support Diamond products for the construction.
- 8) Community Assistance Project to support Diamond products for repairing government offices, schools and temples in the nearby communities and building homes for impoverished people, etc.

Business Competitor



Communication Channels:

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

Responsible Unit: Marketing Division and Investor Relations Office.

Reporting: Chief Executive Officer and Chief Operating Officer.

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: Marketing Division and Investor Relations Office.

Reporting: Chief Executive Officer and Chief Operating Officer.

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.

Trading Partner – Financial Institution and Bank



Communication Channels:

Obtain advice on financial and investment issues through the bank office or bank's website.

Responsible Unit: Accounting and Finance Division and Management Division.

Reporting: Assistant Managing Director – Accounting and Finance and Chief Operating Officer and higher.

Sustainable Development Plan:

- 1) Build credibility with financial institutions and banks.
- 2) Apply for credit line with good terms and low interest rate.
- 3) Obtain advice on financial and investment issues.

Analysis of Sustainable Development Factors

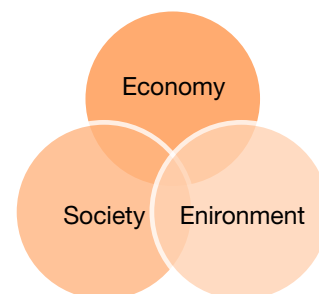
The Corporate Social Responsibility Committee (CSR Committee), which comprises of representatives from every department, has convened meetings and discussions to review issues concerning sustainable development under rapid changes of economic, social and environmental conditions from analysis of sustainable development factors by considering together with opinions from the stakeholders obtained through several organized activities. The assessment has been considered together with the risk assessment results. The list of the significant factors concerning sustainable development during the year 2015 is shown in the table below. Accordingly, the Company has established plan to mitigate such risks, having details for each of the factors being listed under the topic of Guidelines for Sustainable Business Operation.

Sustainable Development Factors



Guidelines for Sustainable Operation

The CSR Committee has established guidelines for sustainable operation based on the analysis of sustainable development factors above, including economy, society and environment. For this year, The Company still focuses on the improvement of the manufacturing process to reduce any environmental impact, increase productivity and reduce production costs in every process in order to increase competitiveness. To achieve these objectives, sub-working groups have been set up to be responsible for each task, such as working group for reduction of impact from air pollution, dust, odor, noise, water and wastes from the manufacturing process and energy management, etc., which can be summarized as follows.



Operation	Operating Guidelines	Operating Results
1. Economic Management 1.1 Sustainable Supply Chain	<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. Year 2015 was the year of manufacturing process to reduce environmental impact, increase productivity and reduce production costs in every process with cooperation of employees from every department using tools such TPM, QCC, etc. 	<ol style="list-style-type: none"> Improvement of raw materials procurement rule based on ISO 9001, ISO 14001. Improvement of manufacturing process to reduce air pollution, energy and resources consumption, resulting in reduction of production cost. Using tool such TPM to reduce machinery breakdown thereby increasing overall equipment effectiveness (OEE). Using tool such QCC to reduce loss in the manufacturing process thereby reducing production cost.

Operation	Operating Guidelines	Operating Results
1.2 Products and Services	<ol style="list-style-type: none"> 1) Development of Adamas concrete tiles to have variety of colors as required by the market. 2) Development of siding board product group to have striking colors, wooden look tiles such as siding boards, fences and floor plank, etc. 3) Development of board product group to reduce energy consumption. Currently, there are more variety of products which are convenient and easy to install including wall panel and ready-made Diamond counter for kitchen, bathroom without plaster work. 	<ol style="list-style-type: none"> 1) Sale volume increase in year 2015 by 7.22% for siding board product group such as siding boards, fence and floor plank. 2) Sale volume increase in year 2015 by 14.78% for board and ceiling product group such as autoclaved aerated concrete and boards.
2. Social Management		
2.1 Occupational Health and Safety Management	<ol style="list-style-type: none"> 1) Review of accident protection measures handbook by adding basic safety rules, "SHE 7 Rules". 2) Organization of training courses on safety including campaign for reduction of risky behaviors. 3) Creation of good and safe atmosphere for good living quality. 	<ol style="list-style-type: none"> 1) Accident incidents were reduced from 22 times in year 2014 to 12 times in year 2015 or 45% Reduction. 2) Accident-prone areas were reduced by 31 areas according to RMP numbers undertaken in year 2015.
2.2 Care for Diamond People	<ol style="list-style-type: none"> 1) Labor treatment according to human rights principles with fairness and equality and strict compliance with the Labor Protection Act and relevant laws. 2) Prepare annual employee development and training plan in advance for every level. 	<ol style="list-style-type: none"> 1) Management of hiring, wages, compensation and other benefits based on equality and dignity as part of the organization. 2) Development and training course hours were increased from 8,653 hours in year 2014 to 10,007 hours in year 2015 or 15% increase.
2.3 Sustainable Social and Community Development	<ol style="list-style-type: none"> 1) Diamond Society: Focus on organizing activities to create happy working environment to achieve "Happy Workplace" in 8 aspects. 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) 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. This year, together with Phra Dabot Project, students were trained to build low-cost house, constructing a model house called "Sufficient Diamond House". 3) In year 2015, the Company donated supplies and products helping 43 communities, totaling Baht 1.35 million.

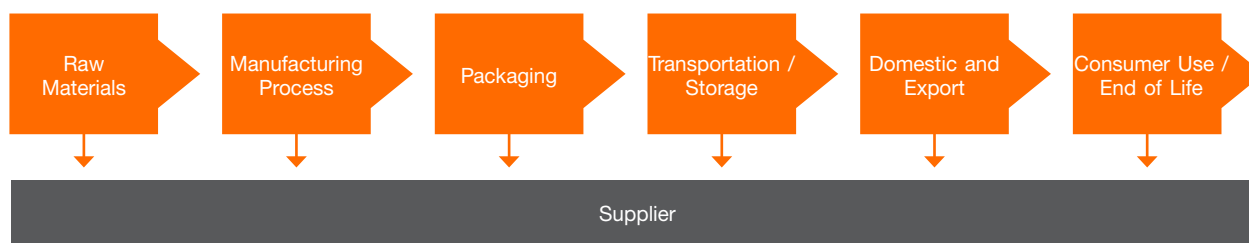
Operation	Operating Guidelines	Operating Results
3. Environmental Management		
3.1 Water Management	<ol style="list-style-type: none"> 1) Installation of water treatment pond system for treatment of water from manufacturing process before being recycled. 2) Drought management by finding protection guideline in case of impact to business, community and environment. 	<ol style="list-style-type: none"> 1) Water consumption was reduced by over 50% of total water consumption in the system. 2) Preparation of the water reduction plan, water leakage prevention and drilling for groundwater for use in the manufacturing process to relieve drought problem in year 2016.
3.2 Waste Management	<p>Waste management 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, asbestos residue from manufacturing process. 3) Transform products by re-cycling excess materials. 4) Waste disposal by landfilling method in compliance with the law. 	<ol style="list-style-type: none"> 1) Despite the increase of wastes in the manufacturing process, waste residue can be recycled, which can reduce the amount of waste disposal by 153.41 tons per year and create sale profit increase of Baht 266,963.24 per year. 2) Residue in the sedimentation tank from drainage can be produced into impact protect against sheet, which can reduce the amount of waste disposal by 3,961 tons per year and reduce cost for waste transport of Baht 237,660 per year.
3.3 Dust Management	<ol style="list-style-type: none"> 1) Recycle dusts from groove such as lathes, ceiling borders and eaves 2) Installation of dust collectors at dust-filled areas such cement, sand and crushed stones silos, in 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 in losses of cement, sand, crushed stones by installation of dust collectors at aluminum pallets surface brushing system, collecting paint dust in which all can be recycled.
3.4 Solution Odor Management	<p>Installation of solution odor treatment system using activated charcoal.</p>	<p>Reduction of exhaust gas from manufacturing process by over 80 %, reducing air pollution.</p>
3.5 Reduction of Coating Loss in Manufacturing Process	<p>Concrete tile manufacturing process in year 2015 was improved further in the control of consumption rate of concrete tiles coating and spraying with pilot project at CT-5 production line and additional 4 production lines including CT-2, CT-3, CT-4 and CT-KK.</p>	<ol style="list-style-type: none"> 1) Reduction of manufacturing wastes for disposal by 11,347.26 liters. 2) Cost reduction of expensive coating and spraying by over Baht 580,171.68 million per year in year 2014 with additional 0.27 liters per ton produced, equivalent to Baht 680,836 in year 2015. 3) Reduction of pollution from xylene solution odor in all areas of concrete tile manufacturing plant.
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 during the Off-Peak period. 2) Reduction of electricity consumption from most efficient use of transformers. 3) Reduction of heat loss at the tunnel walls. 4) Continued utilization of natural gas instead of bunker oil. 5) Organization of energy management activities. 	<ol style="list-style-type: none"> 1) Electricity tariff was reduced during the On-Peak period in year 2014 by Baht 10,395 per day at the Autoclaved Aerated Concrete production line. In year 2015, the reduction of electricity tariff was extended to fiber cement production, FC Production Section 3, which can further reduce electricity tariff by Baht 138,000 per month. 2) Reduction of electricity consumption by moving power load from Cellulose 2 transformer to other nearby transformer, which can reduce energy loss of 24,500 kWh per year, equivalent to Baht 95,400 per year. 3) Reduction of heat loss from the tunnel wall, NG Infrared of CL7 by installation of cover with insulation of NG Infrared, which can reduce heat loss by 253,646 MJ per year, reducing cost of natural gas consumption by Baht 76,904 per year. 4) Natural gas consists of over 90 percent of Methane (CH₄), not creating CO, SO₂, NO₂, reducing air pollution and corrosion of machinery.

1. Economic Management

1.1 Sustainable Supply Chain

The Company has appropriately carried out all procedures concerning the supply chain by considering the utmost benefit for every group of stakeholders, starting from the procurement, manufacturing process, trading partner–transport operators, and various groups of trading partners such as domestic and export sales representatives, housing 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 procurement 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 to domestic customers and export customers by the transport trading partners with good shipping standard, delivering the products to the customers on time for further distribution to the consumers later.



(A) Raw Materials

The Company has established procurement policy for each type of raw materials. In particular, the main raw materials must be purchased 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, having the ISO 9001 and ISO 14001 certifications. There must also be assessment on the suppliers and the improvement of raw material quality that 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 reduce any environment impact, increase productivity and reduce production cost in every process with cooperation from employees of every department. Programs and activities such the Total Productive Maintenance (TPM) and Quality Control Cycle (QCC) were organized resulting in the increase in Overall Equipment Effectiveness (OEE) and production cost reduction. Moreover, environmental impact mitigation activities were carried out such as water management, air pollution reduction, energy consumption reduction, process waste reduction and resource consumption reduction, etc.

(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 safely and with quality. The packaging also includes shockproof materials to prevent damage of products during transport. Improvements have been undertaken to reduce cost and lessen environmental impact, which can be summarized as follows.

(1) Improvements of warehouse procedure and pallet's type and size and various packaging to reduce damage to the products so they can be delivered to consumers safely and in good quality.

(2) For cost reduction, the transporters must return the pallets after delivery of products to the customers for re-use, resulting in the reduction of cost, less wood cutting, reduction of global warming and impact to the environment.

(D) Transportation / Storage

The Company has developed an effective transportation system, delivering products to the hands of customers and consumers safely and with quality. Also, drivers and properties 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 summarized as follows.

(1) Cost Reduction Aspect:

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

1.2) Improvement on the management of product transport in various forms so that there are full load of goods on both ways, head hauling and back hauling, to reduce transport cost in steps according to sizes, etc.

1.3) Using multimodal transportation by land transport and shipping transport. Transport by vessel is used for products that are headed to the Southern parts of the Country to reduce traffic problem, road accident risk, delivery distance and energy consumption.

1.4) Review of transport charges and rates paid to the transporters so that they are in line with the changing fuel cost for fair business operation.

1.5) Management of product placement on the transport truck for each type of products to increase transport efficiency and reduce the number of transport trips, distance and energy consumption.

(2) Safety Aspect:

2.1) Arrangement of training courses on safety and work procedure for every driver of both the transport company group and customers' transport group both inside and outside the Country. Moreover, operation at risky points are being monitored such as the loading point and canvas covering point to reassure that safety equipment are used completely.

2.2) Arrangement of training courses on safety and work procedure for all employees and permanent workers at the warehouses and improvement of work tools and equipment to increase efficiency and safety such as equipment for loading products into container for export, etc.

2.3) Equipment safety standard and safe work standard and procedure for installation services have been established.

2.4) 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 and healthy living is also encouraged.

2.5) Arrangement of annual health checkup for the workers in transport services to take care of workers' health and prevent illness from workplace as well as building morale among the workers that they are being taken care as the permanent employees of the Company.

2.6) Measures for annual inspection of transport vehicles affiliated with the Company to make sure that the transport vehicles are safe and ready for use, including establishment of vehicle standard to convey good image in product transport.

(3) Increase work efficiency Aspect: Promotion and support for the employees to prepare Kaisen's One-Point-Lesson (OPL) and Quality Control Cycle (QCC) to increase work efficiency and reduce transport cost

(E) Domestic and Export

The Company's domestic sales agents spread out in over 700 branches and 6,000 outlets throughout the Country, separating into 3 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 in the CLMV group. Every group of sales agents is treated as Diamond family member 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 knowledge and capability as well as competitive skill and knowledge on product sales for higher competitiveness.

(3) Training courses for new products such as launching of the autoclaved aerated concrete (AAC) products or Diamond Block, which development courses for the sales 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.

(4) The Company has made sales agents satisfaction assessment nationwide and found that the sales agents have loyalty to the brand and Company with various products and recognizable brand by the consumers, including systematic installation and after-sales services.

(F) Consumer Use / End of Life

The Company has responsibility to the consumers, the last group of stakeholders in the business chain, whom purchase 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 prompt after-sale services, including correct product usage

instruction. Therefore, Diamond has established 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 products and services of the Company through a Call Center for prompt service to the customers. In addition, the Research and Development Section has prepared installation manual and instruction document along with the delivery of the product.

(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 the year 2015, there were insignificant complaints from the consumers on the use of Diamond products but all the cases were taken care of until the consumers were satisfied. Accordingly, correct and adequate news and information were provided for the benefit of management for both manufacturer and consumers.

1.2 Products and Services

The Company operates under its established vision **"To Be a Better Choice for Construction Materials and Services"** and is determined to manufacture products in accordance with established standards, including 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 to be a better choice for construction materials and services under the trademark names of Diamond, Roof, Adamas and Jearanai. The Company's five main groups of products are as follows:

(1) Roofing Product Group is divided into 2 categories as follows.

1.1) Fiber Cement Tile Group, namely Roman Tiles, Small Corrugated Tiles, Jatulon Tiles, Jearanai Tiles and Fiber Cement Ridges, etc.

1.2) Concrete Tile Group, namely CT Diamond, Adamas and Concrete Ridges, etc.

(2) Board and Ceiling Product Group, namely Boards, "Diamond Board" Ceiling, and Autoclaved Aerated Concrete or Diamond Block, etc.

(3) Siding Board Product Group, namely Siding Soards, Lathes, Eaves, Fences and Floor Plank, etc.

(4) Special Product Group, comprises of 2 Product group as follow:

4.1) Roof Accessory Group, namely Heat Insulators, Foils, Bird Guards, Mortar Paint, etc.

4.2) Non-Roof Product Group, namely Truss, Beam, Purlins and Gypsum Board, etc.

(5) Roof stripping and installation services comprise of truss, roof and siding board product group by the team of experts and installation teams who have received training and examination from the Company to build confidence for the customers that whenever the Company's product is purchased, there will be good and effective installation and after-sales services, which can be summarized as follows.

5.1) Installation service from the central part stationing at Saraburi Plant who are experts normally work on housing projects, etc.

5.2) Installation service in the local part stationing at the distribution agents throughout the Country by local technicians whom have been trained and examined on knowledge and skills on installation of roof, truss and siding board group of products professionally, capable of transferring their knowledge to other local technicians, creating job and revenue for the people in the surrounding communities, including recommendation on the correct methods for disposal of wastes or scraps from work, which is one way to help reduce air pollution.

(6) Development of Environmental Friendly Products

6.1) Siding board product group has variety of product development to meet the requirements of the market, differentiated itself from the competitors by emphasizing outstanding colors, wooden look patterns, durable and fair prices, such as siding boards, fences and floor planks, etc.

6.2) Board product group has been developed to reduce energy consumption by adding AAC or Diamond Block production line, having quality including thermal insulation, refractory, not storing heat in the house, sound absorption, noise reduction between rooms and therefore appropriate for housing residence, energy saving and reduction of electricity cost from air conditioners. Presently, more variety of products have been added for convenient and easy installation such as the wall panel and Diamond counter for kitchen and bathroom installation without needing mortar, etc.

2. Social Management

2.1 Occupational Health and Safety Management

The Company is determined to continuously oversee the safety of Diamond People, contractors, transport operators

and visitors. The Occupational Health, Safety and Environment Committee (OHS Committee) has been established and together with the Safety, Health and Environmental Section (SHE Section) has 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. In year 2015, seven basic safety rules or “SHE 7 Rules” have been added, which resulted in Diamond People being more active and participating in the prevention of accidents. Due to serious attempt at safety protection, accident incidents in year 2015 have been reduced to 12 times as compared with 22 times in year 2014 or reduction of 45 percent and the accumulative working hours without accident and stop of work were as high as 2,069,808 working hours.

With participation from every department in the assessment and improvement of working areas, 31 accidental risk-prone areas were reduced in accordance with the Risk Management Plan (RMP) established in year 2015 to attain good environment and safe workplace.

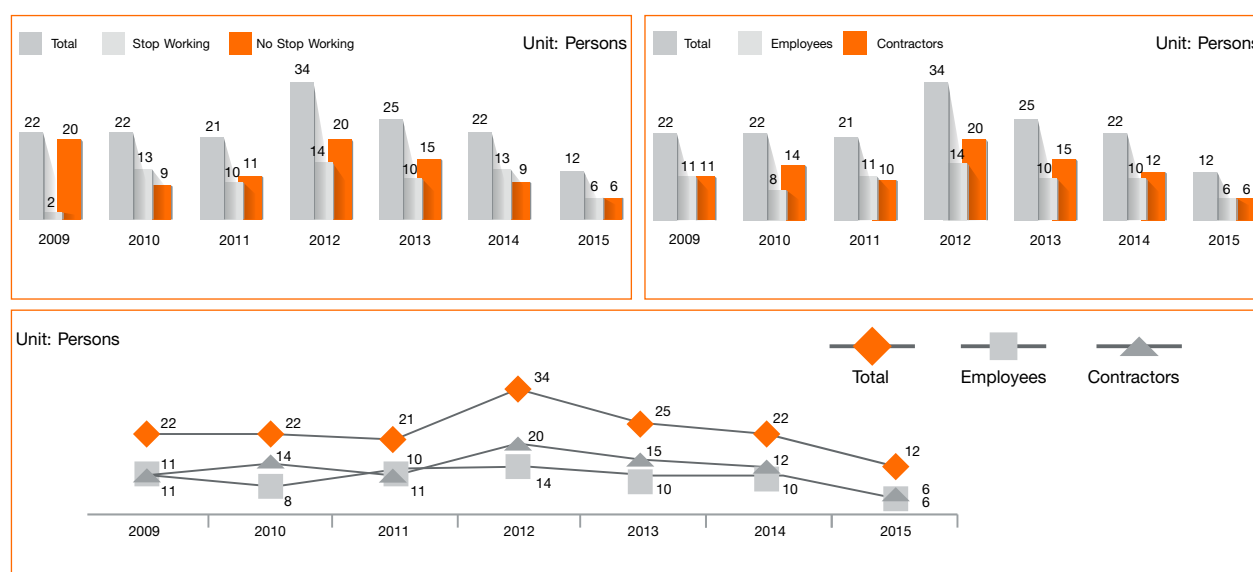
The “Near Miss Accident Report” campaign activity was organized, which was welcome and participated by the owners of the area. Accordingly, over 886 items were reported by which the OHS unit worked together with the owners of the area to reduce the near-miss areas to become the safe areas.

In addition, Risky Behavior Report activity was organized by establishing that each of the target areas report to the OHS unit on the risky behaviors to be used for setting safety rules in order to reduce risky behaviors.

Accident Statistics from for the Past 7 Years

Accident Statistic (Unit: Persons)	Total	Employees	Contractors	Contractors by Group			Level of Severity	
				Production Maintenance	Transport	Repairs / Construction	Stop Working	No Stop Working
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
2015	12	6	6	5	1	-	6	6

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Accident Protection Measure

(A) Accident Protection Measure Handbook

The OHS Committee and the SHE Section realize the risks which may cause accidents during operation such as entrance into areas inside manufacturing facilities, roof installation at high places, loading and unloading of products and canvas covering on the trucks. Therefore, the Company has established meetings on safety concern with the employees and contractors regularly, as well as reviewing the Accident Protection Measure Handbook by adding **7 basic safety rules or “SHE 7 Rules”**, which specify the inner areas (factory area) that the employees and contractors must strictly follow these 7 basic safety rules, which can be summarized as follows.

- (1) Basic Safety Rule on Dress Code.
- (2) Basic Safety Rule on Safety Shoes.
- (3) Basic Safety Rule on Safety Hat.
- (4) Basic Safety Rule on Smoking.
- (5) Basic Safety Rule on Alcohol Level.
- (6) Basic Safety Rule on Bicycle Use.
- (7) Basic Safety Rule on Telephone, Music Listening and Earphone Use.

Training courses on the **7 Basic Safety Rules or “SHE 7 Rules”** were organized to build safety conscience among employees, contractors and outsiders entering into the inner areas of the factory, which must be followed strictly.

