



Annual Report 2019

Diamond Building Products Public Company Limited





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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, accountable, 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 value generation.

Determined Transparent Learning for Development Environmental Protection

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

Diligence

Being focused in achieving success with accountability, work diligence and determination.

Balance

Insisting on maintaining the balance of interest for all stakeholders with fairness.

Unity

Believing that unity will bring on success.

Integrity

Holding fast to honesty and transparency which will lead to excellence.

Learning

Promoting learning and sharing to become intellect and good person accepted by the society.

Differentiation

Unceasing development for superior differentiation.

Social Responsibility

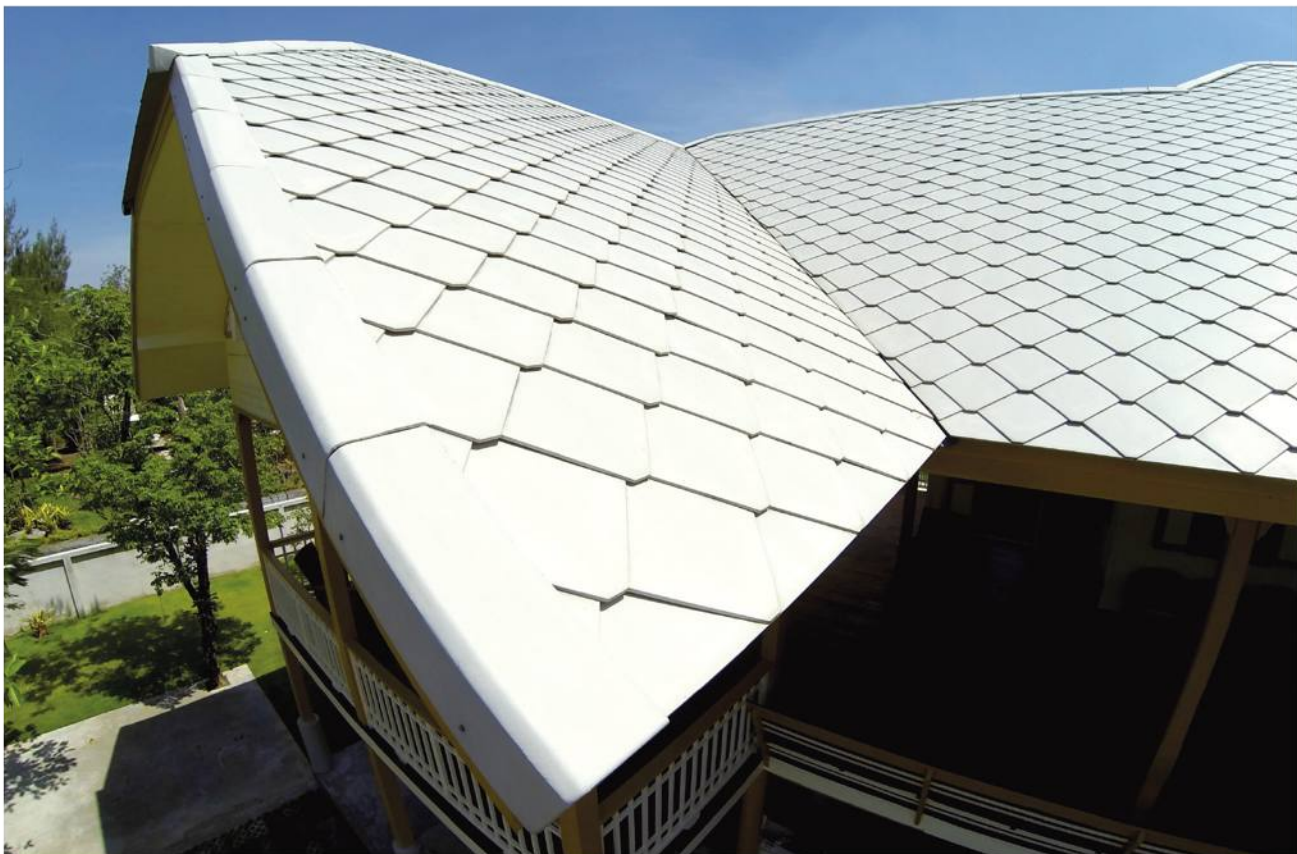
Caring for the society, community and environment for sustainable value generation

Objectives and Main Goals

The Board of Directors has established objectives and goals of the Company by considering business that can generate values for the Company, stakeholders, and the society. Many aspects are considered, including the environment, changing factors, utilization of innovations and technologies, the needs of customers and stakeholders, readiness, skills, and competitiveness of the Company as follows.

Objectives:

1. The Company shall produce and sell roofing products, board and ceiling products, siding board products, as well as roof accessories and non-roof products. The Company shall also offer roof stripping and installation services under the trademarks of Diamond brand, Adamas brand, and Jeeranai brand, as well as creating innovations as better alternatives for construction material and services.
2. The Company shall operate its business for competitiveness, good operating results, and sustainable growth.
3. The Company shall operate its business with ethics, transparency, respect and accountability to the rights of shareholders and all stakeholders, as well as contributing to the society and minimizing environmental impact, while being adaptable under changing conditions.
4. The Company shall promote communication, bolstering the objectives and goals of the Company as the guidelines for decision making and operations of employees at every level to foster the corporate values.



Main Goals



1

Sales and Marketing

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

2

Production and Engineering

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 in order to meet consumers' demand and maintain the level of cost to stay competitive.

3

Human Resource

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.

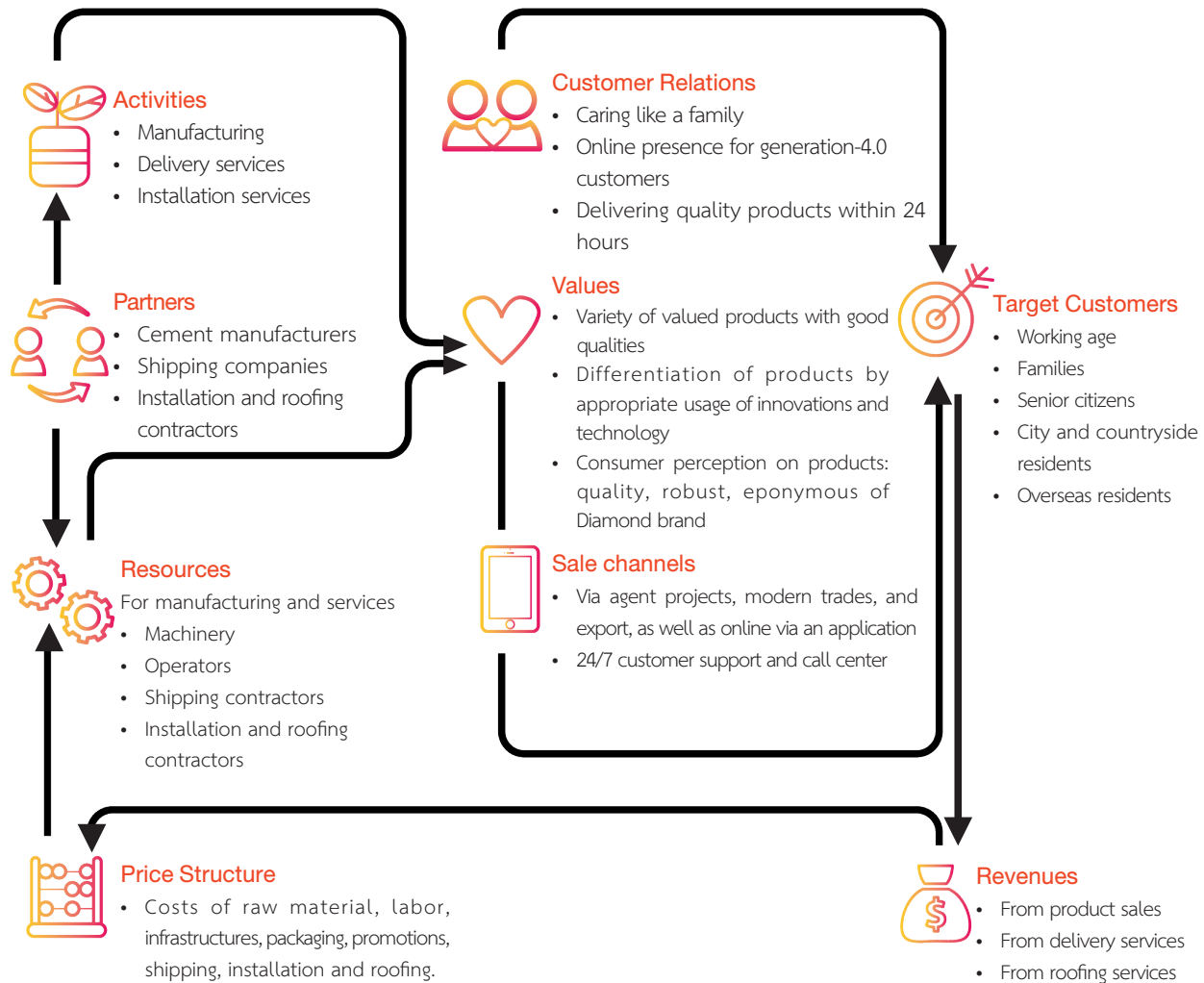
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Accounting and Finance

Committed on adequate financial management by sourcing low-cost loans to support the business operation as per the objectives, main goals, strategies, work plan, and annual budget. The financial reports and analyses are also correctly prepared, accountable and in compliance with generally accepted accounting standards. This is to enable quick decision making from the executives, and reliable disclosure of financial and non-financial information.

Businesses

The Company is a manufacturer and distributor 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 Jeeranai, having the following business model.



Annual Strategy and Operational Plan

To ensure success of the Company's operations according to the objectives and goals, the Board of Directors has established a mid-term and/or annual strategy and operational plan according to the objectives and goals of the Company. It includes environmental analyses; assessment of potential risks of stakeholders for the whole value chain; promotion of innovations and implementation of manufacturing technologies to enhance competitiveness, on the basis of social responsibility and sustainability; communication of the objectives and goals, strategy, and operational plan to the whole organization; and follow-up and monitoring to ensure regular success according to the objectives and goals.

COMPANY PROFILE

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 Jeeranai.
Registered Capital	947,961,800 ordinary shares at a par value of Baht 1 per share totaling Baht 947,961,800, all being issued and paid-up ordinary shares.

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, 14 th Floors, 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, 50 th - 51 st 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



“Excellent” Corporate Governance by the Thai Institute of Directors.



Received the “Innovative Organization” Award from the National Innovation Agency and the Stock Exchange of Thailand.



Received the “Thailand Sustainable Investment (THSI)” Award from the Stock Exchange of Thailand.

STATEMENT FROM THE CHAIRMAN

During year 2019, the construction business remains fiercely competitive. Confidence of consumers and investors were impacted by the economic climate, concerns about stagnant purchasing power, and political factors, resulting in careful approach towards investments in new projects. The Company uses the strategy to distribute products for sales in every main channel both domestically and overseas, with marketing campaign “Complete set of beauty, entirely filled with Diamond Brand” to communicate that the Company is a manufacturer of complete home improvement products, including systems for roofs, walls, and floors. This results in an increase in revenue in year 2019, which was the highest in several years.

Overall Operating Results

In year 2019, the Company’s total revenue was Baht 4,747.55 million, an increase from the previous year of 9.66 percent. The net profit reached the record value of Baht 556.65 million, an increase from the previous year of 34.93 percent (Baht 533.38 million or an increase of 29.29 percent in case of excluding special profit from sales of unused land and a reserve for employee retirement benefits). Despite strong fluctuation of raw material cost from both domestic and overseas sources, the Company was able to improve the production process to reduce the production costs and other expenses. This results in an increase in gross profit from 24.70 percent in 2018 to 26.29 percent in 2019.

In 2019, the Company’s revenue increased for all products, especially for truss and autoclaved aerated concrete. An active strategy is employed for the distribution by expanding the market to increase the revenue for both domestic and overseas markets. Policies are put in place to ensure retention of existing sales agents. Expansion of Modern Trade as well as large and small residential projects are closely monitored. Due to these measures, the Company enjoyed increased revenue from all sale channels, especially from Modern Trade, which was the channel with the highest growth in 2019.

Technological Improvement, Innovation Creation, and Corporate Social Responsibility

The Company places emphasis on manufacturing efficiency and has always motivated the Diamond people to innovate. Due to the excellent performance of the “**Production Technology and Innovation Committee (PTI Committee)**,” the Company has received the “**Innovative Organization**” award for year 2019 from the National Innovation Agency and the Stock Exchange of Thailand. Improvements on the manufacturing processes include robotization in risk-prone areas for better efficiency, reduced production time, and lower manpower requirement, resulting in continuous reduction of costs and expenses. The Company also instills optimization-oriented mindset among employees, with constant innovation that ultimately leads to an organization with sustainable “**Innovative Culture**.” Moreover, the Company also improves upon every aspect of general administration, including sales, marketing, after-sale services, corporate communication, and marketing. The awareness of “**Diamond Brand**” among consumers is promoted, with the slogan “**Quality and Robustness for Your Home: Eponymous of Diamond Brand**,” and the “**DIAMOND**” brand used overseas. The marketing campaign “**Complete set of beauty, entirely filled with Diamond Brand**” is used throughout publications, digital TV, online outlets, websites, and the “**Diamond Brand**” mobile application on Android and iOS promoting the right way to utilize the products. The application also features a material and product cost calculator.

The Company recognizes the importance of “**Corporate Social Responsibility**” by always committing to manufacturing process improvement to reduce impacts to the society, the community, and the environment. The measures include reduction of dust particles and air pollutants, reduction of coating loss, reduction of residues and sediment waste by recycling, and reduction of energy usage, etc. Accordingly, the Company has set up dust reduction process by installing dust collecting rooms and using silo-top dust collectors to recycle the dust for manufacturing products. Nonetheless, most of the dust from manufacturing process are heavy particles that are not particulate matters, PM2.5, which is a major problem currently. In addition, driveways are sprayed with water from the trucks and dust sweeping trucks are used in the warehouse every day to reduce dust. The Company constantly monitors the air quality in the vicinity of its facilities, and the results comply with the established industrial standards.

The Company has paid close attention to the health of Diamond people by conducting assessment on health-related risks, as well as monitoring of potential diseases for prevention measures in accordance with the ISO 45001 standard, including organize trainings on health care knowledge, public relations and campaign for prevention of diseases, provision of 24-hour first aid room with professional nurse and giving out hygienic masks for dust and germ protection, etc.

Awards of Pride

The Company has been listed in the Stock Exchange of Thailand since 2005 and committed to be a leading corporate with professional management, good corporate governance, good conscious on the society, community and environment, ethical business practice, all of which have been upheld constantly. As a result, this year the Company received awards of pride from various agencies as follows:

1. The Company was presented with the “**Sustainable Stock**” or “**Thailand Sustainability Investment 2019**” award (THSI) consecutively for the third year from the Stock Exchange of Thailand and Money and Banking Journal. The award was for listed companies with sustainable business practice that consider **the Environment, Society, and Governance (ESG)**.
2. The Company received a **five-star award** () for the assessment of corporate governance among Thai listed companies in year 2019 by Thai Institute of Directors, in which the Company was placed in the “**Excellent**” group and received 90% score, 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.
3. The Company received a **four-star award** () for the quality assessment of the annual general meetings of shareholders of listed companies in year 2019, in which the Company was placed in the “**Very Good**” group and received 99% score.
4. The Company was selected as one of the companies in **ESG 100**, a group of securities with distinct works on the environment, society, and governance (ESG), from the evaluation of listed companies for year 2019 by Thaipat Institute.

Looking Forward with Confidence

In 2020, it is expected that Thai business must face with many challenges, including the strong Baht, drought, minimum wage increase, and the serious epidemic at present. All of these contribute to higher inflation. The stagnant economic growth for both domestic and overseas has an impact on the purchasing power of the domestic consumers, and it is a limiting factor on price increases for business operators due to fiercer competition. Regardless, the Company is confident that governmental investment projects, including the One Million House Project and other infrastructure projects, will allow Thai economy to grow at more or less the same rate as year 2019. The Company will endeavor to manage its business for good operating performance similar to year 2019.

Finally, I would like to extend my gratitude to all executives and employees for their commitment, which leads to the Company's success, and I would like to thank the shareholders and all related parties for their continued support that has enabled the company to respectively attain success and progress thus far.



Mr. Prakit Pradipasen
Chairman of the Board

BOARD OF DIRECTORS

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

Mr. Prakit Pradipasen

Chairman

Age 77 Years / Nationality : Thai

Shareholding in the Company as of Year 2018 : 2019 = 1.56% : 1.59%
of the paid-up capital and total voting rights.

Position as the Director : Started from January 9, 2003, totaling 16 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
- Year 2007 Role of Chairman Program

Work Experience

Time	Position	Company	Type of Business
Listed Companies			
2019 – Present	Independent Director and Audit Committee Chairman	Toray Textiles (Thailand) PCL	Fashion
2000 – Present	Independent Director and Audit Committee	Susco Plc.	Energy & Utilities
2000 – Present	Chairman and Independent Director	Asian Marine Service Plc.	Transportation & Logistics
Companies (Not listed companies)			
2019 – Present	Director	Pattaya Grand Village Co., Ltd	Property Development
2002 – Present	Director	Myriad Materials Co., Ltd.	A holding company that does not mainly invest in financial business.
2004 – 2011	Chairman	Thai Sugar Millers Crop	Food & Beverage
2000 – 2018	Independent Director, Chairman of the Audit Committee and Chairman of the Nomination and Compensation Committee	Supalai Plc.	Property Development
2000 – 2018	Chairman, Independent Director and Nominating and Corporate Governance Committee Chairman	The Erawan Group Plc.	Tourism & Leisure

Mr. Chaikut Srivikorn

Director and Nomination and Remuneration Committee Chairman

Age 53 Years / Nationality : Thai

Shareholding in the Company as of Year 2018 : 2019 = 0.33% : 0.33%
of the paid-up capital and total voting rights.

Position as the Director : Started from January 20, 2003, totaling 16 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
- Year 2016 Anti-Corruption : the Practical Guide
- Year 2016 Corporate Governance for Executives

Work Experience

Time	Position	Company	Type of Business
Listed Companies : None			
Companies (Not listed companies)			
2016 – Present	Chairman	Srivikorn Foundation	Foundation
2015 – Present	Executive Director	TCMC Furniture (UK.) Co., Ltd.	Home & Office Products
2012 – Present	Chairman	Action Perfect Co., Ltd.	Sport
2002 – Present	Director	Myriad Materials Co., Ltd.	A holding company that does not mainly invest in financial business.
1999 – Present	Executive Director	TCH Suminoe Co., Ltd.	Automotive
1999 – Present	Chairman	Thai Outdoor Sport Group Co., Ltd.	Sport
1998 – Present	Executive Director	Srivikorn Group Holdings Co., Ltd.	A holding company that does not mainly invest in financial business.
1991 – Present	Executive Director	President Hotel and Tower Co., Ltd.	Tourism & Leisure

Mr. Thanit Pulivekin

Independent Director, Audit Committee Member and Corporate Governance Committee Chairman

Age 69 Years / Nationality : Thai

Shareholding in the Company as of Year 2018 : 2019 = -None-

Position as the Independent Director : Started from April 24, 2013, totaling 6 years

Education

- B.SC (Chemical Engineering), Chulalongkorn University

Training

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

Work Experience

Time	Position	Company	Type of Business
Listed Companies			
2002 – 2010	Vice President-Technical and Engineering	Siam City Cement Plc.	Construction Materials
Companies (Not listed companies)			
2018 – Present	Chairman	Baan Phaholyothin Place Juristic Person	Property Development
2014 – Present	Director	Baan Phaholyothin Place Juristic Person	Property Development
2011 – 2018	Director	Pattaya Grand Village Co., Ltd.	Property Development

Mr. Sakda Maneeratchatchai

Independent Director and Audit Committee Chairman

Age 75 Years / Nationality : Thai

Shareholding in the Company as of Year 2018 : 2019 = 0.43% : 0.43%

of the paid-up capital and total voting rights.

Position as the Independent Director : Started from April 17, 2009, totaling 10 years

Education

- Bachelor of Electrical Engineering, FEATI University, Philippines

Training

- Year 2005 Director Accreditation Program
- Year 2005 Audit Committee Program
- Year 2016 R-ACF-Audit Committee Forum

Work Experience

Time	Position	Company	Type of Business
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Listed Companies

2007 – 2008	Advisor	Diamond Building Products Plc.	Construction Materials
1999 – 2006	Director, Executive Director and Managing Director	Diamond Building Products Plc.	Construction Materials

Companies (Not listed companies) : None

**Mr. Anun Louharanoo**

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

Age 66 Years / Nationality : Thai

Shareholding in the Company as of Year 2018 : 2019 = 0.25% : 0.25%

of the paid-up capital and total voting rights.

Position as the Independent Director : Started from January 10, 2005, totaling 14 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
- Year 2016 R-ACF-Audit Committee Forum

Work Experience

Time	Position	Company	Type of Business
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Listed Companies

2003 – Present	Director and acting Chief Executive Officer	Thai Agro Energy Plc.	Energy & Utilities
1985 – Present	Director and Financial Adviser	Lanna Resources Plc.	Energy & Utilities

Companies (Not listed companies)

2016 - Present	Director	Lanna Power Generation Co., Ltd.	Energy & Utilities
2008 – Present	Director	PT. Singlurus Pratama	Energy & Utilities
2006 – Present	Commissioner	PT. Lanna Mining Services	Energy & Utilities
1998 – Present	Director	PT. Lanna Harita Indonesia	Energy & Utilities
2004 – 2011	Independent Director and Audit Committee Member	Royal Porcelain Plc.	Home & Office Products



Mr. Woodthikrai Soatthiyanon

Independent Director and Corporate Governance Committee Member

Age 66 Years / Nationality : Thai

Shareholding in the Company as of Year 2018 : 2019 = -None-

Position as the Independent Director : Started from January 12, 2011, totaling 8 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	Type of Business
Listed Companies			
2007 – 2008	Director	Ayudhya Allianz C.P. Life Plc.	Insurance
2005 – 2006	SVP-Bancassurance Strategie Support, Bancassurance Dapt	Ayudhya Allianz C.P. Life Plc.	Insurance
Companies (Not listed companies)			
2008 – Present	Managing Partner	Woodthikrai Soatthiyanon Law office	Professional Services

Mr. Asanee Chantong

Director and Production Technology and Innovation Committee Chairman

Age 67 Years / Nationality : Thai

Shareholding in the Company as of Year 2018 : 2019 = 0.11% : 0.11% of the paid-up capital and total voting rights.

Position as the Director : Started from January 1, 2007, totaling 12 years

Education

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

Training

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

Work Experience



Time	Position	Company	Type of Business
Listed Companies : None			
Companies (Not listed companies)			
2013 – 2017	Chairman	Diamond Materials Co., Ltd.	Construction Materials
2004 – 2006	Managing Director	S.K.I. Ceramics Co., Ltd.	Ceramics
2000 – 2004	Joint Managing Director	Kohler (Thailand) Plc.	Construction Materials

Mr. Satid Sudbuntad

Director, Chief Executive Officer, Management Committee Chairman and
Production Technology and Innovation Committee Member

Age 59 Years / Nationality : Thai

Shareholding in the Company as of Year 2018 : 2019 = 0.74% : 0.84%

of the paid-up capital and total voting rights.

Position as the Director : Started from January 24, 2000, totaling 19 years

Education

- Bachelor of Engineering, King Mongkut's Institute of technology North Bangkok
- Master of Science in Engineering Administration (Major in Marketing Technology) The George Washington University, Washington D.C., USA
- Managing Change and Change of Management in Asia, Insead Euro-Asia Center, Hong Kong (2/2000)
- Orchestrating Winning Performance International Institute for Management Development, Lausanne, Switzerland (6/2000)

Training

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

Work Experience

Time	Position	Company	Type of Business
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Listed Companies : None

Companies (Not listed companies)

2018 – Present	Chairman	Diamond Materials Co., Ltd.	Construction Materials
2013 – 2017	Director	Diamond Materials Co., Ltd.	Construction Materials
1995 – 1999	Director	Karat faucet Co., Ltd.	Construction Materials

**Mr. Maitree Tawonatiwasna**

Director, Production Technology and Innovation Committee Member, Management
Committee Member and Deputy Chief Executive Officer Production and Engineering

Age 79 Years / Nationality : Thai

Shareholding in the Company as of Year 2018 : 2019 = 0.32% : 0.33%

of the paid-up capital and total voting rights.

Position as the Director : Started from January 12, 2011, totaling 8 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	Type of Business
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Listed Companies : None

Companies (Not listed companies)

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



Mr. Warayu Pradipasen

Director and Corporate Governance Committee Member

Age 42 Years / Nationality : Thai

Shareholding in the Company as of Year 2018 : 2019 = 0.02% : 0.02%

of the paid-up capital and total voting rights.

Position as the Director : Started from November 5, 2015, totaling 4 years

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

Training

- Year 2016 Director Accreditation Program

Work Experience

Time	Position	Company	Type of Business
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Listed Companies : None

Companies (Not listed companies)

2019 – Present	Head of Rail & Marine Transpost Group	Office of the Permanent Secretary	Government Organization
2018 – 2019	Manager, Aviation Industry Promotion Department	The Civil Aviation Authority of Thailand	Government Organization
2017 – 2018	Head of Rail transpost Group	Office of the Permanent Secretary	Government Organization
2015 – 2016	Head of Infrastructure Development Group	Office of the Permanent Secretary	Government Organization



Mr. Chatchai Teepsuwan

Director and Nomination and Remuneration Committee

Age 50 Years / Nationality : Thai

Shareholding in the Company as of Year 2018 : 2019 = -None-

Position as the Director : Started from April 25, 2016, totaling 4 years

Education

- MBA, Gratuante Institute of Business Administration (SASIN)
- BA, Boston University, Boston, Mass. USA

Training

- Year 2016 Director Certification Program

Work Experience

Time	Position	Company	Type of Business
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Listed Companies : None

Companies (Not listed companies)

2015 – Present	Director	Myriad Materials Co.,Ltd.	A holding company that does not mainly invest in financial business.
2012 – Present	Managing Director	Pattaya Grand Village Co., Ltd	Property Development
2005 – Present	Director	Phahol 8 Co., Ltd	Property Development
2000 – 2012	Manager	Merrill Lynch International Bank Pte., Singapore	Bank



Mr. Kamolaphat Teepsuwan

Director

Age 52 Years / Nationality : Thai

Shareholding in the Company as of Year 2018 : 2019 = -None-

Position as the Director : Started from January 29, 2018, totaling 2 years

Education

- Worcester Polytechnic Institute Management Engineering , USA
- Master of Business Administration (MBA), Boston University, USA

Training

- Year 2015 Finance for Non-Finance Director
- Year 2018 Director Accreditation Program

Work Experience

Time	Position	Company	Type of Business
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Listed Companies : None

Companies (Not listed companies)

2018 – Present	Director	Myriad Materials Co.,Ltd.	A holding company that does not mainly invest in financial business.
2016 – Present	Director	Wisdom Enterprise Co., Ltd	Educational Institution
2016 – Present	Director	Royal Porcelain Plc.	Home & Office Products
2014 – Present	Director	Pattaya Grand Village Co., Ltd	Property Development
2007 – Present	Director	Phahol 8 Co., Ltd	Property Development

Company Secretary**Ms.Thanakarn Phanthapirat**

Management Committee Member, Assistant Chief Executive Officer Accounting and Finance and Company Secretary

Age 64 Years / Nationality : Thai

Shareholding in the Company as of Year 2018 : 2019 = 0.29% : 0.29%

of the paid-up capital and total voting rights.