(B) Safety Knowledge Training

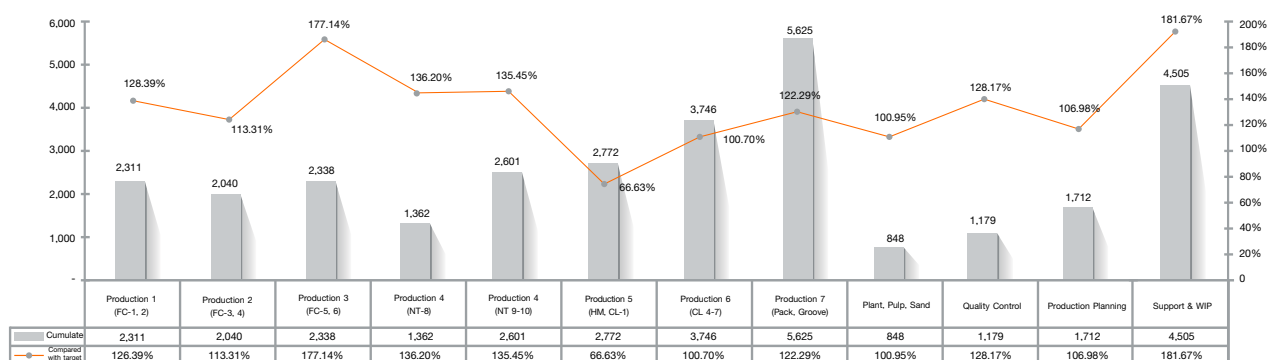
The OHS Committee and the SHE Section together have organized training program on safety for the employees for each responsible area, as known as **“Talk & Train”** as follows.

- (1) Hold “Safety Talk” meeting and safety training every morning before work.
- (2) Organize 100% safety orientation for new employees and new contractors.
- (3) Build safety conscience at the workplace by organizing training courses as follows:

Training on the role and duty of the OHS Committee and training on the workplace safety, namely crane operation, driving vehicles, transportation, first-aid, basic firefighting were organized. No less than 60,000 hours of training on safety issues for the whole factory have been recorded so far. In particular, the safety training for the production part, which is considered risk-prone area for accident, have recorded no less than 30,000 working hours.

Graph showing hours of Talk into safety Awareness 2015

Number of Hours



(C) Training on Emergency Response

The OHS Committee and the SHE Section 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) Safety Campaign and Promotion Activities

Throughout the year, the OHS Committee and the SHE Section 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 the prevention of accidents, which can be summarized as follows:

(1) “SHE LOVES YOU: SHE LOVES YOUR LIFE YEAR 4” Activity: a campaign for safety during the Month of Love Festival was organized on February 12, 2015 to make people in the organization become aware of the love of life and accident protection.

(2) “Safety Talk and KYT” Activity (Kiken Yoshi Training: Hazard Prediction Training): a campaign to promote and convey on at least twelve safety-related areas per week, totaling more than 1,000 times per year.

(E) Environmental Protection and Energy Conservation Activities

The Company realizes the importance of building conscience on environmental protection by starting from the executives, the leaders of ideas, establishing guidelines, organizing development training on environment and communicating with every employee to become aware of the guidelines on environmental management. In year 2015, representatives from each department were invited to participate in the organization of exhibition on the World Environment Day by focusing on providing knowledge, promoting and campaigning for Diamond People to take part in energy conservation, with good participation and cooperation from every department.

2.2 Care of Diamond People

The Company believes that Diamond People have the potential to conduct and take the business to sustainable success. Hence, the development of Diamond Society to attain good quality of life and safe living is the main task that must be undertaken continuously 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 conscience and receiving cooperation from everyone in the organization.

(A) Development Training for Diamond People

The development training courses were organized for 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 capability and competitiveness by focusing on knowledge and skill on improvement of work efficiency to increase productivity, build conscience on work safety, environmental protection and anti-corruption, which can impact Company’s sustainable development. The development training program in year 2015 increased by 15 percent from the previous year, which can be summarized as follows.

Type of Courses	Year 2013 Training Hours	Year 2014 Training Hours	Year 2015		
			Number of Courses	Number of Classes	Number of Training Hours
Productivity Improvement	2,169	2,455	6	6	1,203
Standard System (ISO)	1,407	444	11	11	1,065
Human Resource Development	825	2,373	12	13	720
Technical Training	1,107	1,140	28	28	1,878
Safety	468	534	12	25	4,139
Energy	-	-	10	11	558
Others	828	1,707	6	6	444
Total	6,804	8,653	85	108	10,007

(1) Building Conscience on Productivity Improvement

The Company has engaged TPM Thai Training and Consulting Co., Ltd. as the consultant to recommend TPM programs and activities by organizing training courses for Diamond People at every level from the executives to employees at operational level including courses on TPM, Kaizen, 5S and Maintenance Awareness, etc. Consequently, Diamond People can take these tools from each course and apply them in their operation to increase productivity, improve work efficiency as well as reduce production cost. Related programs and activities can be summarized as follow.

1.1) TPM (Total Productive Maintenance): TPM 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 losses in the manufacturing process and reduction of accidents (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 from every department.

1.2) OEE (Overall Equipment Effectiveness): OEE is the indicator of efficiency and effectiveness of the equipment having three main variables; namely, availability, performance and quality in percentage. The Production Division must measure the OEE every month for each machinery or equipment in order to evaluate how effectively each machine has been utilized. Samples of OEE measurement are shown below.

OEE Description	Unit	Year 2013	Year 2014		Year 2015	
		BM	Target	Achievement	Target	Achievement
FC Plant	%	88	89	83	92	87
CT Plant	%	89	89	86	89	90
AAC Plant	%	-	-	-	70	68

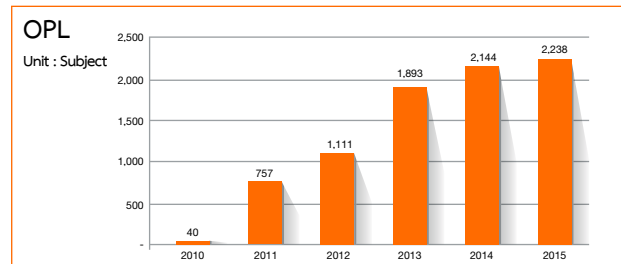
Remark: BM = Standard criteria obtained from the past year, FC = Fiber Cement Production Division, CT = Concrete Tile Production Division, AAC = Autoclaved Aerated Concrete Production Division

1.3) Losses: 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 year 2015, the program was extended to the warehouse area to reduce losses from warehouse management as follows.

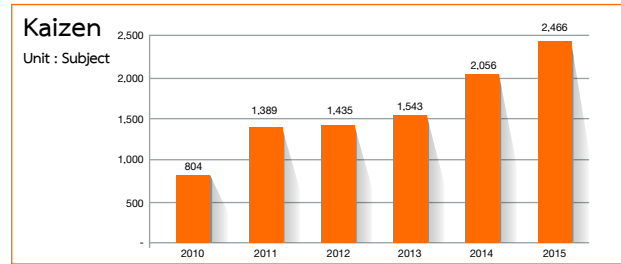
Losses Description	Unit	Year 2013	Year 2014		Year 2015	
		BM	Target	Achievement	Target	Achievement
FC Plant	Million Baht	51	40	44	46	50
CT Plant	Million Baht	41	35	35	30	31
AAC Plant	%	-	-	-	2	2

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

1.4) OPL (One Point Lesson): OPL 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 year 2015, OPL program was conducted with a total 2,238 lessons, or an increase of 4% percent from the previous year.



1.5) Kaizen: 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 year 2015, there were over 2,466 topics or recommendations on Kaizen activities from the employees, or an increase of 19% percent over the previous year.



1.6) Quality Control Circle (QCC): 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. QCC Story course was organized and the works of QCC group were disseminated on the Company's Intranet system so that every employee can gain access to such information and use it for own improvement. This year, several QCC group activities were emphasized which resulted in more cost reduction.

1.7) Annual QCC Award Year 2015: The Annual QCC Award was organized to provide employees at every level an opportunity to demonstrate their capability and development for reduction of problems and increase quality of work. The Company selects the teams that can reduce production cost and increase work efficiency the most. In year 2015, there were two QCC Award contests as follows.

1st Contest: 14 teams participated in the contest receiving 4 awards as follows.

- **1st Prize: Reduction of Cleaning Time for Mixing Tank of Autoclaved Aerated Concrete (AAC).**
Problem: Mixing tank cleaning time for reduction of clogging in the system took 80 minutes per day (standard time is 60 minutes per day).
Objective: To reduce the cleaning time of the mixing tank.
Cause Analysis: Using Why-Why Analysis.
Solutions: Established measure and plan for improvement as follows.
 - 1) Adjust the level of valve higher, extend rubber hose to the level of mixing raw materials to protect cement building up at the valve.
 - 2) Cut the rubber hose into sections for easy disconnection and cleaning.
 - 3) Adjust direction of air ventilation pipe to reduce clogging.

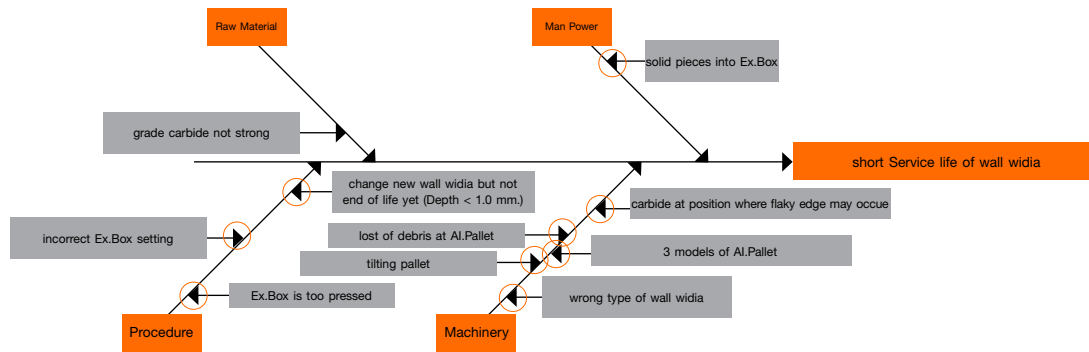
Outcome Monitoring: According to daily outcome monitoring from May to July 2015, the cleaning time was reduced from 80 minutes per day to 50 minutes per week, which can reduce production cost of Baht 1.78 million per year.

- **2nd Prize:** Reduction of Compensation on Transport. Cost Reduction of Baht 222,800 per year.
- **1st Consolation Prize:** Reduction of Coating Loss. Cost Reduction of Baht 577,200 per year.
- **2nd Consolation Prize:** Reduction of Tilting Problem on Concrete Tile Packing. Cost Reduction of Baht 3,000 per year.

2nd Contest 10 teams participated in the contest receiving 4 awards as follows.

- **1st Prize: Reduction of Spare Parts Cost for Concrete Tile Forming Process.**
Problem: Maintenance cost in year 2014 was very high and from monitoring and analysis, the increased maintenance cost was mainly from the concrete tile forming spare part or the Extruder Box. Hence, there were ideas to reduce this maintenance cost and extend the useful life of spare parts but still maintaining the quality of concrete tiles.
Objective:
 - 1) To reduce the maintenance cost to be in line with the policy of the CT Production Division.
 - 2) To extend the useful life of the spare parts (Wall Widia) for higher efficiency.

Cause Analysis: Using the Fishbone Diagram.



Solutions: Established measure and plan for improvement as follows.

- 1) Try to extend useful life of the Wall Widia to establish new standard values of erosion replacing the old values.
- 2) Establish One-Point Lesson (OPL) standard and prepare a handbook on new setting standard for the

Extruder Box of CT-2 and CT-4 production lines.

Outcome Monitoring: According to outcome monitoring from August to October 2015, the established objectives were achieved with reduction of maintenance cost of approximately Baht 1.13 million per year.

- **2nd Prize** : Reduction of Concrete Ridge Weight. Cost reduction of Baht 328,100 per year.
- **1st Consolation Prize:** Reduction of Clogging of Cement Paste Hose. Cost reduction of Baht 433,100 per year.
- **2nd Consolation Prize:** Increase Efficiency on Follow-up of P/O on Tile Installation, Increase Sales and Service Opportunity. Cost reduction of Baht 361,800 per year.

1.8) 5S Activiti: 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-prone areas, by dividing into 4 categories, namely large-sized factory, small-sized factory, materials storage and office. As a result, the Company has received the “**5S Award Model**” certificate at the Thailand 5S Award Event from the Technology Promotion Association (Thai-Japanese) for the materials storage office, warehouse and the office area of Accounting and Finance Division in year 2012 to 2013. Annual 5S Award contest is also organized among departments within the Company.

(2) Building Conscience on Corporate Social and Environmental Responsibility

The Company enrolls employees and executives in the training courses organized by the Corporate Social Responsibility Institute (CSRI) of the Stock Exchange of Thailand on the Corporate Social Responsibility (CSR) during the year 2015 in both theoretical and practical parts. Accordingly, the Company enrolled its employees to participate in 4 courses altogether as follows.

1) Theoretical Part (3 Courses): Preparation of the CSR Report Class No. 5, No. 8 and Managing CSR for Sustainable Development Class No. 4.

2) Practical Part (1 Course): Responsible Supply Chain Management.

(B) Respect for Human Rights

The Company has a policy to conduct its business operation by abiding by the law and adhering to the human rights principle, and not supporting any business activities that violate human rights, being established as part the Company’s Code of Conduct to be used as guideline for the business operation as follows.

(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, 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 Safety, Health and Environmental Section (SHE Section) 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 risk-prone 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 Practice

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: In year 2015, the Human Resource Division has improved the personnel recruitment system as follows.

1.1) Development of the personnel recruitment system by adding another channel through Facebook network: DBP Career which suits a modern and current lifestyle of the people and development of a new tool for recruitment called “Workshop Station Test” for the work position of electricians in order to equip Diamond People with important skills and practicable as required.

1.2) Student Trainees Program to promote the students whom are about to graduate to have opportunity and preparation for the real job. The program places importance on starting from the selection of students, preparation of trainer for the student, teaching of work principles, adjustment to rule and regulation and working society. Student trainees are also assessed on their work performance so that they have the experience ready to the employment world. Students receiving good assessment results shall have the opportunity to work with the Company.

1.3) Development of the recruitment system to approach the target group by organizing an activity called “Traveling DBP Careers” to build perception on various aspects of the organization and recommend procedure on preparation and application for employment to the students in schools and institutions at level of vocational school, vocational certificate and high vocational certificate during the school’s Post Training event and the Open House event at the Saraburi Technical College.

(2) Employment: The development of potential and capability of personnel at every position is considered important and its importance is placed on the process of recruitment, appointment and transfer based on suitability of qualifications, 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, and wage rate in the labor market and work performance.

(3) Labor Relations: Cooperation among departments and between employees and executives are strongly encouraged.

3.1) Provide opportunity for employees at every level to express their opinions or make suggestions for work improvement as well as organize activities all year round focusing on creating a happy working environment in order to become the “Happy Workplace” organization.

3.2) 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, as well as consideration on resolving issues and conflicts within the organization, etc.

(4) Welfare: The Company takes into consideration on providing welfare programs for the employees to reinforce good morale and spirit in working. In year 2015, the Company has considered allocating the following welfare programs.

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

4.2) Welfare assistance in terms of financial assistance such as shift payment, active payment, cost of living and the provident fund, etc. Since year 2015, concerning with the provident fund for employee’s future security, the employees may choose their saving proportion or contribution at a rate of 3% to 15% and the Company shall contribute into the provident fund at the same rate as chosen by the employee but not exceeding 7%.

4.3) Other types of financial assistance welfares:

- The emergency loan welfare was increased from 5 cases to 6 cases by adding loan for payment of debt incurred from the Student Loan Fund in order to alleviate financial hardship of the employees, which is one way of promoting financial assistance and giving opportunity in education for the youth who lack financial resources.

- Financial assistance welfare for helping employees affected by fire incident providing money and Company’s products for home repairs to alleviate living hardship of 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 Company, 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 toward 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 forming a coalition, “HR Kaengkhoi” to meet, discuss and exchange information on employment, etc.

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

1) Received the Thai Labor Standard (TLS 8001:2010) Basic Level Certification from the Department of Labor Protection and Welfare, Ministry of Labor.

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

2.3 Sustainable Social and Community Development

(A) Responsibility toward Diamond Society

The main task of Human Resources Division during the year 2015 was aimed at creating happiness in the workplace in order to become a happy organization, making every employee happy by organizing various activities during many festivals in order to encourage love, generosity and social consciousness among the employees, including family members of the employees. This year, altogether 15 activities to cover the balance of life and work to achieve the “Happy 8 Happy Workplace” were as follows.

(1) Happy Body (Good Health): activities including Annual Health Checkup, Tetanus and Diphtheria Vaccination, Cervical Cancer Screening, Cigarette Smoking Reduction Campaign (“Believe it: DBP can quit”) and DBP Body Combat.

(2) Happy Heart (Kindness): activities including Blood Donation and “Old calendars...We ask”.

(3) Happy Soul (Peace): activities including Mind Development for Balanced Life, Merit making ceremonies at temples in the community such as candle offering and presenting yellow robes to the monks at end of Buddhist lent.

(4) Happy Relax (Relax): activities including “30-Minute Easy Yoga at Work”, Annual Celebration Party and “Fresh...Satisfied with Herbs from Diamond Hearts”.

(5) Happy Family (Good Family): activities including Mother’s Day “Do It for Mom” and “Mother’s Breast Feeding Corner”.

(6) Happy Society (Good Society): activities including Children’s Day, products for community support and building homes for impoverished people.

(7) Happy Brain (Knowledge Quest): HR Check In activity.

(8) Happy Money (Wise Spending): activities including money saving with Aomsin (Government Savings Bank) and low-cost products fair.

During the year 2015, activities promoting the “Happy Workplace” are as follows.

(1) Happy Body (Good Health)

1.1) “Annual Health Checkup Year 2015” Activity: held during December 2-4, 2015 by the Thai Occupation Medicine Medical Research Center Co., Ltd. conducting health checkup for employees and contractors according health risk factors.

1.2) “Health Promotion for Disease Prevention” Activity: for promoting knowledge on health and prevention of epidemic diseases and organizing diphtheria and tetanus vaccination for employees and contractors.

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

(2) Happy Heart (Kindness)

2.1) “Blood Donation” Activity: Employees were encouraged to donated blood at every quarter of the year and this year T-shirts were made and given to the employees and contractors having donated blood in all four times during the year. In addition, the Company received the Certificate of Honor and Appreciation from the Thai Red Cross Society for the blood donation activity.

(3) Happy Soul (Peace)

3.1) “Mind Development for Balanced Life - 5th Year” Activity: The Company has organized this activity annually for 5 consecutive years 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.

(4) Happy Relax (Relax)

4.1) “30-Minute Easy Yoga at Work” Activity: health promotion by doing easy yoga at the workplace and providing knowledge and movement for exercising of muscles and body parts to relieve symptoms from the Office Syndrome.

4.2) “Fresh...Satisfied with Herbs from Diamond Hearts” Activity

(5) Happy Family (Good Family)

5.1) “Do It For Mom” Activity: Mother’s Day activity for promoting family institution and this year a contest was organized for employees to design handbags and loving thoughts written on the postcard sent to their mothers.

5.2) “Mother’s Breast Feeding Corner” Activity: Providing knowledge on breast pump for female employees and contractors and promotion on breast pump equipment for the pregnant employees.

(B) Responsibility toward Diamond Business

The Company adheres to the principles of fair business operation and the employees must carry out duties with prudence and integrity, adhering to the code of business conduct toward every group of stakeholders in the business

chain, namely the shareholders, customers, trading partners and competitors, with fairness and without seeking own benefit, which creates conflict of interest with the Company and stakeholders, as well as keeping confidential the information relating to the business operation with the stakeholders for the best interest of the Company, which can be summarized as follows.

(1) Fair Business Practice

1.1) Having policy to treat its trading partners equitably and fairly based on fair compensation to both parties, avoiding situations 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 on business relationship. Hence, the Company has established measure for checking connected transactions within the business chain between trading partners and the Diamond People regularly for fair business operation. Should there be any connection; details must be disclosed in the Company's financial statements within the fair business operation framework.

1.2) Having policy to treat its business competitors conforming with the 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 with abusive accusation, respecting the right and intellectual property. Accordingly, the products of the Company have been designed by personnel with expertise to meet consumers' advantage without impact to the environment.

1.3) Promoting social responsibility in the business chain through procurement 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 groups of handicapped people and housewives for cleaning machinery and purchase of shockproof materials such as straws and papyrus from groups of people in the community providing them with income.

1.4) Promoting employment of disabled persons in accordance with the Employment of Disabled Persons Law B.E. 2554 (2011) 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 disabled persons to sell products or services (Section 35) to improve the quality of life of disabled persons, which can be summarized as follows.

- Year 2013 to 2015: The Company opened a coffee shop in front of the factory, which opens every day. Handicrafts stores are organized during the Safety Week and Children's Day activities. In year 2015, phone payment machines of the disabled persons are placed in the Company's areas contributing to the income of disabled people in the community, etc.

- Year 2015: The Company participated in the Concession for Disabled program, organizing the first activity called **"DBP'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 was welcomed and supported by many employees, according to the slogan **"There's no happiness as permanent as being a giver"**, etc.

1.5) Establishing compensation measure in case of a stakeholder having suffered damage from violation of legal rights by the Company by providing opportunity for whistleblowing or filing complaint about illegal action or immoral conduct to the Independent Directors and Audit Committee, with the Audit Committee checking the information and reporting to the Board of Directors afterward.

1.6) Establishing operating guidelines for executives and employees based on integrity and transparency with preparation and dissemination of the Handbook for Good Corporate Governance and Code of Conduct on Company's website (www.ddp.co.th) for the executives and employees to acknowledge and strictly follow throughout the organization with routine monitoring on compliance of the regulations.

(2) Anti-Corruption

Pursuant to the Board of Directors' resolution for the Company to announce its intention to join with the Private Sector Collective Action Coalition Against Corruption (CAC), the Company has established the Prevention and Anti-Corruption Committee to carry out anti-corruption tasks including preparation of anti-corruption measure, preparation of handbook and regulation for good practice on anti-corruption, as well as preparation of self-assessment form on anti-corruption measure, in accordance with the regulation stipulated as the CAC member. Accordingly, the Company was certified as the CAC Member No. 125 on October 16, 2015 for a 3-year period from the certified date.

The Company also applied to become the member of the Partnership Against Corruption for Thailand (PACT Network), established by the Thaipat Institute to develop and implement concrete, practical action-oriented anti-corruption mechanisms and raise awareness of anti-corruption issues among employees and executives to be used as additional tools for overseeing the operations.

Building Conscience on Anti-Corruption: In year 2015, the Company enrolled the executives in the training courses as follows.

(1) Enrolled the Prevention and Anti-Corruption Committee Members to the Anti-Corruption in Practice–Action-Oriented training course organized by the PACT Network together with the Investment Banking Club, Association of Thai Securities Companies and Pricewaterhouse Cooper Consulting (Thailand) Ltd. to reinforce an understanding in the anti-corruption in practice for the business organization and prevention of the Company and its subsidiary companies to involve in corruption according to the anti-corruption regulation of international standard.

(2) Enrolled the Prevention and Anti-Corruption Committee Members to the Anti-Corruption in the Organization Training Course at the Federation of Accounting Professions under the Royal Patronage of His Majesty The King for 6 working days to bring knowledge from the training for suggestions and use as practice guideline.

(3) Organized internal training for the employees at the command level and operation level on November 18 and November 23-30, 2015 and communicate to the employees on the Company's being certified as the CAC member for everyone to realize an increased responsibility of each department that must adhere to strict behavior and performance under the legal framework and ethics.

During the past year, the Company received several complaints and whistleblowing reports such as improper conduct which might lead to corruption by the employees. The matters were submitted directly to the Audit Committee. After inspection, it was found that none of these matters were significant that they would impact the Company's image and damage the Company. In addition, the internal control system has been improved to be more tightened.

(C) Responsibility toward Diamond Community

The Company's business operation that can be carried out continuously to benefit the society and surrounding community, creating jobs and income and improve the quality of life of the people in the community. 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. Thus, the **"Diamond Heart Technicians"** project was initiated and has been organized continuously, which can be summarized as follows.

(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 the 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) Diamond Heart Technicians" Project: The Company has organized training courses for people in the community, providing knowledge in roof installation, siding boards and eaves installation in both theory and practice to the community people, students and students from the technical colleges in the area including students from the Phra Dabot Project and Luk Phra Dabot Project, so that they have the knowledge and skills to be used as their profession, creating more income and sustainable community development. The Company has organized this project consecutively for several years, which can be summarized as follows.

Class 1-2 : In cooperation with Tan Diao Subdistrict Administrative Organization to train people in the community on roof installation and repairs.

Class 3 : In cooperation with the Saraburi Technical College to organize training course for students of high vocational college level to have knowledge in roof installation, siding boards and eaves in both theory and practice.

Class 4 : In year 2015, the Project was carried out in cooperation with the Phra Dabot Foundation to build a model house based on the New Theory on agricultural demonstration plot at the Luk Phra Dabot Project, Bangphli District, Samutprakarn Province. The training courses for Phra Dabot Project students comprised of both theoretical and practical parts for a total of four days, supported with the products and equipment for the construction of the model house, which was named **"Sufficient Diamond House"**, by which the students could take the knowledge to build low-cost housing residence. The students were quite interested in the training courses.

In building volunteer spirit, **"Friends Helping Friends"** Project, was initiated to alleviate hardship of the employees and their family members of Diamond People, suffering from disasters with employees helping and sharing things, consumer goods and gathering together organizing volunteer spirit activity to give out things to the community suffering from flood, etc. Also, **"Volunteer Spirit"** activities organized by Diamond People together volunteered to build bathrooms, paint, repair school building during Children's Day and temples in the community, etc.

(3) Activities for Happy Society (Good Society) have been organized to promote culture and tradition in the community as follows.

(3.1) National Children's Day" Activity: The Company organized activities on the Children's Day at the Tan Diao Sub district Administrative Office, Huay Li Temple School, Talingchan Sub district on January 9, 2015, with activities such as games, sculpture painting, prizes, food and drinks for the students and guardians attending the event, creating happiness for children and people in the community.

(3.2) **“Merit Making, Candle Offering, Offering to Buddhist Monks” Activity:** The Company and employees together performed merit making at the beginning of the Lent day at Tan Diao Temple and Khok Chuek Temple, Saraburi Province.

(3.3) **“Merit Making at the End of the Lent Day” Activity:** The Company co-hosted the merit Making at the end of the lent day presenting robes to the Buddhist monks at Ta Yiem Temple and Tan Diao Temple, Saraburi Province, to contribute to the fund for the construction of a sermon hall for a total of Baht 19,500.

(3.4) **“Community Relations” Activities:** Supported and provided roofing tiles and siding board products for construction for the government sector, schools and temples in the nearby Saraburi Province area for development of community totaling 41 communities, totaling Baht 1.3 million.

(3.5) **“See San Sampan” Activity:** The Company co-hosted with Tan Diao Subdistrict Administrative Organization to organize sports competition events called “2nd See San Sampan” to reinforce relationship among government officers, military, police and media.

(D) Social Assistance Projects

(1) **Tawan-Yim (Smiling Sun)” Project:** During 2012-15, the Company 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. This year, the Company supported and donated roofing tiles and siding board products to **“Baan Tang Trong School”** Sriracha District, Chonburi Province, for construction of knowledge and reading building and playground.

(2) **“Home for Impoverished” Project:** In cooperation with various government offices of Saraburi Province with Company providing roofing tile and siding board products for renovation, repair and construction of 3 houses for the impoverished people.

(3) **“DBP’s Kindness to Disabled” Project:** The project is aimed at support and promotion of income for the disabled people and their caretakers by providing opportunity for them to sell products or services within the Company’s areas without charging any fee including disabled market fair, coffee shop, phone payment machine, laundry machine and weigh measuring machine, etc. so that they can be self-dependent without being burden to the family and society, creating self-esteem.

(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 1.35 million in year 2015.

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

The Company’s channel of communication and dissemination is through 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 Management

The Company realizes the importance of its responsibility toward environment. Therefore, the Company has continued to improve on the manufacturing process in order to prevent impact to the environment including organizing activities and campaign on conservation of environment, which can be summarized as follows.

3.1 Process Water Management

Water is considered an important raw material of the Company with approximately 1,800 cubic meters of water being used in the process per day. Approximately 800 cubic meters of new water enter the process each day with 700 cubic meters of water being circulated within the system and about 300 cubic meters of water loss through the process. According to the ISO-14001, the water used in the process must be managed so that no water is discharged out of the system. Accordingly, the Company has installed a settling pond system to treat the water from the process before being recycled into the manufacturing process, which can reduce water consumption by more than 50 percent of volume of water use for the whole system.

During the year 2015, the Company has established plan to reduce its water consumption in order to face possible drought problem early in year 2016, which has been anticipated to be severe and might affect product manufacturing. The water management has been planned as follows.

(1) The Risk Management Committee visited Pa Sak Jolasid Dam and listened to the lecture on water distribution and dam maintenance program to monitor the water level and volume of water drained from the dam in comparison

with the drainage plan during drought season and it was expected that about 289 cubic meters of water or 30 percent of full capacity would remain at end of April 2016.

(2) The Engineering and Maintenance Division has been assigned to prepare for groundwater well drilling in the factory area to distribute approximately 800 cubic meters of water per day. The initial approved budget was Baht 2 million for completion period of 90 days.

(3) Reduction of water supply consumption by inspection and repair of water leakage spots, including campaign to promote water conservation, organize programs aimed for reduction of water usage by recycling wastewater from the water supply plant and manufacturing process for use as water supply to NT-10 production line, etc.

3.2 Process Waste Management

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

(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.

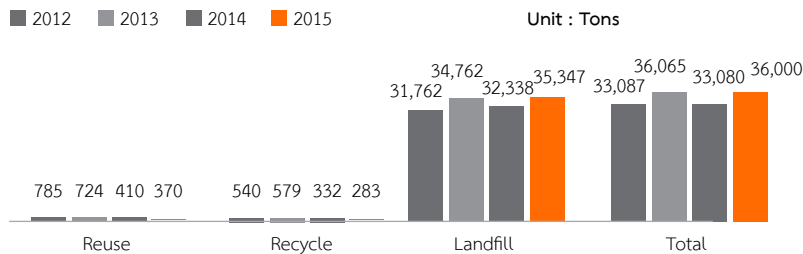
(1) Reuse: such as damage wooden pallets are repaired for reuse and big bag are used for putting in residual or dusts.

(2) Reduce: such as size of pallets are designed to be suitable, smaller so that less wood is used.

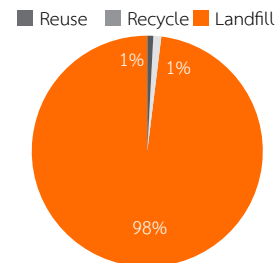
(3) Recycle: recycling for reuse such as scrap papers from office are recycled for use in the pulp process in the factory; residuals, dusts or leftover from groove, siding boards are recycled for several types of use such as making of cleats for tile support and paving blocks, etc.; remaining woodchips, scrap iron and plastic are separated and sold.

(4) Disposal: According to the law such as broken tiles are treated according to the law and used as landfill at permitted areas.

Non-Hazardous Wastes



Non-Hazardous Wastes in 2015



In year 2015, the volume of non-hazardous wastes increased by 9 percent due to more dredging of settling pond. The results from the process waste management showed that 2 percent of the non-hazardous wastes were recycled and reused.

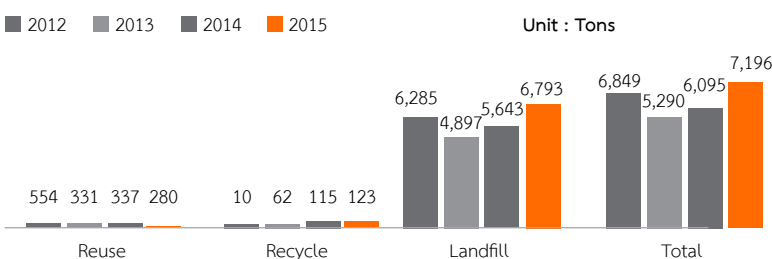
(B) Hazardous Wastes, mostly come from the manufacturing process which are mainly wet cake or sludge which are disposed or used as landfill and after being made into solid mass by Better World Green Co., Ltd. (BWG). As for the color sludge and other contaminated materials are sent for use as mixed fuel 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.

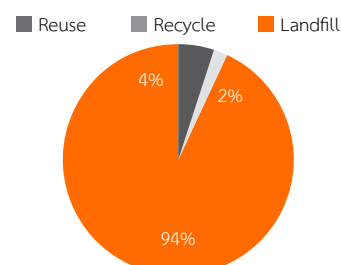
(2) Recycle: such as cement residues in the sedimentation tank from drainage are recycled to make cleats for tile support, contaminated residues are used as mixed fuel water paint, oil paint and sealer, etc.

(3) Disposal: According to the law such as wet cake or sludge through stabilization or solidification before being used as landfill.

Hazardous Wastes



Hazardous Wastes in 2015



In year 2015, even though the hazardous wastes increased by 18 percent due to more dredging of settling pond but the results showed that 7 percent of the hazardous wastes were recycled and reused.

(C) Production of Tile Supporting Cleats from remnant in sedimentation tank Project

During the manufacturing process, the volume of some of cement remnant in sedimentation tank remnant in sedimentation tank from the drainage from the fiber cement production lines, FC 1-6 at 12 times per day amounting to 3,961 tons per year, which need to be transported and disposed at the cost of Baht 237,660 per year. Therefore, in year 2015, the project was initiated to take the some of cement remnant in sedimentation tank to manufacture cleats for tile support for Roman Tiles, Small Corrugated Tiles (Grade A) in order to protect from damage during transport and piling, which can reduce loss in the manufacturing process and reduction of transport and disposal cost.

3.3 Dust Management

(A) 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, in year 2015, the Company expanded the areas for installation of dust reduction system in order to attain better working environment by installing various types of dust collector and removal system at dust-full areas as follows.

(1) Utilization of Dust Collector of SILO-TOP Type 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 Settling Chamber: A large settling chamber which helps dust particles to fall to the surface by their own weight, suitable for large coarse or heavy dust particles.

(4) Installation of Dust Collector at the Paint Mixing Facility: Bag filter system is utilized to collect fine cement and paint dust from the manufacturing process by using cotton fabric bag. All collected dust can be recycled for utilization again.

(5) Installation of Dust Collector at the Aluminum Pallets Polishing Brush Facility: Bag filter system is utilized to collect dust in the polishing process. All collected dust can be recycled for utilization again.

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 workplace 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 (Concrete Tile Production Line, Khon Kaen Province)

During the past year, The Company installed the solution odor elimination system for the concrete tile production line at Khon Kaen Province. In the manufacturing process of concrete tiles, 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, etc. The Company utilizes the activated charcoal for odor elimination in the spraying process. There are three sets of odor elimination systems as follows.

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

In year 2015, the Company carried out air quality measurement and monitoring activities in the manufacturing process, that were conducted by Global Environmental Management Co, Ltd., which can be summarized as follows.

(1) Measurement of Chemicals in the Workplace

The results of chemical measurement in the workplace 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 (1977) regarding workplace safety relating to surrounding conditions (chemical) as follows.

Measuring Location	Air Quality Index	Unit **	Measuring Results	Standard Values
1. Tile machine	Total Dust	mg/m ³	3.750	Not exceeding 15
2. Fence Area	Xylene	mg/m ³	0.002	Not exceeding 435 *
		ppm	< 0.001	Not exceeding 100
3. Paint Spraying Machine	Xylene	mg/m ³	0.011	Not exceeding 435 *
		ppm	0.003	Not exceeding 100

Source: Report of Environmental Measurement on May 8, 2015

: mg/m³ = milligram per cubic meter, ppm. = parts per million

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 air quality measurement from the ventilation funnels of System 1-3 showed that the values of 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 (2006) as follows.

Air Quality Index	Unit	Concentration ^{1/}			Standard Values ^{2/}
		SYSTEM 1	SYSTEM 2	SYSTEM 3	
Xylene	ppm	0.023	0.018	0.084	Not exceeding 100
	mg/m ³	0.099	0.076	0.019	Not exceeding 435

Source: Report of Environmental Measurement on May 8, 2015

: ^{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, ppm. = parts per million

3.5 Reduction of Coating Loss in Manufacturing Process

(A) Reduction of Coating Loss Project

During the past year, the project for reduction of coating loss at the concrete tile, CT-5 production line, Saraburi Province, was carried out resulting in the reduction of coating loss and reduction of wastes in the manufacturing process. Therefore, in year 2015, the project was expanded to 4 other production lines, including concrete tile production, CT2, CT-3 and CT-4 production lines in Saraburi Province and concrete tile production, CT-KK, in Khon Kaen Province. The objectives of these projects are as follows.

- To reduce coating loss, reduce wastes from the manufacturing process that needs 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 control 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 tasks.

- (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.

Table: Results of Coating Reduction Year 2015

Description	Unit	Before Improvement	After Improvement	Reduction in Liter per Ton	Coating Reduction (Liters)	Amount (Baht)
Coating Utilization Rate CT-2	Liter/Ton	2.41	2.37	0.04	3,226.32	193,579
Coating Utilization Rate CT-3	Liter/Ton	2.55	2.44	0.11	4,025.34	241,520
Coating Utilization Rate CT-4	Liter/Ton	2.47	2.41	0.06	2,775.66	166,540
Coating Utilization Rate CT-KK	Liter/Ton	2.64	2.58	0.06	1,319.94	79,196
Total		10.07	9.80	0.27	11,347.26	680,835

3.6 Energy Management

The Company gives precedence to and realizes the importance of energy conservation and management and therefore has established plan for Diamond people to participate in the energy conservation program for effective use of energy. For this year, the following programs have been undertaken which can be summarized as follows.

(A) Reduction of Electricity Consumption from Adjustment of Wastewater Pump's Motor of NT-8 Production Line

Previously, pumping of wastewater out of NT-8 production line into a settling pond of NT-7 production line had been done by utilizing 11-kW pumping motor before pumping, then the wastewater was pumped to the reservoir outside the building by 22-kW pumping motor. To reduce electricity consumption of pumping motor of NT-7 production line, the pumping motor of NT-8 production line was modified to pump the water directly to the reservoir outside, terminating the use of pumping motor at NT-7 production line. As a result, the electricity consumption at NT-7 was reduced by 7,128 kWh per year or Baht 27,700 per year.

(B) Reduction of Electricity Consumption from Termination of Cellulose 2 Transformer

The termination of Cellulose 2 machine resulted in power delivery through the transformer at only 10 percent of the transformer load. To reduce energy loss, the load was switched to a nearby transformer and the Cellulose 2 transformer was terminated. As the result, the energy loss was reduced by 24,500 kWh per year or Baht 95,400 per year.

(C) Reduction of Heat Loss from NG Infrared Tunnel Wall of CL-7 Production Line

By designing and installation of 11 covers along with thermal insulation at the NG Infrared area, the heat loss was reduced by 253,646 MJ per year or Baht 76,094 per year.

(D) Reduction of Electricity Consumption by Changing the Time of Machine Operation

1) The power demand charge at the AAC-SR (Autoclaved Aerated Concrete) production line is controlled by changing the time of peak demand from the On Peak time period to the Off Peak time period by selecting the machines that require large power load such as the sand mill machine using highest electric power with 630-kW motor and using it during the Off Peak time period instead to reduce electrical energy consumption. As the result, the demand charge was reduced by Baht 10,395 per day (Baht 945 x 11 hours).

2) The FC Production Line Section 3 had the history of operating more than two production lines for short periods of time each month during low season period which resulted in a high demand charge. Therefore, there was a plan in year 2015 to control the operation of these two production lines to run one after another and not simultaneously. As the result, the electricity charge was reduced by Baht 138,000 per month.

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 2015, the Company had made improvements to the manufacturing process to reduce environmental impact, resulting in the Company's passing in 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.

Monitoring of Chrysotile in the Workplace

Area	Unit	Measured Values in 2014	Measured Values in 2015	Standard Values
FC raw materials preparation area	fiber/cm ³	< 0.001 – 0.007	< 0.001 – 0.001	Not exceeding 2
Tile testing area	fiber/cm ³	< 0.001	< 0.001	Not exceeding 2
Cover pacing/glazing area	fiber/cm ³	0.004	< 0.001	Not exceeding 2
Chrysotile storage area	fiber/cm ³	0.004	< 0.001	Not exceeding 2
Broken tiles storage area	fiber/cm ³	-	< 0.001	Not exceeding 2

Source: Report of Environmental Measurement on April 21-22, 2014, April 2-3, 2015 and April 20-21, 28, 2015
 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 2014	Measured Values in 2015	Standard Values
Total Suspended Particulate in the factory	mg/m ³	1.12 – 2.43	0.83 - 4.95	Not exceeding 15
Particle matter (<10 micron)	mg/m ³	0.39 – 0.50	0.42 - 1.68	Not exceeding 5
Xylene	ppm	0.001 – 0.005	0.128 – 2.537	Not exceeding 100

Source: Report of Environmental Measurement on April 21-22, 2014, April 2-3, 2015 and April 20-21, 28, 2015
 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 2014	Measured Values in 2015	Standard Values
Total Suspended Particulate (TSP)	mg/m ³	23.94	4.01	Not exceeding 400
Sulfur Dioxide	ppm	3.00	-	Not exceeding 60
Carbon Monoxide	ppm	12.00	-	Not exceeding 690
Nitrogen Dioxide	ppm	17.65	-	Not exceeding 200
Xylene	ppm	0.008 – 0.021	2.905 - 8.771	Not exceeding 100

Source: Report of Environmental Measurement on April 21-22, 2014, April 2-3, 2015 and October 20-21, 28, 2015
 By: Global Environmental Management Co., Ltd.
 : mg/m³ = milligram per cubic meter, ppm = parts per million

Monitoring of Air Quality around Factory Fences

Monitoring Items	Unit	Measured Values in 2014	Measured Values in 2015	Standard Values
Total Suspended Particulate (TSP) 24-hr Avg.	mg/m ³	0.130	0.187	No exceeding 0.330
Particle Matters (PM-10) 24-hr Avg.	mg/m ³	0.044	0.062	Not exceeding 0.120
Noise Level 24-hr Avg.	dB(A)	50.77	50.8 – 58.1	Not exceeding 70
Disturbance Sound Level 24-hr Avg.	dB(A)	4	3.3 – 4.9	Not exceeding 10

Source: Report of Environmental Measurement on April 21-22, 2014 and October 20-21, 28, 2015

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 8 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 Extinguisher System and Emergency Doors	6.40
2014	Dust collection system for tile shaping machine, Water system for fire extinguisher and Xylene Odor Elimination System	14.99
2015	Dust collection system for paint dust, storage for paint and preparation and installation of chemical leakage protection doors	2.78

Awards of Pride

1. Industrial Standard Certifications

The Company has received industrial standard certifications from TUV NORD Thailand Co., Ltd., which guarantees that the Company's manufacturing process has good management system, having received the following three industrial standard certifications.

- **ISO 9001 : 2008:** Quality management system for both factory and office since 2003-15.
- **ISO 9001 : 2015:** Quality management system for both factory and office since January 1, 2016 being the first manufacturer in the construction material group to receive this new standard, which guarantees that "Diamond" possesses excellent management system with international standard.
- **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 year 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 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: 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 9,999 million, due to the adjustment of assessment criteria and scoring to be more in line with the ASEAN CG Scorecard.
- 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.
- Year 2010-2013 and 2015: 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 9,999 million.
- Year 2015: On June 22, 2015, the Company was placed among 100 listed companies by the Thaipat Institute, receiving the **ESG 100 Certificate** for having outstanding environmental, social and governance.
- Year 2015: On July 14, 2015, the Company received permission for displaying the Thai Industrial Standard (TIS) Logo, TIS 535-2556 and TIS 2619-2556 on the products including concrete tiles for both CT Diamond, Adamas and Concrete Ridges from the Thai Industrial Standards Institute. The Company was the first concrete roofing tiles producer to receive such TIS Logo, which guarantees that its products have international standard.
- Year 2015: On November 25, 2015, the Company received the Thai Labor Standard (TLS 8001:2010) Basic Level Certification from the Department of Labor Protection and Welfare, Ministry of Labor, to certify that the Company conducts its business with social responsibility standard of Thai business in accordance with the laws relating to labor relations, occupational safety, health and environment.
- Year 2015: The Company received the Certificate of Honor for blood donation as an organization from the Thai Red Cross Society.