Position as the company secretary : Started from August 1, 2008, totaling 11 years

Education

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

Training

- Year 2004 Company Secretary Program

Work Experience

Time	Position	Company	Type of Business
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Listed Companies

2001 – 2006	Accounting and Finance Manager	Diamond Building Products Plc.	Construction Materials
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Companies (Not listed companies)

2013 – Present	Director and Company Secretary	Diamond Materials Co., Ltd.	Construction Materials
1997 – 2000	Accounting Manager	Toyota (Thailand) Co., Ltd.	Automotive

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, CT Venice, Adamas and Concrete Ridges, etc.
2. **Board and Ceiling Product Group**, namely Boards, Ceiling or “**Diamond Board**”, Autoclaved Aerated Concrete or “**Diamond Block**”, Lintel or “**Diamond Lintel**” and Kitchen Counter or “**Diamond Counter**”, 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., including steel roof with volcanic rock coating “**DECRA**”.
 - 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.

Revenue Structure

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

Products and Services	2019		2018		2017 *	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues from sales and services						
1. Revenue from Product Sales	4,326.94	91.14%	3,948.85	91.21%	3,825.51	91.71%
1.1 Roofing Products	2,232.40	47.02%	2,018.02	46.61%	2,030.59	48.68%
1.2 Board and Ceiling Products	742.69	15.65%	747.51	17.27%	717.70	17.21%
1.3 Siding Board Products	838.52	17.66%	771.57	17.82%	729.96	17.50%
1.4 Special Products	513.33	10.81%	411.75	9.51%	347.26	8.32%
2. Revenue from Services	420.61	8.86%	380.50	8.79%	345.62	8.29%
Total Revenues from sales and services	4,747.55	100.00%	4,329.35	100.00%	4,171.13	100.00%

Remark : * Revenues from sales and services in 2017 were revenues before adjustments according to the Thai Financial Reporting Standard No.15 (TFRS 15) Re: Revenue from Contract with Customers, which has been effective with the financial statements year 2018 onward.

ตรา
เพชร



สวย แกร่ง ไม่ซ้ำใคร
CT เพชร
รุ่น เวนิส



กระเบื้องคอนกรีต CT เพชร รุ่น เวนิส (Concrete Tile : Venice)
รูปลอนโค้งสูงโดดเด่นเป็นเอกลักษณ์หรูหราในสไตล์ยุโรป
ร่องลึกระบายน้ำได้ดี



บริษัท ผลิตภัณฑ์ตราเพชร จำกัด (มหาชน)
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35th

DIAMOND

SUSTAINABILITY DEVELOPMENT REPORT



Corporate
Social
Responsibility

Awards of Pride



“ESG 100” Year 2019 Certification



“Sustainable Stocks” Year 2019 Award

Economic Management



DBP Energy Saving Day 2019



Participation in Customer Branch Openings in Thailand and Overseas

Environmental Management



Social Management



National Children's Day Activity



Training and Development for Diamond People

Diamond Heart Technicians Project



Class 11, In cooperation with Muak Lek Technical College, Saraburi Province



Class 12, In cooperation with Phra Dabot Foundation



The Board of Directors has a policy concerning works related sustainability by upholding business ethics and corporate governance to ensure effective, fair, and transparent management. With commitment to the development of surrounding society, community, and environment, the Company is driven with the established competitive strategy towards good operating results in long-term.

Social and Environmental 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 committed on the development of surrounding society and community in terms of economy, society and environment to promote 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 in long-term.
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 generate sustainable and sound benefits to the society, community and environment.

Strategy on Sustainable Operation

The Company is committed to the wellbeing of the surrounding society, community, and environment, starting from people within the house to outside surroundings as follows:

Diamond People: the internal community comprises all directors, executives, and employees, to instill honesty, generosity, love for learning, and attaining good quality of life.

Diamond Society: to ensure peaceful and safe living condition and good surrounding environment.

Diamond Community: to maintain good environment, creating jobs, professions, and learning 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 society and community.

Surrounding Diamond Environment: the preservation of the environment is organized by continuously improving the manufacturing process to minimize environmental impact, as well as raising awareness on environmental preservation, with commitment to ethical business practice for sustainable value creation.

Good Governance Principle

The **Good Governance Principle** is a principle of corporate governance that ensures effectiveness, transparency, and verifiability, while being accountable and upholding the values that are familiar to Thai community-morality, virtue, and ethics. The **"Corporate Governance Handbook"** and the **"Code of Conduct"** are established in writing and to be strictly practiced by the directors, executives, and employees at every level, which is considered an important duty for everyone by which the principles within such handbooks should not be neglected by any person. The handbooks set out clear guidelines for every group of stakeholders, customers, trading partners, competitors, creditors, employees, society, and environment, and adhere to the laws and human rights principles, local culture, customs and tradition, fair competition, political neutrality, and anti-corruption, with bases of sufficiency, balance, and risk management that are acceptable among all stakeholders, for sustainable and successful business operation in long-term (see details on page 133 under topic "Corporate Governance").

Strategy on Stakeholder Engagement

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. In order to be assured that legal rights of stakeholders are fairly protected, equally treated, and beneficial to every group of stakeholders with various expectations toward the business, the Company conducts satisfaction survey among every stakeholder, as well as receiving complaints via various channels to meet the needs of every stakeholder, meet the objectives, and proceed in the same direction. The stakeholders include employees, shareholders, customers, partners, competitors, consumers, communities, etc. Accordingly, the strategic plan toward every group of stakeholders for sustainable development has been established as follows.

Stakeholders	Major Concerns	Sustainable Development Strategy	Communication	Responsible Unit
Shareholders 	1) Requires good return on investment. 2) Equitable treatment of shareholders. 3) Accurate information disclosure. 4) Responsibility toward society and environment.	1) Build confidence for investors. 2) Generate stable and sustainable return. 3) Disclose correct, clear, and timely information which is verifiable using trustworthy accounting and internal control system, and through highly available channels for shareholders and investors.	1) General meetings of shareholders. 2) Factory site visits 3) Company's website, "Investor Relations" section. 4) Attending investor meeting events held by the Stock Exchange of Thailand and others, such as, Opportunity Day, Thailand Focus, and local and overseas road shows.	Investor Relations Office and Company Secretary
Employee 	1) Requires good and appropriate salary and welfare. 2) Continuous self development. 3) Career advancement. 4) Good wellbeing and safe working environment.	1) Effective human resource management system. 2) Create fair remuneration and welfare system. 3) Maintain good and safe working environment. 4) Develop personnel for knowledge and competitiveness. 5) Organize leisure activities throughout the year (Happy Workplace).	1) Monthly meetings between executives and Employee Committee. 2) Organizing activities during festivals. 3) Organizing safety and engagement related activities. 4) Receiving complaints and suggestions.	Human Resource Division and Management Division
Domestic & Export Customers 	1) Timely delivery of quality products and services at competitive prices. 2) Should any problem arise, it must be resolved quickly. 3) Requiring good and competitive sale budget. 4) Development of knowledge and capability for competitiveness.	1) Delivery quality products and services with fair and competitive prices. 2) Present clear and timely price information and promotional activities. 3) Treat customers like Diamond family. Resolve any problem promptly. 4) Develop and provide customers with knowledge and capability for competitiveness.	1) Customer satisfaction questionnaires. 2) Complaint form via sale promotion activities and sales agent. 3) Call center: Tel. 0 2619 2333	Sales Division and Marketing Division

Stakeholders	Major Concerns	Sustainable Development Strategy	Communication	Responsible Unit
Consumers 	1) Require good quality products and services with fair prices. 2) Requires sale persons with polite manners during product presentation. 3) Convey product installation method correctly. 4) Requires good aftersales services and quick problem resolution, if problem arises.	1) Delivery good quality products and services on-time and with fair prices. 2) Provide training for store front sale staff for universal sales principle, politeness, and correct method of communication. 3) Provide effective and prompt aftersales services.	Customer satisfaction survey on products and services.	Marketing Division and Sales Division
Trading Partners - Domestic & Export Accounts Payable 	1) Build satisfaction as business partners. 2) Generate good and fair reciprocal benefits.	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) Uphold equitable, honest business operation and joint benefits.	1) Meetings with trading partners. 2) Visits from trading partners. 3) Trading partner inspections. 4) Receiving suggestions and complaints in writing or by e-mails.	Purchasing Department and Administration Division
Trading Partners - Contractor and Transport Operators 	1) Fair and competitive compensation as per the agreement. 2) Employee rights. No discrimination. 3) Good and safe working environment. 4) Fair treatment, such as appropriate workload.	1) Comply with welfare and labor protection law. 2) Respect for human rights. No discrimination. 3) Maintain good and safe working environment. 4) Arrange trainings on safety and service manners. 5) Educate on conscious energy usage. 6) Educate on accident reduction, such as assessing alcohol level of drivers, truck load control, etc.	1) Monthly meetings between OHS Committee and contractors. 2) Daily and weekly follow-up meetings with contractors and transport operators. 3) Operator's site visits. 4) Customer satisfaction surveys on delivery services.	Contractor Coordination Section, Human Resources Division, and Logistics Department
Trading Partners - Financial Institutions and Banks 	1) Create cooperation for monetary transactions. 2) Gain benefits from investments with lowest costs and other financial benefits.	1) Build credibility with financial institutions and banks for applying for credit lines with good terms and low interest rate. 2) Obtain advice on financial and investment issues, as well as electronic payment channels.	Through bank offices or bank's websites.	Accounting and Finance Division and Management Division

Stakeholders	Major Concerns	Sustainable Development Strategy	Communication	Responsible Unit
Communities 	1) Foster good relationship 2) Create jobs and promote people in the community to have sustainable jobs.	1) Hiring shall be from the surrounding community as a priority. 2) Create jobs in the community via “Diamond Heart Technicians” program. 3) Respect the principles of human rights without discrimination. 4) Promote fine traditions of the community. 5) Listen to complaints and concerns on impacts to the community and the environment and for further development and improvement. 6) Community support by donating Diamond brand products for repairs of governmental, educational, and religious buildings, such as building homes for the impoverished, etc.	Organization of activities with the community and listen to complaints.	Human Resources Division
Government Offices 	Build credibility with the government by strictly in compliance with relevant laws and regulations.	1) Build credibility with the government. 2) Consult on taxation issues to ensure correct and complete tax payments. 3) Strictly abide by relevant laws and regulations. 4) Do not ask, receive, or pay any benefits illegally and stand against corruption.	Consult on legal and taxation issues via telephone and through website of the Revenue Department.	Legal Office and Accounting and Finance Division.
Mass Media 	Receive correct and timely information. Being well received by the Company.	1) Promote good corporate image. 2) Build good relationship with mass media. 3) Refrain from false communication, distortion of facts, or against morality.	Executives meet mass media activities and offering opinions.	Marketing Division and Investor Relations Office

Analysis of Sustainability Development Factors

The CSR Committee, which comprises representatives from every department, has convened meetings and discussions to review issues concerning sustainable development under changes of economic, social and environmental conditions, as well as addressing the United Nations’ sustainable development goals. The process is derived from analyses of sustainable development issues for further risk assessment by the Company and sustainable development activities.



1. Collecting issues related to sustainability throughout the supply chain both internal and external factors, starting from raw material procurement, manufacturing processes, freight, distribution, and consumers of the products and services offered by the Company via satisfaction survey for all stakeholders, as well as receiving complaints via various channels and risk assessment by the Company.

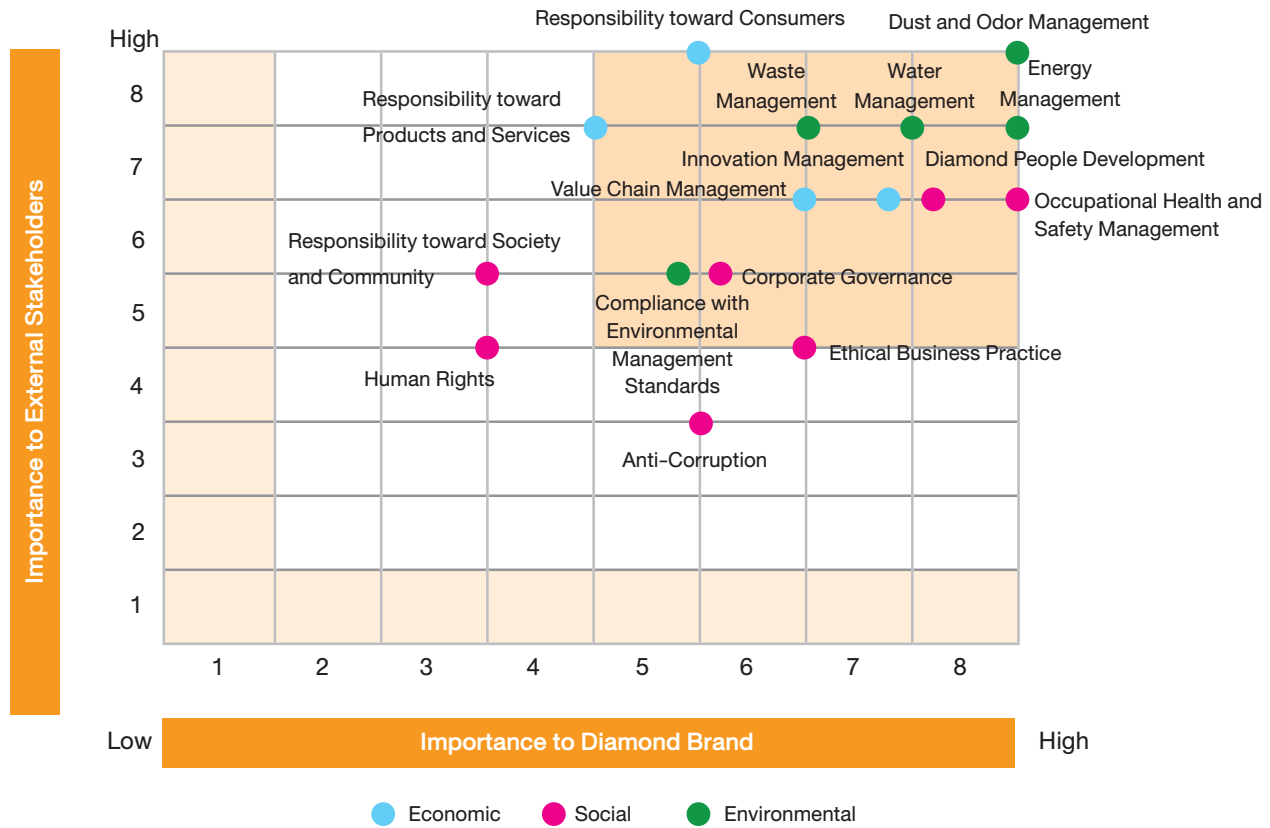
2. Prioritizing each issue by considering its impact to stakeholders, via satisfaction survey, labor union meetings, and activities with the community to listen to opinion and complaints as an outside perspective from stakeholders.
3. Prioritizing each issue by considering its impact to the Company, by listening to opinions, impact, and business opportunities via shareholders' meetings, meeting investors at the Opportunity Day being held quarterly at the Stock Exchange of Thailand, as well as meetings with analysts and Thai media to listen to opinions for either impact or opportunities to the business.
4. Prioritizing each issue by considering its overall impact, by creating a priority matrix from the perspective of every group of stakeholders before proposing to the CSR Committee for further sustainable development.

Environmental, Social, and Governance Factors (ESG) in Sustainable Development

Environmental, Social, and Governance Factors (ESG) in Sustainable Development	Rationale for Sustainability		Page in the Report
	To the Company	To Stakeholders	
1. Economic Dimension: Ensuring Corporate Competitiveness and Good Operating Results in Long Term			
1.1 Value Chain Management and distribution	Raw material procurement, production, that are systematic. Management with quality that enable	Fair treatment toward trading partners sustainable business operation. and stakeholders throughout the supply chain.	No. 1.1, page 30
1.2 Responsibility towards Products and Services	Produce quality, standard-compliance products. On-time delivery Fair price. Good corporate image.	Ensure customer’s satisfaction from standard-compliance products as required.	No. 1.2, page 33
1.3 Responsibility towards Consumers	Create credibility for the brand to ensure continuous purchases.	Offer quality product for consumers to ensure satisfaction.	No. 1.1 (F), page 32
1.4 Innovation Management	Create a better alternative for increased productivity, reduced costs, reduced production time and minimized human labor in risk-prone areas.	Customers receive good products and services that are environmental friendly. Diamond People are healthy. Minimize works in dangerous areas.	No. 1.2 (C), page 35
2. Social Dimension: Operating Business with Principles on Equitable Access to Life Basic Necessities, and Responsibility toward Surrounding Society and Community to Ensure Good and Safe Livelihood			
2.1 Occupational Health and Safety Management	Good and safe work processes that follow internationally accepted standards for business operation, such as ISO-45001.	Diamond People are happy and healthy, with good and safe working environment.	No. 2.1, page 39
2.2 Diamond People Development	Create knowledge base and foster continuous learning culture among Diamond People, which will lead to sustainable corporate development.	Arrange trainings for Diamond People for their knowledge, capabilities, skills in successful careers.	No. 2.2 (A), page 41
2.3 Responsibility towards Society and Community	Continual business operation that is well accepted and gains cooperation from the community.	Create jobs to generate revenue for people in the community. Arrange activities in various occasions for wellbeing of the people in the community.	No. 2.3 (A), page 47
2.4 Anti-Corruption	Ethical, transparent and verifiable business operation. Zero tolerance to all types of corruption. Being reputable among investors and all stakeholders.	Promoting accountability among Diamond People withing the rule of law. Awareness on the threat of corruption. Promoting integrity.	No. 2.3 (B) 2., page 53

Environmental, Social, and Governance Factors (ESG) in Sustainable Development	Rationale for Sustainability		Page in the Report
	To the Company	To Stakeholders	
2.5 Corporate Governance	Upholding the code of conduct. Being responsible to the society and the environment to create sustainable values to the business.	Ensure fair and equitable treatment to all stakeholders.	Corporate Governance, page 133
2.6 Respect of Human Rights	Being accepted among all stakeholders.	For a society with equality and no discrimination toward genders, races, and religions.	No. 2.2 (B), page 46
2.7 Fair Business Operation	Operate business fairly according to the code of conduct.	Ensure equitable treatment to all stakeholders.	No. 2.3 (B) 1., page 51
3. Environmental Dimension: Improving Manufacturing Processes to Minimize Environmental Impact. Campaigns on Environmental Conservation, Including Management of Water, Waste, Dust, Odor, and Energy Management.			
3.1 Water Management	Ensure sufficient water for business operation without impact to the community. Judicious use of water, with reuse of treated water. (Natural water was scarce this year.)	Ensure safe and sufficient water for community consumption.	No. 3.1, page 56
3.2 Waste Management	Employ the 3R Strategy to reduce, reuse, and recycle in order to decrease production costs, disposal costs, and minimize environmental impact.	Minimize waste disposal to the community, harming the environment. Ensure good wellbeing of the community.	No. 3.2, page 58
3.3 Dust and Odor Management	Employ the 3R Strategy to reduce, reuse, and recycle by lessen odor, recycle dust, thus minimize complaints and frictions with the society.	Minimize air pollution for safety and wellbeing of Diamond People and surrounding society and community.	No. 3.3, page 62 No. 3.4, page 66
3.4 Energy Management	Reduce energy usage, mitigate global warming, reduce CO ₂ emission that harm the atmosphere and environment.	Decrease impact to the environment. Minimize global warming.	No. 3.5, page 67 No. 3.6, page 70
3.5 Environmental Management According to Standards of Ministry of Industry	Ensure good surrounding environment by strictly following the law. Minimize complaints.	Ensure good and safe environment for the community.	No. 3.7, page 70

Summary of Sustainability Development Factors



United Nations' Sustainable Development Goals (SDGs)

17 Goals to Transform Our World



The Company business operations support the following eight Sustainability Development Goals of the United Nations - Goal No. 1, 6, 7, 8, 9, 12, 13, and 16 categorized by ESG factors as follows:



- Goa No. 1 “No Poverty” according to Target No. 1.4 Equal rights to economic resources and basic services, job creation, higher income, ownership over land and other forms of property.
- Goa No. 6 “Clean Water and Sanitation” according to Target No. 6.3 Reduction of pollution, elimination of dumping and release of hazardous chemicals and materials, increase of recycling.
- Goa No. 7 “Affordable and Clean Energy” according to Target No. 7.2 and 7.3 Increase the share of renewable energy and improvement in energy efficiency.
- Goa No. 8 “Decent Work and Economic Growth” according to Target No. 8.2 - 8.5 and 8.8 Technological upgrading and innovation, promote equitable job creation, protect labor rights, and promote safe and secure working environment.
- Goa No. 9 “Industry Innovation and Infrastructure” according to Target No. 9.4 - 9.5 Upgrade infrastructure and retrofit industries to adopt environmentally sound technologies, and enhance research and development.
- Goa No. 12 “Responsible Consumption and Production” according to Target No. 12.3 - 12.5 Reduce waste from production process and value chain, reduce the release of chemicals to air, water, and soil in order to minimize their adverse impacts on human health and the environment.
- Goa No. 13 “Climate Action” according to Target No. 13.1 and 13.3 Strengthen resilience to climate-related hazards, improve education, awareness-raising on climate change mitigation, adaptation, impact reduction, and early warning, etc.
- Goa No. 16 “Peace and Justice” according to Target No. 16.5 Reduce corruption in all forms.

Sustainable Business Operation Strategy According to the SDGs Year 2019

SDGs	Operating Strategy	Indicators and Sustainability Targets	Reference
 Sustainability Concerns • Reduce corruption in all forms	Commit to be an organization with good governance and effective administration, transparent and verifiable, denying all form of corruption.	Promote the value “Determined, Transparent, Yearning for Development, Environmental Protection.” Joined the Thailand’s Private Sector Collective Action Coalition Against Corruption (CAC), being a certified member since 2015.	Page 148
 Sustainability Concerns • Equal rights to economic resources and basic services, job creation, higher income, ownership over land and other forms of property.	The Company is committed to create equal access to basic life necessity, ensure good and safe wellbeing of employees, and promote industry, technological upgrading and innovation. Concern on Risk from Labor Shortage Diamond Heart Technicians Project: The Company transfers its theoretical and practical knowledge, skills, and experience in roof and siding board installations to the community and students of Muak Lek Technical College, Saraburi Province, and Phra Dabot School. The project is arranged for at least one class per year, with attendants of no less than 40 persons per class. Objective: The skills shall be used as occupation in roof installation or construction related works. Concern on Safe Working Environment 2.1 Compilation of accident prevention measures and handbooks. 2.2 Campaign on reducing risky behaviors - Unsafe Conditions, Stop Cards, Near Miss Reports. 2.3 Safety training by OHS Committee and SHE Department. Concern on Responsibility toward Products and Services: Create products and services that are environmental friendly to the society with innovations. 3.1 90-percent target for satisfaction to products and services. 3.2 Innovation Management (A) Innovation at product level and development. (B) Production innovation. (C) Innovation for roof installation services. (D) Sales and marketing innovation. (E) Paperwork innovation. (F) Learning toward “Innovation Value”. 3.3 Strict tax responsibility.	Job and Income Creation Results 1.1 Diamond Heart Technicians: Jobs and income creation with practical knowledge on how to build and repair one’s own home. The project has been ongoing from 2013-2019, totaling 12 classes with actual job creation. 1.2 Job creation in the community: The Company has a policy to hire local residents in the surrounding area to generate income for the community. With over 900 employees, over 75 percent are people from the community. Accident Prevention Results 2.1 Accident statistics: from 22 times in 2014 to 3 times in 2019. 2.2 Lost Time Injury Severity Rate (LTISR): from 23.33 in 2015 to 4.56 in 2019. 2.3 Over 60,000 working hour of safety training on record. Responsibility toward Products and Services: 3.1 Satisfaction to products and services for each product category is between 95-99 percent, which is over the target. 3.2 Innovation on product and development: Three new products. Three manufacturing formula improvements. Two energy efficient colors. 3.3 Production innovation: NT-11 project, automation and robotics project, solar rooftop project, central dust collector project, etc. 3.4 Innovation for roof installation services: Sketchup application deployment. 3.5 Innovation for sales and marketing process management: QLIK, mobile application, and Web Sale. 3.6 Paperwork innovation: K2 application deployment.	Page 54 Page 39 Page 33
 Sustainability Concerns • Technological upgrading and innovation. • Promote equitable job creation. • Protect labor rights, and promote safe and secure working environment.			
 Sustainability Concerns • Upgrade infrastructure. • Retrofit industries to adopt environmentally sound technologies. • Enhance research and development.			