Awards of Pride



Safety Award



SS Award Model



Enterprise Award
in Safety



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



Outstanding Company
Performance Award



Top Corporate Governance
Report Award



Thailand Trust Mark



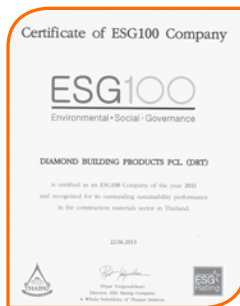
"Investors' Choice Award" for AGM
Assessment



Enterprise Award in Labor
Relation Welfare



ISO 9001 : 2015



ESG 100 Certificate

SIGNIFICANT CHANGES IN THE PAST YEAR

Year 2015

April

On April 24, 2015, the 30th Annual General Meeting of Shareholders (Year 2015) had approved the reduction of the registered capital of the Company of Baht 1,692,000 from the previous registered capital of Baht 1,049,650,000 to a new registered capital of Baht 1,047,958,000 divided into 1,047,958,000 ordinary shares at a par value of Baht 1 per share by eliminating 1,692,000 unpaid registered shares and amending Clause 4 of the Company's Memorandum of Association to coincide with the reduction of the registered capital. The Company completed the registration of the reduction of the registered capital and amendment of Clause 4 of the Company's Memorandum of Association with the Ministry of Commerce on April 30, 2015.

FUTURE PROJECTS

The Company has continued to increase its production capacity in line with market requirements. Product research and development and improvement of manufacturing efficiency to increase competitiveness have also been undertaken for such projects including NT-10 Project, 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 requirements. Therefore, in year 2015, the Company has focused on the development of supporting machinery and efficiency improvement of existing machinery and equipment to increase production capacity, reduce production cost and minimize 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 has carried out research and development on the paint for its own manufacturing process. In year 2015, the Company invested in efficiency improvement on the paint production for use in the fiber cement tiles and siding boards manufacturing process, effectively reducing the production cost by 10 percent and increasing the product value by 10 percent, including:

- **FC Production:** Production of Clear and Pearl color primer which is required before the actual paint including production of paints that require emphasis on quality such as golden dragon color, golden teak and glorious yellow color, etc., representing 30 percent of the total paint used.
- **CT Production:** Production of paint for mortar under CT ridges and paint for Adamas tiles repair, representing 85 percent of the total.

2. Improvement of Manufacturing Efficiency of Existing Machinery for Reduction of Environmental Impact:

2.1 Air Pollution Reduction Project: There were several projects undertaken as follows:

- (A) **Dust Management:** Dust reduction projects at the concrete tile production line (CT-SR) including silo-top dust collector system, large-scale dust collector, and construction of dust settling chamber, dust collector at the mixed paint system and dust collector at the aluminum pallets polishing brush.
- (B) **Solution Odor Elimination:** Project to control and eliminate solution odor at the CT-KK concrete tile production line in three different areas including lacquer spraying area, conveyor system to storage shelves and curing tunnel area and inside the tile curing tunnel.
- (C) **Reduction of Coating Loss:** Project to reduce coating loss in the CT-SR concrete tile production line including CT-2, CT-3, CT-4 and CT-5 production lines.

2.2 Energy Management Project: There were three projects undertaken including reduction of electricity consumption at the waste water pump of the NT-8 production line, reduction of electricity consumption from termination of Cellulose 2 transformer and reduction of heat loss at the NG-Infrared tunnel wall of the CL-7 production line.

2.3 Manufacturing Process Improvement for Energy Consumption Reduction: Control of the electricity demand charge by reduction of electricity consumption during the on-peak period and use during the off-peak period instead when the electricity requirement is low and the electricity tariff is least expensive. There projects were carried out at the AAC-SR autoclaved aerated concrete production line and FC production line section 3.

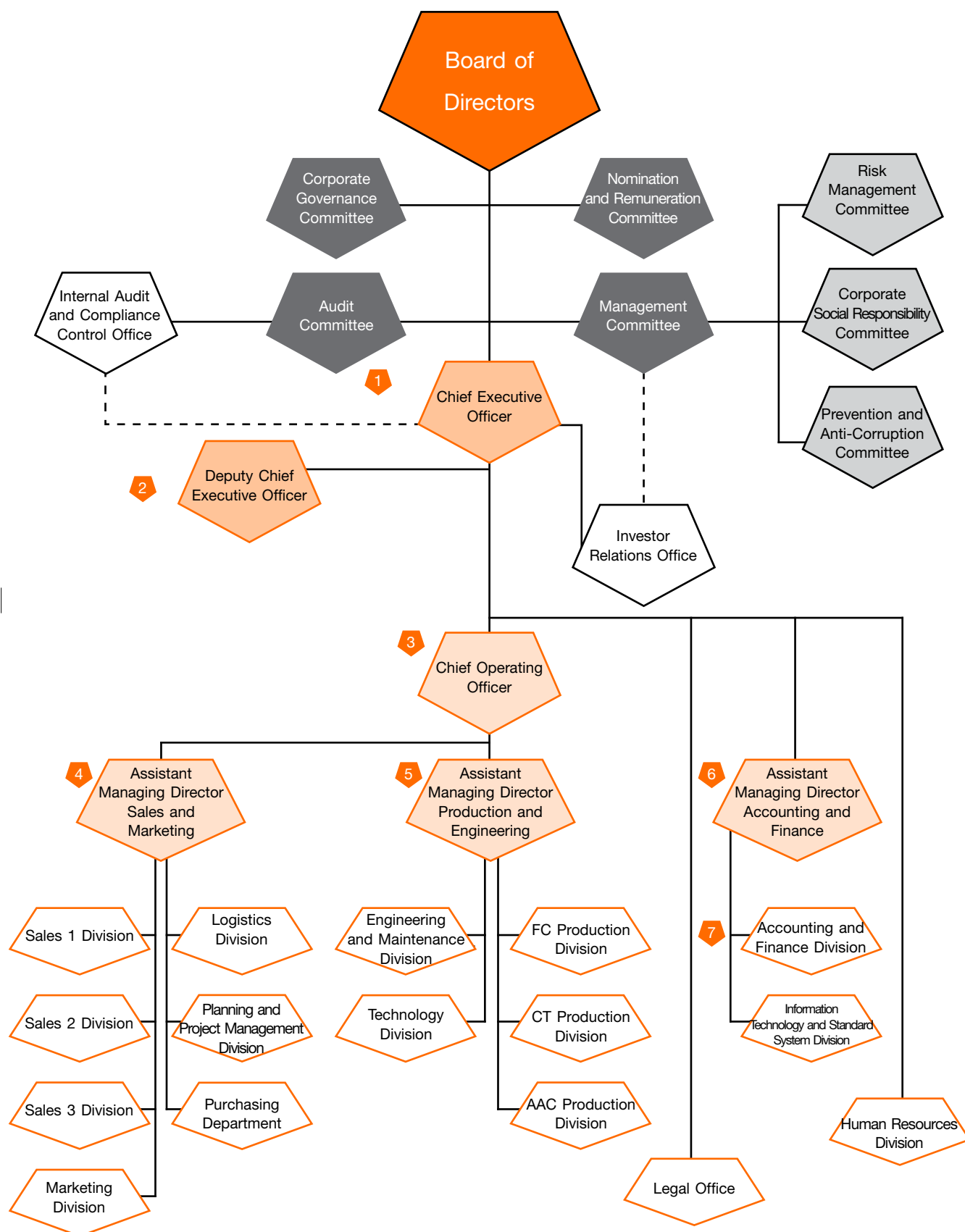
Every project mentioned above has reduced impact to the environment and the energy usage has been efficiently managed. The Energy Management Committee has been established to be responsible for a review and improvement of policy, objectives and work plan every year in order to continuously and effectively reduce energy consumption.

(Unit : Million Baht)	Consolidated Financial Statements			Separate Financial Statements		
	2015 *	2014	2013	2015 *	2014	2013
Financial Status						
Total Assets	3,593	3,791	4,240	3,613	3,797	4,232
Total Liabilities	1,269	1,547	1,940	1,266	1,542	1,935
Shareholders' Equity	2,324	2,245	2,300	2,347	2,255	2,297
Operating Results						
Revenue from sales of goods and rendering of service	4,165	4,228	4,402	4,165	4,228	4,402
Gross Profit	1,077	1,015	1,171	1,075	1,016	1,160
Income before depreciation, finance costs and income tax expense (EBITDA)	765	747	901	765	746	891
Income before finance costs and income tax expense	451	415	607	464	428	605
Net Income	331	289	451	344	302	449
Financial Ratios						
Net Profit Margin (%)	7.95	6.84	10.24	8.26	7.14	10.19
EBITDA Margin (%)	18.37	17.66	20.47	18.36	17.65	20.25
Return on Equity (%)	14.49	12.73	19.87	14.95	13.26	19.79
Return on Total Assets (%)	8.97	7.20	11.40	9.28	7.52	11.36
Debt to Equity Ratio (times)	0.55	0.69	0.84	0.54	0.68	0.84
Interest Coverage Ratio (Times)	22.90	15.09	13.16	22.84	15.08	13.08
Net Gearing Ratio (times)	0.35	0.53	0.62	0.35	0.53	0.62
Earnings Per Share (Baht Per Share)	0.32	0.28	0.43	0.33	0.29	0.43
Book Value (Baht Per Share)	2.22	2.14	2.21	2.24	2.15	2.21
Summary Stock Information "DRT"						
Market Price as at Year End (Baht Per Share)	4.14	5.10	7.90	4.14	5.10	7.90
Number of Registered Common Shares (Million Shares)	1,048	1,050	1,050	1,048	1,050	1,050
Number of Paid – up Common Shares (Million Shares)	1,048	1,048	1,047	1,048	1,048	1,047
Par Value (Baht Per Share)	1.00	1.00	1.00	1.00	1.00	1.00
Market Capitalization as at Year End (Million Baht)	4,339	5,345	8,274	4,339	5,345	8,274
Price Earnings Ratio as at Year End (Baht Per Share)	12.94	18.21	18.37	12.55	17.59	18.37
Dividend Per Share (Baht Per Share)	0.25	0.27	0.38	0.25	0.27	0.38
Dividend Payout Ratio (%)	78	96	88	76	93	88

Remark:

* During the year 2015, 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



1 - 7 is the Company's Executives according to SEC Regulation



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 Phaholyothin Place Bldg.,
40th Floor, Phaholyothin Road, Samsennai,
Phayathai, Bangkok 10400
Tel: 0 2619 0742
Fax: 0 2619 0488

Branch Office: 263, Moo 10, Tambon Maefaeak,
Amphur Sansai,
Chiang Mai 50290
Tel: 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.

Investment Policy in the Subsidiary and/or Associated Company

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

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, 2015, there were four Directors appointed by the Parent Company.

Name	Position	Board of Directors' Meeting (Times)	
		2015	2014
1. Mr. Asanee Chantong	Chairman of the Board	2/2	4/4
2. Mr. Satid Sudbuntad	Director	2/2	4/4
3. Mr. Maitree Tawonatiwasna	Director	2/2	3/4
4. Ms. Thanakarn Phanthapirat	Director and Secretary	2/2	4/4

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

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 2015, 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.

- **Sale and Purchase of Autoclaved Aerated Concrete:** The parent company purchased 33,367.78 tons of autoclaved aerated concrete totaling Baht 67.47 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.



1. Industrial Situation and Competition

The overall Thailand's economy during year 2015 still faced problem with decline in agricultural prices resulting in a slowdown in consumer spending and decline in purchasing power. In addition, the use of pricing mechanism by the competitors has affected and reduced the sales revenues of domestic sales distribution agents. As the Country is entering into the ASEAN Economic Community (AEC), the Company has increased its product sales to the boarder areas and neighboring CLMV countries that still have strong demand for construction materials resulting in an increase in trade abroad from 14.47 percent in year 2014 to 16.32 percent in year 2015. Moreover, sales to housing projects have been expanded to the provincial areas as several operators in the property sector have increasingly debuted several residential housing projects in the economic regional provinces. The marketing management policy has also been used with a focus this year on the use of slogan **“Strong, Durable, Live up to Diamond Brand”** and **“Nong Petch”** Mascot as the communication symbol expressing **“Brightness, Trust, Sincerity”**. Business plan and marketing strategy have been established to create brand and develop new products suitable for market requirements. Product managers have been appointed to manage each product in depth.

Furthermore, 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, which can be summarized as follows.

1.1 Operators in the Industry

The operators in the roofing, board and wood substitute manufacturing industry have focused on maintaining their market, which has resulted in a fierce market competition. As for the development of new products, wood substitute products were still popular and developed into various forms and uses by the producers to satisfy customers' requirements.

1.2 Competition in Domestic Market

The domestic market has been affected by the economic condition, especially from the decline in agricultural prices leading to the decline in demand for industrial construction products. Moreover, new producers have entered the market, making 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 2014 are as follows.

Manufacturers (Unit: million Baht)	Sales in 2014	
	Amount	Market Share
1. Siam Cement Group	12,989.49	45.43%
2. Mahaphant Group	7,051.65	24.66%
3. Diamond Building Products Plc.	4,227.89	14.79%
4. Kitermit Group (Olarvnanich)	1,547.37	5.41%
5. Conwood	1,484.64	5.19%
6. Thai Ceramic Roofing Tiles Co., Ltd.	1,158.31	4.05%
7. Srikungdhonburi Co., Ltd.	134.72	0.47%
Total	28,594.07	100.00%

Source: Department of Business Development, Ministry of Commerce

1.3 Competition in Foreign Market

In year 2015, the value of exported roofing tiles, siding boards, boards and ceilings from Thailand to foreign market was Baht 1,795.28 million, a decrease of 44.71 percent from year 2014, being categorized according to trading countries as follows.

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

Product Description (Unit : million Baht)	2015	2014	2013
Fiber Cement Tiles	875.31	915.21	857.76
Concrete Tiles	495.99	422.47	305.00
Boards and Ceilings	14.80	10.37	27.21
Siding Boards	409.18	1,898.89	320.46
Total Export Value	1,795.28	3,246.94	1,510.43
Expansion rate increase (decrease) (%)	(44.71%)	114.97%	9.77%

Source: Thai Customs Department

Trading Countries

Trading Countries (Unit : million Baht)	Fiber Cement Tiles	Ratio	Concrete Tiles	Ratio	Boards & Ceilings	Ratio	Siding Boards	Ratio
Australia	0.00	0.00%	0.11	0.02%	0.00	0.00%	91.66	22.40%
Laos	546.71	62.46%	163.54	32.97%	14.42	97.44%	77.83	19.02%
Cambodia	198.10	22.63%	310.45	62.59%	0.00	0.00%	23.90	5.84%
Singapore	0.00	0.00%	0.09	0.02%	0.00	0.00%	37.66	9.20%
Russian Federation	0.00	0.00%	0.00	0.00%	0.00	0.00%	93.58	22.87%
China	50.31	5.75%	0.03	0.01%	0.13	0.91%	0.71	0.17%
Myanmar	38.29	4.37%	18.17	3.66%	0.24	1.62%	26.02	6.36%
Others	41.90	4.79%	3.60	0.73%	0.01	0.03%	57.82	14.14%
Total Export Value	875.31	100.00%	495.99	100.00%	14.80	100.00%	409.18	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 2015 was at Baht 625.86 million or 34.86 percent of the total export value.

1.4 Future Competitive Trends

- (A) **Roofing Product Group:** This product group has been affected by substitute products such as metal sheet and new producers entering the market.
- (B) **Wood Substitute and Board Group:** The products in this group have been developed continuously to meet variety of usage, becoming full alternative to wood products. Additional producers in the market have resulted in an excess capacity creating a more intense market competition. Therefore, most producers have focused on sales promotion program and campaign to push for sales and capture higher market share.
- (C) **Autoclaved Aerated Concrete Group:** Due to the economic situation, there has not been much demand for the products in this group and therefore every producer still produces less than full capacity and new producers have contributed to excess capacity. Moreover, AAC products have not gained much popularity with certain market still prefers using old products such as bricks and concrete blocks and therefore creating a more intense completion.

2. Customer Characteristics, Target Group and Distribution Channels

The following table depicts the revenue and ratio from both domestic and foreign or export market sales:

Revenue from Sales (Unit: Million Baht)	2015	Ratio	2014	Ratio	2013	Ratio
Domestic Market	3,208.67	83.68%	3,337.42	85.53%	3,570.42	87.83%
• Agent Group	2,277.07	59.38%	2,351.02	60.25%	2,586.95	63.64%
• Modern Trade Group	506.23	13.20%	553.45	14.18%	592.46	14.57%
• Housing Project Group	425.37	11.10%	432.95	11.10%	391.01	9.62%
Foreign Market (Export)	625.86	16.32%	564.54	14.47%	494.71	12.17%
Total	3,834.53	100.00%	3,901.96	100.00%	4,065.13	100.00%

The Company has two main distribution channels as follows:

2.1 Domestic Market: Revenue proportion of the domestic market is 83.68 percent. Due to domestic economic situation, revenues have decreased in every group, which can be categorized into 3 groups as follows.

(A) **Agent Group:** There are over 700 main distribution agents and 6,000 stores throughout the Country.

(B) **Modern Trade Group:** This group consists of modern trade stores including Thai Watsadu, Siam Global House and Mega Home with over 80 branches altogether located throughout the Country.

(C) **Housing Project Group:** This group consists of several housing or residential projects such as Land and House, Supalai, Pruksa, Sansiri, etc. For this year, the Company focuses on finding more projects from the government, condominium and high-rise buildings.

2.2 Foreign Market (Export): Due to impact from domestic economic situation, the Company has been interested in expanding its business to the border areas and neighboring CLMV countries that still have strong demand for construction materials including Laos, Cambodia, Myanmar, Vietnam and others, resulting in an increase in revenue proportion from export of 10.86 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 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 floor plank, fence 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 emphasizes on development of more effective services by the product distribution centers and production bases in the provincial areas, as well as increase of products to be manufactured at the regional production bases to cover all products required by customers and consumers. Currently, the Company has altogether two product distribution center and regional production base as follows.

- 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. In year 2015, the Company's overall production capacity was estimated at 73 percent as the result of sluggish economy in the Country; however, if all situations should return to normal, the existing production capacity should be sufficient for the market requirement.

4.2 Procurement of Raw materials

The Company has revised its Procurement Handbook in order to have clear and effective guideline and procedure and in order which is in accordance with the Company's established policy, by separating into categories starting from procurement, purchase order up to the receipt of products and services in both domestic and foreign countries according to the regulation of the Purchasing Department. The raw materials used in the manufacturing process, which are procured both domestically and from foreign sources are 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 decreased from 62.75 percent in year 2014 to 61.92 percent in year 2015.

(B) Foreign sources

Raw materials such as Asbestos, synthetic fibers, paper pulp, etc., are manufactured outside the Country. The proportion of purchase from foreign sources increased from 37.25 percent in year 2014 to 38.08 percent in year 2015.

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. The Company also searches for new sources of raw materials as reserve to prevent risk from raw material shortage. 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	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. Bualuang Flexible Retirement Mutual Fund	9,370,200	0.89%
9. Mrs. Jidapa Kantasusira	8,330,000	0.79%
10. Bualuang Infrastructure Retirement Mutual Fund	7,416,700	0.71%
11. Others	307,654,700	29.37%
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 31st Annual General Meeting of Shareholders (Year 2016) and rights to receive dividends on the Record Date of Friday, March 11, 2016, and compiled the name list of shareholders according to Section 225 of the Securities and Exchange Act by closing the share register book, suspending transfer of shares on Monday, March 14, 2016.

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

SHAREHOLDING OF DIRECTORS AND EXECUTIVES



Information from report on securities holding of Directors and executives as at December 31, 2015.

Names	Ordinary Shares (shares)		
	As at December 31, 2015	As at December 31, 2014	Increase / (Decrease)
1. Mr. Prakit Pradipasen *	14,619,500	14,619,500	-
2. Mr. Phaithoon Kijssamrej	1,500,100	1,500,100	-
3. Mr. Chaiyut Srivikorn	3,100,100	3,100,100	-
4. Mr. Warayu Pradipasen (started November 5, 2015)	109,000	-	109,000
Mr. James Patrick Rooney (ended October 5, 2015) **	-	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	-
Total	38,498,200	42,739,300	(4,241,100)

Remark:

* Number of shareholding including spouse and minor child.

** Mr. James Patrick Rooney has retired from the director position since October 5, 2015 due to his death. Mr. Warayu Pradipasen was appointed as the director on November 5, 2015 in place of the vacant director position.



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 the Provident Fund for employees to encourage money saving by the employees. In year 2015, the fund saving proportion was increased so that the employee may choose the rate of 3%, 5%, 7% to 15% with Company's contribution at the rate of 3%, 5%, not exceeding 7% of base salary, employment period and willingness of the employee, which shall be paid back to the employee upon retirement or job quitting.
- (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, 2015)

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, 2015)

Name (Unit : million Baht)	Annual Remuneration			Bonuses	Total
	Board of Directors	Audit Committee	Nomination and Remuneration Committee		
1. Mr. Prakit Pradipasen	0.96	-	-	0.20	1.16
2. Mr. Phaithoon Kijamrej	0.60	-	0.12	0.20	0.92
3. Mr. Chaikut Srivikorn	0.60	-	0.24	0.20	1.04
4. Mr. Warayu Pradipasen (started November 5, 2015) ***	0.10	-	-	-	0.10
Mr. James Patrick Rooney (ended October 5, 2015) ***	0.50	-	-	0.20	0.70
5. Mr. Thanit Pulivekin	0.60	0.24	-	0.20	1.04
6. Mr. Sakda Maneeratchatchai	0.60	0.36	-	0.20	1.16
7. Mr. Anun Louharanoo	0.60	0.24	0.12	0.20	1.16
8. Mr. Asanee Chantong	0.60	-	-	0.20	0.80
9. Mr. Satid Sudbuntad	0.60	-	-	0.20	0.80
10. Mr. Maitree Tawonatiwasna	0.60	-	-	0.20	0.80
11. Mr. Krit Phanratanamala	0.60	-	-	0.20	0.80
12. Mr. Woodthikrai Soatthiyanon	0.60	-	-	0.20	0.80
Total	7.56	0.84	0.48	2.40	11.28

(C) Comparison of Remunerations of Directors and Executives

Remuneration (Unit : Million Baht)	2015		2014		2013	
	Persons	Amount	Persons	Amount	Persons	Amount
Directors' Remuneration & Bonus	12	11.28	12	12.48	12	13.76
Executives' Salary, Bonus and Others *	5	32.40	5 **	32.03	6	33.33
Total		43.68		44.51		47.09

Remark:

* This includes provident fund of year 2015:2014:2013 = 1.64 : 1.78 : 1.23 Million Baht.

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

*** Mr. James Patrick Rooney has retired from the director position since October 5, 2015 due to his death. Mr. Warayu Pradipasen was appointed as the director on November 5, 2015 in place of the vacant director position.