SDGs	Operating Strategy	Indicators and Sustainability Targets	Reference
 Sustainability Concerns • Reduction of pollution, elimination of dumping and release of hazardous chemicals and materials, increase of recycling.	The Company is committed to minimizing environmental impacts and to sustainable business operation. The effort on the concern of water shortage, air pollution, dust, odor, waste, chemicals, and energy are as follows: 1. Water Management: The Company has established the policy, targets, and plan on water management as follows: 1.1 Water management during crisis, flood, and drought with ground water well preparation. 1.2 Treatment of water from manufacturing process. 1.3 Reduction of water usage in manufacturing process.	Sustainable reductions of environmental impact are as follows: 1. Water Management Objective: Consumption of water from natural source not exceeding 0.5 cubic meters per ton-product. Results: 1.1 Consumption of water from natural source in manufacturing processes is at 0.40 cubic meters per ton-product, which decrease from the consumption in 2018 of 38,000 cubic meters by 12 percent, underpinning the cooperation of Diamond People in the continuous effort to reduce usage of water from natural source over the past four years. 1.2 Wastewater from manufacturing processes is treated and able to be reuse 216 times, or 24,240 cubic meters per year.	Page 56
 Sustainability Concerns • Increase the share of renewable energy and improvement in energy efficiency.	2. Waste Management: Waste can be categorized into two categories: non-hazardous waste and hazardous waste. The utilization of 3R strategy is as follows: 2.1 Reuse, such as bags, paint barrels, pallets. 2.2 Reduce, such as reduction of raw material and energy usage. 2.3 Recycle, such as recycling of dust and cement sediment as raw material. 2.4 Disposal by law, such as wet sediment and paint are disposed by landfill according to the law.	2. Waste Management 2.1 In 2019, 48,643 tons of non-hazardous waste was generated, which decreased from 2018 by 1,914 tons or a decrease of 3.8 percent. The amount being reused and recycled was 4,874 tons, or 10.0 percent of all non-hazardous waste. 2.2 In 2019, hazardous waste generated was 4,078 tons, which decreased from 2018 by 1,018 tons or a decrease of 20 percent from 2018 2.3 The waste reduction project employing the 3R strategy has a target of generating of not exceeding 50 kilograms per ton-product. In 2019, the waste generated was 48.80 kilograms per ton-product, or a decrease of 2.4 percent. 2.4 Cement sediment reduction project by cross-feeding across production lines. 2.5 Sediment reduction using belt press with water from the production of cleats for tile support.	Page 58
 Sustainability Concerns • Reduce waste from production process. • Reduce the release of chemicals to air, water, and soil in order to minimize their adverse impacts on human health and the environment.	3. Dust Management Due to large amount of dust from the manufacturing processes and the concern of PM 2.5 to human health, measures have been put in place as follows: 3.1 Dust reduction project. 3.2 Dust recycle project.	3. Dust Management 3.1 Dust reduction projects at CT production line, such as dust trap chamber, dust trap on silos. 3.2 Reduction of dust dispersion in warehouse using sweeping vehicle was able to reduce dust around 29,200 - 36,500 liters per year, saving over 480,000 liters of pouring water per year. 3.3 Central dust collector project as a central system that collects dust from wood planing, being able to recycle dust around 3,500 tons per year.	Page 62
 Sustainability Concerns • Strengthen resilience to climate-related hazards. • Improve education, awareness-raising on climate change mitigation, adaptation, impact reduction, and early warning.			

SDGs	Operating Strategy	Indicators and Sustainability Targets	Reference
	4. Solution Oder Management 4.1 Treatment and control of odor as legally required by law. 4.2 Coating loss reduction project of CT production line.	4. Solution Oder Management 4.1 Odor treatment and air quality monitoring in manufacturing processes: the inspection showed that all indicators were in compliance with the standards as declared by the Department of Labour Protection and Welfare. 4.2 Reduction of solution dispersion project by optimization of spraying system and reduction of air pressure level.	Page 66
	5. Energy Management 5.1 Reduction of electricity usage project. 5.2 Optimization of steam usage in manufacturing process project. 5.3 Energy conservation conscious campaign.	5. Energy Management Objective: Reduction of carbon dioxide emission to not exceeding 46.2 kilograms-CO₂ per ton-product. Results: In 2019, CO₂ emission was at 46.07 killograms-CO₂ per ton-product, which is lower than the target.	Page 67, 70

Sustainability Development Principle

1. Economic Management

1.1 Sustainable Value Chain

With emphasis on effective use of resources to prevent business disruption that would affect the credibility toward all stakeholders, the Company has appropriately carried out all procedures concerning the value chain by considering the utmost benefit for every group of stakeholders, starting from the raw material procurement, manufacturing process, transportation, and distribution through various groups of trading partners such as domestic and export sales representatives, housing projects, modern trade, and responsibility to the consumers using the products and services offered by the Company, whom 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

Raw materials are keys to the Company's business operations. Therefore, the Company has established procurement policy for each type of raw materials. In particular, the main raw materials must pass the quality inspection and must be available from at least two suppliers to mitigate risk from shortage of raw materials. Each supplier is carefully selected, and the criteria for selecting new supplier are as follows:

Main Raw Materials: These includes cement, synthetic fiber, paper pulp, sand, and water, most of which are natural resources that require judicious use with zero impact to the society and environment. Compliance and control are paramount. For example, ISO 9001 and ISO 14001 certifications must be met. Suppliers are assessed or present documents related to environmental management at least once per year. A legitimate sand concession is a must. Additionally, prices are compared with other trading partners with the same standard. Raw materials are inspected before entering the manufacturing process to ensure the established standard, ensuring the finished products with quality according to established standard.

(B) Manufacturing Process

The Company is committed to manufacturing process improvements by applying new technology and innovation in each manufacturing process. With focus on personnel development to foster innovation ideation, and with good cooperation with all employees, many programs have been organized, such as, Total Productive Maintenance (TPM), Quality Control Circle (QCC), and Material Cost Improvement Program, resulting in increased overall equipment effectiveness (OEE), and reduced production cost. Moreover, environmental impact mitigation activities were carried out such as water management, air pollution reduction, energy saving, process waste reduction, re source consumption reduction, greenhouse gas reduction, etc.

(C) Packaging

The Company places emphasis on the packaging since our products are fragile and heavy construction material. Robotic system has been introduced in place of manual labor at high-risk areas. This resulted in increased production efficiency and reduced costs. More areas are adopting robotic system at the present. To ensure safe delivery and pristine quality of products at the hands of agents and consumers, the packaging design must be robust and can prevent breakage of products during delivery. Additionally, transporters must return the pallets being used to load the products in the previous trip for reuse, resulting in reduced packaging cost and minimized impact to the environment.

(D) Transportation / Storage

The Company has developed efficient transport system to ensure correct, fast, and timely delivery of products to customers and consumers in a safe manner. Also, transport personnel and assets 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 for Reduced Energy Consumption:** The cost structure for product delivery has been revised to better suit the changing fuel cost. In order to alleviate traffic congestion and mitigate risks from road accidents, the multimodal transportation is used by utilizing transportation by trucks and marine vessels. Roundtrip transport and full-loading are employed to increase loading efficiency, decrease number of trips, decrease transport distance, and reduce energy consumption. Products are monitored by using photographs. To prevent product returns due to unfit condition,

crane-equipped trucks are used to minimize manual labor and ensure delivery standard. Additionally, more deliveries are initiated at Khon Kaen Distribution Center to alleviate traffic concerns and reduce energy usage.

2. Safety:

- 2.1 Arrangement of training courses on safety and work procedure for employees, warehouse labors and drivers of both groups including Company's delivery and Customers' own pick-up, domestically and overseas. Moreover, operation at risky areas are being monitored, such as, loading areas and canvas covering areas, to reassure that safety equipment are fully used.
- 2.2 Improvements 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 have been established. Also, necessary personal protective equipment is prepared to ensure work safety, such as, arrangement of certified safety helmets for drivers and canvas covering areas to ensure work safety.
- 2.4 Arrangement of annual health checkup for the workers in transport services or drivers to take care of workers' health and prevent illness from workplace, as well as boosting morale among the workers that they are being taken care as the permanent employees of the Company, arranging lounge areas and restrooms for drivers waiting for products, etc.
- 2.5 Measures for annual inspection of transport vehicles affiliated with the Company to make sure that the transport vehicles are always safe and ready for use, including establishment of vehicle standard to ensure road safety for road-side communities.
- 2.6 Promote engagement in safety activities for workers in transport services or drivers receiving the products, raising awareness for vigilance against danger from accidents, such as reminder on danger in each area or Kiken Yoshi Training (KYT), etc. Work equipment is inspected and improved to ensure safety, such as the truck weighing equipment.

3. **Work Efficiency Improvement:** Encourage employees to engage in Kaizen, OPL, and QCC projects to improve work efficiency. Morning brief before work is arrange daily as a communication channel for announcements and receiving feedback from operators, as well as ensuring clarity on the operation, quick response to potential problems, and minimizing accident for safety and wellbeing.

(E) Domestic and Export Sales Agents

The Company's domestic sales agents have over 800 establishments throughout Thailand, separating into 3 groups, namely: original sales agent group, modern trade group, and public and private real estate project group, including export sales agents, which are mostly in the CLMV countries. The Company has a policy to take care of original sales agents and focus on increase coverage of new sales agents in all provinces in Thailand. Every group of sales agents is treated as a Diamond family member with fair and appropriate management of compensation and benefits. Consultation or advice is provided when the sale agent is faced with business problems. Training and development plans and courses in several topics have been set up and continuously carried out to provide and increase knowledge and competitiveness for the sales agents.

(F) Consumer Use / End-of-Life

The Company has responsibility to the consumers, the last group of stakeholders in the value chain, whom purchase Diamond products for their uses. 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, such as: (1) Product information and installation guides, (2) Labelling with detailed information, (3) Communication channels for consumers on product and service information, prices, sales agents, after-sale services, giving feedback and complaints via Call Center (Tel 02 619 2333), e-mail (callcenter@dbp.co.th), and online channels which garnered much attention from consumers, such as Facebook, Youtube, Instagram and @Line, etc. Additionally, several exhibitions have been arranged in 2019 that included product display and demonstration for consumers, as well as queries on product and service information with specialists. The exhibitions include Baan and Beyond Expo 2019 at BITEC Bangna.

1.2 Responsibility to Products and Services

With the vision **“To Be a Better Choice for Construction Materials and Services,”** the Company is determined to manufacture environmental friendly products in accordance with established standards toward sustainable development.

(A) Products and Services include the following five main groups:

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, CT Venice, Adamas and Concrete Ridges, etc.
2. **Board and Ceiling Product Group**, namely Boards, Ceiling or **“Diamond Board”**, Autoclaved Aerated Concrete or **“Diamond Block”**, Lintel or **“Diamond Lintel”** and Kitchen Counter or **“Diamond Counter”**, 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 including steel roof with volcanic rock coating **“DECRA”**, 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.

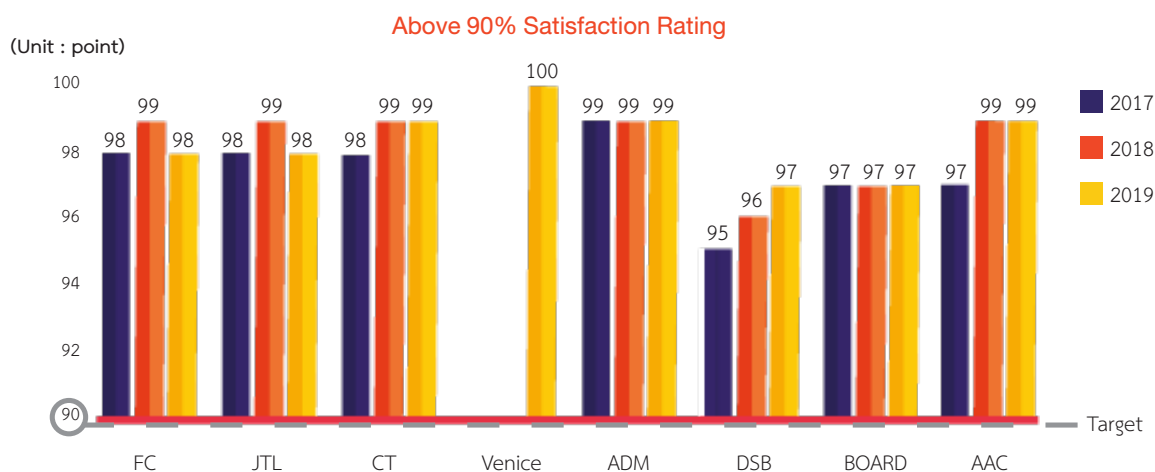
Apart from these two groups, recommendations have been given on storage and maintenance of products before usage, correct methods for control and disposal of scraps from work, which is another way to help reduce air pollution and take care of the environment.

(B) Satisfaction Assessment on Products and Services

The Company has arranged satisfaction assessment for sales agents nationwide. It was found that sales agents have loyalty toward the brand (Diamond Brand) due to its wide range of products that can be used to build a whole house, systematic installation and after-sale services, and is well known among consumers. In 2019, the Marketing Division has arranged the satisfaction assessment for sales agents nationwide with the sample size of 170 samples, in which 169 samples have responded, or a 99 percent response rate which is within target. The details are as follows:

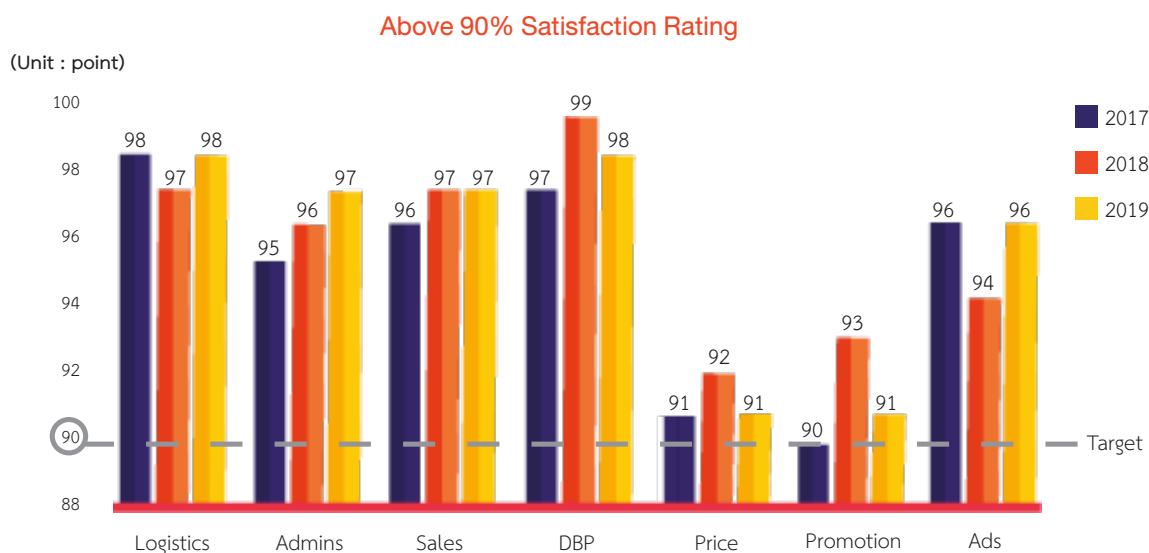
Satisfaction toward Product Groups

The target satisfaction rating is above 90 percent. The satisfaction rating in 2019 is above the target for all product groups.



Satisfaction toward Products and Services

The satisfaction rating target is above 90 percent. The satisfaction ratings for year 2019 are above the target for all products and services. Promotions on the sale support tools have been continuously improved, but there were still not enough for the store demand. With the fierce competition on prices in the market but the Company focused on product developments rather than the price competition, the satisfaction on price and promotion categories have thus decreased, with details as follows:



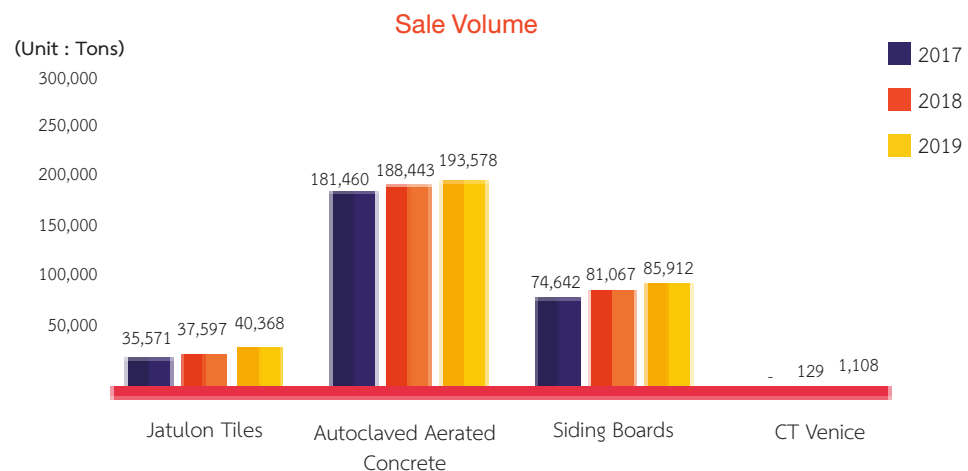
In 2019, the satisfaction categories that need improvements are: product glossiness, packaging, inconvenient of products pickup at the factory (by the sales agents themselves), customer support on weekends, and marketing information. The Management Committee has assigned related departments to proceed with further improvements.

(C) Innovation Management

The Production Technology and Innovation Committee (PTI Committee) is committed to explore opportunities to utilize technology and innovation to improve production efficiency. The policy on innovation states that: **“The Company strives for innovative business operations by developing the personnel to be knowledgeable, capable, and creative to foster innovation ideation to develop new products, leading to increased competitive potential and reduced impacts to the society and the environment, ensuring that the Company can sustainably adapt to changing situations.”**

Many of the projects stemmed from fundamental projects such as Kaizen, QCC, and TQM, adapting experiment results to actual manufacturing processes, resulting in reduction of production costs and increased competitive edges. The works on innovation are as follows:

1. **Innovation on Products and Development:** In 2019, the Company has expenses related to research and development of around Baht 2.1 million to ensure the fulfilment of the Company’s vision **“To Be a Better Choice for Construction Materials and Services,”** along with continual development of environmental friendly products. The Company have received **“High Energy Efficiency Label”** standard from the Department of Alternative Energy Development and Efficiency, Ministry of Energy, for 11 models to be affixed on the Company’s products. With the target growth of at least 5 percent per year, the innovative products saw growth of around 3 to 7 percent.



- (A) **Product-level Innovation:** In 2019, new environmentally friendly products are developed as follows :

1. Double sinks to meet consumer’s demand and reduce installation time.
2. Half-installed, autoclaved aerated concrete bathroom vanity, which is specially designed for project customers, offering a different option to meet the customer’s demand.
3. The DECRA roof tile, which is an Aluzinc steel tile coated with volcanic rock using technology from New Zealand. The Company has developed installation process that is suitable for local use. It is a beautiful product that resists heat and cold, not bending or breaking, as well as robust and environmental friendly.

(B) **Research and development to reduce environmental impact** has resulted in better working condition.

1. Development of new production formula that reuses wood planing dust in board and wall manufacturing instead of calcium carbonate, decreasing dust waste by 3,500 tons per year, resulting in better working environment.
2. Development of solution that reduce water usage in CT tile production, decreasing cement usage by 2,300 tons per year.
3. Development of new production formula that uses less paper pulp, decreasing paper pulp usage by 30 percent.
4. Development of two new colors:
 - **Almond color siding boards:** a light brown color with orange hue, offering a lighter and shinier siding board, helping with heat reflection and energy saving.
 - **Summer Red color concrete tiles:** a medium tone oil color with increased glossiness, helping with heat reflection and energy saving, resulting in cooler interior.



2. **Manufacturing Innovation:** In 2019, the works on manufacturing innovation and production optimization are as follows:

2.1 NT-11 Project: The Board of Director has resolved to approve the investment in NT-11 project. The objective is to increase the production capacity of siding boards and tile support with natural fiber, with the production capacity of 55,000 tons per year and the investment budget of Baht 400 million. With the goal to meet customer's demand and create continuous growth, the project is expected to complete in the fourth quarter of 2020.

2.2 Smart Factory Project: The PTI Committee has established a long-term goal to develop automated and robotic systems in risky and accident-prone areas, or areas with heavy works that are unsuitable for manual labor, and repeated works. With the target to deploy 50 systems within 5 years, the Diamond Automation & Robotics Transformation Team (DART Team) has been established to further develop automated and robotic systems.

- **RID Robopack Project:** The project utilizes robots in place of manual labor for curved ridge packaging, improving precision and speed, mitigating labor shortage, and reduced accidents. The pilot project was completed in March 2019 and very successful.
- **Other automation and robotics projects:** Other ongoing projects include painted tile feeding, "Pack 4" project which expected to be completed in the first quarter of 2020, and other projects currently under preliminary study, etc.



3. Roof Installation Innovation

- **Truss:** The standard-compliance Diamond Brand truss system has been developed to maintain installation quality and effectiveness, while meeting the demand of project customers and general customers who use truss. It is a value added project, reinforcing the complete set of beauty motto.
- **Sketchup Project:** The Sketchup application was utilized in the design and product requirement calculation, resulting in increased precision, reduced time required, and minimum mistakes in the design process. As a 3D system, the application helps designers and customers in checking the correctness of the design in a quick manner, creating a distinct difference in offered services.

4. Innovation in Sales and Marketing

According to the commitment in developing technology to ensure contemporary business operations driven in today's "digitalized" world, the Company has developed innovation in sales and marketing as follows:

- **QLIK Application:** QLIK is a data analytic application that helps with sales and marketing analytics, enabling convenient and easy presentation, fast and effective access of information by the executives. The project is expected to be ready to use around early 2020.
- **Mobile Application Project:** The Company has developed "Diamond Brand" mobile application for Android and iOS devices, which allows quick access of information for consumers. The features include simple material calculations, product catalogue, sample home models, dealership search, information on roof installation services, news and events. The application is a channel for product sales, marketing communication, and corporate image. Additionally, communication is also engaged on Facebook, Instagram, YouTube, and LINE, with much attention from the consumers.
- **Web Sale Application:** An improvement on receiving purchase orders from customers in e-commerce environment, enabling customers to order products from the Company all day, 24 hours, via computers or mobile phones. Other features include credit line and invoice checking, as well as payments. The project is ongoing and expected to be completed within 2020.

5. Documents Management Innovation

- **K2 Application:** An electronic workflow technology that reduce paper work, minimize mistakes in document approval workflow, reduce paper usage, increase productivity, and is able to connect to SAP application to reduce redundant works. This year, work has been done on the procurement system, purchase requests, ISO related work, and DAR for job change requests, resulting in accurate, fast, and effective workflow. The Company will continue to optimize other processes in the future.

6. Learning Promotion toward "Innovative Culture": Throughout 2019, employees have participated in many innovations related training and development programs to ensure continuous development on innovation as per established goal.

- 6.1 The Company has participated in an innovation capability promotion program hosted by the National Innovation Agency (NIA) and the Stock Exchange of Thailand. Additionally, the Company has been selected by the NIA to receive the “**Innovative Organization Year 2018,**” and employees have attended practical workshops on innovation to apply the knowledge on creating corporate innovation system.
- 6.2 Employees have attended “**Process Innovation Coaching Program**” organized by the Stock Exchange of Thailand and Thailand Productivity Institute, with the objective to create actual innovation development from within the organization. With coaching from experts in innovation from the Thailand Productivity Institute, executives and employees have initiated various projects within the Company, such as siding board separation projects, automatic sieve washing machine, and many other projects, etc.
- 6.3 The Company has sent employees and engineers to conduct site visits regarding AI and robotics in Shanghai, China, with the objectives to apply the knowledge about robotics and automation in the Company as one of the major factors contributing to continuous development of innovation.
- 6.4 Other automation related works include research on Robotic Process Automation (RPA) and Collaborative Robot (COBOT) as alternatives to simple tasks or handling of information with repeating patterns.

1.3 Tax Responsibility

Tax Policy: “The Company aims to be a growing organization with values that is strictly accountable to tax laws to add sustainable value to the society.” In order to achieve the tax policy, the following tax related objectives have been established:

1. Committed to comply with laws related tax administration in every sector of the Company and the subsidiary.
2. Lawfully exercise tax benefits and use tax structures in an appropriate manner with no tax evasion.

Guidelines for Tax Related Work

1. Establish monitoring process on changes to tax related policies and laws of the government. The Accounting and Financial Division, Human Resources Division, Legal Office, and other units relating to each tax category are to regularly monitor and report on new laws to the Management Committee and the Board of Directors.
2. Establish guidelines and duties regarding tax submissions and refund submissions for each tax category to ensure timeliness and compliance to the Company’s regulations.
3. Risks regarding to tax laws are assessed by the Internal Audit Office to ensure compliance with tax laws and to systematically mitigate such risks.
4. Tax related systems are reviewed, from tax payments and tax refund to tax benefits and tax related reports by the external independent auditor and the Internal Audit Office. The results are to be reported to the Audit Committee and the Board of Directors regularly.

In 2019, all types of tax were completely paid to the Revenue Department, and the details have been already disclosed in the financial statements of the Company. Additionally, there was no error on tax related work of the Company.

2. Social Management

2.1 Occupational Health and Safety Management

In 2019, the Company has been certified with ISO14001:2015, an occupational health and safety standard that promotes participation, risk conscious, opportunities, legal concerns, and other aspects in a global perspective. The Company has been certified by Lloyd Register Quality Assurance (Thailand) Co., Ltd. The certification will be expired on January 2021.

The Company believes that accidents, injuries, and illness that are caused by work are preventable, and thus has raised awareness on safety with cooperation from all Diamond People. The Occupational Health, Safety and Workplace Environment Committee (OHS Committee), DBP-1 Plant, DBP-2 Plant, Khon Kaen Branch, and the subsidiary company, in cooperation with Safety, Health, and Environment Department (SHE) has prepared a handbook for safety protection measure, organized training courses on safety and campaign on reduction of risky behaviors which are major causes of accidents. Additionally, accident protection measures have been put in place, which resulted in continuously decreasing accident incidents and can be summarized as follows.

Accident Statistics from the Past 6 Years

Accident Statistics (Unit : Persons)	Total	Employees	Contractors	Contractors			Total	
				By Group			By Level of Severity	
				Production/ Maintenance	Transport	Repair/ Construction	Causing Stoppage	No Stoppage
2014	22	10	12	11	1	-	13	9
2015	12	6	6	5	1	-	6	6
2016	6	2	4	4	-	-	3	3
2017	7	4	3	1	1	1	5	2
2018	2	2	-	-	-	-	1	1
2019	3	3	-	3	-	-	3	-

Accident Statistics from the Past 5 Years

Rate of Accidents (Unit: case/1,000,000 man-hours)	Accident Record Frequency Rate (AFR)	Lost Time Injury Frequency Rate (LTIFR)	Lost Time Injury Severity Rate
2015	1.97	0.99	23.33
2016	0.99	0.49	9.12
2017	1.32	0.80	7.92
2018	0.32	0.16	1.62
2019	0.43	0.43	4.56

Additionally, accident prevention measures are produced, which continually reduce accident.

Accident Prevention Measures

(A) Accident Prevention Measure Handbook

The OHS Committee and the SHE Department recognize the risks which may cause accidents during 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 employees and contractors regularly, as well as reviewing the Accident Protection Measure Handbook, which can be summarized as follows:

1. Since 2015, **7 basic safety rules** or “**SHE 7 Rules**” have been established to build safety conscience among employees, contractors and outsiders entering into the inner areas of the factory, in which the 7 basic safety rules must be strictly follows: including (1) Dress Code, (2) Safety Shoes, (3) Safety Helmet, (4) Smoking, (5) Alcohol Level, (6) Bicycle Use, and (7) Telephone, Music Listening, and Ear phone Use.
2. Since 2016, **7 Risky Work Permits** or “**7 Permits**” have been added to prevent accidents in highly risk-prone areas. It has been established that permits are required before entering to work in high risk areas, which include the follow 7 risky areas: (1) working from height, (2) places with heat or sparks, (3) confined spaces, (4) places with radiation, (5) places with high voltage, (6) chemical loading, and (7) repair/construction.
3. In 2018, “**7 Enforcement**” **rules** are added which include: (1) modification notification, (2) risky behavior coaching, (3) probations, (4) CAR being issued in standard system, (5) monetary penalty, (6) plant access ban, and (7) disciplinary action. Additional measures to eliminate risky behaviors include “Stop Card” reports, risky area reports, and near-miss incident reports.
4. Throughout 2019, inspections have been done on working conditions in general work areas, equipment and tools, machinery, repair works, construction works, improvement works. This is to ensure consistent safe working condition. The inspections have been conducted 1,107 times.

Image: Safety Inspection



With strong commitment on safety, the Diamond People have become actively aware of accident prevention. As a result, the Company was able to reduce the number of accidents from 22 incidents in 2014 to 3 accidents in 2019, and the Lost Time Injury Severity Rate (LTISR) was reduced from 23.33 in 2015 to 4.56 in 2019.

(B) Risky Behavior Reduction Campaign Year 2019

1. **Unsafe Condition (UC):** An activity aimed to decrease accident prone areas, which has received cooperation with every unit to assess and improve work area condition so that they are safe for work. According to the UC Report, 2,229 accident prone areas have been eliminated, contributing to safe environment.

2. **Unsafe Action (UA) or STOP CARD:** An interactive activity by helping one another stop risky behavior by using a stop card. The activity has been well cooperated by the area owners, and there were 8,464 reports which led to change of behavior for safety.
3. **Near Miss Report:** A campaign encouraging reports on near miss incidents, which has received good cooperation from the area owners. The number of reports was 883 reports, and the OHS work unit, together with the area owners, have managed to reduce near miss incidents to create safe working areas.
4. **Safety Talk and KYT (Kiken Yoshi Training):** An activity to help remind about safety in over 20 areas per week, totaling over 900 times per year.
5. **Walk Rally:** An activity being held totaling over 4 times per year on safety fundamentals aimed as a refresher on rules, penalties in case of breach.

(C) Safety Knowledge Training

The OHS Committee and the SHE Department 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 workplace by organizing training courses on role and duty of OHS Committee and training on workplace safety, namely crane operation, driving vehicles, first-aid, basic firefighting, and safety meetings. Currently, over 60,000 working hours of safety training have been recorded.

(D) Training on Emergency Response

The OHS Committee and the SHE Department have together organized training on emergency response, such as fire evacuation drill, practice drill in case of broken asbestos bag and chemical leaks, etc.

Fire Evacuation Drills



(E) Safety Checks

In 2019, the OHS Committee and SHE Department have performed safety checks in manufacturing plants to ensure compliance with regulations, from 833 times per year in 2018 to 1,107 times per year in 2019, or an increase of 24.75 percent.

2.2 Care for Diamond People

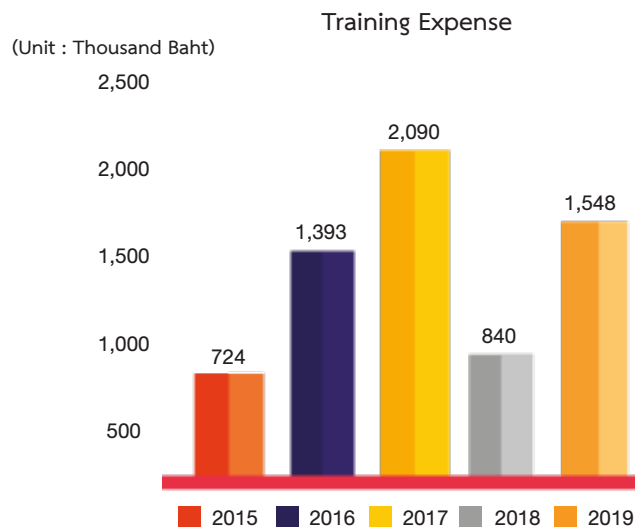
(A) Training and Development for Diamond People

The Company believes that development of skills and knowledge of Diamond People along with fostering of the corporate values are the key to equipping Diamond People with potential and knowledge for sustainable growth of the Company. In 2019, the Company has a goal to provide training and development for Diamond People for **6 hours per person per year**. There were 55

development courses in 77 classes, with total training hours of 7,710 hours, or 8.42 hours per person per year on average, and training expense of Baht 1.5 million. The provided trainings included in-house and public trainings. Training and development for this year focused on innovation, with supports from the Stock Exchange of Thailand, the National Innovation Agency, and Thailand Productivity Institute. With an intention to develop the knowledge base for transformation into Smart Factory, trainings were giving in a style of coaching and consulting, with supporting development through development programs.

Type of Courses	Year 2017 Training Hours	Year 2018 Training Hours	Year 2019		
			Number of Courses	Number of Classes	Training Hours
1. Productivity Improvement	24	780	3	4	648
2. Standard System (ISO)	318	189	2	3	798
3. Human Resource Development	2,769	1,527	13	27	3,234
4. Technical Training	2,010	786	31	36	2,343
5. Safety	990	588	2	3	576
6. Energy	183	84	3	3	66
7. Others	18	69	1	1	45
Total	6,312	4,023	55	77	7,710

Trainings of Employees in 2019 Target: Total 6 hrs./person/year	
Average Training Hours (hr./person/year)	8.42
Average Training Hours by Genders	
Male	8.18
Female	9.10
Average Training Hours by Employee Levels	
Executives	30.04
Supervisors	11.03
Operations	4.99



1. Build Conscience of Productivity Improvement

The Company recognizes that employees are the driving force for sustainability of the organization, who have provided suggestions and have engaged in the following activities:

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 Diamond People. The employees shall be trained to become experts on machinery, who can utilize and maintain the machinery with highest efficiency, which is beneficial to the operation and performance of the organization. TPM methods include: Autonomous Maintenance, Focus Improvement, Overall Equipment Effective, and Maintenance Awareness, which have been well received and participated by the Diamond People from every department.

1.2 OEE (Overall Equipment Effectiveness): OEE is the indicator of efficiency and effectiveness of the equipment having three main variables: 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.

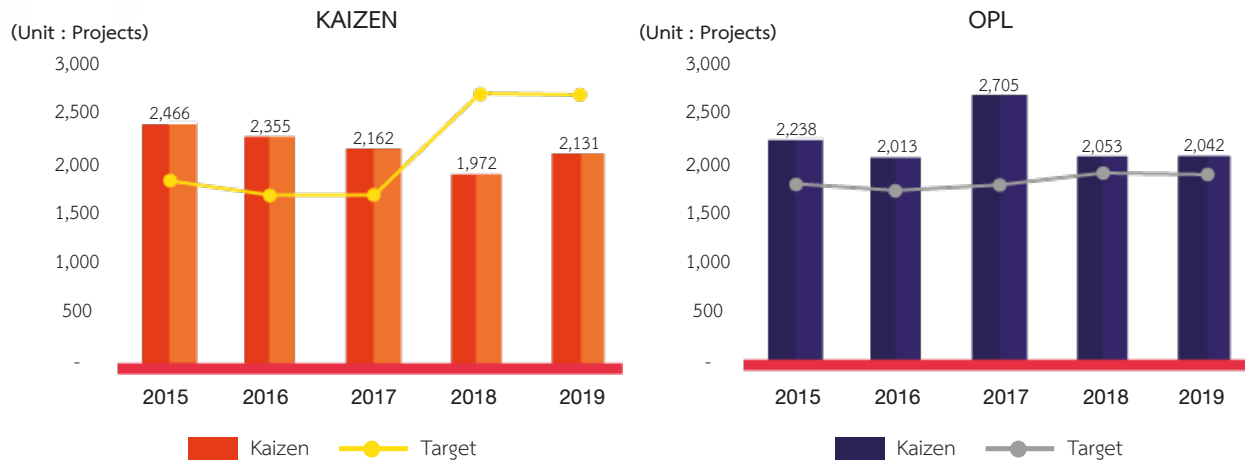
OEE Items	Unit	Year 2017 BM	Year 2018		Year 2019	
			Target	Actual	Target	Actual
1. FC Plant	%	86.22	80.00	82.57	80.00	85.80
2. CT Plant	%	91.46	91.40	90.78	91.40	89.64
3. ACC Plant	%	70.00	75.00	81.30	80.00	83.90

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 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.

1.4 OPL (One Point Lesson): OPL is a communication tool for transferring knowledge among employees in each department in order to reduce redundancy and increase work efficiency. In 2019, OPL program was conducted with a total 2,042 lessons.

1.5 Kaizen: An activity promoting mental acuity among employees to come up with suggestions to improve the work under their responsibility, resulting in increased productivity, reduced cost, environmental conservation, and safety. In 2019, there were 2,131 Kaizen projects proposed by employees. Apart from the internal Kaizen Awards being held every year, the consideration on the projects for this year was more comprehensive, in which each division shall establish their own objectives in preparation for proposing the topics to the Kaizen Awards of the Technology Promotion Association (Thailand-Japan) or TPA.



Proposals for Improvement Receiving Kaizen Awards in 2019

Awards	Proposals for Improvement	Categories
Winner	Improvement on stair treads manufacturing	Quality and Productivity
Consolation	Feeder Support for Eaves Plus GV4	Quality and Safety
Consolation	Manufacturing improvement to reduce water scales on tiles	Quality

1.6 QCC (Quality Control Circle): QCC is a quality control group activity promoting teamwork in work quality improvement using analytical, rectification, and follow-up methods and procedures. Details of all projects are disseminated on the Company's Intranet knowledge base, accessible for all employees for their own implementation. The Company also arranges QCC Awards to provide all employees with opportunities to demonstrate their capabilities and develop QCC presenting skills. The projects which have been selected to compete in the QCC Awards for year 2019 are from the following five teams, with winners as follows.

No.	Projects	Team Name	Division
1.	Double end machine chain link channel improvement	Zero Breakdown	EN
2.	Not fully loaded six-wheel trucks	Speed Team	LG
3.	Optimization on fence top shaping	Manufacturing	FC
4.	Hydraulic of Autoclave	AAC	AAC
5.	Reducing gravel in sand at sieve no. 1 before discharging to the chamber	RM CT	CT

Remark : FC = Fiber Cement Tile Production Division, CT = Concrete Tile Production Division, AAC = Autoclaved Aerated Concrete Division, EN = Engineering Division, and LG = Logistics Division

1st Prize: Optimization on Fence Top Shaping**Causes of Problem:**

1. Fence top shaping can be done only one piece at once, which is inadequate to demand from increased sales.
2. It is a basic system requiring manual labor to shape the top continuously at all time, with risks from illness and injuries, and labor shortage.
3. The finished products are low standard. There are problems with unequal round shapes of the wood.
4. There is a risk from the task due to inadequate safety features of the machine.

Solution: The manufacturing process is improved by designing and developing a semiautomatic machine. The production capacity is increased by 100 percent, from 1,500 pieces/day/machine to 3,000 pieces/day/machine. The machine requires less manual labor operations and much safer.

Outcome: Monitoring from January to December 2018, being able to reduce production cost by Baht 162,747 per year, and reduce risk of illness and injuries from work.

1st Consolation Prize: Double End Machine Chain Link Channel Improvement

Objective: Improvement to chain link channel by designing new chain links, new channel, and changing channel material to increase its sturdiness.

Outcome: Life cycle of the chain link channel increases from 2.5 months to 5 months, saving maintenance cost by 87 percent.

2nd Consolation Prize: Freight Cost Saving Due to Not Fully Loaded Six-Wheel Trucks

Objectives: To reduce a problem regarding not fully loaded trucks by using a six-wheel truck that can receive two orders per one delivery, managing the delivery to nearby destinations to allow full loading.

Outcome: Loading weight insurance cost (in case of not fully loaded) with transport operators reduces by Baht 133,200 per month.

1.7 5S Activities: 5S activities are ongoing activities involving improvement on 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) (TPA) 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, and the results of the 5S Award for 2019 are as follows.

Areas	Average Score	Notable Areas
Large Plant Area	82.24	Paper Pulp and Crushed Sand Preparation Section, Fiber Cement Tile Division
Plant Area	87.75	Electrical Maintenance Section, Engineering and Maintenance Division
Storage Area	91.18	Central Warehouse, Engineering and Maintenance Division
Office Area	91.03	Autoclaved Aerated Concrete Office

2. Building Conscience on Corporate Social and Environmental Responsibility

The Company encourages employees and executives to enroll on training courses and sustainability-related activities, to apply the learned practices to business operations of the Company for sustainability. The enrolled courses include:

- 2.1 Fundamental and workshop courses on business management for sustainability by the Corporate Social Responsibility Institute (CSRI) and the Stock Exchange of Thailand, including courses on sustainable development by other institutes totaling 19 courses.
- 2.2 Engaged in “THSI Coaching 2019” a personalized, in-house, one-on-one session with instructors provided by the Stock Exchange of Thailand. Fifteen executives of the Company have attended the session to improve their knowledge on sustainable works and to prepare for the participation of THSI project in 2019.
- 2.3 In order to promote employee engagement toward corporate sustainability, various activities have been held for employees, including activities promoting occupational health and safety in order to prevent accidents and minimize risk-prone behaviors, activities promoting energy economy, campaigns promoting employee engagement on sustainability in which employees may provide suggestions on how to reduce energy usage and paper waste, etc.
- 2.4 The Company participated in the **Thailand Sustainability Awards**, held by the Stock Exchange of Thailand, for the third year. The Company passed the sustainability assessment criteria and proceeded to the interview round with the award committee, and ultimately was listed in “Sustainable Stock” or “2019 Thailand Sustainability Investment (THSI)”, being a company with balanced emphasis on both financial operating results and responsibilities toward stakeholders, society, and environment. The Company also effectively takes into consideration the **environmental, social, and governance aspects (ESG)** as a mechanism for sustainable development of its business. The award was received on November 26, 2019.

Additionally, a senior executive, **Mr. Soonthorn Suwanchet, Assistant Chief Executive Officer - Production and Engineering**, was invited by the Stock Exchange of Thailand as a speaker in a training session “DRT: Diamond People Strategy in Development of Sustainable Society and Community” on November 7, 2019.

(B) Respect for Human Rights

The Company has a policy “**Conducting businesses by abiding by the law and adhering to the human rights principle, with zero tolerance toward discrimination on race, nationality, religion, and culture, encouraging sustainable development as a whole.**” The Company does not support any acts that violate human rights, and extend human rights principle toward all stakeholders, including, Company’s employees, shareholders, domestic and overseas customers, trading partners, competitors, consumers, mass media, communities, and government. This principle has been established in the Code of Conduct, which is used as a guideline for business operations as follows:

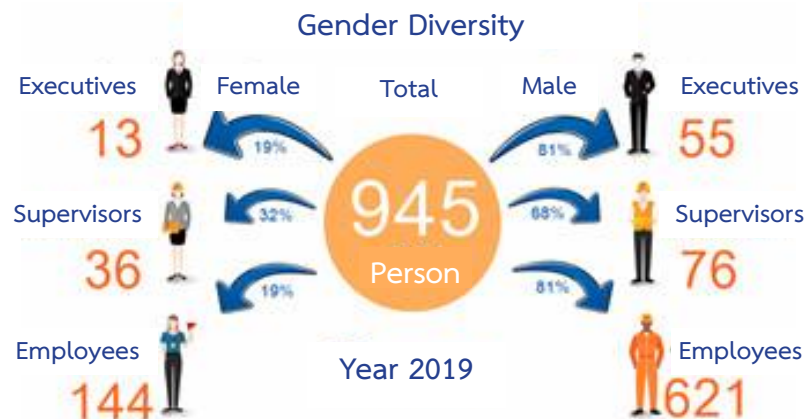
1. Adhere to the principle of human rights and give no support to trading partners who violate the principle of human rights. The principle of human rights includes individual safety and protection; free from any violations or abuses; freedom of association; equality; equal opportunity regarding race, skin color, religion, gender, sexual preference or disability; and work dignity. The Company ensures humane working environment, health and safety of the

employees without forced labor and child labor, all according to the laws and being inspected by related agencies.

2. Ensure 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. Assign the Safety, Health and Environmental Department (SHE) to have 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 fairness on human resource management, and treating all Diamond People with equality, fairness, and dignity as they are a part of the organization which drives the business toward success. The Company also adheres to the Labor Protection Act, the Labor Relations Act, and other related laws and regulations, including personnel recruitment; employment; training; employee retention; wages, compensations, and benefits; welfare; complaints; equal opportunity; and arranging Intranet and website for communication of important information. In 2019, the Company has presented the “25 Years of Diamond Diligence” awards for the third consecutive year as moral support to employees, arranged “DBP Health Me, Up !!” activity promoting good health among employees with advanced ages and high risk. The Company has also added more equipment to the “Diamond Fitness Room”, to have area, which is replete with fitness equipment to promote better quality of life for both male and female employees equally. According to the Gender Diversity Table (see details on page 149 under topic “Human Resource Management”).



In 2019, the Internal Audit Office has monitored the Company’s adherence to the principle of human rights and fair labor practice. No complaints were found, and the result was duly reported to the AC Committee and the Board of Directors.

2.3 Sustainable Social and Community Development

(A) Responsibility toward Diamond Society

Responsibility toward Diamond Society is the main mission of the Human Resources Division of Company in order to become a happy organization, making sure every employee is 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 toward **8 Aspects of “Happy Workplace.”** The examples of the activities are as follows:

1. Happy Body (Good Health):

1.1 “DBP Health Me UP” Project: A long-term project promoting good health for Diamond People every year, from senior and high-risk individuals to young individuals. The project is ongoing from June to November, 2019, with monthly activities related to health, such as seminars, special lectures from health specialists, fat reducing competition year 2019, and basic health check-up.



1.2 “Cervical Cancer Awareness” Activity: An activity promoting female hygiene and prevention of cervical cancer for Diamond People and contractors who are over 30 years old. A free cervical cancer testing was provided at Kasemrad Hospital Saraburi on February 8, 2019.



1.3 “Four Influenza Strains Vaccination”: A health-promoting and infectious disease preventing activity for Diamond People, their family, and contractors to get vaccination services at special price, provided at Saraburi Plant and Bangkok Office on August 29-30, 2019.



1.4 “Diamond Brand Fun Run 90-Day Challenge”: A health promoting activity that promotes physical activities by accumulating running or walking distance of 115 kilometers within 90 days. The activity started from July 9 to October 6, 2019. Mr. Satid Sudbuntad, Chief Executive Officer, presented commemorative shirts at the event.



1.5 “Up Close and Personal with HR”: An activity focusing on raising health awareness by HR team conducting basic health check-up and providing advice for autoclaved aerated concrete plant’s employees on October 28, 2019.

1.6 “Healthy Smoothie” Activity: An activity offering healthy tips with an expert teaching Diamond People how to make easy fruit and vegetable smoothie. The activity was held on November 28, 2019.

1.7 “Factory Team vs Sales and Marketing Team Traditional Football Match”: An activity promoting good health of Diamond People and strong relations between Plant Team and Sales and Marketing Team on December 24, 2019 at Diamond Employee Dormitory’s sporting field.



1.8 The Diamond Fitness Room is open for Diamond People and family every day to promote good health for everyone.



2. Happy Heart (Kindness):

2.1 “Diamond Flood Relief Donation for Ubon Ratchathani” Activity: Diamond People donated flood relief supplies to flood victim in Ubon Ratchathani Province on September 20, 2019.

2.2 “Winter Supply for Kids” Activity: Diamond People donated warm clothes and supplies to mountain tribesmen in Fang District, Chiang Mai Province on December 4, 2019.

3. Happy Soul (Peace):

3.1 “Mind Development for Balanced Life - 9th Year” Activity: The Company has organized this activity annually to promote Buddhism by encouraging employees to participate in practicing the dharma at the Wat Tham Khao Wong, Phra Phutthabat District, Saraburi Province.



3.2 “DBP Buddhist Lent Year 2019” Activity: Diamond People supported the Buddhist activity with the community at Wat Khok Sa Ad and Wat Tan Diaw, Saraburi Province.



3.3 “Kathina for Local Temples” Activity : Diamond People promoted Buddhism activities with temples and the local in the community, by hosting Kathina (robe presenting) together at Wat Tha Yiam, Wat Manee Sophon and Wat Tan Diaw, Saraburi Province.



4. Happy Relax (Relaxation):

- 4.1 **“The North Face 2019” Activity:** Diamond Brand supported the hiking-running competition to promote environment conservation in Khao Yai National Park. Fifteen members from the Diamond Running Team Club participated in the event, as well as organized booth displaying products and distributed drinking water to the runners and interested people attending the event on January 25-27, 2019.



- 4.2 **“Bring You Home Safely” Activity:** Diamond Brand arranged a religious ceremony and provided charms for employees before travelling back to their hometown during Songkran festival on April 12, 2019.

- 4.3 **“Refreshing Drinks, Cordially from Diamond Brand Year 8”:** Diamond Brand gave out refreshing cool drinks to all employees and contractors during hot summer days in April and May in 2019.



- 4.4 **“New Year Party”:** Diamond Brand arranged a religious activity in the morning and a jolly activity to celebrate new year altogether among Diamond employees.



5. Happy Family (Good Family):

- 5.1 **“Diamond Spark Scholarship 2019”:** Diamond Brand granted scholarships to employees’ children from primary school level to higher education, totaling 50 scholarships, on May 8, 2019.



- 5.2 **“Handmade Bags for Mom”:** Diamond Brand hosted the Mother’s Day activity involving a design contest of woven handmade bag on the theme of mother appreciation, promoting family institution, on August 9, 2019.



- 5.3 **“S-26, Vital Information for Parents”:** Diamond Brand hosted a family promoting activity for employees and contractors with children, with a speaker giving advice on nutrition for young children on September 2, 2019.



6. Happy Society (Good Society):

- 6.1 Good Society Starts from Within:** Diamond Brand firmly believes that by ensuring happiness and good quality of life withing our organization, our organization will stay strong. With a strong focus on taking care of Diamond People, two dignified ceremonies have been arranged for Diamond People “25 Years of Diamond Diligence” and “60 Years - Blissful Diamond Retirement.”



- 6.2 Promoting Freedom to Elect:** Diamond Brand respects the freedom to elect the Employee Committee Members for year 2019 according to the Labour Relations Act B.E. 2518 (1975).



- 6.3 Support to the Community:** Diamond Brand stays focused on organizing community service activities to create good society within the community, by giving out products to support the community, etc.

- 7. Happy Brain (Knowledge Quest):** Diamond Brand promotes and encourages employees and contractors on continual learning, with regular activities including, work discipline training, how to use health insurance benefits for year 2019, and health promoting talks by healthcare professionals on nutrition and fitness, etc.



- 8. Happy Money (Wise Spending):** Saving with Government Saving Bank activity to promote regular saving and financial investment; Economical Product Fair to encourage wise spending on products that are less expensive than the market.



(B) Responsibility toward Diamond Business

With adherence to fair business practice, the Company ensures that the Diamond People conduct their duties with carefulness and integrity. The Company abides by the Code of Conduct on every interaction with all stakeholders, namely, investors, customers, partners, and competitors, and not seeking personal gain with conflict of interest against the Company and all stakeholders. To ensure utmost value, the Company also ensures confidentiality related to business operations with stakeholders. The policy can be summarized as follows.

1. Fair Business Practice

- 1.1** The Company has a policy to operate the business with fairness according to the Code of Conduct to generate good revenue to “shareholders” sustainably. With fair and equal protection of basic rights, the Company is committed to treat every shareholder with equality, and put in place prevention against conflict of interest and misuse of internal information.

- 1.2 With recognition as a driving force for success the business, the Company has a policy toward “**customers**” by effectively meeting the demand of customers; offering products and services with good quality and fair price; correct, sufficient, and timely communication; respectful interaction; offering complaint channels regarding product quality; and giving advice on how to use products and services for the best benefits of customers.
- 1.3 The Company has a policy to treat its “**trading partners**” equitably and fairly based on fair compensation to both parties, with strict compliance with laws, contractual obligations, financial obligations, and any agreed terms. Negotiations are based on good business relationship. A measure is established to check connected transactions within the business chain between trading partners and the Diamond People. Should there be any connection, the transactions must be disclosed in the Company’s financial statements within fair business operation framework.
- 1.4 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’ utilization.
- 1.5 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 equipment 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 from groups of people in the community providing them with income.
- 1.6 Promoting employment of disabled persons in accordance with the Employment of Disabled Persons Law B.E. 2554 regarding the number of disabled persons that the employer must employ. The Company’s employment of disabled people has its limitation due to the fact that it is a manufacturing plant. Nonetheless, the Company has set up a concession by providing areas within the factory for disabled persons to sell products or services (Section 35) to improve the quality of life of disabled persons.
- 1.7 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 AC Committee, with the AC Committee checking the information and reporting to the Board of Directors afterward.
- 1.8 Establishing operating guidelines for executives and employees based on integrity and transparency with preparation and dissemination of the Corporate Governance Handbook and Code of Conduct on Company’s website (www.dbp.co.th) for the executives and employees to acknowledge and strictly follow throughout the organization with routine monitoring on compliance of the regulations.

In 2019, the Internal Audit Office has monitored the compliance with the Code of Conduct, and it was found that there was no complaint regarding treatment toward customers, trading partners, and corruption.

2. Anti-Corruption

With commitment to transparency, ethics, and responsibility to all stakeholders, the Company has established the “**Anti-Corruption Policy**” and “**Anti-Corruption Handbook**” in writing to raise awareness among directors, executives, and employees of the Company at every level on the threat of corruption to business operations. The Company was certified as a member of the Thailand’s Private Sector Collective Action Coalition Against Corruption (CAC), initially on October 16, 2015, and with its membership extended on August 21, 2018. The re-certification of CAC membership is valid for three years from the certified date.

In 2019, as a guiding principle for all Diamond executives and employees to uphold within the rule of law, the ACC Committee arranged assessments on corruption risks for every department of the Company and established measures mitigating corruption risks between the Company and governmental agencies. To reinforce the effort on anti-corruption, a letter has been sent to partners in the same industry as an invitation to join the Thailand’s Private Sector Collective Action Coalition Against Corruption (CAC). Representatives from the company has attended the annual event “**Join Force...Fight Fraud**” promoting anti-corruption efforts held by the Anti-Corruption Organization of Thailand on September 6, 2019. Employees also engaged in external training programs, including “**Transparent Organization.**” According to the training plan, training courses have been arranged for employees regarding anti-corruption efforts with the “**Nong Petch in Anti-Corruption Stance**” as the mascot. Additionally, starting from this year the Company has adopted “**No Gift Policy**” to minimize potential bribery. The policy has been announced to all stakeholders via the Company’s website and the official notification letter has been sent to Company’s trading partners, asking for “**Cooperation on No Gift Policy,**” including a symbol design for communication on “**No Gift Policy**”, etc.