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 SUBSIDIARY COMPANY

For the fiscal year ended December 31, 2015.

The appointed certified public accountant for the Company and its subsidiary from year 2013 to 2015 was Ms. Bongkot Amsageam, certified public accountant registration no. 3684, of KPMG Phoomchai Audit Ltd. The audit fee for year 2015 increased from year 2014 by 7.45 percent, which can be summarized as follows.

Description (Unit: Baht)	2015	2014	Increase / (Decrease)	
			Amount	%
Audit Fee of the Company				
Annual audit fee	690,000	660,000	30,000	4.55
Interim financial statements audit fee	360,000	360,000	-	-
consolidated financial statements audit fee	320,000	320,000	-	-
Other expenses **	85,110	-	85,110	100.00
Total	1,455,110	1,340,000	115,110	8.59
Audit Fee of the Subsidiary Company *				
Annual audit fee	290,000	280,000	10,000	3.57
Interim financial statements audit fee	60,000	60,000	-	-
Total	350,000	340,000	10,000	2.94
Total	1,805,110	1,680,000	125,110	7.45

Remark:

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

** The other expenses such as travelling expense, photocopy expense and telephone expense, etc.

MANAGEMENT STRUCTURE



Management structure comprises the Board of Directors, sub-committees, and the executives of the Company with various and important qualifications, roles, duties 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.

In year 2015, the Board of Directors held 12 meetings altogether.

As of December 31, 2015, 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)	
		2015	2014
1. Mr. Prakit Pradipasen	Chairman of the Board	12/12	13/13
2. Mr. Phaithoon Kijamrej	Director	11/12	13/13
3. Mr. Chaiyut Srivikorn	Director	11/12	11/13
4. Mr. Warayu Pradipasen	Director (started November 5, 2015)	2/2	-
Mr. James Patrick Rooney	Director (ended October 5, 2015)	8/9	10/13
5. Mr. Thanit Pulivekin	Independent Director (started April 24, 2013)	12/12	12/13
6. Mr. Sakda Maneeratchatchai	Independent Director (started April 17, 2009)	12/12	13/13
7. Mr. Anun Louharanoo	Independent Director (started January 10, 2005)	11/12	13/13
8. Mr. Asanee Chantong	Director / Chief Executive Officer	12/12	13/13
9. Mr. Satid Sudbuntad	Director / Chief Operating Officer	12/12	13/13
10. Mr. Maitree Tawonatiwasna	Director / Deputy Chief Executive Officer	12/12	13/13
11. Mr. Krit Phanratnamala	Director	12/12	13/13
12. Mr. Woodthikrai Soatthiyanon	Independent Director (started January 12, 2011)	12/12	13/13
13. Ms. Thanakarn Phanthapirat	Company Secretary	12/12	13/13

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

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

1. To establish policies, objectives, business plan, and annual budget as well as oversee management of directors and executives to perform their assigned duties effectively by having regular monitoring and assessment of the work performance.
2. 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.
3. 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.
4. 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 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, Chief Executive Officer and Chief Operating Officer 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 Chief Executive Officer and Chief Operating Officer 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 Chief Executive Officer and Chief Operating Officer 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 and relevant laws, 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

The 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 member comes to end of office 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 incompletion 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 Company must have at least 3 Audit Committee members and all members must be 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 year 2015, the Audit Committee held 6 meetings altogether.

As of December 31, 2015, the Audit Committee comprised the following 3 members.

Names	Positions	Audit Committee's meeting (Sessions)	
		2015	2014
1. Mr. Sakda Maneeratchatchai	Audit Committee Chairman	6/6	6/6
2. Mr. Anun Louharanoo *	Audit committee Member	6/6	6/6
3. Mr. Thanit Pulivekin	Audit committee Member	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 to 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 (NRC)

The Nomination and Remuneration Committee (NRC) comprises at least 3 non-executive directors and at least 1 member must be an independent director. The NRC members 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 of the NRC. If the number of NRC members are below the specified number, the Board of Directors shall select and appoint new member(s) within 3 months for continuity in operation.

In year 2015, the NRC held 4 meetings altogether.

As of December 31, 2015, the NRC comprised of the following 3 members.

Names	Positions	Nomination and Remuneration Committee Meeting (Sessions)	
		2015	2014
1. Mr. Chaiyut Srivikorn	NRC Chairman	4/4	4/4
2. Mr. Phaithoon Kijssamrej	NRC Member	4/4	4/4
3. Mr. Anun Louharanoo	NRC Member	4/4	4/4

Mr. Asanee Chantong, Chief Executive Officer, is the Secretary to the NRC.

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

The NRC has responsibilities as assigned by the Board of Directors to perform their duties with responsibility, prudence, and integrity 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 and sub-committees, 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 rule and procedure for nomination of suitable candidate for executive position from 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 rule and criteria for consideration of successors and perform other duties as assigned.
2. Consideration of Remuneration for Company's Directors and Employees.
 - 2.1 To establish fair and reasonable remuneration formats and rule 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 scope of duties and responsibility, annual operating results of the Company, annual self-assessment of the Board of Directors' performance. Remuneration consists of monthly remuneration and annual remuneration paid to the Board of Directors and sub-committees. The NRC 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 bonus payment to the Company's employees by considering based on Company's performance, annual budget and operating objectives as well as market and economic situations. The opinion shall be submitted to the Board of Directors for consideration and approval.
 - 2.3 To perform other duties as assigned by the Board of Directors.
3. The Report of the NRC shall be prepared once a year and 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 NRC Chairman. The number of meetings and meeting attendance record for each of the NRC members must also be specified.

2.3 Corporate Governance Committee

The Corporate Governance Committee (CG Committee) comprises of at least 3 Company's Directors, one of whom must be an independent director, having been appointed by the Board of Directors. Its office term is 3 years. The CG Committee nominates one of the members who is independent to be the Chairman of the CG Committee and not being the Chairman of the Board of Directors and the head person responsible for Company's secretary task shall take up the position of the Secretary to the CG Committee, having responsibility to organize CG Committee's meetings as well as coordinate so that there is report to the Board of Directors and other relevant work units (if any).

In year 2015, the Corporate Governance Committee held 6 meetings altogether.

As at December 31, 2015, the Company has a total of 3 Corporate Governance Committee members as follows.

Names	Positions	Corporate Governance Committee Meeting (Sessions)	
		2015	2014
1. Mr. Thanit Pulivekin	CG Committee Chairman	6/6	4/4
2. Mr. Woodthikrai Soatthiyanon	CG Committee Member	6/6	4/4
3. Mr. Satid Sudbuntad	CG Committee Member	6/6	4/4

Ms. Thanakarn 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 year 2015, 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 0-4 for each topic, having the following definitions.

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

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

- (A) The Board of Directors as a whole received an average assessment score of 93.4 percent, having the highest score, Meeting of the Board of Directors at 95.9 percent and the lowest score, Self-Development of the Directors and Executives at 90.6 percent.
- (B) The Board of Directors as an individual received an average assessment score of 94.0 percent, having the highest score, Meeting of the Sub-Committees at 95.5 percent and the lowest score, Structure and Qualifications of the Sub-Committees at 92.0 percent.
- (C) Summary results of the assessment for every board and sub-committee are as follows.

Board of Directors/Committees	Performance Assessment	
	2015	2014
1. Board of Directors as a whole	93.4%	93.5%
2. Board of Directors as an individual	94.0%	93.1%
3. Audit Committee as a whole	93.4%	94.4%
4. Audit Committee as an individual (started in year 2015)	91.7%	-
5. Nomination and Remuneration Committee as a whole	89.9%	92.8%
6. Nomination and Remuneration Committee as an individual (started in year 2015)	90.9%	-
7. Corporate Governance Committee as a whole	96.5%	95.6%
8. Corporate Governance Committee as an individual (started in year 2015)	97.7%	-
9. Management Committee as a whole	99.6%	96.7%
10. Management Committee as an individual (started in year 2015)	97.2%	-
11. Risk Management Committee as a whole	87.7%	88.4%
12. Risk Management Committee as an individual (started in year 2015)	85.9%	-

2.4 Management Committee

The Management Committee comprises at least 3 executives, ranking from the Assistant Managing Director and above, which are appointed by the Company's Board of Directors. The Management Committee is chaired by the Chief Executive Officer by position. If the members of the Management Committee are below the specified number, the NRC shall nominate new member(s) and propose to the Board of Directors for appointment within 3 months for continuity in operation.

In year 2015, the Management Committee held 49 sessions of weekly meeting altogether.

As of December 31, 2015, the Management Committee comprised the following 4 members.

Names	Position	Management Committee Meeting (Sessions)	
		2015	2014
1. Mr. Asanee Chantong	Management Committee Chairman	49/49	40/40
2. Mr. Satid Sudbuntad	Management Committee Member	45/49	40/40
3. Mr. Maitree Tawonatiwasna	Management Committee Member	47/49	38/40
4. Ms. Thanakarn Phanthapirat	Management Committee Member and Secretary	48/49	39/40

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 NRC in order to propose to the Board of Directors for consideration and approval.

To consider the organization structure, organization management authorities as well as appointments, hiring transfers, consideration of salaries, compensation, bonuses and termination of 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 Company's Board of Directors; 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 NRC 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, as assigned by the Board of Directors, appoints the Risk Management Committee, comprising at least 10 members by position, having at least 1 executive ranking from the department manager level and above from each department including the Legal Office Manager becoming the Risk Committee Member. 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 to the Risk Management Committee.

In year 2015, the Risk Management Committee held 12 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 compliance unit and public adequately and regularly.

To prepare the 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 the year 2015, the Risk Management Committee has supervised risk management operation with accountability and prudence, 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 Department Manager and above for at least one person from each department to be the CSR Committee members by position, totaling at least 10 members and nominate 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 year 2015, the CSR Committee held 2 meetings altogether and several other separate meetings according to specific tasks.

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

To establish Corporate Social Responsibility Policy, and prepare work plan and budget as approved for each year, monitor work progress and assess the effectiveness of the work according to the established target, 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 Chairman of the CSR Committee. The number of meetings and meeting attendance record for each of the CSR Committee members must also be specified.

2.4.3 Prevention and Anti-Corruption Committee

The Management Committee has been assigned by the Company's Board of Directors to appoint the Prevention and Anti-Corruption Committee (PAC) 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. 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 Chief Operating Officer 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, etc.

2. 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.

In year 2015, the Prevention and Anti-Corruption Committee held four meetings in year 2015 to plan and prepare the handbook, measures on self-assessment concerning corruption risks of each work unit and self-assessment concerning anti-corruption measures in accordance with the regulation for CAC member enrollment. This year, the Company received the Anti-Corruption Certificate as the CAC member No. 125 on October 16, 2015 according to the plan.

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, Procurement 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 NRC 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, 2015, The Company had 4 Executives as follows.

Names	Position
1. Mr. Asanee Chantong	Chief Executive Officer
2. Mr. Maitree Tawonatiwasna	Deputy Chief Executive Officer
3. Mr. Satid Sudbuntad	Chief Operating Officer
4. Ms. Thanakarn Phanthapirat	Assistant Managing Director in Finance and Accounting

Authorities and Duties of the Chief Executive Officer and Chief Operating Officer 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, Chief Operating Officer, Deputy Chief Executive Officer, Chief Executive Officer 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 the 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.

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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, including seeking for information from the Director Pool in order to have sufficient details and information for the consideration, such as education background and work experience of such person without gender discrimination to benefit the Board of Directors and shareholders in the decision making.
- 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 (1.4.1) to appoint one individual or several individuals for the directorship position but cannot divide the votes into different number of votes for a particular individual.
 - (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 The 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 The 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 Chief Executive Officer 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.

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.

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 Chief Executive Officer be appointed as the Chairman of the Prevention and Anti-Corruption Steering Committee by position.

(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.

3.4 Other committees such as Occupational Health and Safety and Workplace Environment Committee, Energy Management Committee, Energy Management Assessors Committee, Procurement 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, 2015 until December 31, 2015. There was no shareholder proposing any meeting agenda or nominating any new director.

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	2015 *	2014	2013
Earnings Per Share (Baht Per Share)	0.33	0.29	0.43
Dividend Per Share (Baht Per Share)	0.25	0.27	0.38
Dividend Payout Ratio (%)	76%	93%	88%
Dividend Paid (million Baht)	262	283	396
Number of Paid – up Common Shares (Million Shares)	1,048	1,048	1,047
Par Value (Baht Per Share)	1.00	1.00	1.00

Remark:


* In year 2015, 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 2015, the projected dividend payment was calculated based on the number of issued and paid-up shares outstanding as at end of year 2015; 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, 2016 (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.



The Company, as a listed company in the Stock Exchange since 2005, is determined to become a leading organization, manage its business professionally, give precedence to Good Corporate Governance and the Code of Conduct by strictly adhering to good practices and guidelines as stipulated by the Stock Exchange of Thailand and the Securities and Exchange Commission (SEC). In year 2015, the Company received awards relating to corporate governance as follows.

1. The Company was placed in the **“Excellent”** group with a **five-star award** () for the assessment of Corporate Governance and ranked in the **Top Quartile** level within the group of companies with market capitalization of Baht 3,000 million to Baht 9,999 million, having received a score of 90 percent in year 2015 which is higher than score received in year 2014 at 86 percent, according to the assessment criteria and scoring procedure that are more in line with the ASEAN CG Scorecard (ACGS).

2. **AGM Assessment Award:** The Company received an **“Excellent”** rating within **100-point** range for the Annual General Meeting (AGM) Assessment of the Listed Companies Year 2015 by the Thai Investors Association (TIA) for the 5th year consecutively from year 2011 to 2015.

3. **ESG 100 (Environmental, Social and Governance: ESG):** On June 22, 2015, the Company was placed among 100 listed companies by the Thaipat Institute, for having outstanding environmental, social and governance (ESG 100).

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 year 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.
- 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, community 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.

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. In year 2015, the fund saving proportion was increased so that the employee may choose the rate of 3%, 5%, 7% to 15% with Company's contribution at the rate of 3%, 5%, not exceeding 7% of base salary, employment period 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 under the Corporate Social Responsibility (CSR) and Sustainability Report in the Annual Report (Form 56-2).

2. Disclosure of Compliance with the Policy and Preparation of Corporate Social Responsibility (CSR) 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 (CSR) and Sustainability Report within the Annual Report (Form 56-2).

3. Policy on Whistleblowing 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 Whistleblowing 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 whistleblowing and complaints as follows.

3.1 Stakeholder's Opportunity for Whistleblowing or Complaint.

Any employee or stakeholder wishing to contact the Board of Directors directly without go through the Company's executives to express opinion concerning the business operation, including whistleblowing or complaints can do so through the following channels.

(A) Whistleblowing or Complaint concerning with **Corruption Activity**.

- Notify through the Audit Committee to:
 - Chairman of the Audit Committee
 - Telephone Number: 0 3622 4171-8 Ext. 282
 - E-Mail Address: Audit_Com@dbp.co.th

(B) Whistleblowing or Complaint concerning with Violation of Company's Rule and Regulation.

- Notify through the Management Committee to:
 - Chief Executive Officer
 - Telephone Number: 0 3622 4171-8 Ext. 206
 - E-Mail Address: asanee@dbp.co.thOr Chief Operating Officer
 - Telephone Number: 0 3622 4171-8 Ext. 204
 - E-Mail Address: satid@dbp.co.th

(C) Complaint or Recommendation concerning with Investors' Information

- Notify through the Investor Relations Officer
 - Telephone Number: 0 3622 4171-8 Ext. 307
 - E-Mail Address: Corpcenter@dbp.co.th

(D) In the case of finding issue that severely impact the reputation of the Company, it must be urgently reported to the **Chief Executive Officer**.

3.2 Process after Whistleblowing or Complaint Notification

1. Registration and Processing.

The person being notified of whistleblowing or complaint according to 3.1 shall send the information of the Internal Audit and Compliance Control Office for registration of the complaint and coordination on inspection of the matter as follows.

(A) In the case of severe impact to the reputation of the Company, it must be processed urgently.

(B) In other cases, they must be processed quickly.

Record information from the Complainer as follows:

- (A) Name of the Complainer except for the case that name is not specified
- (B) Date of Complaint
- (C) Name of the person or event of the complaint
- (D) Name of responsible inspection person
- (E) Other related information

2. After the registration of complaint, the level of confidentiality is set according to the content of the matter and shall be processed as follows.

(A) Send the matter to the Chief Operating Officer or above for acknowledgment and consideration on finding out the fact by assigning the Internal Audit and Compliance Control Office or setting up a special fact finding working committee.

(B) In case of complaint on the Board of Directors or Chief Executive Officer or Chief Operating Officer, the matter shall be sent to the Audit Committee directly for consideration on acceptance of complaint, information finding and inspection of fact according to the notification in order to report to the Board of Directors for consideration and set appropriate penalty.

(C) In case of finding issue that needs to be urgently reported, the Chief Executive Officer shall inspect the fact and report to the Board of Directors urgently.

3. Collection of Facts.

(A) The person assigned for inspection of the complaint is authorized to seek for the fact and recommend to the person concerned to behave or perform duty appropriately and if a disciplinary action is needed, it should be consulted with the Human Resource Division so that the punishment is in accordance with Company's regulation.

- (B) In the case that the person assigned for inspection of complaint has no authority to call in the employee for questioning or punish the employee, the matter should be proposed to the Chief Operating Officer or above, along with the fact to consider ordering the punishment, changing the practice depending on the case.
- (C) In the case that the complaint is from an anonymous person and no additional fact can be obtained, the person assigned for the inspection of complaint should send the report of inspection results including the opinion concerning such complaint to the Chief Operating Officer or above to request for appropriate course of action. Should the Chief Operating Officer or above deems that the complaint cannot be fulfilled, then the matter should be closed and the copy of document should be sent to the Internal Audit and Compliance Control Office to register the closing of the case and report such matter to the Audit Committee.
- (D) If it was found that the accused person is not guilty or the complaint has happened out of misunderstanding or the accused person or person concerned has behaved appropriately after being informed, and that the case should be closed without any punishment, the matter should be proposed to the Chief Operating Officer or above to consider closing of the case and copy of document should be sent to the Internal Audit and Compliance Control Office for acknowledgment and report such matter to the Audit Committee.

4. Fact-finding and Inquiry.

In the case that the inspector or working group and the Human Resource Division deem that disciplinary action is needed, the Human Resource Division should propose such matter to the Chief Operating Officer or above to consider the fact for approval of the disciplinary action and then improve on the regulation found to have fault to make it clearer.

3.3 Protection of Whistleblower or Complainer

- 1. The stakeholder whistleblowing or complaining according to (3.1) above shall not need to disclose the name.
- 2. The Company shall protect and not demote, punish or cause adverse effect to the employee whom refuses corruption act, including the employee who cooperates in the notification, giving fact and report on the corruption act, despite causing the Company's loss of business opportunity. The supervisors at every level must convey this understanding to the employees for practice in the business activities and oversee that effective operation under their responsibility is performed.
- 3. The person receiving the complaint and those involved in the fact-finding and inquiry process must keep the relevant information confidential and only disclose information as necessary by taking into consideration the safety and reputation of the complainer or person who cooperates in the fact-finding process or sources of information or relevant person whether or not the person is an employee or outsider.
- 4. Should the whistleblowing, complaint, statement or information offering have been proved to be dishonest intention, disciplinary action shall be taken in case of being the Company's employee. As for the outsider causing damage to the Company's reputation, the Company shall take legal action on such person.

3.4 Measure for Correction and Compensation

In the case of employee or stakeholder being damaged from violation of right according to the law, the Company is willing to listen to comment or complaint and shall immediately correct such fault or effect as well as finding protection measure so that such incident will not occur again and will consider appropriate compensation to the person being violated according to the cause and effect 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 or notify through Company's website (Whistleblowing Topic) or notify through Whistleblowing Box (located at Human Resource Division)** 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 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 whistleblower and other details shall be kept confidential in order to build confidence for the whistleblower.

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 and 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 Chief Operating Officer 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 4171-8 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 and 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, executives and employees 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, the Chief Executive Officer and the Chief Operating Officer are of different individuals, having separated their scopes of duties and responsibilities and stipulated that the number of companies that the Chief Executive Officer and the Chief Operating Officer 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 year 2015, the Company was certified by the Private Sector Collective Action Coalition Against Corruption (CAC) as the CAC Member No. 125 on October 16, 2015 for a 3-year period from the certified date.

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.

Development of Corporate Governance in year 2015

1. The Company has established the monitoring and supervision process so that the operation is in accordance with the Good Corporate Governance Handbook and the Code of Conduct in order to develop into corporate culture. Accordingly, good corporate governance and code of conduct are part of the orientation for new employee, development training of employees, ISO and safety training, as well as printing pamphlets for dissemination of information for acknowledgment by every employee.
2. The Company has performed its task with regard to anti-corruption aspect as follows.
 - 2.1 The Company applied and became the member of the Private Sector Collective Action Coalition Against Corruption (CAC) in order to demonstrate that the Company's operation is transparent and accepted by every group of stakeholders. Accordingly, the CAC Council has resolved to certify the Company as the CAC Member No. 125 on October 16, 2015 for a 3-year period from the certified date.
 - 2.2 The Company applied to become the member of the **Partnership Against Corruption for Thailand (PACT Network)**, established by the Thaipat Institute to develop and implement concrete, practical action-oriented anti-corruption mechanisms and raise awareness of anti-corruption issues among employees and executives to be used as additional tools for overseeing the operations.
3. The Company participated in the CG Forum 3-4/2015 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. The Company participated in the development training on social and environmental responsibility which was organized by the Corporate Social Responsibility Institute (CSRI) and the Stock Exchange of Thailand, by enrolling the executives such training courses including the Preparation of the CSR Report, the Managing CSR for Sustainable Development and the Responsible Supply Chain Management, etc.



The Risk Management Committee's operation involves management and mitigation of risks, regular risk assessment and control of unacceptable risks, as well as monitoring of risk management system so that it is sufficient and appropriate for protection and mitigation of risks that may occur in the future, according to the principles of good corporate governance. During the year 2015, the Risk Management Committee held 12 meetings altogether, comprising of 15 executives from every department of the Company, to consider several matters which can be summarized as follows.

Risk Management Policy:

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

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1. Risks from External Factors

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

According to the Thai cabinet resolution in December 2014 concerning the termination of use of asbestos (Chrysotile), the Ministry of Public Health was requested to review the study of impact for clarity, further delayed the proposed plan of the Ministry of Industry to terminate the use of asbestos. Nonetheless, the Company has been prepared if in fact the Government sector terminates the use of asbestos as follows.