The Company has provided whistleblowing and complaint channel via e-mail: Audit_Com@dbp.co.th, which is directly reported to the AC Committee. Also, whistleblower protection policy has been put in place.

The procedure regarding anti-corruption: after receiving a complaint regarding corruption, the Internal Audit Office shall summarize the matter and present it to the AC Committee for further analysis, before presenting to the Board of Directors. In 2019 there was no violation of laws or regulations related to corruption, and no significant impact to the Company’s business operations.

(C) Responsibility toward Diamond Community

With a clear intention to operate the business with responsibility toward Diamond Community, the Company operates its business for utmost benefits to the surrounding Diamond Community in symbiosis with the society and the community, creating sustaining values, such as by creating jobs and income, improve the quality of life of the people in the community. Activities to help the society have also been undertaken in many cases, including natural disaster. Learning development and social responsibility consciousness of the youth were encouraged and supported.

The Company recognizes the importance of the Sustainable Development Goals (SDGs) of the United Nations, and incorporates the goals specifically with its construction material business, especially Goal No. 1 “No Poverty,” Target No. 1.4 “Equal rights to economic resources, as well as access to basic services,” ensuring equal opportunity for fundamental needs, including, job creation and increase in income. Specifically, knowledge of building and repairing one’s own home is promoted, and the Company has been providing its products and trainers for the “Diamond Heart Technicians” project, which has been organized continuously as follows.

1. “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 Saraburi Technical College, Muak Lek Technical College, Labor Proficiency Promotion Center of Saraburi, Phra Dabot Foundation, and Luk Phra Dabot Foundation, so that they have the knowledge and skills to be used as their profession, creating more income and sustainable community development. The project made a connection to the business of the Company, by creating skills technicians and trust in “Diamond Brand,” which will contribute to the purchase of the products in the future. From 2013 to 2019, a total of 12 classes have been held, and in 2019 two classes have been held as follows:

Class 11: In cooperation with Muak Lek Technical College, Saraburi Province, to arrange theoretical and practical training course students of vocational college level and high vocational college level - constructor branch, providing knowledge about roof installation and eave installation and together have built shelters, “Diamond Heart Technicians Shelter”, on the land of Muak Lek Technical College, Saraburi Province. More than 40 students have participated in the project and enjoyed learning roof installation.



Class 12: In cooperation with Phra Dabot Foundation to arrange theoretical and practical training for students of Phra Dabot School on roof and eave installation, providing products and equipment to build on Phra Dabot agricultural area, Saraburi Province.



2. **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.
3. **Happy Society Activities for the Diamond Community (Happy Society):** have been organized to promote culture and tradition in the community, such as Children's Day, support for local products, and home building for impoverished people, etc.
 - 3.1 **National Children's Day Activity:** In cooperation with Tan Diaw Subdistrict Administrative Office, the Company organized Children's Day activities at Wat Nong Bua School, Saraburi Province on January 11-12, 2019 for joy and happiness of children and people in the community.
 - 3.2 **"San Sampan Sports" Activity:** The Company sponsored a soccer competition to reinforce relationship between the Company, community leaders, and government offices in Saraburi Province on December 12, 2019.
 - 3.3 **"Community Relations" Activities:** Diamond Brand supported and provided roofing tiles and siding board products for construction for the government sector, schools in the nearby community and temples in Saraburi Province area for development of 82 communities, totalling Baht 1.63 million.
 - 3.4 **"Fun Run - Healthy Running" Activity:** Diamond Brand led a crash cross on proper running to prevent injuries. The activity was open to the general public, being hosted at Tan Diaw Subdistrict Administration Office on July 25, 2019.

(D) Social Assistance Projects

1. **Blood Donation Project:** promoting volunteer spirit among Diamond People by hosting blood donation event regularly every quarter. Accordingly, the Company received the Certificate of Honor for blood donation as an organization from the Thai Red Cross Society this year.



2. **"Accident Prevention" Activity:** Diamond Brand supported the accident prevention effort during Songkran festival on April 12, 2019.
3. **Hat Donation:** to the public attending the coronation. Donation was given via Mr. Wisut Kongsucharit, Labour Protection and Welfare Officer, on May 1, 2019.

4. **“DBP’s Kindness to the Disabled” Project:** Since year 2013, the Company has organized supporting and promotion of income for disabled people and their caretakers by providing opportunities for them to sell products, including phone payment machine, laundry machine, weigh measuring machine, coin-operated massager, etc. so that they can be self-dependent without being a burden to their family and society, creating self-esteem.
5. **“Computers for Society” Activity:** The Company provided unused computers with good conditions and operational for educational purposes. Ten computers were provided to Sri Sukhawitaya School, Surin Province, and five computers to Tire Repair Workshop, Military Vehicle Repair Unit, on July 25, 2019.

(E) Social Investment and Social Impact Assessment

The Company establishes an annual budget for investments in the society that correspond to the business operation of the Company for the best interest of the community, creating jobs and profession for the people in the community. According to the assessment on social impact in the previous year, there was no complaint from the community concerning the Company’s business operation, such as air quality, dust, noise, water, and waste in the manufacturing process.

(F) Communication and Dissemination

Communication and dissemination of information are through the Company’s websites as follows:

- Internally within the Company via the Intranet: <http://drt/> under the topic of **“Corporate Social Responsibility.”**
- Outside the Company via Website: <http://www.dbp.co.th> in the part of **“Investor Relations”** under the topic of **“Corporate Social Responsibility.”**

3. Environmental Management

The Company realizes the importance of environmental management. Therefore, the Company has been continuously improving manufacturing processes in order to minimize the impact to the environment, including organizing activities and campaigns on conservation of the environment. The Company has a policy on safety and environment as follows:

“The Company is committed to safeguard its employees and prevent accidents, minimize pollution and impact to physical and mental wellbeing. This is achieved through compliance with related laws and regulations, ensuring safety and wellbeing of employees, providing with good environment, as well as continuous and sustainable improvements.”

The Company has been **“Green System Level 3”** certified from the Department of Industrial Works, underpinning its systematic environmental management and continual monitoring and development. The environmental management activities are as follows:

3.1 Water Management

Water is an essential natural resource for all living beings, and is an important raw material in the manufacturing processes of the Company. The Company’s ensures that its operations maintain the water quality level and sustainably balance water usage in the production to the water usage of the community. The Company also support the **United Nations’ Sustainable Development Goals (SDGs)**, Goal No. 6 **“Clean Water and Sanitation,”** Target No. 6.3 **“Improve water quality by reducing pollution,**

eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.”

Accordingly, the Company has established a policy as follows:

“The Company is committed to operate its business sustainably, minimizing negative impact to natural water sources, ensuring that the community and the citizen of the country have access to sufficient good quality water for wellbeing.”

The goals and guidelines are as follows:

1. Improve efficiency and reduce water usage, with a goal of **using water from natural sources not exceeding 0.5 cubic meters per ton-product.**
 - 1.1 All departments are expected to use water economically and increase their water usage efficiency, with activities including water usage reduction project that utilizes technology as a solution for water shortage, etc.
 - 1.2 Implement water treatment system to recycle water from manufacturing process, reducing water usage by over 50 percent of all water used. Various technologies are used to maintain water quality and reduce pollution, chemicals, and garbage, etc.
2. Risk assessment has been conducted regarding water resource related risks, obstacles in complying with water conservation guideline, as well as changing climate that may affect water usage in the manufacturing processes, such as flood and drought, etc.
3. Employees and stakeholders are made aware of water resource conservation efforts by providing training, sharing sessions, and activities related to preservation and conservation of the ecosystem, such as, tree planting, water quality maintenance of Pa Sak River, etc.
4. Cooperating with governmental agencies, the Pa Sak Jolasid Dam, educational institutes, communities, and other agencies to jointly resolving water resource management issues at local and national level.
5. As for water management during crisis, in 2018 the Company was able to maintain the water quality level as per the ISO 14001 standard, with economical usage of water, balancing the used amount and loss from manufacturing processes. Measures have been put in place for potential disasters from flood or drought. The water management plan to prevent crisis is as follows:

(A) Water Management under Crisis

Due to the effect from climate change such as drought causing low water level in the dam reservoir, or risk of flood to construction areas due to heavy rain the RMC Committee has analyzed potential risks from water situation each year, and assigned the Engineering and Maintenance Department and related business units to monitor and manage water during crisis. Throughout year 2019, the Company was faced with drought at critical level due to very low level of water in the Pa Sak Jolasid Dam, and the water was mainly reserved for community consumption, causing risk of inadequate water source for the business operation, and risk of competing for water with the community. Therefore, this year the Company has proceeded to drill four groundwater wells with the investment of Baht 2.13 million in order to mitigate the risk of water source shortage for manufacturing process, and ensure that the community has sufficient water for consumption.

(B) Water Management in Manufacturing Process Project

The water in the manufacturing processes of the Company is in a closed system-no wastewater from the manufacturing processes will be discharged out of the plant. A settling pond system has been installed to treat water from the manufacturing processes before being recycled into the processes, with zero discharge of out of the factory. Water is treated to improve its quality, and a control is put in place for the chemicals in manufacturing processes, along with measures to reduce water loss in manufacturing processes. With these measures, water is reused 216 times, or around 24,240 cubic meters per year an effective use of water throughout the whole system.

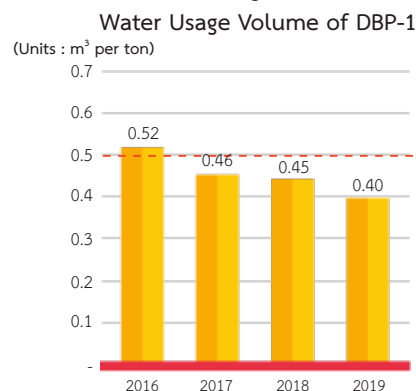
(C) Reduction of Water Usage Project

- 1. Water Recycle:** In 2019, the autoclaved aerated concrete was able to fully recycle the RO water fed to boilers at 100 percent. The blow down was reduced by 17 percent, and heat energy was saved by 9,312 MMBTU per year. The water discharge was reduced by 15,600 cubic meters per month.
- 2. Reduction of Municipal Water Supply Usage:** Throughout 2019, it was found that FC1-NT10 production line used more municipal water supply to lubricate shaft neck seals as wastewater from the manufacturing process contained contaminated sediments, causing a clog in the system and additional expense needed for maintenance. Therefore, a wastewater treatment system was installed before feeding to the shaft neck seals of every production line instead of using municipal water supply, reducing wastewater spilling out of the plant and reducing municipal water supply usage.

(D) Results of Water Usage Reduction in Manufacturing Process

In 2019, the FC and CT Divisions, both of which are main production lines, use water from natural sources in their manufacturing processes around 0.40 cubic meters per ton-product, a decrease from 2018 of 38,000 cubic meters or 12 percent, which is not exceeding the target of 0.5 cubic meters per ton-product. With the continuous decrease of usage of water from natural sources in the past four years, it represents the commitment of the Company and the cooperation of all Diamond People in water management.

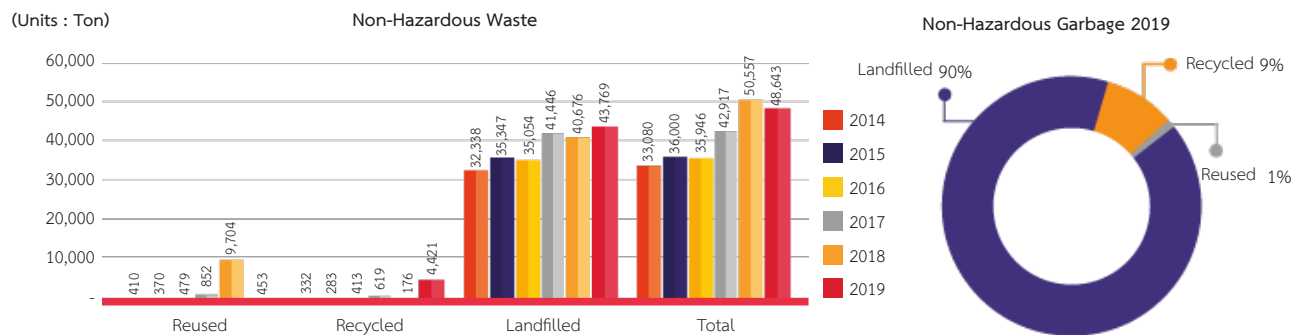
Water Usage Per Ton-Production for DBP-1: Not Exceeding 0.5 m³

**3.2 Waste Management**

In accordance with the ISO 14001, management of waste in the manufacturing process to mitigate impact to the environment is undertaken to minimize environmental impact and to effectively reduce manufacturing cost. The wastes are grouped into two categories, namely non-hazardous wastes and hazardous wastes, which can be summarized as follows:

(A) **Non-Hazardous Wastes** which mainly are tile chips, woodchips, plastic pieces, scrap iron, scrap paper, dust, and other garbage are treated based on ISO 14001 guideline as follows:

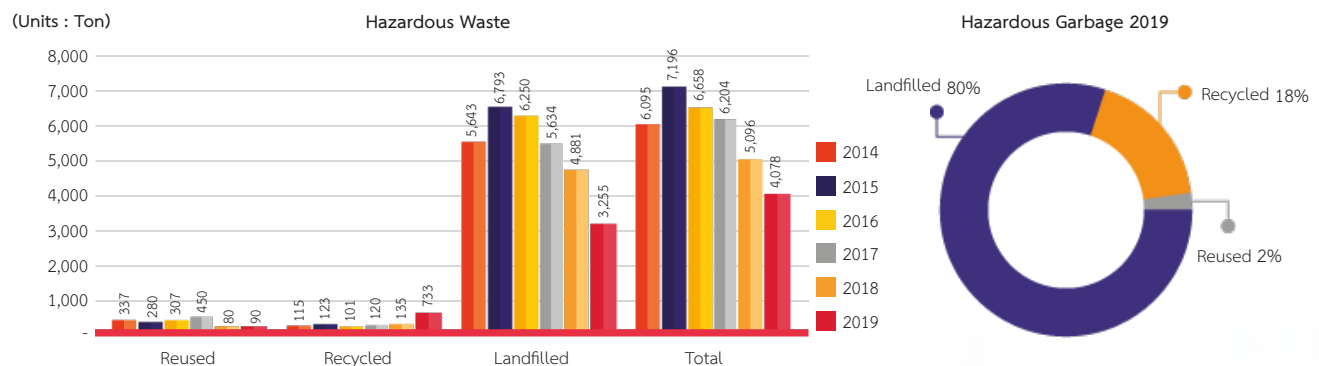
1. Reuse: damaged wooden pallets are repaired for reuse; big bags are used for putting in residual and dust, etc.
2. Reduce: size of pallets are designed to be smaller so that less wood is used; improved manufacturing process to reduced tile breakage, etc.
3. Recycle: scrap papers from offices are recycled for use in pulp rocess in the plant; dust from siding board shaping are recycled as raw material or in other form, such as, cleats for tile support or paving blocks, etc.
4. Disposal: such as broken tiles are treated according to the law and used as landfill at permitted areas.



By deploying the **3R** strategy in waste management, in 2019 the wastes produced were 48,643 tons, which decreased from 2018 by 1,914 tons or 3.8 percent. The amount of wastes being reused and recycled was 4,874 tons or 10 percent of all non-hazardous wastes.

(B) **Hazardous Wastes**, mostly come from the manufacturing process, are mainly wet cake, color sludge, oil color, sealer remains, and other contaminated materials. These wastes are being handled 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 sedimentation tanks from drainage are recycled to make cleats for tile support, bricks, and tile sheet support. Twenty six tons of sediment from the sediment pond cleaning process are repurposed to make foot paths and traffic barriers in the premise. Color sludge, oil color, sealer remains, and other contaminated materials are used as mixed fuel, etc.
3. Disposal: Some materials are required to be disposed by law, such as wet cake, oil color sludge, and water color sludge, which are disposed as landfill after being made into solid mass by Better World Green Public Co., Ltd. Oil contaminated waste is disposed by TPI Polene Public Co., Ltd., etc.



By deploying the **3R** strategy for hazardous waste management, in 2019 the amount of wastes produced was 4,078 tons, which decreased from 2018 by 1,018 tons or 20 percent. The amount of wastes being reused and recycled was 823 tons or 20 percent of total hazardous wastes. The Company has been able to reduce the amount of hazardous wastes continuously in the past five years and shall carry out these tasks continuously for sustainability.

(C) Factory Garbage Reduction Project

By deploying the 3R strategy in various projects aimed at managing wastes that may affect the society and the environment in 2019, **the garbage generation was at 48.80 kilograms per ton-product**, which is not exceeding the target of 50 kilograms of garbage generation per ton-product.

3R Strategy	Project Name	Production Line	Decrease (tons)
Reduce	1. Blending crushed brick chips as sand replacement	AAC	659
	2. Reduction of water color sludge	FC	60
	3. Filter press	FC	3,093
	4. Reduction of crushed sand loss	FC	2,701
	5. Reduction of product loss	FC	1,515
	6. Reduction of aluminium dust rinse water	AAC	52
Total			8,080
Reuse	1. Use of CT tile chips as sand replacement	CT	25
	2. Reuse of concrete mixed deposit under TM	CT	17
	3. Reuse of containers for refill	FC/CT/PU/AAC	450
	4. Reuse of pallets returned from customers	LG	50
Total			542
Recycle	1. Reduction of wet waste by remanufacturing to tile supporting sheets/paving blocks	FC	1,023
	2. Remanufacturing wet cake into traffic barrier and side walks	SHE	55
	3. Driveways packing	SHE	2,000
	4. Repair of pallets	LG-AAC-CT-FC	135
	5. Remix of grooving dust	FC	1,362
	6. Return of paper scraps to pulping plant	FC	6
	7. Other recycled wastes	-	535
Total			5,116
Grand total			13,738

Sources : FC = Fiber Cement Production Division, CT = Concrete Tile Production Division, AAC = Autoclaved Aerated Concrete Production Division, SHE = Occupational Health and Safety Unit and Human Resources Division, PU = Purchase Department and LG = Logistics Divisions

Recycling Activities



(D) Sediment Waste Reduction Project

In the fiber cement manufacturing process, a large amount of sediment waste is produced over 16,000 tons per year, some of which is hazardous and requires professional waste disposal by law, costing a large amount of expense. The Company has initiated the sediment waste reduction project for the whole system in order to reuse and reduce the amount of sediment waste needed to be disposed. The details are as follows.

1. Sediment Waste Reduction by Using Diluted Cement across Production Lines (Reuse)

During raw material preparation process, diluted cement is discharged about 5 tons per process. By installing cross-production line piping, the diluted cement can be diverged to another production line in case of stoppage, instead of disposal of diluted cement as sediment.

Operating results: Reduced waste disposal, reduced wastewater requiring treatment, and reduced environmental impact.

2. FC Sediment Waste Reduction by Using Belt Press (Reduce)

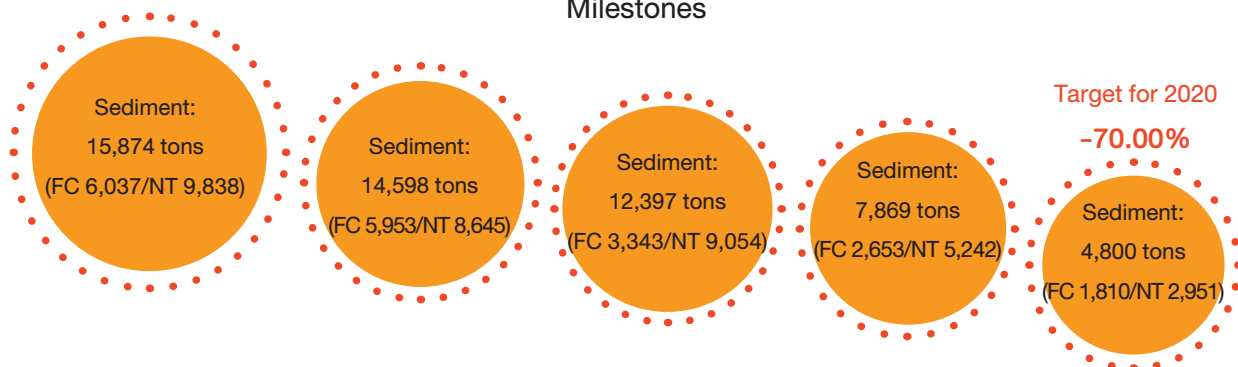
The production line has a problem with sediment waste contaminating the liquid flowing to the wastewater pond. Thus, a belt press system has been installed to separate and press out the sediment. The amount of sediment has been reduced around 2,000-3,000 tons per year, and a plan has been put in place to install the system in other production lines in 2020.

Operating results: The sediment can be used to make cleats for tile support and paving blocks for internal use. The cost of sediment disposal was reduced, and the environmental impact was minimized.

Sediment Waste Reduction Plan Year 2016-2020



Milestones



(E) Autoclaved Aerated Concrete Recycling Project

Objective: To reduce disposal of waste from manufacturing process by mixing broken and damaged bricks with sand and chemicals, and then feed to the mill, resulting in product with higher compressive strength, and effectively reducing disposal of brick chips.

Operating results: In 2019, the amount of recycled autoclaved aerated concrete was increased from 5 percent to 8 percent, resulting in a decrease in disposal of brick chips from 4,822 tons to 8,000 tons, or a 66 percent increase of utilization, reducing raw material usage and minimizing environmental impact.

(F) Truss Scrap Recycling Project

The manufacturing process of truss involves a quality assurance process by which a machine checking and cutting the length of the steel coil feeding to the roller at 3 meters, resulting steel scraps at both ends of the coil due to unmatched length with the cutting list, and these cannot be used with the normal products. The scraps have a total length of around 3,300 meters per month. Thus, the steel scrap recycling project has been initiated by installing a scrap cutting machine to cut scraps to a length of 20 cm to make box fascia that are in compliance with the Company installation standard.



Operating results: In 2019, by cutting steel scraps into box fascia, the raw material cost of steel is reduced. The production time of box fascia at the main machinery is reduced by one hour per day, and the main product production capacity is increased by around one house per day. The amount of steel scrap waste in truss manufacturing process is reduced by 34.08 tons per year in total.

(G) Second-hand Pallets Project

Each year, the cost of purchasing wood pallets used in product delivery to customers is tremendous. It was found that a large number of pallets were simply lying around at the front of the project and customer's stores after use. Thus, the Company has initiated a project whereby transport contractors are given incentive to return those pallets to the Company, which can then be repaired and reused many times over.

Operating results: In 2019, by repairing and reusing the pallets, the cost of purchasing new pallets was reduced as well as the waste generated. The waste from old pallets was decreased by 6,214 tons per year, an increase from the previous year by 91 tons.

3.3 Dust Management

Currently, dust pollution has become a major issue at national level, **especially PM2.5** as it negatively affects one's health, respiratory tracts, vision, and causes degradation on buildings, etc. Throughout the manufacturing process of the Company from raw material unloading to production a large amount of dust is generated. Although most of the dust is not PM 2.5, it does regardless have impacts to the health of employees, community, and stakeholders as follows.

Impacts to the Business	Impacts to the Value Chain / Stakeholders
1. Risk to health and air pollution management	• Health impact to employees • Increased medical cost to the Company • Increased air pollution elimination cost to the Company
2. Risk to working environment	• Reduced performance and reduced income. Impact to career advancement. • Employees become ill or quit the job, losing revenue. • Buildings deteriorate and become dirty.
3. Risk to community's surrounding environment	• Health impact to people in the nearby communities. • Impact to the relationship between the Company and communities. • Impact to livelihood of the community, such as water sources and washing, etc.
4. Risk of complaints from nearby communities	• Production halt, having impact to income of employees, and impact to trading partners and shareholders.

In order to **minimize impacts from risks related to dust** as above, the Company has initiated various projects to ensure good working environment and minimize impact to the surrounding society, community, and environment as follows:

(A) Dust Reduction Project - Concrete Tile Production Line (CT)

In the concrete tile manufacturing process, major raw materials being used are sand, cement powder, crushed stones, and fly ash-which are being conveyed, blown, weighed, mixed, pressed, and polished, spreading a large amount of dust. Therefore, the dust reduction project has been implemented and operated continuously in Saraburi Province and Khon Kaen Province for all production lines as follows:

- 1. Construction of Settling Chamber:** Large settling chambers have been constructed that allow dust particles to settle down on the chamber floor by their own weight. These chambers are suitable for large and heavy dust particles.
- 2. Utilization of Silo-top Dust Collector:** Silo-top dust collectors are a high efficiency dust filtering system use for collecting cement dust being blown into the silo using special filtering elements. The collected dust falls within the silo, and all of the collected dust can be recycled, reducing loss of raw material and production cost, as well as minimizing dust escaping out of the system.
- 3. Utilization of Large Dust Collector:** The collector collects dust from the manufacturing process, eliminating small-sized dust. This system is used to collect dust during mixing, weighing, and polishing. All collected dust can be recycled, which can reduce loss of raw material and production cost, as well as minimize dust escaping out of the system.

In 2019, the dust collector system of CT2 has been expanded to tile extraction chamber, aluminium pallet polishing chamber, and tile polishing chamber. The dust is collected through suction system to the dust collector, minimizing dust dispersion.

- 4. Dust Collector Installation at Paint Mixing Facility and Aluminium Pallet Brush Facility:** The collector collects dust from the manufacturing process using bag filter system, which eliminates small-sized dust. This system is used to collect cement and paint dust. All collected dust can be recycled.

5. **Powered Door Installation for Coating Spray Chamber:** Powered doors, which can be shut and open quickly, are installed in the coating spray chambers. The chambers are always filled with coating particulate, and the powered doors allows the operators to conveniently shut and open the chamber and reduces a large amount of dissipation of the solution to the outside.
6. **Installation of Airless Spray Set:** the Company has installed an airless spray set using high-pressure pump. The sprayed content makes a better finish on the tile than conventional air sprays. This technique prevents water seepage and reduces coating dissipation.

(B) Dust Dissipation Prevention at Concrete Tile (CT) Warehouse

Around the area of CT warehouse, a large amount of dust accumulates due to raw material deliveries, the manufacturing process and breakage of the products during transportation within the warehouse, etc. The usual measure minimizing dust dissipation is spraying water on driveways twice daily. Therefore, in 2019 the Company has purchased a dust sweeping vehicle as a pilot project, sweeping the driveways for one to two hours per day before the work begins.



Operating results: In 2019, dust sweeping vehicle was able to collect dust around 29.2 - 36.5 thousand liters per year, and save water used to spray the driveways (in the morning and evening) over 480,000 liters per year, being an effective method to minimize the impact from dust to the community and reducing water usage.

Regarding the air quality of the Company: throughout year 2019, the measurement of air quality found that the total dust value in every area of the concrete tile plant is within the standard values as stipulated in the Announcement of the Department of Labour Protection and Welfare Re: Hazardous Chemical Concentration Limit B.E. 2560 (2017).

Measured Locations	Air Quality Indices	Unit	Measuring Results			Standard Values and Quantitative Targets
			2017	2018	2019	
1. CF-1	Total Dust	mg/m ³	0.29	0.42	3.13	Not exceeding 15
	Respiration Dust	mg/m ³	0.23	<0.15	1.15	Not exceeding 5
2. Powder Coat Preparation	Respiration Dust	mg/m ³	0.23	<0.15	0.68	Not exceeding 5

Source : Report of Environmental Measurement on July 24-25, 2017, July 23-24, 2018, and March 28-29, 2019 by Global Environmental Management Co., Ltd.

Remark : mg/m³ = milligram per cubic meter

(C) Dust Reduction Project - Reinforced Autoclaved Aerated Concrete Cutting (LINTEL)

The cutting process of reinforced autoclaved aerated concrete (LINTEL) at the autoclaved aerated concrete production line (AAC-1) has adopted the wet cutting process instead of dry cutting to reduce dust dissipation to the surrounding area, reduce bag filter cost, prolong the life of the cutting blades, resulting increased production capacity.

(D) Dust Reduction Project - Siding Board Embossing

At the siding board production line, steel embossing rollers have been adopted instead of sand papers to create wood grains for various products, including fences, lap siding, and floor planks. The rollers imprint wood grain patterns on wet wooden plank, resulting in reduced manufacturing steps, reduced production costs, and reduced dust due to sanding.

(E) Central Dust Collector for Dust from Planing Project

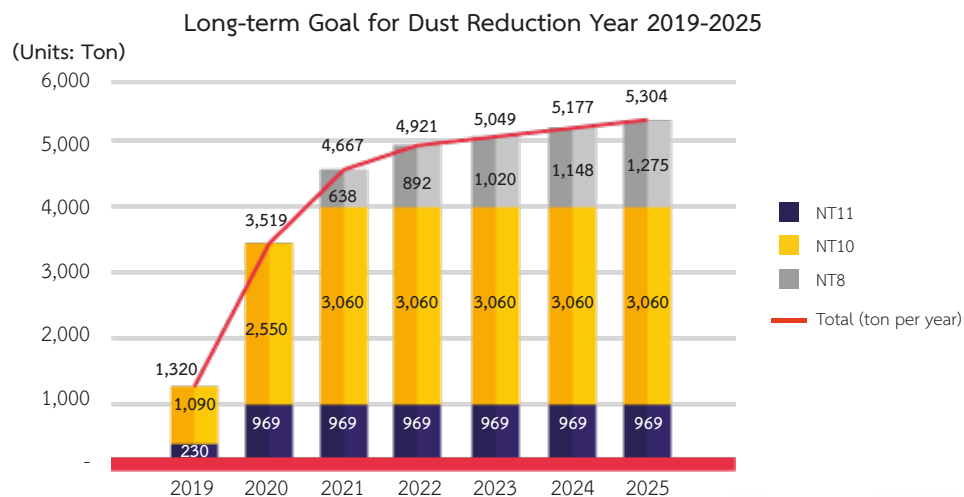
The Company has designed and installed the central dust collector to collect dust from wood planing process. The dust collected from the collector is transferred to silos and used as raw material alternative. The objective is to reuse the dust as raw material at around 3,500 tons per year, reduce dust landfill cost, reduce labor required for dust handling, and reduce the dust in the surrounding area for better working environment. The installation was completed in July 2019.



Dust collected by suction from the manufacturing process is blown through piping system to silos.



Dust stored in silos for use in NT manufacturing process.

Operating Results and Long-term Goal for Dust Reduction

3.4 Solution Odor Management

(A) Solution Odor Elimination and Control Project at CT-KK production line, Khon Kaen Province.

The Company has installed the solution odor elimination system and monitored the air quality in the manufacturing process to minimize impacts to employee's health and the nearby community. The inspection was performed by Global Environmental Management Co., Ltd. Three odor elimination systems are monitored and inspected at DBP-KK plant at the following areas: (1) Spraying and coating area (System 1), (2) Transporting to storage shelves and mouth of curing tunnels areas (System 2), and (3) Within the tile curing tunnels (System 3). The results are as follows:

1. Measurement of Chemicals in Workplace at DBP-KK

The results of chemical measurement in the workplace found that the Total Dust value in all three areas are with standard values according to the Announcement of the Department of Labour Protection and Welfare Re: Hazardous Chemical Concentration Limit B.E. 2560 (2017) as follows:

Measured Locations	Air Quality Indices	Unit	Measuring Results			Standard Values and Quantitative Targets
			2017	2018	2019	
1. Tile machine	Total Dust	mg/m ³	1.29	0.88	0.79	Not exceeding 15
2. Fence area	Xylene	mg/m ³	0.299	55.596	5.240	Not exceeding 434
		ppm	0.069	12.81	1.207	Not exceeding 100
3. Paint spraying machine	Xylene	mg/m ³	5.964	90.511	5.386	Not exceeding 434
		ppm	1.374	20.885	1.241	Not exceeding 100

Source : Report of Environmental Measurement on June 12-13, 2017, July 16-17, 2018, and July 18-19, 2019 by Global Environmental Management Co., Ltd.

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

2. Measurement of Air Quality from Ventilation Funnel at DBP-KK

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.

Measured Locations	Air Quality Indices	Unit	Measuring Results			Standard Values and Quantitative Targets
			2017	2018	2019	
1. Stack1	Xylene	mg/m ³	1.350	387.63	497.315	Not exceeding 868
		ppm	0.311	89.321	114.589	Not exceeding 200
2. Stack2	Xylene	mg/m ³	1.134	98.219	162.182	Not exceeding 868
		ppm	0.261	22.631	37.369	Not exceeding 200
3. Stack3	Xylene	mg/m ³	1.300	35.679	44.876	Not exceeding 868
		ppm	0.300	8.221	10.340	Not exceeding 200

Source : Report of Environmental Measurement on June 12-13, 2017, July 16-17, 2018, and July 18-19, 2019 by Global Environmental Management Co., Ltd.

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

(B) Reduction of Coating Loss in Concrete Tile Manufacturing Process (CT)

Objective: To minimize odor from solutions and reduce manufacturing wastes in concrete tile manufacturing process by optimizing the spraying system and its pressure. The optimization has resulted in a reduction of coating loss, better control on coating thickness as per standards at every production line in Saraburi and Khon Kaen, creating standards on the usage rate of coating, which is an expensive raw material, and reducing impacts to the community and the environment.

During year 2019, all concrete tile production lines at Saraburi Plant and Khon Kaen Plant have fully adopted the airless spray system, resulting in better product quality and minimum solution dispersion. However, the airless system requires additional coating solution to achieve the same coating thickness when compared to the former air spray. Therefore, the rate of coating solution use was increased from 2.29 liters per ton-product to 2.44 liters per ton-product, or an increase of 6.7 percent. The Company will continue to improve the coating reduction process to minimize the impact to the society, community, and environment.

3.5 Energy Management

The Company gives precedence to and realizes the importance of energy conservation and management. The “**Energy Management Working Group**”, which comprises executives from all departments, has established the “**Energy Conservation Policy**” as follows:

1. The Company shall manage and develop a proper energy management system, establishing energy conservation as a part of business operations that comply with related law and regulations.
2. The Company shall continually optimize energy usage as appropriate to the technology being used and best practice.
3. The Company shall establish energy conservation plan and targets for each year, and communicate to all employees to ensure proper execution.
4. Energy conservation is considered a duty of all executives and employees to comply as per the established standards, monitor, and report to the Energy Management Working Group.
5. The Company shall provide necessary support and resources, including personnel, technology, budget, work time, trainings, as well as feedback sharing to improve energy related works.

Energy Saving Objective: Reducing the total energy usage by 0.80 mega joule per year.

Operating results: In 2019, the total energy usage was reduced by 0.49 mega joule per year because some projects did not achieve their targets due to concerns on product qualities.

For 2020, the focus remains on reducing energy usage in order to reduce greenhouse gas emission. A long-term plan for reduction of energy usage has been established for all production lines, which includes alternative sources for electrical power such as solar energy.

(A) Electricity Usage Reduction Project

- The Energy Management Committee has engaged in nine electricity usage reduction projects, resulting in a decrease in electricity usage by 388,514 kwh per year, equivalent to Baht 1,336,841 per year and a reduction of CO₂ emission by 226 ton-Co₂ per year. The details are as follows.

Project Names	Location/ Production Line	Reduction	
		kWh per year	Baht per year
1. Air pressurizer optimization	CL4-7, Cellulose 1,3	45,983	157,261
2. Replacing 108 400W mercury lamps to 200W LED lamps	FC-1,2	102,643	351,040
3. Replacing 35 fluorescent lamps to 135 LED lamps	FC Storage	48,025	164,246
4. Replacing lamps on driveways	Factory driveways	23,126	79,092
5. Replacing 29 400W mercury lamps to 200W LED lamps and removing 25 lamps	Groove	79,186	270,815
6. Reduction of turbo mixing time	FC3,4	38,788	132,654
7. Replacing sand sieve to Mogensen-type	CT	23,437	83,906
8. Replacing illumination around buildings	CT	2,700	9,666
9. Replacing motor mixer to high-efficiency-type		24,626	88,161
Total		388,514	1,336,841

Remark : Electricity cost = Baht 3.44 per kWh

- Effective Heat Usage Project:** The FC production line was able to reduce steam usage in the baking process of 25 mm floor planks in the autoclave at NT-9 production line by 5.68 tons (23,770 mega joule) per year.

- AC Refrigerant Replacement Project:** The Energy Management Committee, in cooperation with Engineering and Maintenance Department, has engaged in a continuous project replacing irreparable air conditioners, from models using R22 refrigerant to models using R32. R22 has a significant impact to the ozone layer and a major contributor to the greenhouse effect, while R32 is much more environmental friendly, with lower global warming potential (GWP) and lower ozone depletion potential (ODP) the ODP of R22 is 0.05, while R32 is 0.

In 2019, additional 18 air conditioners have been replaced from R22 model to R32 model, totaling 40 units (22 units being replaced from 2017-2018). The reduction of carbon dioxide equivalent (CO₂e) totaled 46.65 tons a reduction of energy usage and the impact to global warming.

- Solar Rooftop Project:** Solar energy is a cleaner energy source that helps mitigate global warming. Solar panels have been installed on the rooftop of the autoclaved aerated concrete plant with total area of 1,447 square meters. The maximum capacity of the system is 252 kW, and it has been in use since April 2018, amounting to 279,046 kWh or 7.26 percent of electricity consumption.



Apart from the abovementioned projects, all production lines and branches of the Company have engaged in many more energy saving projects in order to help mitigate global warming and achieve the Company's objective.

(B) Effective Use of Steam in Manufacturing Process

1. **Recycling of Vented Steam:** A steam transferring program has been implemented at autoclaves, recycling the steam that is normally vented to the atmosphere. The steam is transferred to the next autoclave, reducing vented steam to the atmosphere by about 180,000 Nm³ and natural gas (NG) usage by 6,552 MMBTU or Baht 1.8 million per year in 2019. The project has been ongoing since 2017.
2. **Recycling of Heat Loss to Feed into Boiler Project:** An electrical instrument has been installed on the boiler to recycle heat loss to heat water being fed into the boiler. This helps reduce NG gas usage, the temperature at heat venting funnel, as well as global warming. The heat loss is reduced by about 3,900 MMBTU or about Baht 1.2 million per year in 2019. The project has been ongoing since 2015.
3. **Excess Air Control Project:** The excess air control unit has been installed at the boilers in autoclaved aerated concrete production line in order to control the motor speed, to control and add air as appropriate to the combustion of the boilers, reducing the usage of NG, reducing the temperature of the emitted gas, helping with climate change, and reducing heat loss from 3.5 percent to 1.1 percent of the heat being used in boilers, or a decrease of 810 MMBTU, or Baht 0.2 million per year. The project has been ongoing since 2017.

(C) Energy Saving Conscience Campaign: The objective of the campaign is to encourage engagement from the employees in saving energy, such as turning off faucets, lights, and air conditioners, and most importantly, to innovate how to reduce energy usage in the manufacturing processes. On July 11, 2019, the Energy Management Working Group hosted the “DBP Saving Day 2019” event for 9 units altogether to prepare booths displaying their achievements related to energy saving, for example: (1) Alternative energy from solar cells, (2) Robots in the future, (3) Replacement to LED lamps, (4) Paper usage reduction, (5) Waste reduction, (6) Water use reduction, (7) Steam, (8) Application of 4.0 technology for energy saving and (9) Art contest in the theme of energy saving to promote energy conservation conscience and display ideas about energy saving of Company's employees.



“DBP Energy Saving Day 2019” on July 11, 2019

3.6 Diamond People's Contribution to the Climate

Currently, global warming, also known as climate change, is a major issue globally, with marked observed changes in temperature at unprecedented level. Greenhouse gases such as carbon dioxide and methane are one of the main causes of the temperature changes. The greenhouse effect is the process by which absorption and emission of infrared radiation by gases in the Earth's atmosphere warm the lower atmosphere and surface.

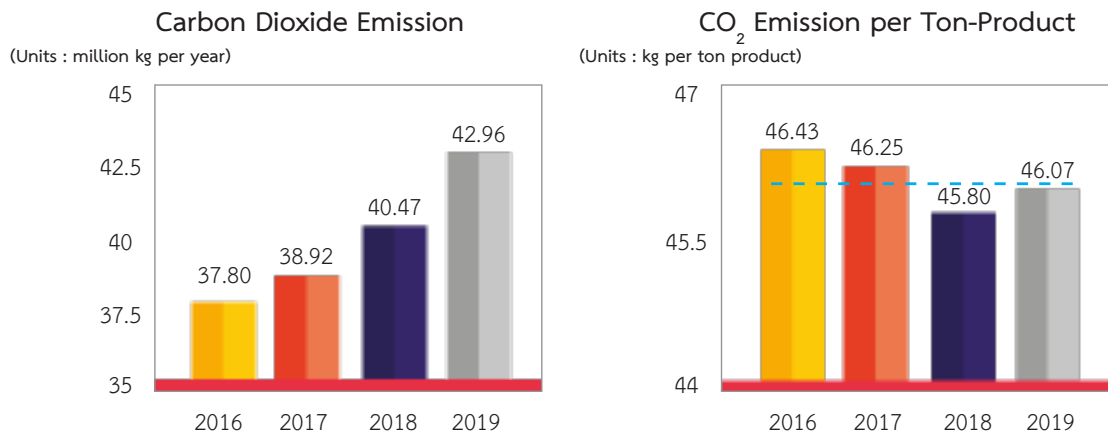
Additionally, Thailand have ratified the Montreal Protocol, an international treaty signed at Montreal, Canada, and designed to protect the ozone layer by reducing and phasing out the production of numerous substances that are responsible for ozone depletion a decline of the total amount of ozone in Earth's stratosphere, also known as the ozone layer, which prevents most harmful UVB wavelengths from passing through the atmosphere. As a member, Thailand needs to fulfill its obligation by phasing out such substances by 2030.

Every production process of the Company requires electricity, steam, and natural gas, which directly and indirectly emit CO₂ to the atmosphere, contributing to the global warming. With responsibility to the environment, the Company has been continuously reducing greenhouse gas emission through various activities, with a tendency of reducing CO₂ emission per ton-product.

Objective: Reducing CO₂ emission per ton-product to not exceeding 46.2 kilograms-CO₂ per ton-product.

Operating results: In 2019, the CO₂ emission was 46.07 kilograms CO₂ per ton product, which was lower than the target by 0.28 percent but higher than year 2018 CO₂ emission of 45.80 kilograms CO₂ per ton product, or an increase of 0.59 percent. While the emission was still within target, the cause was from higher production volume of siding boards, which can be summarized as follows.

Carbon Dioxide Emission



3.7 Environmental Management according to Industrial Standards

With the established quantitative targets related to environmental management, 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. The Company has 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.

(A) 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.

1. Monitoring of Chrysotile in the Work Area of DBP1-2

Areas	Units	Measured Values			Standard Values and Quantitative Targets
		2017	2018	2019	
1. FC raw material preparation area	fiber/cm ³	< 0.001-0.004	< 0.001	< 0.001	Not exceeding 0.1
2. Cover pacing/glazing area	fiber/cm ³	< 0.001-0.003	< 0.001	< 0.001	Not exceeding 0.1
3. Chrysotile storage area	fiber/cm ³	< 0.001	< 0.001	< 0.001	Not exceeding 0.1
4. Product discharge yard	fiber/cm ³	< 0.001	< 0.001	< 0.001	Not exceeding 0.1

Source : Reports of Environmental Measurements on July 24-25, 2017 by CNY Co., Ltd., November 15, 2017, 23-24 July 2018, and March 28-29, 2019 by Global Environmental Management Co., Ltd.

Remark : fiber/cm³ = fiber per one cubic centimeter atmosphere

2. Monitoring of Air Quality in the Work Area of DBP1-2

Monitored Items	Units	Measured Values			Standard Values and Quantitative Targets
		2017	2018	2019	
1. Total suspended particulate in factory	mg/m ³	0.21-1.29	< 0.15-1.42	< 0.15-5.06	Not exceeding 15
2. Particle matter (<10 micron)	mg/m ³	0.13-0.56	< 0.15-2.40	< 0.15-2.29	Not exceeding 5
3. Xylene	ppm	0.02-18.06	< 0.004-2.319	0.008-10.605	Not exceeding 100

Source : Reports of Environmental Measurements on July 24-25, 2017 by CNY Co., Ltd., November 15, 2017, 23-24 July 2018, and March 28-29, 2019 by Global Environmental Management Co., Ltd.

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

3. Monitoring of Air Quality from the Factory's Funnels of DBP1-2

Monitored Items	Units	Measured Values			Standard Values and Quantitative Targets
		2017	2018	2019	
1. Total Suspended Particulate (TSP)	mg/m ³	0.01-16.1	3.39-28.44	<0.15-33.54	Not exceeding 400
2. Sulfur Dioxide	ppm	<0.05-1.3	< 0.05-14.71	<1.30-7.02	Not exceeding 500
3. Carbon Monoxide	ppm	2.0-3.69	<1.00-8.50	<1.00-2.63	Not exceeding 870
4. Nitrogen Dioxide	ppm	10.2-18.34	<0.05-26.39	6.00	Not exceeding 200
5. Xylene	ppm	2.79-45.15	0.031-4.267	2.269-18.037	Not exceeding 200

Source : Reports of Environmental Measurements on July 24-25, 2017 by CNY Co., Ltd., November 15, 2017, 23-24 July 2018, and March 28-29, 2019 by Global Environmental Management Co., Ltd.

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

4. Monitoring of Air Quality around Factory Fences of DBP1-2

Monitored Items	Units	Measured Values			Standard Values and Quantitative Targets
		2017	2018	2019	
1. Particle Matters (PM-10) 24-hr Avg.	mg/m ³	0.002	0.054-0.114	0.056-0.093	Not exceeding 0.120
2. Noise Level 24-hr Avg.	dB(A)	54.5	60.0-64.30	60.3-60.7	Not exceeding 70
3. Disturbance Sound Level 24-hr Avg.	dB(A)	1.0	1.9-7.0	2.1-3.6	Not exceeding 10

Source : Reports of Environmental Measurements on July 24-25, 2017, July 23-24, 2018, and March 28-29, 2019 by Global Environmental Management Co., Ltd.

Remark : mg/m³ = milligram per cubic meter, dB(A) = decibel A = a unit for measuring sound level meter

- (B) Measurement of air quality in the communities to observe the air quality.
- (C) Monitoring of noise pollution, dust and chemical, which passed all the standard criteria.
- (D) Monitoring of surface water quality surrounding the factory, the analysis showed that it is within standard.
- (E) Having the base solution pond system for recycling of water for re-use in the process, reducing water consumption and water pollution. Reduction of sediment waste by investment in belt press to press the sediment for remanufacturing into cleats for tile support, etc.
- (F) 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).

(G) Investment on Reduction of Environmental Impact for the Past 5 Years

Year	Description	Investment (Million Baht)
2015	Dust collection system for paint dust, storage for paint and preparation and installation of chemical leakage protection doors.	2.78
2016	Sediment compactor, color water treatment, color elimination, ammonia absorbing unit, and chemical tank.	2.25
2017	Sediment separator connecting to base solution pond, brick block press.	5.70
2018	Central dust collection, diluted cement control system, airless spray coating system, solar roof, FC product discharge building, paving block mixer.	10.09
2019	Odor treatment in tunnel of CT2, CT5, pallet recycling plant, dust collector system, solar rooftop project, illumination replacement.	22.43

Awards of Pride

1. Industrial Standard Certification

The Company has received industrial standard certifications from internationally recognized certifying agencies, which guarantees that the Company's manufacturing process has good management system, having received the following three industrial standard certification systems.

- **ISO 9001 : 2008**, Quality management system for both factory and office since 2003-2015.
- **ISO 9001 : 2015**, Quality management system for both factory and office since January 1, 2016 from TÜV NORD Thailand Co., Ltd., 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.
- **ISO9001 : 2015**, Certified by Lloyd's Register Quality Assurance (Thailand) Co., Ltd. from December 6, 2018 to January 21, 2021.
- **OHSAS 18001 : 2007**, Occupational health and safety management system since 2005.
- **ISO 45001 : 2018**, Occupational health and safety management system.
- **ISO 14001 : 2004**, Environmental management system since 2009.
- **ISO 14001 : 2015**, Environmental management system, certified by Lloyd's Register Quality Assurance (Thailand) Co., Ltd. from December 6, 2018 to January 21, 2021.

2. Other Standard Certifications and Awards

- 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 2008-2014: Received the Distinguished Enterprise Award in labor relation and welfare from the Ministry of Labor, except in 2012, received from the Department of Labor Protection and Welfare, Saraburi Province.
- Year 2009 : Received the Distinguished Thailand Brand from Department of Export Promotion, Ministry of Commerce.
- Year 2009 : Received the Distinguished Regional Enterprise Award in Safety from the Ministry of Labor.
- Year 2010 : Received the **"White Factory"** Award (Drug Prevention) from the Labor Protection and Welfare Office of Saraburi Province.
- Year 2011-2012 : 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, as a guarantee of excellent quality product from Thailand, which will add value to the product, build strong market opportunity and increase consumer confidence.

- 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 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 2015-2020: 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: Received the Certificate of Honor for blood donation as an organization from the Thai Red Cross Society.
- Year 2018: Received the Honorary Plaque - Highly Energy Efficient Product Label for **“Roof tiles and Autoclaved Aerated Concrete”** from Department of Alternative Energy Development and Efficiency.
- Year 2018: Received the Certification from the Securities and Exchange Commission for participating **“Happy Retirement Company”**.
- Year 2018: Received the **“Green System Level 3”** certification from Department of Industrial Works for systematic environmental management with continual assessment and revision.

3. Awards from the Stock Exchange of Thailand and the Thai Investors Association

3.1 Awards related to Sustainable Business Operation

- Year 2015 and 2019 : Received the **“ESG 100”** certification from Thaipat Institute from being selected as one of one hundred listed companies with remarkable operations related to the environment, the society, and governance.
- Year 2017-2019 : Received the **“Sustainable Stock”** or **“Thailand Sustainability Investment Award (THSI)”** from the Stock Exchange of Thailand and Money & Banking Magazine. The award is given to the listed companies with sustainable business operation that consider the environment, society, and governance (ESG).

3.2 Awards related to Corporate Governance

- Year 2010-2013, and 2015-2019 : The Company was placed in the **“Excellent”** group with a five-star award () for assessment of Corporate Governance in the **Top Quartile** level in the group of companies with market capitalization of Baht 3,000 to 9,999 million. This year the Company received score of 90 percent.
- 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 2012 : On November 22, 2012, the Company received the **“Outstanding Company Performance Awards”** from the **“SET Awards 2012”**, organized by the Stock Exchange of Thailand in cooperation with Money & Banking Magazine.
- Year 2013 : On November 20, 2013, the Company received the **“Top Corporate Governance Report Awards”** from the **“SET Awards 2013”**, organized by the Stock Exchange of Thailand in cooperation with Money & Banking Magazine.

3.3 Awards related to Shareholders' Meeting Quality Assessment

- Year 2011-2016 and 2018: Received the five-star award () from Thai Investors Association (TIA) for the annual general meeting (AGM) quality assessment of listed companies, in which the Company received 100% score and was placed in the “**Outstanding**” group.
- Year 2017 and 2019: Received the four-star award () from Thai Investors Association (TIA) for the annual general meeting (AGM) quality assessment of listed companies, in which the Company received 97% score and was placed in the “**Excellent**” group.
- Year 2014 : On September 25, 2014, the Company received “**Investors' Choice Award**” from Thai Investors Association (TIA) for the quality assessment of the annual general meeting (AGM). The Company received full 100 score for four consecutive years from 2011-2014.
- Year 2016 : On July 27, 2016, the Company received “**Investors' Choice Award**” from Thai Investors Association (TIA) for the quality assessment of the annual general meeting (AGM). The Company received full 100 score for six consecutive years from 2011-2016.

3.4 Awards related to Innovative Capacity

On October 5, 2018, the Company received “**Innovative Organization**” award for year 2018 from the participation in the innovation capability promotion program for businesses hosted by the National Innovation Agency (NIA) and the Stock Exchange of Thailand.

ตรา
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แกร่งทุกสภาพ

หลังคา **Decra**
ตราเพชร



หลังคา Decra (Decra Roof)

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REPORT OF THE AUDIT COMMITTEE

The Audit Committee (AC Committee) has been assigned with the duties and responsibilities according to the Charter established by the Board of Directors. Accordingly, the AC Committee wishes to present the Report of the AC Committee for the year 2019, which can be summarized as follows.