- (A) To develop products that do not contain asbestos fiber as an alternative for the customers such as roman tiles, jatulon 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.

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, sand and water, 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) Management of procurement and storage capacity increase for the raw materials to mitigate future pricing and shortage risk.
- (D) Monitoring of drought situation and water level of Pa Sak Jolasid Dam, which is the source of water for the Company, to assess and prepare plan for alternative source of water at adequate amount to support water requirement by the manufacturing process.

1.3 Risk Related to Price Competition

The Company is still faced with price completion risk as new operator has entered the market putting pressure on the domestic market, resulting in a fierce price competition. Therefore, the Company has employed a strategy by tackling the market nearby border areas and neighboring countries which admire Thai products and expanding housing project market in other provinces. As for the domestic sales agents with less revenue proportion, the Company has employed policy to increase the number of sales agent covering every province throughout the Country and manage middle and small sized sales agents that have potential and capability to become one branch per one province in order to strengthen the network of domestic and export sales agents, giving priority to before and after sale services, quick and timely product delivery in order to differentiate itself and become a better choice for the products 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 gives precedence to improve the manufacturing process so that it does not impact or destroy the environment and resources of the community. From year 2010 until now, the Company has received the industrial standard certificate in the environmental management system, ISO 14001:2004. In year 2015, the Company received the industrial standard certificate ISO 9001:2015 and in year 2016, the Company is ready to enter into ISO 14001:2015, which gives priority to sustainable use of resources based on “Lifecycle Thinking”.

2.2 Risk Related to Occupational Health and Safety

- (A) Risk related to Occupational Health: The Company gives precedence to the health care of employees by arranging the annual health check up every year and with 70 percent of employees being over 35 years old, additional health check items are included such as test on blood sugar level, blood lipids level, electrocardiography (EKG) and cancer.
- (B) Risk Related to Safety: This year the emphasis is on the “Seven Basic Safety Rules” (SHE 7 Rules) to build safety conscience among employees, contractors and outsiders entering into the inner areas of the factory, which must be followed strictly, including continuous offering of basic training courses on safety, namely safe forklift driving, first-aid, safe use of electricity and emergency response drills covering

all risk-prone areas as well as installation of water base fire extinguisher system in the risk-prone areas. As the result, accident incidents in year 2015 were reduced to 12 times as compared with 22 times in year 2014 or reduction of 45 percent and the accumulative working hours without accident and stop of work were as high as 2,069,808 MHR.

2.3 Risk Related to Manpower and Employment

The Company has risk related to manpower and employment due to increased demand for skilled workers in industrial factory and employees at executive level with experience. Hence, the Company has carried out the following tasks.

- Development of new tool for personnel recruitment called “Workshop Station Test” for the work position of electrician so that Diamond people possess important skills and practicable as required.
- Development of personnel recruitment by adding another channel for personnel recruitment system through Facebook network: DBP Career of the Company for interested people to gain easy and quick access to the employment information.
- Cooperation with Saraburi Technical College in accepting student trainees to support labor market, including participation in job recruitment booth with Saraburi Employment Service and other schools and institutions.
- Development of human resources at every level to provide knowledge and skills, as well as improvement of 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 the year 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, 2015). 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.



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 year 2015, 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 Chief Executive Officer, Chief Operating

Officer 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 addition, the Company has developed and added another channel for personnel recruitment system through Facebook network: DBP Career which suits a modern and current lifestyle of the people and developed a new tool for personnel recruitment called “Workshop Station Test” for the work position of electricians in order to employ individuals with important skills and practicable. Furthermore, the Company cooperates with educational institutions on accepting student trainees and organizing activities in the educational institutions to support the increase of manpower 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 and executive 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 and Subsidiary 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. In year 2015, the Risk Management Committee, comprising of 15 executives, holds meetings 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 department and prepare the self-assessment form concerning the anti-corruption measures, in order to receive the certificate as the member of CAC by October 16, 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

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 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:

- External risk factors such as government policy on control of asbestos use, shortage of raw materials, price competition, economic influence, financial instruments, etc.
- Internal risk factors such as environmental impact, manpower and employment, sufficiency of production capacity to market demand, 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, 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 Chief Operating Officer 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 Audit Committee directly without passing through the executives 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
- Telephone Number: 0 3622 4171-8 ต่อ 282
- E-Mail Address : Audit_Com@dbp.co.th

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.

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 year 2015, 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	
			2015	2014	2015	2014
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.	88.26	96.82	18.60	34.03
Quality House Plc. (Buyer) *	Having mutual directors but no possession of inter-related shares. • Diamond Building Products Plc. (Seller) having Mr. Krit Phanratanamala as Director.	Purchase of tiles including installation at normal prices and commercial conditions in general. <u>Pricing Policy</u>	-	2.18	-	-

Company	Relationship	Transactions	Amount (Million Baht)			
			Product Sales and Services		Accounts Receivable	
			2015	2014	2015	2014
	<ul style="list-style-type: none"> 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) *	<ul style="list-style-type: none"> 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	-	-
The Confidence Co., Ltd. (Buyer) *	<ul style="list-style-type: none"> 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	-	-
Gusto Village Co., Ltd. (Buyer) *	<ul style="list-style-type: none"> Wholly-owned subsidiary company of Casa Ville Co., Ltd. (Casa Ville Co., Ltd. is wholly-owned subsidiary company of Quality House Plc,) having mutual directors but no possession of inter-related shares. Diamond Building Products Plc. (Seller) having Mr. Krit Phanratanamala as Director. Gusto Village Co., Ltd. (Buyer) having Mr. Krit Phanratanamala as Independent Director and Audit Committee Member in Quality House Plc. 	Purchase of tiles including installation at normal prices and commercial conditions in general. <u>Pricing Policy</u> Use normal pricing as compared with real estate development group with normal commercial conditions in general.	-	3.97	-	-
Total			88.26	118.86	18.60	34.03

2. Purchase of Finished Products for Sale

Company	Relationship	Transactions	Amount (Million Baht)			
			Purchase of Finished Products		Other Receivables	
			2015	2014	2015	2014
Diamond Materials Co.,Ltd. (Seller)	Subsidiary of Diamond Building Products Plc. (Buyer) holding 99.99% of paid-up shares in Diamond Materials Co., Ltd.	Purchase of autoclaved aerated concrete for sale to customers and market expansion. <u>Pricing Policy</u> Use market price according to normal business.	67.47	83.12	13.81	4.01
Total			67.47	83.12	13.81	4.01

3. Purchase of Raw Material

Company	Relationship	Transactions	Amount (Million Baht)			
			Purchase of Raw Material		Account Payable	
			2015	2014	2015	2014
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.	0.23	0.08	-	-
Total			0.23	0.08	-	-

4. Management Fee Revenue

Company	Relationship	Transactions	Amount (Million Baht)			
			Revenue from Fee		Other Receivables	
			2015	2014	2015	2014
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	-	4.21
Total			-	2.11	-	4.21

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. and Gusto Village 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 the year 2015 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 2015 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 2015.

February 26, 2016

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

(Mr. Prakit Pradipasen)
Chairman of the Board

(Mr. Asanee Chantong)
Chief Executive Officer

SUMMARY OF OPERATING RESULTS AND FINANCIAL ANALYSIS

(For the Consolidated Financial Statements of the Year 2015, Ending December 31, 2015)

1. Overall Operating Results

For the year 2015, the total revenue from sales and services of the Company and its subsidiary (together referred to as the “Corporate Group”) was Baht 4,165.12 million, which decreased from the previous year by 1.48 percent, but there was a net profit in the year 2015 of Baht 330.99 million, which increased from the previous year by 14.41 percent. This was due to strong price competition on construction materials. Nonetheless, the Corporate Group has put emphasis on better management of production cost and inventory, resulting in a lower cost of production and higher gross profit, despite reduction in revenues from sales and services.

2. Analysis of Operating Results and Profitability

2.1 Revenues from Sales and Services

Description	Year 2015		Year 2014		Increase / (Decrease)	
	Million Baht	% of Total Revenue	Million Baht	% of Total Revenue	Million Baht	%
Revenues from Sales	3,834.52	91.86	3,901.96	91.81	(67.44)	(1.73)
Revenues from Services	330.60	7.92	325.93	7.67	4.67	1.43
Total Revenue from Sales and Services	4,165.12	99.78	4,227.89	99.48	(62.77)	(1.48)
Gain on Sales of Fixed Assets	-	-	1.35	0.03	(1.35)	(100.00)
Gain on Foreign Exchange Rate - Net	3.91	0.09	2.62	0.06	1.29	49.24
Other Revenue	5.29	0.13	18.19	0.43	(12.90)	(70.92)
Total Other Revenue	9.20	0.22	22.16	0.52	(12.96)	(58.48)
Total Revenue	4,174.32	100.00	4,250.05	100.00	(75.73)	(1.78)

The Corporate Group’s total revenue of year 2015 decreased from the previous year by 1.48 percent, consisting of:

- Revenues from sales were Baht 3,834.52 million, which decreased from the previous year by Baht 67.44 million or 1.73 percent, due to the decrease in revenues from sales of fiber cement roof tiles but there was an increase in revenues from sales of siding board, board and ceiling.
- Revenues from services were Baht 330.60 million, which increased from the previous year by Baht 4.67 million or 1.43 percent, due to the increase in revenue from services of Baht 9.38 million, but the revenue from transportation decreased by Baht 4.71 million.
- Other revenue was Baht 9.20 million, which decreased from the previous year by Baht 12.96 million or 58.48 percent, due to the decrease in profit from sales of fixed assets of Baht 1.35 million and decrease in other revenue and amount of reversal of doubtful debts of Baht 12.90 million, but there was an increase in foreign exchange gain of Baht 1.29 million.

2.2 Cost of Sales and Services

Description	Year 2015		Year 2014		Increase / (Decrease)	
	Million Baht	% of Sales	Million Baht	% of Sales	Million Baht	%
Cost of Sales	2,735.67	65.68	2,842.67	67.24	(107.00)	(3.76)
Cost of Services	352.06	8.45	370.02	8.75	(17.96)	(4.85)
Total Cost of Sales and Services	3,087.73	74.13	3,212.69	75.99	(124.96)	(3.89)

The Corporate Group’s total cost of sales and services of year 2015 decreased from the previous year by 3.89 percent, consisting of:

- Cost of sales was Baht 2,735.67 million, which decreased from the previous year by Baht 107 million or 3.76 percent, due to the decreased in sales volume of 0.09 percent and reduction of fuel cost of 31.02 percent.

- Cost of services was Baht 352.06 million, which decreased from the previous year by Baht 17.96 million or 4.85 percent, due to the decrease in transportation cost of Baht 20.57 million, but the cost of services increased by Baht 2.61 million.

2.3 Selling and Administrative Expenses

Description	Year 2015		Year 2014		Increase / (Decrease)	
	Million Baht	% of Sales	Million Baht	% of Sales	Million Baht	%
Selling Expenses	201.30	4.83	180.44	4.27	20.86	11.56
Administrative Expenses	390.56	9.38	397.09	9.39	(6.53)	(1.64)
Management's Remuneration *	43.68	1.05	44.51	1.05	(0.83)	(1.86)
Total Expenses	635.54	15.26	622.04	14.71	13.50	2.17

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 2015 increased from the previous year by 2.17 percent, consisting of:

- Selling expenses were Baht 201.30 million, which increased from the previous year by Baht 20.86 million or 11.56 percent, by focusing on the implementation of marketing management, brand creation and product management which has resulted in an increase in advertisement expenses of Baht 7.57 million, increase in expenses for the arrangement of the 30th Anniversary Customers Thank You Event of Baht 6.92 million and increase in salary and benefits of the employees of Baht 9.15 million from the special bonus payment on the 30th anniversary of the Company, but there was a decrease in marketing consultant fees of Baht 1.17 million and decrease in expenses for other sale promotion activities of Baht 2.46 million, etc.
- Administrative expenses were Baht 390.56 million, which decreased from the previous year by Baht 6.53 million or 1.64 percent, due to the decrease in rent and service expenses of Baht 4.75 million, decrease in claim of goods expenses of Baht 2.78 million, decrease in depreciation and amortization of Baht 7.57 million and decrease in fuel expenses of Baht 2.30 million, but there were increase in salary and benefits of the employees of Baht 10.28 million from the special bonus payment on the 30th anniversary of the Company and increase in product packaging expenses of Baht 1.23 million, etc.
- Managements' remunerations were Baht 43.68 million, which decreased from the previous year by Baht 0.83 million or 1.86 percent, due to the decrease in bonus payment to the directors.

2.4 Profitability

Description	Year 2015		Year 2014		Increase / (Decrease)	
	Million Baht	% of Sales	Million Baht	% of Sales	Million Baht	%
Revenues from Sales and Services	4,165.12	100.00	4,227.89	100.00	(62.77)	(1.48)
Costs of Sales and Services	3,087.73	74.13	3,212.69	75.99	(124.96)	(3.89)
GP	1,077.39	25.87	1,015.20	24.01	62.19	6.13
EBITDA	765.02	18.37	746.83	17.66	18.19	2.44
EBIT	451.05	10.83	415.33	9.82	35.72	8.60
NP	330.99	7.95	289.29	6.84	41.70	14.41
EPS (Baht per Share) *	0.32		0.28		0.04	14.29
Weighted Average Number of Ordinary Shares (Million Shares) *	1,047.96		1,047.82		0.14	0.01
Return on Equity (ROE) (%)	14.49%		12.73%		1.76%	
Return on Assets (ROA) (%)	8.97%		7.20%		1.77%	

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 2015 was Baht 1,077.39 million, an increase from the previous year by Baht 62.19 million or 6.13 percent, due to the decrease in cost of sales and services of 3.89 percent and a decrease in revenues from sales and services of 1.48 percent.

Net Profit (NP) :

The Corporate Group's net profit and net earnings per share of year 2015 increased from the previous year as follows:

- The Corporate Group's net profit was Baht 330.99 million, an increase from the previous year by Baht 41.70 million or 14.41 percent, due to the increase in gross profit margin of 6.13 percent despite increase in selling and administrative expenses of 2.17 percent.
- The Corporate Group's net earnings per share was Baht 0.32 per share, an increase from the previous year by Baht 0.04 per share or 14.29 percent, due to the increase in net profit of 14.41 percent.

EBITDA :

- The Corporate Group's EBITDA of year 2015 was Baht 765.02 million, an increase from the previous year by Baht 18.19 million or 2.44 percent, due to the increase in gross profit of 6.13 percent, but there was an increase in selling and administrative expenses of 2.17 percent.

Earnings Efficiency

- Return on Equity (ROE):** The Corporate Group's ROE increased from 12.73 percent as at end of 2014 to 14.49 percent as at December 31, 2015 or an increase of 1.76 percent, due to the increase in net profit of 14.41 percent, but the average shareholders' equity increased by 0.54 percent from the previous year.
- Return on Assets (ROA):** The Corporate Group's ROA increased from 7.20 percent as at end of 2014 to 8.97 percent as at December 31, 2015 or an increase of 1.77 percent, due to the increase net profit of 14.41 percent and a decrease in average total assets of 8.06 percent from the previous year.

2.5 Financial Position

Description	Statement of Financial Position		Increase / (Decrease)	
	As at December 31, 2015	As at December 31, 2014		
	Million Baht	Million Baht	Million Baht	%
Total Assets	3,592.68	3,791.06	(198.38)	(5.23)
Total Liabilities	1,268.68	1,546.54	(277.86)	(17.97)
Total Shareholders' Equity	2,324.00	2,244.52	79.48	3.54
Weighted Average Number of Ordinary Shares (Million Shares)*	1,047.96	1,047.82	0.14	0.01
Book Value (Baht per Share) *	2.22	2.14	0.08	3.74

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, 2015 decreased from the end of year 2014 by Baht 198.38 million or 5.23 percent, due to the decrease in fixed assets of Baht 278.89 million and decrease in intangible assets of Baht 5.15 million, but there were increase in cash and cash in bank of Baht 14.89 million, increase in trade accounts receivable and other accounts receivable of Baht 43.32 million, increase in inventory of Baht 6.74 million, increase in non-current assets held for sale of Baht 18.15 million (non-operating land plot at Surat Thani Province having the Land Sale and Purchase Agreement in place), increase in other current assets and other non-current assets of Baht 0.37 million and increase in deferred income tax of Baht 2.19 million.
- The Corporate Group's total liabilities as at December 31, 2015 decreased from the end of year 2014 by Baht 277.86 million or 17.97 percent, due to the decrease in long-term loan of Baht 317.50 million and decrease in current portion of long-term loan of Baht 112.50 million, but there were increase in bank overdraft and short-term loan of Baht 55.80 million, increase in trade accounts payable and other accounts payable of Baht 57.25 million, increase in financial lease liabilities of Baht 9.87 million, increase in income tax payable of Baht 17.12 million, increase in other current liabilities of Baht 4.35 million and increase in provision for post-employment benefits obligation of Baht 7.75 million.
- The Corporate Group's total shareholders' equity as at December 31, 2015 increased from the end of year 2014 by Baht 79.48 million or 3.54 percent, due to the increase in net profit of Baht 330.99 million, but there was a dividend payment of Baht 251.51 million, resulting in the share book value increase from Baht 2.14 per share as at end of year 2014 to Baht 2.22 per share as at December 31, 2015.

2.6 Cash Flows

Description	Unit: Million Baht	
	Year 2015	Year 2014
Cash Flows from (used in) Operating Activities	700.51	688.44
Cash Flows from (used in) Investing Activities	(19.15)	(57.40)
Cash Flows from (used in) Financing Activities	(666.86)	(675.81)
Unrealized exchange gain (loss) of cash and cash equivalents	0.40	(0.31)
Cash Increase (Decrease) - Net	14.90	(45.08)
Cash at the Beginning of the Period	13.52	58.60
Cash at the Ending of the Period	28.42	13.52
CFROE = Cash Flow Return on Equity Increase (Decrease) (%)	30.67%	30.30%

- The Corporate Group's net cash from operating activities of year 2015 was Baht 700.51 million, which was higher than the net profit before corporate income tax by Baht 283.79 million, due to the transactions that did not affect the cash such as depreciation of assets and amortization of Baht 313.97 million, increase in trade accounts payable and other accounts payable of Baht 49.09 million, increase in other non-current liabilities of Baht 7.75 million, increase in other current liabilities of Baht 38.68 million, but there were net increase in trade accounts receivable and other accounts receivable of Baht 43.32 million, net increase in inventory of Baht 6.74 million, increase in other current assets and other non-current assets of Baht 4.83 million and there was a payment of accrued corporate income tax for year 2014 of Baht 15.88 million and payment of corporate income tax in the middle of year 2015 of Baht 51.41 million and payment of withholding tax of Baht 3.86 million, but there was a corporate income tax refund of Baht 0.34 million.
- The Corporate Group's net cash used in investing activities of year 2015 was Baht 19.15 million for the purchases and replacement of tools and equipment after end of their useful life.
- The Corporate Group's net cash used in financing activities of year 2015 was Baht 666.86 million, due to the repayment of long-term loan and financial lease of Baht 437.57 million, interest payment of Baht 33.58 million and dividend payment of Baht 251.51 million, but there were increase in bank overdraft and short-term loan of Baht 55.80 million.

2.7 Financial Ratios

Financial Ratios	As at December 31, 2015	As at December 31, 2014
Current Ratio (Times)	1.25	1.19
Quick Ratio (Times)	0.61	0.55
Cash flow Liquidity Ratio (Times)	0.66	0.66
Account Receivable Turnover Ratio (Times)	7.61	7.56
Average Collection Period (Days)	47	48
Inventory Turnover Period (Days)	17	19
Average Payable Period (Days)	15	17
Cash Cycle (Days)	49	50
Total Debt to Equity Ratio (Times)	0.55	0.69
Interest Coverage Ratio (Times)	22.90	15.09
Debt Service Coverage Ratio (Times)	1.74	2.43

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, 2015 account for 16.58 percent of the total assets with 76.11 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 2015 and there was no bad debt in the past 2014.

3.2 Inventory and Deterioration or Obsolete

The Corporate Group's inventory as at December 31, 2015 accounts for 18.97 percent of the total assets, of which 23.31 percent are finished products and 38.86 percent are raw materials. The Corporate Group conducts inventory inspection 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, 2015 was at 0.55 times, a decrease from end of year 2014, due to the decrease in total liabilities from the end of 2014 of 17.97 percent, but the shareholders' equity increased from the end of year 2014 by 3.54 percent, and the interest coverage ratio was at 22.90 times, an increase from end of 2014, due to an increase in cash flow from operating activities from the previous year of 1.75 percent, but there was a decrease in interest on loan from the previous year of 32.17 percent.
- The Corporate Group's current ratio as at December 31, 2015 was 1.25 times, an increase from end of 2014, due to the increase in current assets of 6.67 percent, but there was an increase in current liabilities of 2.06 percent and the quick ratio was 0.61 times, an increase from the end of year 2014, due to the increase in inventory by 1 percent and the cash flow liquidity ratio was 0.66 times, which was equivalent to the end of year 2014, due to an increase in cash flow from operating activities from the previous year by 1.75 percent.
- The Corporate Group's cash cycle as at December 31, 2015 was 49 days, a decrease from the end of year 2014 by 1 day, due to a decrease in average collection period of 1 day and decrease in inventory turnover period of 2 day, but average payable period decreased by 2 days.
- The Corporate Group's debt service coverage ratio decreased from 2.43 times as at end of year 2014 to 1.74 times as at December 31, 2015 due to an increase in EBITDA from end of year 2014 of 2.44 percent, but there was an increase in long-term loan and financial lease liabilities due within one year of 58.65 percent despite a decrease in loan interest payment of 32.17 percent.

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 THBFIX plus 1.25 percent per annum. Accordingly, the Corporate Group had interest rate swap contracts with a financial institution to swap a 3-month THBFIX 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, 2015, the outstanding loan balance was at Baht 37.50 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 June 30, 2015, the Corporate Group has repaid its long-term loan for a total of Baht 305 million. In addition, the Corporate Group entered into a long-term loan agreement of Baht 250 million with a financial institution in June 2015 for the loan repayment above. This loan bears interest at 3-month THBFIX plus 1.05 percent per annum. Accordingly, the Corporate Group also has interest rate swap contracts with this financial institution to swap a 3-month THBFIX floating rate plus 1.05 percent per annum to averaged fixed rate at 2.96 percent per annum for such long-term loan agreement. The contract term is 3 years up to December 2017. As at December 31, 2015, the outstanding loan balance was Baht 200 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, 2015, the outstanding loan balance was Baht 150 million.

As at December 31, 2015, the Corporate Group had long-term debt obligations with commercial banks totaling Baht 387.50 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, 2015, 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

The Corporate Group expects that Thai economy will gradually recover due to acceleration of investments from the government sector as well as its assistance measures for the agricultural sector. Lower fuel price should also contribute to more spending on other products by the consumers. Weakening Thai baht currency should improve Country's export market. The Corporate Group anticipates that the construction materials market should improve along with the increasing purchasing power of the consumers.



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 statement of financial position as at 31 December 2015, 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 2015, 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
26 February 2016

STATEMENT OF FINANCIAL POSITION



(in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
Assets					
<i>Current assets</i>					
Cash and cash equivalents	5	28,416,167	13,522,158	26,005,036	12,974,302
Trade accounts receivable	4, 6	551,229,864	522,926,160	551,229,864	522,926,160
Other receivables	7	44,462,163	29,444,856	56,501,413	37,163,953
Inventories	8	681,524,097	674,787,787	670,156,298	664,230,223
Non-current asset held for sale	9	18,149,413	-	18,149,413	-
Other current assets		11,554,074	11,127,840	4,398,950	3,939,576
Total current assets		1,335,335,778	1,251,808,801	1,326,440,974	1,241,234,214
<i>Non-current assets</i>					
Investment in subsidiary	10	-	-	200,000,000	200,000,000
Investment properties	11	48,962,391	67,111,804	48,962,391	67,111,804
Property, plant and equipment	12	2,143,697,806	2,404,434,241	2,003,290,508	2,251,199,766
Intangible assets	13	40,837,108	45,983,955	10,837,108	15,983,955
Deferred tax assets	14	22,637,328	20,444,010	22,406,870	20,283,089
Other non-current assets		1,211,759	1,273,959	1,158,759	1,220,959
Total non-current assets		2,257,346,392	2,539,247,969	2,286,655,636	2,555,799,573
Total assets		3,592,682,170	3,791,056,770	3,613,096,610	3,797,033,787
Liabilities and equity					
<i>Current liabilities</i>					
Short-term loans from financial institutions	15	450,000,000	394,200,000	450,000,000	394,200,000
Trade accounts payable	16	145,683,856	108,019,732	145,197,487	106,465,776
Other payables	17	126,164,090	106,581,235	124,504,148	104,390,342
Current portion of long-term loans from financial institutions	15	287,500,000	400,000,000	287,500,000	400,000,000
Current portion of finance lease liabilities	15	5,913,630	6,320,066	5,913,630	6,320,066
Income tax payable		33,002,441	15,884,920	33,002,441	15,884,920
Other current liabilities	18	20,889,593	16,533,865	20,557,916	16,260,259
Total current liabilities		1,069,153,610	1,047,539,818	1,066,675,622	1,043,521,363
<i>Non-current liabilities</i>					
Long-term loans from financial institutions	15	100,000,000	417,500,000	100,000,000	417,500,000
Finance lease liabilities	15	17,818,781	7,536,527	17,818,781	7,536,527
Employee benefit obligations	19	81,712,472	73,964,437	81,337,122	73,673,297
Total non-current liabilities		199,531,253	499,000,964	199,155,903	498,709,824
Total liabilities		1,268,684,863	1,546,540,782	1,265,831,525	1,542,231,187
<i>Equity</i>					
Share capital:	20				
Authorised share capital		1,047,958,000	1,049,650,000	1,047,958,000	1,049,650,000
Issued and paid-up share capital		1,047,958,000	1,047,958,000	1,047,958,000	1,047,958,000
Additional paid in capital:					
Premium on ordinary shares	20	166,511,520	166,511,520	166,511,520	166,511,520
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		839,321,327	759,840,008	862,589,105	770,126,620
Total equity		2,323,997,307	2,244,515,988	2,347,265,085	2,254,802,600
Total liabilities and equity		3,592,682,170	3,791,056,770	3,613,096,610	3,797,033,787



STATEMENT OF COMPREHENSIVE INCOME

(in Baht)

	Note	Consolidated financial statements For the year ended		Separate financial statements For the year ended		
		31 December 2015	31 December 2014	31 December 2015	31 December 2014	
Income						
Revenue from sale of goods and rendering of services	24	4,165,122,528	4,227,889,760	4,165,122,528	4,227,889,760	
Other income		9,200,098	22,156,976	9,171,995	24,173,798	
Total income		4,174,322,626	4,250,046,736	4,174,294,523	4,252,063,558	
Expenses						
Cost of sales of goods and rendering of services	25	3,087,734,136	3,212,687,145	3,089,829,086	3,211,881,223	
Selling expenses		201,298,104	180,435,956	201,333,039	180,483,245	
Administrative expenses		26	434,239,848	441,593,971	419,031,157	431,762,416
Finance costs		29	34,328,701	50,608,217	34,328,701	50,608,217
Total expenses		3,757,600,789	3,885,325,289	3,744,521,983	3,874,735,101	
Profit before income tax expense	30	416,721,837	364,721,447	429,772,540	377,328,457	
Income tax expense		(85,730,598)	(75,428,909)	(85,800,135)	(75,547,066)	
Profit for the year		330,991,239	289,292,538	343,972,405	301,781,391	
Other comprehensive income						
Other comprehensive income for the year		-	-	-	-	
Total comprehensive income for the year		330,991,239	289,292,538	343,972,405	301,781,391	
Earnings per share (in Baht)						
Basic earnings per share	31	0.32	0.28	0.33	0.29	

STATEMENT OF CHANGES IN EQUITY



(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
For the year ended 31 December 2015							
Balance at 1 January 2015		1,047,958,000	166,511,520	165,206,460	105,000,000	759,840,008	2,244,515,988
Transactions with owners, recorded directly in equity							
Distributions to owners of the Company							
Dividends to owners of the Company	32	-	-	-	-	(251,509,920)	(251,509,920)
Total distributions to owners of the Company		-	-	-	-	(251,509,920)	(251,509,920)
Comprehensive income for the year							
Profit		-	-	-	-	330,991,239	330,991,239
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	330,991,239	330,991,239
Balance at 31 December 2015		1,047,958,000	166,511,520	165,206,460	105,000,000	839,321,327	2,323,997,307

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
For the year ended 31 December 2015							
Balance at 1 January 2015		1,047,958,000	166,511,520	165,206,460	105,000,000	770,126,620	2,254,802,600
Transactions with owners, recorded directly in equity							
Distributions to owners of the Company							
Dividends to owners of the Company	32	-	-	-	-	(251,509,920)	(251,509,920)
Total distributions to owners of the Company		-	-	-	-	(251,509,920)	(251,509,920)
Comprehensive income for the year							
Profit		-	-	-	-	343,972,405	343,972,405
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	343,972,405	343,972,405
Balance at 31 December 2015		1,047,958,000	166,511,520	165,206,460	105,000,000	862,589,105	2,347,265,085

STATEMENT OF CASH FLOWS



(in Baht)

	Consolidated financial statements For the year ended		Separate financial statements For the year ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
<i>Cash flows from operating activities</i>				
Profit for the year	330,991,239	289,292,538	343,972,405	301,781,391
<i>Adjustments for</i>				
Depreciation	306,151,467	323,917,668	292,845,826	310,769,014
Amortisation of intangible assets	5,146,847	6,043,011	5,146,847	6,043,011
Amortisation of premium on forward exchange contracts	2,671,532	1,537,982	2,671,532	1,537,982
Interest income	(69,347)	(157,254)	(68,168)	(151,904)
Finance costs	34,328,701	50,608,217	34,328,701	50,608,217
Employee benefits	9,258,722	10,010,715	9,174,513	9,933,395
Reversal of doubtful debts and bad debts	(42,159)	(5,440,000)	(42,159)	(5,440,000)
Allowance for decline in value of inventories	3,663,250	4,379,110	3,399,772	3,865,645
Reversal of impairment loss on assets	-	(4,017,266)	-	(4,017,266)
Unrealised gain on exchange rate	(277,440)	(944,581)	(277,440)	(944,581)
(Gain) loss on disposal of property, plant and equipment	35,322	(1,352,182)	35,322	(1,352,184)
Income tax expense	85,730,598	75,428,909	85,800,135	75,547,066
	777,588,732	749,306,867	776,987,286	748,179,786
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(28,270,911)	52,498,008	(28,270,911)	52,498,008
Other receivables	(15,017,306)	(4,884,278)	(19,337,460)	2,118,429
Inventories	(10,399,560)	114,586,373	(9,325,847)	105,488,306
Other current assets	(3,079,759)	(705,327)	(3,112,900)	(479,842)
Other non-current assets	(1,440,244)	346,589	(1,440,244)	346,589
Trade accounts payable	37,537,548	(93,199,007)	38,605,135	(91,549,484)
Other payables	11,550,813	(24,271,065)	12,081,763	(23,969,505)
Other current liabilities	4,354,729	(7,917,595)	4,296,659	(8,137,882)
Other non-current liabilities	(1,510,687)	(1,708,179)	(1,510,687)	(1,708,179)
Cash generated from operating activities	771,313,355	784,052,386	768,972,794	782,786,226
Income tax paid	(70,806,395)	(95,600,059)	(70,806,395)	(95,350,409)
Net cash from operating activities	700,506,960	688,452,327	698,166,399	687,435,817
<i>Cash flows from investing activities</i>				
Interest received	69,347	157,254	68,168	151,904
Purchase of property, plant and equipment	(19,300,833)	(59,159,088)	(18,822,368)	(56,880,545)
Sale of property, plant and equipment	87,200	1,592,105	87,200	1,592,105
Net cash used in investing activities	(19,144,286)	(57,409,729)	(18,667,000)	(55,136,536)

STATEMENT OF CASH FLOWS (CONT)

(in Baht)

	Consolidated financial statements For the year ended		Separate financial statements For the year ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
<i>Cash flows from financing activities</i>				
Finance costs paid	(33,584,117)	(50,264,281)	(33,584,117)	(50,264,281)
Increase (decrease) in short-term loans from financial institutions	55,800,000	(25,800,000)	55,800,000	(25,800,000)
Finance lease payments	(7,571,002)	(7,330,637)	(7,571,002)	(7,330,637)
Proceeds from long-term loans from financial institutions	250,000,000	2,000,000	250,000,000	2,000,000
Repayment of long-term loans from financial institutions	(680,000,000)	(250,000,000)	(680,000,000)	(250,000,000)
Proceeds from issue of ordinary shares	-	1,380,600	-	1,380,600
Dividends paid	(251,508,720)	(345,798,210)	(251,508,720)	(345,798,210)
Net cash used in financing activities	(666,863,839)	(675,812,528)	(666,863,839)	(675,812,528)
Net increase (decrease) in cash and cash equivalents	14,498,835	(44,769,930)	12,635,560	(43,513,247)
Cash and cash equivalents at 1 January	13,522,158	58,600,372	12,974,302	56,795,833
Effect of exchange rate changes on balances held in foreign currencies	395,174	(308,284)	395,174	(308,284)
Cash and cash equivalents at 31 December	28,416,167	13,522,158	26,005,036	12,974,302
<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 been made	8,142,292	18,738,781	8,142,292	18,753,547
Acquisitions of property, plant and equipment under finance lease agreements	16,591,986	5,836,143	16,591,986	5,836,143
Transfer prepayments for purchases of assets to property, plant and equipment	1,502,444	3,100,436	1,502,444	3,100,436
Transfer investment properties to non-current asset held for sale	18,149,413	-	18,149,413	-

ใส่ใจเรื่องพื้นๆ
จะได้อยู่กันไปยาวนาน

เลือกไม้พื้น ตราเพชร

หน้า 6"

หน้า 8"

หน้า 12"
เซารอง V

- ผ่านกระบวนการผลิตทันสมัย Autoclave มาตรฐานยุโรป • สามารถใช้ได้ทั้งภายในและภายนอก
- ทนทาน เหนือกาลเวลา • เป็นฉนวนไม่ลามไฟ ปลอดภัยกว่าไม้จริง • ทนตึงแรงเรื่องมอดและปลวกตลอดอายุการใช้งาน

มีจำหน่ายที่ :



และร้านค้าวัสดุก่อสร้างชั้นนำทั่วประเทศ

บริษัท ผลิตภัณฑ์ตราเพชร จำกัด (มหาชน)

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the directors on 26 February 2016.

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 2015 and 2014 are given in notes 4 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 new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2015. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

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 annual financial periods beginning on or after 1 January 2016 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 reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

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

Measurement of fair values

A number of the Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 33 - 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”)

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

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 statement 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) Non-current asset held for sale

Non-current asset that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. The assets are measured at the lower of their carrying value and fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(h) 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.

(i) 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.

(j) 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.

(k) 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.

(l) 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.

(m) 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.

(n) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(o) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid 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.

(p) 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.

(q) Treasury shares

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

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

(r) 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.

(s) 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.

(t) 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.

(u) 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.

(v) Earnings per share

The Group presents basic 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.

(w) 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. 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	Based on actual expense incurred

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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	
	2015	2014	2015	2014
Subsidiary				
Purchase of merchandise goods	-	-	67,474	83,116
Management fee income	-	-	-	2,112
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	37,163	37,301	37,163	37,301
Post-employment benefits	758	2,199	758	2,199
Total	37,921	39,500	37,921	39,500
Other related parties				
Sales of goods or rendering of services	88,263	118,863	88,263	118,863
Purchase of raw materials	233	78	-	-

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	
	2015	2014	2015	2014
Other related party				
Supalai Public Company Limited	18,601	34,034	18,601	34,034

(in thousand Baht)

Other receivable from related party	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Subsidiary				
Diamond Materials Co., Ltd.	-	-	13,812	8,225

5. Cash and cash equivalents

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash on hand	100	100	100	100
Cash at banks - current accounts	7,329	7,827	7,323	7,805
Cash at banks - savings accounts	20,987	5,595	18,582	5,069
Total	28,416	13,522	26,005	12,974

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Thai Baht (THB)	27,204	12,608	24,793	12,060
United States Dollars (USD)	1,212	914	1,212	914
Total	28,416	13,522	26,005	12,974

6. Trade accounts receivable

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Related parties	4	18,601	34,034	18,601	34,034
Other parties		542,709	499,082	542,709	499,082
Total		561,310	533,116	561,310	533,116
<i>Less allowance for doubtful accounts</i>		(10,080)	(10,190)	(10,080)	(10,190)
Net		551,230	522,926	551,230	522,926
Reversal of bad and doubtful debts expense for the year		(42)	(5,440)	(42)	(5,440)

Aging analyses for trade accounts receivable were as follows:

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Related parties				
Within credit terms	12,681	19,009	12,681	19,009
Overdue				
Less than 91 days	5,813	14,599	5,813	14,599
91 - 180 days	107	426	107	426
181 - 360 days	-	-	-	-
Over 360 days	-	-	-	-
	18,601	34,034	18,601	34,034
Other parties				
Within credit terms	440,728	419,696	440,728	419,696
Overdue				
Less than 91 days	93,396	69,478	93,396	69,478
91 - 180 days	329	3,047	329	3,047
181 - 360 days	1,990	736	1,990	736
360 daysOver	6,266	6,125	6,266	6,125
	542,709	499,082	542,709	499,082
Total	561,310	533,116	561,310	533,116
Less allowance for doubtful accounts	(10,080)	(10,190)	(10,080)	(10,190)
Net	551,230	522,926	551,230	522,926

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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	
	2015	2014	2015	2014
Thai Baht (THB)	550,150	518,734	550,150	518,734
United States Dollars (USD)	1,080	4,192	1,080	4,192
Total	551,230	522,926	551,230	522,926

7. Other receivables

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Related party	4	-	-	13,812	8,225
Other parties					
Accrued sales discount		31,971	19,370	31,787	19,190
Prepaid expenses		7,716	2,939	6,875	2,905
Advance for purchase of goods		3,436	4,536	2,732	4,283
Others		1,339	2,600	1,295	2,561
Total		44,462	29,445	56,501	37,164

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Thai Baht (THB)	44,462	16,504	56,501	24,223
United States Dollars (USD)	-	12,941	-	12,941
Total	44,462	29,445	56,501	37,164

8. Inventories

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Finished goods	146,375	126,581	137,589	118,852
Merchandise goods	12,521	16,020	12,521	16,020
Semi-finished goods	98,214	94,186	98,214	94,186
Work in progress	43,430	63,032	43,430	63,032
Raw materials	264,871	282,656	262,413	279,973
Supplies	54,594	57,560	53,693	56,901
Goods in transit	75,604	45,174	75,604	45,174
	695,609	685,209	683,464	674,138
Less allowance for decline in value	(14,085)	(10,421)	(13,308)	(9,908)
Total	681,524	674,788	670,156	664,230
Inventories recognised as an expense in 'cost of sales of goods':				
- Cost	2,732,007	2,838,286	2,734,366	2,837,993
- Write-down to net realisable value	3,663	4,379	3,400	3,866
Net	2,735,670	2,842,665	2,737,766	2,841,859

9. Non-current asset held for sale

Parts of the Company's land classified as investment properties were presented as non-current asset held for sale following the Company's agreement for land to be purchased and sold in August 2015. The Company received a Baht 1.0 million deposit on the agreement date. The carrying value of the land was Baht 18.1 million. The Company sold and transferred the ownership of the land in January 2016.

As at 31 December 2015, the land was stated at the lower of carrying value and fair value less cost to sell.

10. Investment in subsidiary

(in thousand Baht)

	Separate financial statements	
	2015	2014
At 1 January	200,000	200,000
Additions	-	-
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 the authorised share capital. The Company fully paid for the share subscription in May 2013.

Investment in subsidiary as at 31 December 2015 and 2014, 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	
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
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)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Cost					
At 1 January		69,812	69,812	69,812	69,812
Transfer to non-current asset held for sale	9	(18,150)	-	(18,150)	-
At 31 December		51,662	69,812	51,662	69,812
Allowance for impairment					
At 1 January		(2,700)	(2,700)	(2,700)	(2,700)
Reversal of allowance for impairment		-	-	-	-
At 31 December		(2,700)	(2,700)	(2,700)	(2,700)
Net book value					
At 1 January		67,112	67,112	67,112	67,112
At 31 December		48,962	67,112	48,962	67,112

A portion of land title deed of investment properties, which has net book value as at 31 December 2015 totaling Baht 25.4 million (2014: Baht 25.4 million), was jointly owned by two other companies.

Investment properties are land held for future projects. As at 31 December 2015, the fair value of investment properties was Baht 78.4 million (2014: Baht 144.2 million) which was appraised by an independent valuer based on the market approach.

Measurement of fair value

Fair value hierarchy

The fair value of investment properties was determined by external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuer provide the fair value of the Group's investment properties portfolio on a regular basis.

The fair value measurement for investment properties of Baht 78.4 million has been categorised as a Level 2 fair value based on the inputs to the valuation technique used.

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 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
and 1 January 2015							
Additions	-	452	7,693	1,354	16,679	19,372	45,550
Transfers	-	1,375	15,150	3,405	-	(19,930)	-
Disposals	-	-	(4,175)	(594)	(17,756)	-	(22,525)
At 31 December 2015	229,003	755,317	3,936,666	74,016	63,717	5,943	5,064,662
Accumulated depreciation							
At 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
and 1 January 2015							
Depreciation charge for the year	-	34,810	255,479	6,770	9,092	-	306,151
Disposals	-	-	(4,073)	(564)	(17,753)	-	(22,390)
At 31 December 2015	-	373,614	2,442,467	64,460	36,572	-	2,917,113
Allowance for impairment							
At 1 January 2014	-	-	-	-	-	7,869	7,869
Increase (decrease)	-	-	-	-	-	(4,018)	(4,018)
At 31 December 2014	-	-	-	-	-	3,851	3,851
and 1 January 2015							
Increase (decrease)	-	-	-	-	-	-	-
At 31 December 2015	-	-	-	-	-	3,851	3,851
Net book value							
At 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
At 31 December 2014	229,003	385,466	1,887,379	16,424	21,124	98,337	2,637,733
and 1 January 2015							
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
At 31 December 2015	229,003	414,686	1,726,937	11,597	19,561	2,650	2,404,434
Owned assets	229,003	381,703	1,494,199	9,556	4,170	2,092	2,120,723
Asset under finance leases	-	-	-	-	22,975	-	22,975
At 31 December 2015	229,003	381,703	1,494,199	9,556	27,145	2,092	2,143,698

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2015 amounted to Baht 1,586.0 million (2014: Baht 1,295.8 million).

	Separate financial statements						
	Land and improvement	Building structures and improvement	Machinery and equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation	Total
Cost							
At 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 and 1 January 2015	208,906	682,173	3,838,020	69,617	62,558	6,501	4,867,775
Additions	-	412	7,298	1,311	16,678	19,372	45,071
Transfers	-	1,375	15,150	3,405	-	(19,930)	-
Disposals	-	-	(4,175)	(594)	(17,756)	-	(22,525)
At 31 December 2015	208,906	683,960	3,856,293	73,739	61,480	5,943	4,890,321
Accumulated depreciation							
At 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 and 1 January 2015	-	332,156	2,177,868	58,175	44,525	-	2,612,724
Depreciation charge for the year	-	30,616	246,878	6,706	8,645	-	292,845
Disposals	-	-	(4,073)	(564)	(17,753)	-	(22,390)
At 31 December 2015	-	362,772	2,420,673	64,317	35,417	-	2,883,179
Allowance for impairment							
At 1 January 2014	-	-	-	-	-	7,869	7,869
Increase (decrease)	-	-	-	-	-	(4,018)	(4,018)
At 31 December 2014 and 1 January 2015	-	-	-	-	-	3,851	3,851
Increase (decrease)	-	-	-	-	-	-	-
At 31 December 2015	-	-	-	-	-	3,851	3,851
Net book value							
At 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 and 1 January 2015							
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
At 31 December 2015							
Owned assets	208,906	321,188	1,435,620	9,422	3,088	2,092	1,980,316
Asset under finance leases	-	-	-	-	22,975	-	22,975
	208,906	321,188	1,435,620	9,422	26,063	2,092	2,003,291

The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2015 amounted to Baht 1,586.0 million (2014: Baht 1,295.8 million).