1. Reviewed the quarterly and yearly financial statements for year 2019 of the Company and subsidiary company. It was concluded that they 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. Considered the plan and established the scopes of audit work in year 2019 to cover significant risk factors and anti-corruption guidelines, as well as sufficiency of internal controls of the Company and subsidiary company. The Management was advised to improve on various work procedures and deficiencies to be more circumspect and appropriate.
3. Reviewed and put emphasis on the management in accordance with the principles of good corporate governance in compliance with laws related to the Company's business operation and anti-corruption guidelines during year 2019. Emphasis has been placed on accuracy and completeness of the information disclosed to all stakeholders with fairness and equality, which can be referred to and verified straightforwardly and with transparency.
4. Reviewed transactions involving acquisition and disposition of assets, as well as related party transactions and transactions with potential conflict of interests during year 2019. It was concluded that the prices and commercial terms of these transactions were in accordance with general business practice.
5. Reviewed the risk management system during year 2019. The Management was advised to improve on various working procedures and deficiencies to be more circumspect and appropriate.
6. Reviewed the progress of legal cases during year 2019. The Management was advised on improvement of legal proceedings and outstanding debt collection so that they are more circumspect and appropriate.
7. Engaged in the self-assessment of the AC Committee, both as a whole committee and individual for the year 2019, in which the assessors should specify the strengths, weaknesses, and aspects that required improvements. The AC Committee has altogether considered the assessment results and established a rectification guideline for more efficient and effective operation in the following years.
8. Considered the selection of the independent auditor and determination of the audit fee for year 2020 by considering the qualifications, quality, and good working standard in the past of auditors. Accordingly, the AC Committee has recommended the Board of Directors to propose to the Annual General Meeting of Shareholders Year 2020 for the appointment of Ms. Chanarat Chanwa, certified public accountant registration no. 9052, or Ms. Thanyalux Kaedkeaw, certified public accountant registration no. 8179, or Ms. Sophit Prompol, certified public accountant registration no. 10042, 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 2020. The audit fee for the Company is set at Baht 1,720,000, an increase of Baht 100,000, and the audit fee for the subsidiary company is set at Baht 410,000, which is the same as the previous year, for a total of Baht 2,130,000, a total increase of Baht 100,000 or 4.93 percent, which is deemed appropriate.
9. In year 2019, the AC Committee held a total of 6 meetings. The Chairman of the AC Committee and all three members of the AC 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 AC 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 12, 2020

On behalf of the AC Committee



Mr. Sakda Maneeratchatchai

Chairman of the AC Committee

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC Committee) has carried out the duties as assigned by the Board of Directors. During the year 2019, NRC Committee held 5 meetings altogether to consider the following important matters before proposing to the Board of Director for further considerations:

1. Nomination of Company's Directors for the replacement of Directors retired by rotation

According to the regulation, one-third of the Company's directors must be retired by rotation during the Annual General Meeting of Shareholders. The NRC Committee is charged with selecting and nominating qualified candidates to replace the retiring directors. The NRC Committee has established the following rules and procedures for such selection and nomination:

- 1.1 The NRC 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 NRC 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 NRC Committee selects and proposes suitable candidates for the directorship position to replace those Directors whom are retired by rotation to the meeting of the Board of Directors for its consideration before proposing to the Annual General Meeting of Shareholders for consideration and appointments.

2. Consideration of remunerations for the Board of Directors

The NRC Committee has specified the following criteria for remuneration of the Board of Directors and sub-committees:

- 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 of the same industry within the Stock Exchange of Thailand of similar performance levels. In addition, remuneration must be at the level that will provide incentive to attract and retain quality directors.
- 2.3 Remuneration must be in line with the Company's overall performance. The NRC Committee has considered the remuneration of the directors and has proposed to the Board of Directors for approval at the Annual General Meeting of Shareholders on the following issues:
 - (1) Amount of monthly remuneration for the Chairman of the Board and for the company directors.
 - (2) Amount of monthly remuneration for the Chairman of the AC committee and AC Committee members.
 - (3) Amount of monthly remuneration for the Chairman of the NRC Committee and the NRC Committee members.
 - (4) Amount of monthly remuneration for the Chairman of the CGC Committee and the CGC Committee members.
 - (5) Payment of annual remunerations or bonuses to the Board of Directors according to the overall Company's performance each year.

3. Consideration of the criteria for evaluation of the Company's performance

The NRC Committee has considered rules for the Key Performance Indicators (KPI) of the Company to be used for evaluation of annual salary adjustment and yearly bonus for the Company's employees. The NRC Committee has evaluated the Company's performance based on the annual budget, operational targets, as well as market and economic conditions in each year.

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

4.1 The NRC Committee has considered the salary increase and annual bonus for high ranking executives of the Company by considering Company's overall operating results and the performance of individual executive. Accordingly, the annual bonus for high ranking executives shall be based on the same rule as for all the Company's employees in general.

4.2 The NRC Committee has considered the salary increase and annual bonus for the Company's employees by considering Company's overall operating results, market and economic conditions, and employment market situation by comparing salary adjustment and annual bonus with other companies in similar level of industry.

4.3 In commemoration of the 35th anniversary of the Company's establishment this year, the NRC Committee has considered the special bonus payments for employees, who have been loyal and diligently performed their duties, contributing to the Company's success today.

5. Nomination of All NRC Committee Members Retired by Rotation

According to the nomination criteria and process, the NRC Committee has considered candidates with suitable knowledge and skills to hold the position in place of the NRC Committee members retiring by rotation. The Board of Directors was proposed to approve the nomination of the NRC Committee members retired by rotation to hold the position of the NRC Committee members for another term of office.

6. Nomination of the CGC Committee Members Retired by Rotation.

According to the nomination criteria and process, the NRC Committee has considered candidates with suitable knowledge and skills to hold the position in place of the CGC Committee members retired by rotation. The Board of Directors was proposed to approve the nomination of the CGC Committee members retired by rotation to hold the position of the CGC Committee members for another term of office.

7. Consideration of the Board Diversity (Board Skill Matrix)

The NRC Committee has considered the criteria for the determination of diverse qualifications of the Board of Directors which are deemed necessary and suitable for the operations of the Company, which are included in the Board Skill Matrix. It includes qualified and experienced persons with a diverse set of expertise supporting the Company's business strategy, which is one of the factors contributing to a balanced mix of views, quality of work, and effective decision making in business operation.

8. Consideration of the Succession Plan by Promotion for the Assistant Chief Executive Officer Position

The NRC Committee has considered the succession plan by promoting qualified and performing senior executives, which include persons in Senior Manager position. The plan is to promote the persons to the Assistant Chief Executive Officer and Management Committee Member positions as a preparation according to the new organizational structure and the succession plan of the Company.

9. Consideration of Coverage Increase for Health Insurance of the Company's Senior Executives

The NRC Committee has considered the coverage increase for health insurance of senior executives for the Assistant Chief Executive Officer and above as they are essential for the management of the Company and ensure that the main objectives and goals are met.

10. Revision of the Company's Work Regulation

The NRC Committee has considered the revision of the Company's work regulation to ensure compliance with the Labor Protection Act (No. 7) B.E. 2562 (2019), which has been effective since May 5, 2019.

11. Consideration of the Complaints from the Labor Union of Diamond Building Products Public Company Limited (Labor Union)

The NRC Committee has considered the complaints from the union which have the duration of three years, ending on August 8, 2019, by negotiating for mutual benefits with the Labor Union to reach satisfactory conclusion for both parties.

12. Preparation of Self-Assessment Form of NRC Committee for the whole committee and individual

To identify obstacles contributing to unsuccessful objectives in the previous year, the NRC Committee has considered and prepared self-assessment form of NRC Committee for the whole committee and individual at least once per year. This would clarify the individual roles, duties, and responsibilities, as well as facilitate effective follow-up and evaluation of performance as per the goals as approved by the Board of Directors.

In the previous year, the NRC Committee has conducted its duties effectively, as per the corporate governance principles, and as authorized by the Board of Directors for the fullest benefits of the Company.

January 7, 2020

On Behalf of the NRC Committee,

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Mr. Chaiyut Srivikorn

Chairman of the NRC Committee



REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee (CGC 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 2019, 5 meetings were held to consider several matters, which can be summarized as follows.

1. Rectified the Good Corporate Governance Handbook based on the “**Corporate Governance Code for listed companies 2017 (CG Code)**”, according to the Notification of the Securities and Exchange Commission (SEC). The best practices and the code of conduct are also revised and published on the Company’s website and intranet.
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 parts of employee trainings, as well as disseminating the information to employees.
3. Reviewed the self-assessment form on the performance of the Board of Directors as a whole and as an individual at least once a year by using the assessment forms as guided by the Thai Institute of Directors (IOD) and the Stock Exchange of Thailand as improvement guidelines for the assessment forms of the Company. In year 2019, the Company established that there were the self-assessment on the performance of the Board of Directors, Sub-Committees as a whole and as an individual, and has added self-assessment of the CEO, having the following objectives:
 - 3.1 For acknowledgment of problems and obstacles which have caused the work not achieving its objective during the past year.
 - 3.2 For more effective work of the Board of Directors due to clear acknowledgment of its roles, duties and responsibilities.
 - 3.3 For improvement of relationship between the Company’s Board of Directors and the Management.
 - 3.4 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 2019 had an average score ranging between 93.3 and 100.0 percent. Accordingly, the committee members gave suggestions for work improvement for each of the committees, which were beneficial to the Company.
4. In year 2019, the Company received the following awards of pride relating to the assessment of corporate governance:
 - 4.1 The Company was presented with the “**Sustainable Stock**” or “**Thailand Sustainability Investment 2019**” award (THSI) consecutively for the third year from the Stock Exchange of Thailand and Money and Banking Journal. The award was for listed companies with sustainable business practice that consider **the Environment, Society, and Governance (ESG)**.
 - 4.2 The Company received a **five-star award** () for the assessment of corporate governance among Thai listed companies in year 2019 by Thai Institute of Directors, in which the Company was placed in the “**Excellent**” group and received 90% score, 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.
 - 4.3 The Company received a **four-star award** () for the quality assessment of the annual general meetings of shareholders of listed companies in year 2019, in which the Company was placed in the “**Very Good**” group and received 99% score.
 - 4.4 The Company was selected as one of the companies in **ESG 100**, a group of securities with distinct works on the environment, society, and governance (ESG), from the evaluation of listed companies for year 2019 by Thaipat Institute.

5. The executives have participated in the following training programs in year 2019:
 - 5.1 **“Effective Minutes Taking”** (EMT 45/2019) organized by Thai Institute of Directors, resulting in a prudent, careful and legal compliance work.
 - 5.2 **“Board Reporting Program”** (BRP 31/2019) organized by Thai Institute of Directors, resulting in accurate, complete, and proper preparation of information and reports.
6. The improvement guidelines for the corporate governance in year 2020 include:
 - 6.1 Monitored, reviewed, and revised the governance of the company’s operations according to the Good Corporate Governance Handbook.
 - 6.2 Disseminating the good corporate governance principles within the organization to ensure understanding among the directors, executives, and every employee, with practical results that fostering corporate culture.

During year 2019, the CGC Committee has achieved its established plan on the work involving the corporate governance. The CGC Committee is determined to improve on the good corporate governance to have effective and transparent management, which should continuously build confidence and be accepted by every group of stakeholders.

January 27, 2020

On behalf of the CGC Committee



Mr. Thanit Pulivekin

Chairman of the CGC Committee



REPORT OF THE PRODUCTION TECHNOLOGY AND INNOVATION COMMITTEE

The Production Technology and Innovation Committee (PTI Committee) is committed to enhance the Company's competitiveness and be acceptable among all stakeholders. During year 2019, the PTI Committee has held 12 meetings altogether to establish work guidelines for production innovations, productivity improvement, and production cost reduction, which can be summarized as follows:

1. **NT-11 Production Line Project:** To support the increasing demand, the Baht 400 million investment project was initiated with the objective to increase the production capacity of siding boards and tile support from natural fiber by 55,000 tons per year. With expected completion in the fourth quarter of 2020, the project would increase the production capacity of natural fiber cement by 35 percent.
2. **Central Dust Collector Project:** The objective is to reduce dust in manufacturing processes by installing a dust collection system to trap dust from siding board planing process. The dust is transported via piping system and recycled. Completed in July 2019, the project decreases the cost of dust handling, reduces raw material usage by 3,500 tons per year, reduces labor required for dust handling, and minimizes environmental impact according to the sustainability development guidelines.
3. **Semi-automatic Tile Support Packaging System:** The objective is to reduce injury in the operation, to control the quality of the surface, to sort and package the tile support for export. Completed in July 2019, it was a joint project with the Department of Industry Promotion and King Mongkut's University of Technology North Bangkok.
4. **Automatic Sieve Washing Machine Project:** The objective is to increase the efficiency of sieve washing process, to increase safety, and to minimize risks concerning handling of sieve washing chemical. Completed in December 2019, the project is able to increase the washing capacity by 66 percent.
5. **Plank Separator Project:** The objective is to improve the efficiency when separating boards that are stuck together and to reduce the delivery time of transport pallets back to the manufacturing process. With expected completion in the first quarter of 2020, the project would minimize the risk of hand injury due to hammer usage, as well as decrease the labor requirement.
6. **Robotization Project:** According to the Company's policy of utilizing robotic machine in place of human labor in areas with risks of accident and areas with heavy works unsuitable for human labor. The first area that utilize robotic machine is the curved spine packaging at the concrete tile production line, which helps increase the efficiency and reduce human labor requirement. As an effort towards automation and increased competitiveness, the Company has plans to utilize robotic machine in other areas.
7. **Site visits, research & development, and related activities** in year 2019 are as follows:
 - 7.1 Four of the Company's employees and engineers have conducted site visits regarding AI and robotics in Shanghai, China, with the objective to apply the knowledge about robotics and automation in the Company. As one of the major factors contributing to continuous development of innovation, the PTI Committee has established a work team on automation and robotics, namely, Diamond Automation & Robotics Transformation Team (DART Team).
 - 7.2 The DART Team has been assigned to conduct research about other automation systems, including Robotic Process Automation (RPA) and Collaborative Robot (COBOT), as alternatives to simple tasks or handling of information with repeating patterns.

7.3 Research and development on manufacturing process, including form rolling of thick planks and single-pass paint works.

7.4 The Company has submitted a project to the **Kaizen Award 2020** held by the Technology Promotion Association (Thailand-Japan) (TPA) for the first time to allow the Company to have a fresh experience in the competition and produce a groundwork that can lead to more effective development.

- 8 **Prepared self-assessment form for the performance of PTI Committee as a whole committee and as an individual** at least once a year in order to identify obstacles contributing to unsuccessful objectives in the previous year and for more effective operation, having recognized the individual roles, duties, and responsibilities, as well as facilitating effective follow-up and assessment of performance according to objectives as approved by the Board of Directors.

During the past year, the PTI Committee has operated and achieved the established plan with cooperation from employees of every working unit in presenting work achievement and designing more effective work processes. The PTI Committee believes that the employees possess knowledge and skills to create innovation, and they are the key to foster “**Innovative Culture**” for sustainable business development.

December 23, 2019

On behalf of the PTI Committee

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Mr. Asanee Chantong

Chairman of the PTI Committee



REPORT OF THE RISK MANAGEMENT COMMITTEE

During year 2019, the Risk Management Committee (RMC Committee), comprising of 14 directors and executives from every department of the Company, held 7 meetings altogether to consider and determine risk prevention and mitigation measures, as well as to organize effective risk control activities. The Report of the RMC Committee 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 and services, personnel development, regulations, and other areas which may impact Company's operations. The risks are categorized into urgent risks requiring prompt actions (Red Risks) and potential risks for monitoring (Yellow Risks), which could become risk factors in the future.
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 or minimize the chance for the risks to occur in the future.
3. Closely and effectively monitored the management of urgent risks requiring prompt actions and prevention of potential risks for monitoring. The Management Committee (MC Committee) and the Audit Committee (AC Committee) were presented with the summary report at least once every quarter before presenting to the Board of Directors for acknowledgement and consideration.
4. Prepared risk management plan during crisis 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 Anti-Corruption Committee (ATC 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 be conducted by every department at least once a year.
7. Prepared self-assessment form on the performance of the RMC Committee as the whole and as an individual at least once a year in order to identify obstacles contributing to unsuccessful objectives in the previous year, clearly acknowledging its individual roles, duties, and responsibilities, as well as facilitating effective follow-up and evaluation of performance as per the goals as approved by the Board of Directors.

During year 2019, the RMC Committee was able to carried out its duties effectively in accordance with the corporate governance's best practices, successfully controlling risks at acceptable level so that they did not impact the Company's operation for the best interest of the Company and every group of stakeholders.

December 17, 2019

On behalf of the RMC Committee



Mr. Satid Sudbuntad

Chairman of the RMC Committee

REPORT OF THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee (CSR Committee) has comprised of 14 executives from every department. During the year 2019, the CSR Committee held 3 meetings altogether to consider and determine guidelines related to corporate social responsibility, minimizing impacts to the environment, as well as arranging related activities for sustainable development. The activities can be summarized as follows:

1. The CSR Committee reviewed the corporate social responsibilities policies and define quantitative targets as KPIs for business operations. As a contribution to the Sustainable Development Goals (SDGs) of the United Nations, budgets have been allocated for works concerning the society and the environment to take care of the livelihood of employees, society, and community, and to minimize environmental impact.
2. Concerning with the responsibility to **“Diamond Society”** trainings were organized to promote awareness of work safety, anti-corruption policy, and the Company’s value, **“Determined, Transparent, Yearning for Development, Environmental Protection.”** With focus on work-life balance, activities were also organized covering all 8 aspects of **“Happy Workplace”** namely: Happy Body, Happy Heart, Happy Soul, Happy Relax, Happy Family, Happy Society, Happy Brain, and Happy Money. These activities have been continuously carried out for sustainable development.
3. Concerning with the responsibility to **“Diamond Community”** the Company is committed to the sustainable development of people in the Diamond Community every year under the **“Diamond Heart Technicians”** Project. In collaboration with Muak Lek Technical College and Phra Dabot Foundation, in year 2019 the Company has arranged training courses for students, comprising theoretical subjects such as construction materials and site visits at the concrete tile production line, and practical subjects such as installation of roof and roof frames. The project equipped the participants with basic knowledge about construction material supplementing the students’ learning. The Company also continuously organized various public relation and community service activities.
4. Concerning with the responsibility to the **“Environment”** the Company is continuously committed to improvement of the production process in order to minimize environmental impact. The effort includes reduction of dust and air pollution, reduction of coating loss, reduction of waste and sediment recycle in the production process, and reduction of energy usage both in the plant areas and office building and reduction of carbon dioxide gas (CO₂), etc. The Company has regularly carried out air quality inspection in the establishment with measurement results within the criteria according to the industrial standards.
5. In 2019, the Company has engaged in the following sustainability related activities:
 - 5.1 The Company participated in the **Thailand Sustainability Awards**, held by the Stock Exchange of Thailand, for the third year. The Company passed the sustainability assessment criteria and proceeded to the interview round with the award committee, and ultimately was listed in the **“Sustainable Stock”** or **“2019 Thailand Sustainability Investment (THSI)”**, being a company with balanced emphasis on both financial operating results and responsibilities toward stakeholders, society, and environment. The Company also effectively takes into consideration the **environmental, social, and governance aspects (ESG)** as a mechanism for sustainable development of its business and the Company shall adopt the recommendations for further improvement of the guidelines for sustainable development.

- 5.2 The Company was selected by Thaipat Institute as one of the companies in “ESG100” Silver level, which comprises companies with distinct works on the environment, society, governance (ESG) in year 2019. For improvement of sustainability related works of the Company, Thaipat Institute has also a report on the evaluation of Company’s environmental, social, and governance aspects for year 2019.
6. Concerning with the trainings and activities related to social and environmental responsibility in year 2019:
 - 6.1 The Company’s executives were continuously assigned to attend courses on business administration for sustainable development at basic and practical level organized by the Corporate Social Responsibility Institute (CSRI) and the Stock Exchange of Thailand, as well as courses on sustainable development by other institutes totaling 19 courses. The knowledge is further used as a guideline for the operation and as a tool for corporate sustainable development.
 - 6.2 The Company engaged in “THSI Coaching 2019” a personalized, in-house, one-on-one session with instructors provided by the Stock Exchange of Thailand. Fifteen executives of the Company have attended the session to improve their knowledge on sustainable works and to prepare for the participation in the THSI project in 2019.
 - 6.3 Various activities have been held for employees, including campaigns and activities promoting occupational health and safety in order to prevent accidents and minimize risk-prone behaviors, and campaigns and activities promoting energy usage reduction, employees’ sense of engagement on sustainability in which employees may provide suggestions on how to reduce energy usage and paper waste, etc.
7. The CSR Committee prepared the Corporate Social Responsibility Sustainability Report, reporting on its CSR operations during year 2019.
8. The CSR Committee performed self-assessment of the CSR Committee as a whole and as an individual to ensure more effective works and to identify the duties, roles, and responsibilities of each committee member in a clear and quantifiable manner.

During year 2019, the CSR Committee has operated and 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.

December 17, 2019

On behalf of the CSR Committee



Mr. Satid Sudbuntad

Chairman of the CSR Committee

REPORT OF THE ANTI-CORRUPTION COMMITTEE

The Anti-Corruption Committee (ACC Committee) comprises of 21 directors and executives from every department. In 2019, the committee held 3 meetings in total to establish and monitor anti-corruption measures, inspiring confidence among stakeholders and supporting the Company in achieving its objectives with sustainability.

In 2019, as a guiding principle for all Diamond Brand employees to uphold within the rule of law, the ACC Committee arranged assessments on corruption risks for every department of the Company and established measures mitigating corruptions risks between the Company and governmental agencies. Trainings on anti-corruption have been arranged for employees throughout the year. To reinforce the effort on anti-corruption, a letter has been sent to partners in the same industry as an invitation to join the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). Representatives from the Company have attended the annual event, **"Join Forces...Fight Fraud"**, promoting anti-corruption efforts held by the Anti-Corruption Organization of Thailand on Friday, September 6, 2019. Employees also engaged in external training programs, including **"Transparent Organization"** and best practice on anti-corruption training. Additionally, starting from this year the Company has adopted **"No Gift Policy"** to minimize potential bribery. The policy has been announced to every group of stakeholders via the Company's website, including an official notification letter for **"Cooperation on No Gift Policy"** including a symbol design for communication, etc.

During the year 2019, the ACC Committee has achieved the established objectives and goals, promoting awareness among directors, executives, and all employees of the Company on the accountability of their duties in accordance with the law and ethics, fostering good values and ensuring sustainable development of the Company.

December 17, 2019

On behalf of the ACC Committee



Mr. Satid Sudbuntad

Chairman of the ACC Committee





SIGNIFICANT CHANGES IN THE PAST YEAR

Year 2019

- **March** On March 18, 2019, the Board of Directors resolved to approve the Baht-400-million investment in the fiber cement production line (NT-11) with the production capacity of 55,000 tons per year at Saraburi Plant since the current production line was utilized over 90 percent of the production capacity.
- **June** On June 24, 2019, the Board of Directors resolved to appoint two new executives: Assistant Chief Executive Officer and Management Committee Member. The appointments have been effective since July 1, 2019.

FUTURE PROJECTS

To support sustainable growth towards the future, in 2019 the Company has put effort in various activities, including expansion of production capacity according to the market demand, development of new products, improvement on manufacturing efficiency to increase productivity, production cost reduction, and reduction of environmental impact, as well as development of supporting machinery to increase competitive edge. The details are as follows:

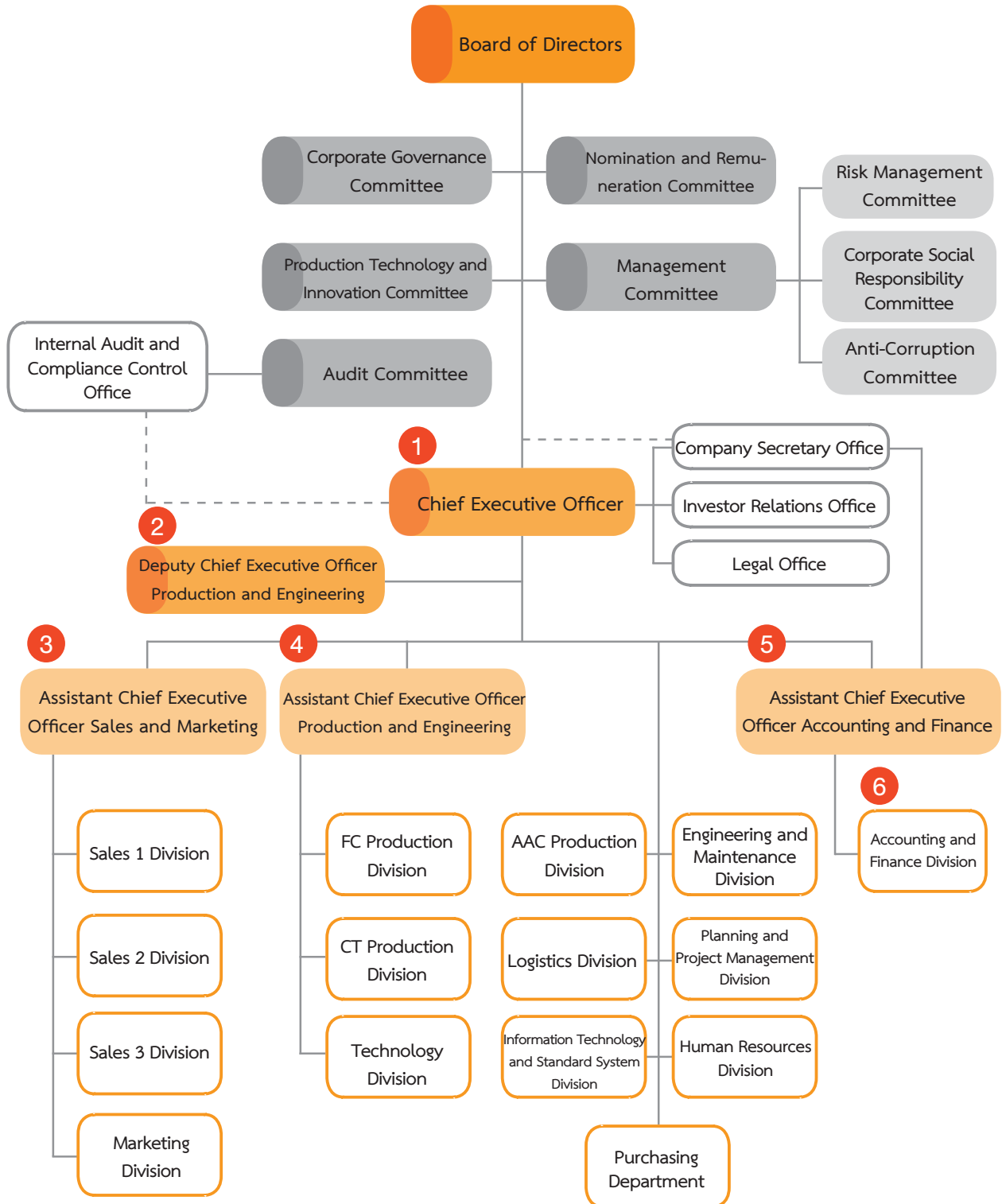
1. **NT-11 Production Line Investment Project:** To support the increasing sales demand, the Baht 400 million investment project was initiated with the objective to invest in machinery to produce siding boards and tile support from natural fiber with production capacity of 55,000 tons per year, which would increase production capacity by 35 percent.
2. **Improvement on Manufacturing Efficiency and Production Cost Reduction:** By utilizing robotic machinery in place of human labor in high-risk and accident-prone areas, the manufacturing efficiency can be improved and production cost reduced. In 2019, the first robotic machinery was utilized in the curved spine packaging area, which involves heavy works that are not suitable for human labor. Robots will be introduced in other risky areas in the future.
3. **Product Quality Control Project:** Utilization of machine for quality control aspect, such as the UV system to improve the quality of siding boards in terms of glossiness and hardness of the paint, etc.
4. **Environmental Impact Reduction Project:** Every manufacturing efficiency improvement project must consider the negative impact to the community and environment. For instance, installation of sediment filter press to reuse the sediment can reduce sediment and waste from the manufacturing process, as well as waste handling cost. Other environmental projects include odor treatment system to reduce air pollution and tile chip grinder to reuse tile chips, which can decrease manufacturing cost and waste handling cost.
5. **Administration Related Projects:** Technology is adopted to assist in the administrative works to enhance efficiency and minimize mistakes related to paper works, as well as reduce paper usage. The Company has continuously put effort into this matter, with activities planned for 2020 as follows:
 - 5.1 RFID system project for weighing of inbound and outbound trucks to minimize mistakes on data entry by delivery staff and to reduce the use of order vouchers for goods receipt.
 - 5.2 Web Sale project, which is an ongoing project concerning purchase orders from customers to transform business into E-Commerce format. This would enable the customers to order products 24 hours a day.
 - 5.3 K2 project concerning the approval system to minimize mistakes in document approval workflow. This year, work has been done on the procurement system, purchase requests (PR), and DAR for job change request for ISO standard compliance. In 2020, the project is planned to be introduced to the purchase orders (PO) and good receipts (RC).
 - 5.4 E-Receipt and E-Tax Invoice project according to the policy of the Revenue Department will be carried out in 2020.