Property, plant and equipment under construction

During the year ended 31 December 2015, the Group had equipment under installation. Cost incurred up to 31 December 2015 totalled Baht 2.1 million (2014: equipment under installation of Baht 2.7 million).

13. Intangible assets

(in thousand Baht)

	Consolidated financial statements		
	Deferred know-how and technical assistance fees	Software licences	Total
Cost			
At 1 January 2014	56,888	33,542	90,430
Additions	-	-	-
Disposals	-	-	-
At 31 December 2014 and 1 January 2015	56,888	33,542	90,430
Additions	-	-	-
Disposals	(26,888)	-	(26,888)
At 31 December 2015	30,000	33,542	63,542
Accumulated amortisation			
At 1 January 2014	22,406	15,997	38,403
Amortisation for the year	2,689	3,354	6,043
At 31 December 2014 and 1 January 2015	25,095	19,351	44,446
Amortisation for the year	1,793	3,354	5,147
Disposals	(26,888)	-	(26,888)
At 31 December 2015	-	22,705	22,705
Net book value			
At 1 January 2014	34,482	17,545	52,027
At 31 December 2014 and 1 January 2015	31,793	14,191	45,984
At 31 December 2015	30,000	10,837	40,837

	Separate financial statements		
	Deferred know-how and technical assistance fees	Software licences	Total
Cost			
At 1 January 2014	26,888	33,542	60,430
Additions	-	-	-
Disposals	-	-	-
At 31 December 2014 and 1 January 2015	26,888	33,542	60,430
Additions	-	-	-
Disposals	(26,888)	-	(26,888)
At 31 December 2015	-	33,542	33,542
Accumulated amortisation			
At 1 January 2014	22,406	15,997	38,403
Amortisation for the year	2,689	3,354	6,043
At 31 December 2014 and 1 January 2015	25,095	19,351	44,446
Amortisation for the year	1,793	3,354	5,147
Disposals	(26,888)	-	(26,888)
At 31 December 2015	-	22,705	22,705
Net book value			
At 1 January 2014	4,482	17,545	22,027
At 31 December 2014 and 1 January 2015	1,793	14,191	15,984
At 31 December 2015	-	10,837	10,837

14. Deferred tax

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deferred tax assets	22,637	20,444	22,407	20,283
Deferred tax liabilities	-	-	-	-
Net	22,637	20,444	22,407	20,283

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

(in thousand Baht)

	Consolidated financial statements (Charged) / Credited to:			
	At 1 January 2015	Profit or loss	Other comprehensive income	At 31 December 2015
Deferred tax assets				
Trade accounts receivable (doubtful accounts)	2,024	(8)	-	2,016
Inventories (allowance for decline in value)	2,084	733	-	2,817
Investment properties (allowance for impairment)	540	-	-	540
Property, plant and equipment (allowance for impairment)	770	-	-	770
Finance lease liabilities	233	(81)	-	152
Employee benefit obligations	14,793	1,549	-	16,342
Total	20,444	2,193	-	22,637

(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 (doubtful accounts)	3,112	(1,088)	-	2,024
Inventories (allowance for decline in value)	1,208	876	-	2,084
Investment properties (allowance for impairment)	540	-	-	540
Property, plant and equipment (allowance for impairment)	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)

	Separate financial statements (Charged) / Credited to:			
	At 1 January 2015	Profit or loss	Other comprehensive income	At 31 December 2015
Deferred tax assets				
Trade accounts receivable (doubtful accounts)	2,024	(8)	-	2,016
Inventories (allowance for decline in value)	1,981	681	-	2,662
Investment properties (allowance for impairment)	540	-	-	540
Property, plant and equipment (allowance for impairment)	770	-	-	770
Finance lease liabilities	233	(81)	-	152
Employee benefit obligations	14,735	1,532	-	16,267
Total	20,283	2,124	-	22,407

(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 (doubtful accounts)	3,112	(1,088)	-	2,024
Inventories (allowance for decline in value)	1,208	773	-	1,981
Investment properties (allowance for impairment)	540	-	-	540
Property, plant and equipment (allowance for impairment)	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

Deferred tax asset has not been recognised as at 31 December 2015 and 2014 in respect of the following item:

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Tax losses	29,961	15,173	-	-
Total	29,961	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	
	2015	2014	2015	2014
Current				
Short-term loans from financial institutions				
Unsecured	450,000	394,200	450,000	394,200
Short-term loans from financial institutions	450,000	394,200	450,000	394,200
Current portion of long-term loans from financial institutions				
Unsecured	287,500	400,000	287,500	400,000
Current portion of long-term loans	287,500	400,000	287,500	400,000
Current portion of finance lease liabilities	5,914	6,320	5,914	6,320
Total current interest-bearing liabilities	743,414	800,520	743,414	800,520
Non-current				
Long-term loans from financial institutions				
Unsecured	100,000	417,500	100,000	417,500
Finance lease liabilities	17,819	7,537	17,819	7,537
Total non-current interest-bearing liabilities	117,819	425,037	117,819	425,037

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	
	2015	2014	2015	2014
Within one year	737,500	794,200	737,500	794,200
After one year but within five years	100,000	417,500	100,000	417,500
Total	837,500	1,211,700	837,500	1,211,700

Long-term loans

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Loan agreement in February 2011	37,500	187,500	37,500	187,500
Loan agreement in October 2011	-	330,000	-	330,000
Loan agreement in December 2013	150,000	300,000	150,000	300,000
Loan agreement in June 2015	200,000	-	200,000	-
	387,500	817,500	387,500	817,500
Less current portion	(287,500)	(400,000)	(287,500)	(400,000)
Total	100,000	417,500	100,000	417,500

In February 2011, the Company entered into a long-term loan agreement with a local financial institution of Baht 450.0 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 37.5 million each with negative pledge of such machinery. As at 31 December 2015, the outstanding balance of loan amounted to Baht 37.5 million (2014: Baht 187.5 million). As at 31 December 2015 and 2014, 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 450.0 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 500.0 million for purchase of machinery. This loan bears interest at a 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 a fixed rate of 5.10% per annum and is repayable in 20 quarterly installments of Baht 25.0 million each with negative pledge of such machinery. As at 31 December 2014, the outstanding balance of loan amounted to Baht 330.0 million. During 2015, the Company fully repaid the long-term loan.

In December 2013, the Company entered into a long-term loan agreement with a local financial institution of Baht 300.0 million for purchase of machinery. This loan bears interest at a 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 2015, the outstanding balance of loan amounted to Baht 150.0 million (2014: Baht 300.0 million).

In June 2015, the Company entered into a long-term loan agreement with a local financial institution of Baht 250.0 million for repayment of a long-term loan with the aforementioned financial institution. This loan bears interest at 3-month THBFX plus 1.05% margin per annum and is repayable in 10 quarterly installments of Baht 25.0 million each with negative pledge of land and structures. The Company entered into an interest rate swap contract with the same financial institution to swap a 3-month THBFX plus 1.05% margin per annum floating interest rate to a fixed rate at 2.96% per annum for such long-term loan. The contract term is 3 years up to December 2017. As at 31 December 2015, the outstanding balance of loan amounted to Baht 200.0 million (2014: nil).

As at 31 December 2015, the Group had unutilised credit facilities amounting to Baht 3,045.7 million (2014: Baht 2,654.2 million).

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

Finance lease liabilities

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

(in thousand Baht)

	Consolidated financial statements 2015		
	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	7,236	1,322	5,914
After one year but within five years	19,824	2,005	17,819
Total	27,060	3,327	23,733

(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)

	Separate financial statements 2015		
	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	7,236	1,322	5,914
After one year but within five years	19,824	2,005	17,819
Total	27,060	3,327	23,733

(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

As at 31 December 2015 and 2014, the Company entered into finance lease agreements with several local leasing companies to purchase vehicles. Such lease agreements have terms expiring up to 2020, and bear interest at rates ranging from 5.6% to 12.0% per annum in 2015 (2014: ranging from 5.6% to 12.0% per annum). The agreements are repayable in 60 installments starting from March 2012.

Interest-bearing liabilities of the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

16. Trade accounts payable

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Thai Baht (THB)	89,061	79,118	88,574	77,564
United States Dollars (USD)	56,623	28,858	56,623	28,858
Euro (EUR)	-	44	-	44
Total	145,684	108,020	145,197	106,466

17. Other payables

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Accrued operating expenses	53,660	41,346	52,405	39,815
Payables for acquisition of assets	8,142	18,754	8,142	18,754
Others	64,362	46,481	63,957	45,821
Total	126,164	106,581	124,504	104,390

18. Other current liabilities

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Revenue department payable	13,004	8,373	12,692	8,242
Contract guarantee	6,575	6,632	6,555	6,489
Retention	1,298	1,517	1,298	1,517
Others	13	12	13	12
Total	20,890	16,534	20,558	16,260

19. Employee benefit obligations

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Statement of financial position				
Obligations for:				
Post-employment benefits	81,712	73,964	81,337	73,673
For the year ended 31 December				
Statement of comprehensive income:				
Recognised in profit or loss:				
Post-employment benefits	9,259	10,010	9,175	9,933
Recognised in other comprehensive income:				
Actuarial gains recognised in the year	-	-	-	-

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	
	2015	2014	2015	2014
Defined benefit obligations at 1 January	73,964	65,662	73,673	65,448
Include in profit or loss:				
Current service costs	5,887	6,741	5,820	6,677
Interest on obligation	3,372	3,269	3,355	3,256
	9,259	10,010	9,175	9,933
Other				
Benefits paid by the plan	(1,511)	(1,708)	(1,511)	(1,708)
	(1,511)	(1,708)	(1,511)	(1,708)
Defined benefit obligations at 31 December	81,712	73,964	81,337	73,673

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

(%)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Discount rate	4.77	4.77	4.77	4.77
Future salary growth	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.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Defined benefit obligation				
31 December 2015				
Discount rate (0.5% movement)	(5,715)	1,969	(5,676)	1,925
Future salary growth (0.5% movement)	2,676	(6,403)	2,630	(6,362)
Turnover rate (0.5% movement)	(7,037)	3,403	(6,990)	3,350

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

20. Share capital

(million shares / in million Baht)

	Par value per share (in Baht)	2015		2014	
		Number	Amount	Number	Amount
Authorised					
At 1 January					
- ordinary shares	1	1,050	1,050	1,050	1,050
Reduction of authorised shares	1	(2)	(2)	-	-
At 31 December					
- ordinary shares	1	1,048	1,048	1,050	1,050
Issued and paid-up					
At 1 January					
- ordinary shares	1	1,048	1,048	1,047	1,047
Issue of shares	1	-	-	1	1
At 31 December					
- ordinary shares	1	1,048	1,048	1,048	1,048

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 2013, the holders of 47.4 million units exercised options to purchase 47.4 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 1,047.4 million (1,047.4 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 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.

At the annual general meeting of the shareholders of the Company held on 24 April 2015, the Company's shareholders approved the reduction of the authorised share capital of Baht 1.7 million (1.7 million shares at Baht 1 par value) to a newly authorised share capital of Baht 1,048.0 million (1,048.0 million shares at Baht 1 par value). The Company registered the reduction of authorised share capital with the Ministry of Commerce on 30 April 2015.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("premium on ordinary shares"). Premium on ordinary shares is not available for dividend distribution.

As at 31 December 2015, the Company had premium on ordinary shares of Baht 166.5 million (2014: Baht 166.5 million).

Surplus on treasury shares

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

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.

As at 31 December 2014, the outstanding unexercised warrants were 1.7 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.

22. 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.

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	
	2015	2014	2015	2014
Reversal of doubtful debts and bad debts	110	5,440	110	5,440
Reversal of allowance for impairment	-	4,018	-	4,018
Gain on exchange rate	3,913	2,620	3,913	2,620
Gain on disposal of assets	-	1,352	-	1,352
Others	5,177	8,727	5,149	10,744
Total	9,200	22,157	9,172	24,174

25. Selling expenses

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Promotional expenses	130,204	118,168	130,239	118,215
Employee benefit expenses	50,934	41,786	50,934	41,786
Others	20,160	20,482	20,160	20,482
Total	201,298	180,436	201,333	180,483

26. Administrative expenses

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Employee benefit expenses	211,092	201,625	207,260	199,092
Storage expenses	89,641	86,270	89,641	86,259
Depreciation and amortisation	48,681	56,250	42,260	51,633
Service fees	26,615	30,063	25,384	29,496
Tax and fees	9,656	10,129	9,416	9,879
Fuel and energy expenses	7,711	10,007	7,374	9,728
Rental expense	8,199	9,496	7,963	9,191
Utilities expenses	8,449	8,640	8,099	8,403
Others	24,196	29,114	21,634	28,081
Total	434,240	441,594	419,031	431,762

27. Employee benefit expenses

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Wages, salaries and bonus	368,848	327,021	363,098	321,481
Social securities	7,954	8,168	7,694	7,909
Provident Fund	14,128	14,019	14,128	14,019
Post-employment benefits	9,259	10,010	9,174	9,933
Others	71,651	77,412	70,714	76,591
Total	471,840	436,630	464,808	429,933

Defined benefit plan

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

Defined contribution plan

The defined contribution plan comprises provident fund 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 15% of their basic salaries and by the Group at the same rates but not exceed 7% 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	
	2015	2014	2015	2014
Changes in inventories of finished goods and work in progress	2,387	75,804	3,445	66,357
Raw materials and consumables used	1,453,281	1,440,336	1,419,000	1,402,746
Employee benefit expenses	471,840	436,630	464,808	429,933
Depreciation and amortisation	313,970	331,499	300,664	318,350
Storage expenses	421,463	435,327	418,011	431,782
Service fees	257,888	252,687	251,211	246,598
Others	802,443	862,434	853,054	928,361
Total cost of sales of goods and rendering of services, selling expenses and administrative expenses	3,723,272	3,834,717	3,710,193	3,824,127

29. Finance costs

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Interest expense:				
Bank overdrafts and loans from financial institutions	33,458	49,745	33,458	49,745
Interest on finance leases	871	863	871	863
Total interest expense	34,329	50,608	34,329	50,608

30. Income tax expense

Income tax recognised in profit or loss

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Current tax expense				
Current year	88,270	76,021	88,270	76,021
Over provided in prior years	(346)	-	(346)	-
	87,924	76,021	87,924	76,021
Deferred tax expense				
Movements in temporary differences	(2,193)	(592)	(2,124)	(473)
Total income tax expense	85,731	75,429	85,800	75,548

Reconciliation of effective tax rate

	Consolidated financial statements			
	2015		2014	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		416,722		364,721
Income tax using the Thai corporation tax rate	20.00	83,344	20.00	72,944
Tax losses not recognised		3,213		3,154
Over provided in prior years		(346)		-
Expenses not deductible for tax purposes		1,793		1,639
Expenses with tax deductible benefits		(2,273)		(2,308)
Total	20.57	85,731	20.68	75,429

	Separate financial statements			
	2015		2014	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		429,773		377,328
Income tax using the Thai corporation tax rate	20.00	85,955	20.00	75,466
Over provided in prior years		(346)		-
Expenses not deductible for tax purposes		1,863		1,757
Expenses with tax deductible benefits		(1,672)		(1,675)
Total	19.96	85,800	20.02	75,548

Income tax reduction

Royal Decree No. 577 B.E. 2557 dated 10 November 2014 grants the reduction of the corporate income tax rate to 20% of net taxable profit for the accounting period 2015 which begins on or after 1 January 2015.

On 22 January 2016, The National Legislative Assembly has approved a reduction of the statutory corporate income tax rate from 30% to 20% of net taxable profit for the accounting period which begins on or after 1 January 2016.

The Group has applied the tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2015 and 2014 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 2015 and 2014 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:

(in thousand Baht / thousand shares)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Profit attributable to ordinary shareholders of the Company (basic)	330,991	289,293	343,972	301,781
Number of ordinary shares outstanding at 1 January	1,047,958	1,047,368	1,047,958	1,047,368
Effect of warrants to purchase common shares exercised	-	453	-	453
Weighted average number of ordinary shares outstanding (basic)	1,047,958	1,047,821	1,047,958	1,047,821
Earnings per share (basic) (in Baht)	0.32	0.28	0.33	0.29

32. Dividends

At the Board of Directors' meeting of the Company held on 31 August 2015, the Board of Directors approved the appropriation of interim dividend of Baht 0.12 per share, amounting to Baht 125.7 million. The dividend was paid to shareholders in September 2015.

At the annual general meeting of the shareholders of the Company held on 24 April 2015, the shareholders approved the appropriation of dividend of Baht 0.27 per share, amounting to Baht 282.9 million after deduction of interim dividends of Baht 0.15 per share. The remaining unpaid dividends were Baht 0.12 per share totaling Baht 125.8 million. The dividend was paid to shareholders in May 2015.

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 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.

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 2015 and 2014, 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 450.0 million. The contract term is 4 years up to March 2016.

As at 31 December 2015, the Company entered into another interest rate swap contract with a financial institution to swap a 3-month THBFIX plus 1.05% margin per annum floating interest rate to a fixed rate of 2.96% per annum for long-term loan of Baht 250.0 million. The contract term is 3 years up to December 2017.

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
2015					
Current					
Short-term loans from financial institutions	1.68	450,000	-	-	450,000
Non-current					
Long-term loans from financial institutions	2.49 - 3.67	287,500	100,000	-	387,500
Total		737,500	100,000	-	837,500
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

(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
2015					
Current					
Short-term loans from financial institutions	1.68	450,000	-	-	450,000
Non-current					
Long-term loans from financial institutions	2.49 - 3.67	287,500	100,000	-	387,500
Total		737,500	100,000	-	837,500
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

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	
		2015	2014	2015	2014
United States Dollars					
Cash and cash equivalents	5	1,212	914	1,212	914
Trade accounts receivable	6	1,080	4,192	1,080	4,192
Other receivables	7	-	12,941	-	12,941
Trade accounts payable	16	(56,623)	(28,858)	(56,623)	(28,858)
Euro					
Trade accounts payable	16	-	(44)	-	(44)
Gross balance sheet exposure		(54,331)	(10,855)	(54,331)	(10,855)
Currency forwards	34	46,092	30,651	46,092	30,651
Net exposure		(8,239)	19,796	(8,239)	19,796

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.

Fair values of financial assets and liabilities

Fair values of financial assets and liabilities, together with the carrying values shown in the consolidated and separate statement of financial position at 31 December were as follows:

(in thousand Baht)

	Carrying amount	Consolidated financial statements			
		Fair value			
		Level 1	Level 2	Level 3	Total
31 December 2015					
<i>Current</i>					
Short-term loans from financial institutions	450,000	-	450,000	-	450,000
Current portion of long-term loans from financial institutions	287,500	-	287,500	-	287,500
<i>Non-current</i>					
Long-term loans from financial institutions	100,000	-	100,000	-	100,000
<i>Fair value disclosure</i>					
Forward contracts	-	-	-	(13)	(13)
Interest rate swaps	-	-	-	(751)	(751)

(in thousand Baht)

	Carrying amount	Separate financial statements			
		Fair value			
		Level 1	Level 2	Level 3	Total
31 December 2015					
<i>Current</i>					
Short-term loans from financial institutions	450,000	-	450,000	-	450,000
Current portion of long-term loans from financial institutions	287,500	-	287,500	-	287,500
<i>Non-current</i>					
Long-term loans from financial institutions	100,000	-	100,000	-	100,000
<i>Fair value disclosure</i>					
Forward contracts	-	-	-	(13)	(13)
Interest rate swaps	-	-	-	(751)	(751)

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	Fair value	Carrying value	Fair value	Carrying value
31 December 2014				
<i>Current</i>				
Short-term loans from financial institutions	394,200	394,200	394,200	394,200
Current portion of long-term loans from financial institutions	400,000	400,000	400,000	400,000
<i>Non-current</i>				
Long-term loans from financial institutions	417,500	417,500	417,500	417,500
<i>Fair value disclosure</i>				
Forward contracts	2	-	2	-
Interest rate swaps	(1,602)	-	(1,602)	-

Financial instruments carried at fair value***Fair value hierarchy***

The table above analyses recurring fair value measurements for financial assets. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group determines Level 2 fair values for financial liabilities by referencing to market interest rates.

For disclosure purposes, the Group determines Level 3 fair values for forward contracts and interest rate swaps were calculated using the rates quoted by the Company's bankers which were based on market conditions existing at the statement of financial position date.

34. Commitments with non-related parties

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<i>Capital commitments</i>				
Agreements of construction and acquisition of machinery and equipment	936	13,248	936	13,248
Total	936	13,248	936	13,248
<i>Non-cancellable operating lease commitments</i>				
Within one year	7,206	10,266	7,206	10,266
After one year but within five years	2,348	1,752	2,348	1,752
Total	9,554	12,018	9,554	12,018
<i>Other commitments</i>				
Unused letters of credit	136,027	116,383	136,027	116,383
Forward exchange contracts	46,092	30,651	46,092	30,651
Total	182,119	147,034	182,119	147,034

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 May 2018 at the agreed amount stipulated in the rental agreement.

Forward exchange contracts

As at 31 December 2015, the Group had outstanding forward exchange contracts of US Dollars 1.3 million equivalent to Baht 46.1 million (2014: US Dollars 0.9 million and Euro 0.1 million equivalent to Baht 30.7 million).

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 2016, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 33 (revised 2015)	Earnings Per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TFRS 3 (revised 2015)	Business Combinations
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements

TFRS 12 (revised 2015)	Disclosure of Interests in Other entities
TFRS 13 (revised 2015)	Fair Value Measurement
TSIC 15 (revised 2015)	Operating Leases - Incentives
TSIC 25 (revised 2015)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 31 (revised 2015)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2015)	Intangible Assets - Web Site Costs
TFRIC 4 (revised 2015)	Determining whether an Arrangement contains a Lease
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment

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.

36. Event after the reporting period

At the Board of Directors' meeting of the Company held on 26 February 2016, the Board of Directors passed a resolution to the annual general meeting of the shareholders to approve the appropriation of dividend of Baht 0.25 per share, amounting to Baht 262.0 million after deduction of interim dividends of Baht 0.12 per share. The remaining unpaid dividends were Baht 0.13 per share totaling Baht 136.2 million. The dividend will be paid to shareholders in May 2016.

ส่วยเสมอดันเสมอปลาย

กระเบื้อง คอนกรีต **CT** ตราเพชร

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