FINANCIAL INFORMATION

(Unit : Million Baht)	Consolidated Financial Statements			Separate Financial Statements		
	2019	2018	2017 *	2019	2018	2017 *
Financial Status						
Total Assets	3,332	3,138	3,017	3,387	3,182	3,046
Total Liabilities	1,073	1,062	1,023	1,133	1,096	1,031
Total Shareholders' Equity	2,259	2,076	1,994	2,254	2,086	2,015
Operating Results						
Revenue from sales of goods and rendering of service	4,748	4,329	4,171	4,748	4,329	4,171
Gross Profit	1,273	1,088	1,141	1,249	1,069	1,127
Income before depreciation, finance costs and income tax expense (EBITDA)	953	768	774	923	742	755
Income before finance costs and income tax expense	714	531	523	699	521	520
Net Income	572	423	412	557	413	408
Financial Ratios						
Net Profit Margin (%)	12.04	9.77	9.87	11.72	9.53	9.79
EBITDA Margin (%)	20.07	17.74	18.57	19.44	17.14	18.09
Return on Equity (%)	26.37	20.78	21.16	25.65	20.12	20.76
Return on Total Assets (%)	17.67	13.74	13.16	16.95	13.25	12.96
Debt to Equity Ratio (Times)	0.47	0.51	0.51	0.50	0.53	0.51
Interest Coverage Ratio (Times)	126.53	72.99	73.26	125.93	72.85	73.18
Net Gearing Ratio (Times)	0.18	0.24	0.25	0.18	0.24	0.25
Earnings Per Share (Baht Per Share)	0.60	0.45	0.43	0.59	0.44	0.43
Book Value (Baht Per Share)	2.38	2.19	2.10	2.38	2.20	2.13
Summary Stock Information "DRT"						
Market Price as at Year End (Baht Per Share)	6.25	5.30	5.70	6.25	5.30	5.70
Number of Registered Common Shares (Million Shares)	948	948	1,048	948	948	1,048
Number of Paid - up Common Shares (Million Shares)	948	948	1,048	948	948	1,048
Number of Treasury Common Shares (Million Shares)	-	-	100	-	-	100
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)	5,925	5,024	5,973	5,925	5,024	5,973
Price Earnings Ratio as at Year End (Baht Per Share)	10.42	11.78	13.26	10.59	12.05	13.26
Dividend Per Share (Baht Per Share)	0.40	0.36	0.36	0.40	0.36	0.36
Dividend Payout Ratio (%)	66.67	80.00	83.72	67.80	81.82	83.72

Remark : * Revenues from sales and services in 2017 were revenues before adjustments according to the Thai Financial Reporting Standard No.15 (TFRS 15) Re: Revenue from Contract with Customers, which has been effective with the financial statements year 2018 onward.

ORGANIZATION STRUCTURE



1 - 6 The Company's Executives according to SEC Regulation

INVESTMENT IN SUBSIDIARY COMPANY

The Board of Directors has established policies and operations for the subsidiary company and other businesses, which the Company has significant investment at appropriate level for each business as follows:

1. The Board of Directors has established a governance policy for the subsidiary company as follows:
 - 1.1 The Board of Directors shall appoint directors, executives, or other authorized persons in subsidiary company in writing to ensure operations that are compliant with the parent company.
 - 1.2 The scope of duties and responsibilities of the representatives as in 1.1 is established according to the policy of the subsidiary company. In case of joint investment with other parties, the representatives shall perform their duties at their best for the subsidiary's interest and in compliance with the policy of the parent company.
 - 1.3 The internal control system and risk management system for the subsidiary company are suitably, adequately, and circumspectly established, ensuring that transactions are compliant with related laws and regulations.
 - 1.4 Information to be disclosed include financial status and operating results, related party transactions, acquisition or disposition of assets, other important transactions, capital increase and reduction, and closure of subsidiary company, etc.
2. Significant rules and criteria for joint investment in other business have been established, such as, holding shares with voting right of equal to or more than 20 percent, but not exceeding 50 percent, as well as in vestment amount or required additional investment that is significant to the Company. The Board of Directors has also established that a Shareholders' Agreement or other agreements shall be made to make certain the executive authorities and role in decision making on important matters.
3. The operating results of the subsidiary company are monitored to ensure that the information can be used to prepare Company's consolidated financial statements in accordance with the standards and within the specified period.

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., 40 th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok 10400 Tel: 0 2619 0742, Fax: 0 2619 0488
Branch Office	: 263, Moo 10, Tambon Maefaek, 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.

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 of the subsidiary company, 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, 2019, there were three Directors appointed by the Parent Company.

Name	Position	Board of Directors' Meeting (Times)	
		2019	2018
1. Mr. Satid Sudbuntad	Chairman of the Board	8/8	4/4
2. Mr. Maitree Tawonatiwasna	Director	8/8	4/4
3. Ms. Thanakarn Phanthapirat	Director and Secretary	8/8	4/4

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

Scope of Duties and Responsibilities 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 daily routine management work in accordance with the objectives, policies, established targets within the authority as assigned by the Company's Board of Directors.

Internal Control

The AC 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 RMC 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 subsidiary company has adequate and effective risk management framework.

Related Transactions

percent of shareholding in the subsidiary company and has three 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 61,999.62 tons of autoclaved aerated concrete totaling Baht 146.83 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 as a normal business operation based on general commercial terms and conditions, in order to have sufficient products sale and quick delivery to the customers in the Northern region. Accordingly, the sale and purchase of autoclaved aerated concrete between the parties should continue as necessary in the business operation in the future.

INDUSTRIAL SITUATION AND COMPETITION

1. Industrial Situation and Competition

In 2019, the overall construction business in private sector was still faced fierce competition, compounding with the economic climate and concerns among business operators regarding stagnant domestic purchasing power, especially in the middle to low-level residential housing projects in the real estate sector. Due to this and political factor that may impact the confidence of consumers and investors, business operators became cautious in starting new construction projects. Regardless, there are some positive factors for the construction business, including the **Land and Building Tax Act**, which was adopted in 2019 but shall come into force in 2020. This Act would help motivate landowners to utilize their empty land in order to relieve tax expenses, such as building residential homes or commercial buildings, etc. Also, the contribution of the home repairs market to the total value of the construction materials market increased from 30 percent to 40 percent, along with an increase demand for construction materials due to flood in many areas.

Regarding the marketing communication, the focus was to increase brand awareness on the **“Diamond Brand”** among domestic consumers, with the slogan **“Quality for Your House Needs, Diamond Products Live Up to its Name for Robustness”** and the **“DIAMOND”** brand for overseas markets. The marketing department has been continuously releasing the marketing campaign **“Complete set of beauty, entirely filled with Diamond Brand”** to communicate with target groups that the Company is a manufacturer with a complete portfolio of products-roof, wall, and floor systems-that can be used to construct and decorate a whole home. Also incorporated the **“Nong Petch”** mascot, the campaign was communicated via publications, digital TV, and online on social media such as Facebook, YouTube, and Instagram (**@DiamondBrandOfficial**). The website (www.dbp.co.th) has been developed to support six languages, including Thai, English, Burmese, Vietnamese, Khmer, and Chinese. A mobile application **“Diamond Brand”** has been developed for Android and iOS operating systems to educate proper usage of products, which have been well received by consumers.

As for other communication channels, the Company has held the **DIAMOND Architect Contest 2019**, a competition that was firstly held in 2016. Apart from students, this year the competition also allowed professional architects to design houses that use the Company’s products. With the theme **“Strong & Stylish: Reasonable Price & High Quality”** and the prize pool of Baht 200,000, the task was to design a single-story house with usable area not exceeding 70 square meters on a 200-square-meter land, and construction budget (excluding land price) not exceeding Baht 1 million in keeping with the **“One Million Home”** project of the government.

Furthermore, the Company has organized trainings for domestic distribution agents and contractors to enhance their capabilities and competitiveness. Training sessions have been organized 221 times in a year, with 1,935 total participants. Moreover, supports have been given to stores on their design, with modern look and neat product arrangement and displays for consumer’s convenience in product selection.

Industrial situation and competition can be summarized as follows:

1.1 Operators in the Industry

Operators in the industry compete by developing products to meet the demand of consumers, especially wall boards and wood substitute products. With surplus production capacity in many product groups, all operators thus focus on maintaining their market bases, and the trend of the competition continues to be fierce.

1.2 Competition in Domestic Market

Due to the impact from stagnant economy and market pressure from new manufacturers who focus on price mechanism, the competition on prices has become fierce. With surplus production capacity and increasingly popular substitute products, due to attractive selection and colors, along with quick installation, such as metal sheets, operators must adapt to the changing situation.

Domestic Market Shares in 2018 are as follows:

Manufacturers (Unit: Million Baht)	Sales in 2018	
	Amount	Market Share
1. Siam Cement Group	12,037.33	46.91%
2. Mahaphant Group	6,152.84	23.98%
3. Diamond Building Products	4,401.35	17.15%
4. Kiternit Group (Olanvanich)	844.30	3.29%
5. Conwood	1,065.45	4.15%
6. Thai Ceramic Roofing Tiles Co., Ltd.	1,159.59	4.52%
Total	25,660.86	100.00%

Source: Department of Business Development, Ministry of Commerce

1.3 Competition in Foreign Market

In year 2019, the value of exported roofing tiles, siding boards, boards and ceilings from Thailand to foreign market was Baht 6,533.75 million, a decrease of 2.18 percent from year 2018, being categorized according to trading countries as follows:

Export Value of Construction Products are as follows:

Product Description (Unit: Million Baht)	2019	2018	2017
Fiber Cement Tiles	1,000.07	1,157.72	1,158.66
Concrete Tiles	813.68	772.75	655.04
Boards and Ceilings	4,345.18	4,432.61	3,891.90
Siding Boards	374.82	316.61	333.70
Total Export Value	6,533.75	6,679.69	6,039.29
Expansion rate increase (decrease) (%)	(2.18%)	10.60%	10.79%

Source: Thai Customs Department

Trading Countries

Trading Countries (Unit: Million Baht)	Fiber Cement Tiles	Ratio	Concrete Tiles	Ratio	Boards & Ceilings	Ratio	Siding Boards	Ratio
Philippines	19.29	1.93%	13.39	1.65%	1,204.75	27.73%	8.20	2.19%
Myanmar	17.28	1.73%	20.93	2.57%	1,021.48	23.51%	63.15	16.85%
Cambodia	206.90	20.69%	431.04	52.97%	325.76	7.50%	38.17	10.18%
Laos	442.75	44.27%	335.82	41.27%	194.81	4.48%	120.78	32.22%
China	44.15	4.41%	0.00	0.00%	4.71	0.11%	8.83	2.35%
United Kingdom	92.36	9.23%	0.00	0.00%	1.83	0.04%	7.46	1.99%
Vietnam	71.63	7.16%	0.54	0.07%	737.13	16.96%	4.04	1.08%
India	1.53	0.15%	0.23	0.03%	204.40	4.70%	1.19	0.32%
Indonesia	2.78	0.28%	0.00	0.00%	68.74	1.58%	0.06	0.02%
South Korea	2.43	0.24%	0.00	0.00%	124.98	2.88%	0.14	0.04%
Others	98.97	9.91%	11.73	1.44%	456.59	10.51%	122.80	32.76%
Total Export Value	1,000.07	100.00%	813.68	100.00%	4,345.18	100.00%	374.82	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 2019 was at Baht 730.04 million or 11.17 percent of the total export value, an increase of 6.39 percent from the previous year.

1.4 Future Competitive Trends

- (A) **Roofing Product Group:** The Roman tile and small corrugated tile product groups have been affected by substitute products such as metal sheets. And due to its stagnant market growth, the concrete roof tile will face more competition.
- (B) **Wood Substitute and Board Group:** Due to the growing trend of the repair market, new products must be continuously developed to support various applications, being able to truly substitute real wood and expediently meet the market's demand. With surplus production capacity and fierce competition remain, the management on sales promotions is important in order to drive sales and win market share.
- (C) **Autoclaved Aerated Concrete Group:** After the assembly of the government in 2019, the government has pushed forward megaprojects in private sectors in major provinces in each region. Regardless, the production capacity of the manufacturers remained surplus, resulting in fierce competition. With increased marketing communication on its usage for the reinforced autoclaved aerated concrete product group, demand for products such as prefabricated kitchens and counters, etc., have increased.

2. Trading Partner Characteristics 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)	2019	Ratio	2018	Ratio	2017 *	Ratio
1. Domestic Market	3,596.90	83.13%	3,262.66	82.62%	3,158.77	82.57%
• Agent Group	2,300.10	53.16%	2,139.78	54.19%	2,119.53	55.41%
• Modern Trade Group	777.68	17.97%	633.61	16.05%	595.15	15.56%
• Housing Project Group	519.12	12.00%	489.27	12.38%	444.09	11.60%
2. Foreign Market (Export)	730.04	16.87%	686.19	17.38%	666.74	17.43%
Total	4,326.94	100.00%	3,948.85	100.00%	3,825.51	100.00%

Note : * Revenue from sales and services in 2017 is the revenue before adjustment according to Thai Financial Reporting Standards No. 15: Revenue from Contracts with Customers (TFRS15), which is effective for financial statements year 2018 onwards.

The Company has four main distribution channels as follows:

- 2.1 **Domestic Market** has revenue proportion of 83.13 percent, categorized into 3 groups as follows:
 - (A) **Agent Group:** There are over 700 main distribution agents, covering 75 provinces and 6,000 stores throughout Thailand.
 - (B) **Modern Trade Group:** This group consists of modern trade stores including Thai Watsadu, Siam Global House and Mega Home with over 100 branches altogether located throughout Thailand.
 - (C) **Housing Project Group:** This group consists of several housing or residential projects such as Land and House, Supalai, Pruksha, Sansiri, etc. This year the focus was on government projects, house building contractors, and projects in outer provinces.
- 2.2 **Foreign Market (Export):** These channels account for 16.87 percent of the revenue. The markets in the neighboring CLMV countries still remain as the major markets due to continuous expansion of construction material industry. Nonetheless, due to impact from the economy and currency of several countries, and new manufacturers still putting pressure on the market by using price mechanism, the competition remains fierce. Therefore, to reduce the pressure, market must be expanded into other countries, such as India, Philippines, etc.

3. Competitive Strategies

The Company has established strategy and marketing plan in accordance with the established target. 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 with an emphasis on development of sales personnel and after sales team 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, tele-sales and digital marketing system 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 appropriate logistics and product storage.

3.3 Development of products with better differentiation

The Company still emphasizes on research and development on new products to meet the market demand, such as, Eaves Plus to increase beauty to the product and Decra roof to respond to the need of customers who want metal sheet roof products with good quality, noise reduction and heat reduction for the house, etc.

3.4 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 and competitive return to the customers, distribution agents acceptable by all parties.

3.5 Strengthening of competitive 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 country in order to increase its market share. Additionally, the Company has focused on product communication channels both domestically and internationally to increase product accessibility by consumers via point-of-sale displays, banners, online advertisement, and television commercial or TVC advertisement, etc.

3.6 Development of a Product Distribution Center and Regional Production Base

The Company emphasizes on development of 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 locations for 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 50,000 tons per year. Production is expected to commence in the 1st quarter of year 2014. Located in Khon Kaen Province, the plant is the product distribution center to the Northeastern region and overseas.
- 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 1,100,000 tons per year, which is sufficient for the market demand. In year 2019, the Company's overall utilization of the production capacity was estimated at 89 percent, which increased from the previous year with production capacity rate of 85 percent, due to sales channel expansion and market expansion overseas. Regardless, the existing production capacity is still sufficient for the market demand.

4.2 Procurement of raw materials

The Company has revised its Procurement Handbook as a clear and effective guideline and procedure 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 raw material purchased from domestic sources has increased from 60.55 percent in 2018 to 63.26 percent in 2019.

(B) Foreign sources

Raw materials such as asbestos, synthetic fibers and paper pulp, etc., are produced overseas. The proportion of raw material purchased from overseas sources has decreased from 39.45 percent in 2018 to 36.45 percent in 2019.

4.3 Problems concerning raw materials

The Company has never faced problem with raw 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.

ตราเพชร

สวยคมชัด มีมิติ
ไร้รอยต่อ

เซิงชายพลัส
ตราเพชร

เซิงชายพลัส (Eaves Plus)

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มีจำหน่ายที่ :



และอื่น ๆ อีกมากมาย

SHAREHOLDING STRUCTURE

10 Largest Shareholders	No. of Shares	Proportion
1. Myriad Materials Co.,Ltd.	557,847,900	58.85%
2. Bualuang Long-Term Equity Fund	23,947,600	2.53%
3. Thai NVDR Co.,Ltd.	18,170,518	1.92%
4. Bualuang Long-Term Equity Fund 75/25	15,690,400	1.66%
5. Mr. Prakrit Pradipasen *	15,049,500	1.59%
6. Mr. Prinya Tianworn	12,500,000	1.32%
7. Bualuang Siriphol Corporate Governance	10,433,500	1.10%
8. Mrs. Siriwan Jungthirapanich	10,000,000	1.05%
9. Bualuang Flexible Retirement Mutual Fund	8,662,100	0.91%
10. Mr. Satid Sudbuntad	8,000,000	0.84%
11. Others	267,660,282	28.23%
Total	947,961,800	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 35th Annual General Meeting of Shareholders (Year 2020) and rights to receive dividends on the Record Date of Tuesday, March 10, 2020.

Currently, Myriad Material Co., Ltd. is the major shareholder of the Company, having the group of Mr. Chaikut Srivikorn and group of Mr. Prakrit 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 five positions of directorship in the Company, namely Mr. Prakrit Pradipasen, Mr. Chaikut Srivikorn, Mr. Warayu Pradipasen, Mr. Chatchai Teepsuwan and Mr. Kamolaphat Teepsuwan.

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, 2019.

Names	Ordinary Shares (shares)		
	As at December 31, 2019	As at December 31, 2018	Increase / (Decrease)
Directors and Executives Holding the Company's Securities			
1. Mr. Prakit Pradipasen *	15,049,500	14,769,500	280,000
2. Mr. Chaiyut Srivikorn	3,100,100	3,100,100	-
3. Mr. Warayu Pradipasen	150,000	150,000	-
4. Mr. Sakda Maneeratchatchai	4,099,600	4,099,600	-
5. Mr. Anun Louharanoo	2,350,000	2,350,000	-
6. Mr. Asanee Chantong	1,048,000	1,048,000	-
7. Mr. Satid Sudbuntad	8,000,000	7,000,000	1,000,000
8. Mr. Maitree Tawonatiwasna *	3,100,000	3,000,000	100,000
9. Ms. Thanakarn Phanthapirat	2,760,000	2,760,000	-
10. Ms. Peachayanant Lorvoralak **	100,000	-	100,000
11. Mr. Krit Kullertprasert	420,000	420,000	-
Directors and Executives Not Holding the Company's Securities			
1. Mr. Thanit Pulivekin			
2. Mr. Chatchai Teepsuwan			
3. Mr. Woodthikrai Soatthiyanon			
4. Mr. Kamolaphat Teepsuwan			
5. Mr. Sunthorn Suwannajade **			
Total	40,177,200	38,697,200	1,480,000

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

** Newly nominated director of the Company since July 1, 2019

REMUNERATION FOR DIRECTORS, EXECUTIVES AND EMPLOYEES

The Nomination and Remuneration Committee (NRC Committee) has a duty to consider the remuneration for the directors, executives, and employees and propose its opinions to the Board of Directors for further consideration on the proposal to the Shareholders' Meeting for its approval.

Remuneration Policy: The Company intends to pay fair and appropriate remuneration, both in short-term and in long-term, by considering the scopes of duties and responsibilities, achievements, and expected benefits to be received from the directors, executives and employees. The remuneration is evaluated against the overall operating results of the Company and the performance of the Board of Directors. Additionally, comparisons are made with other companies in the same industry and listed companies in the Stock Exchange of Thailand of the same industrial sector.

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

1.1 Board of Directors and Sub-committees

- (A) Considering by comparing with other companies in the same industry and listed companies in the Stock Exchange of Thailand within the same industrial sector.
- (B) Considering 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) Considering based on the operating results of the Company for each year.
- (D) Considering based on the self-assessment of the Board of Directors' Performance for each year on both the whole board and individual for further improvement of the effectiveness in work performance of the Board of Directors.
- (E) Considering and reviewing the 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 further consideration and approval.

1.2 Executives and Employees of the Company

The NRC Committee 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) Establish the monthly salary payment structure, annual remuneration (bonus), and annual salary increase for executives and employees of the Company.
 - (2) Establish the Key Performance Indicators (KPI) for the Company to be used for consideration of salary adjustment and bonus payment for executives and employees of the Company by considering the annual budget and achievement of main targets of the Company, as well as the market and economic situation and in the same level as others in the same industry. The NRC Committee then provides its opinions to the Company's Board of Directors for its consideration and approval.

- (3) Establish the rule for assessment of work performance of high-level executives and executives with additional assigned duties as per the overall KPI of the Company. Based on the assessments, the salary adjustments and annual remuneration (bonus) are then considered. The NRC Committee then provides its opinions to the Company's Board of Directors for its consideration and approval.
- (4) Consider benefits 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. Since year 2016, employees may choose fund saving proportion at the rate of 3%, 5%, 8% to 15% with Company's contribution at the rate of 3% and 5%, and in 2019, Company's contribution has been changed from not exceeding 8% to not exceeding 9% of base salary, according to employment period and willingness of the employee. The fund shall be paid back to the employee upon retirement or resignation.
- (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, turn over 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, 2019)

Position (Unit : thousand Baht)	Monthly Remuneration per Person			
	Board of Directors	AC Committee	NRC Committee	CGC Committee
Chairman of the Board	80.00	30.00	20.00	20.00
Directors	50.00	20.00	10.00	10.00

(B) Annual Remuneration of the Directors (for the year ending December 31, 2019)

Name (Unit : million Baht)	Annual Remuneration				Bonuses	Total
	Board of Director	AC Committee	NRC Committee	CGC Committee		
1. Mr. Prakit Pradipasen	0.96	-	-	-	0.35	1.31
2. Mr. Chaikut Srivikorn	0.60	-	0.24	-	0.30	1.14
3. Mr. Warayu Pradipasen	0.60	-	-	0.12	0.30	1.02
4. Mr. Thanit Pulivekin	0.60	0.24	-	0.24	0.30	1.38
5. Mr. Sakda Maneeratchatchai	0.60	0.36	-	-	0.30	1.26
6. Mr. Anun Louharanoo	0.60	0.24	0.12	-	0.30	1.26
7. Mr. Asanee Chantong	0.60	-	-	-	0.30	0.90
8. Mr. Satid Sudbuntad	0.60	-	-	-	0.30	0.90
9. Mr. Maitree Tawonatiwasna	0.60	-	-	-	0.30	0.90
10. Mr. Chatchai Teepsuwan	0.60	-	0.12	-	0.30	1.02
11. Mr. Woodthikrai Soatthiyanon	0.60	-	-	0.12	0.30	1.02
12. Mr. Kamolaphat Teepsuwan	0.60	-	-	-	0.30	0.90
Total	7.56	0.84	0.48	0.48	3.65	13.01

(C) Comparison of Remunerations of Directors and Executives

Remuneration (Unit : Million Baht)	2019		2018		2017	
	Persons	Amount	Persons	Amount	Persons	Amount
Directors' Remuneration & Bonus	12	13.01	12	12.25	12	11.93
Executives' Salary, Bonus and Others *	6	37.91	4	28.39	5	38.51
Total		50.92		40.64		50.44

Remark : * This includes provident fund of year 2019 : 2018 : 2017 = 2.03 : 1.64 : 2.12 Million Baht.

2.2 Other Remunerations

No other remunerations in addition to the above remuneration.

AUDIT FEE OF THE CORPORATE GROUP

For the fiscal year ended December 31, 2019

The Company has appointed KPMG Phoomchai Audit Ltd., as the certified public accountant for the Company and the Group from year 2013 to 2019 according to the resolution from the Annual General Meeting of Shareholders. The appointed certified public accountant in 2018 to 2019 was Ms. Chanarat Chanwa, certified public accountant registration no. 9052. The audit fee in 2019 increased from 2018 by 5.49 percent, having details as follows.

Description (Unit: Baht)	2019	2018	Increase / (Decrease)	
			Amount	%
Audit Fee of the Company				
Annual audit fee	1,320,000	1,140,000	180,000	15.79
Interim financial statements audit fee	150,000	150,000	-	-
consolidated financial statements audit fee	150,000	250,000	(100,000)	(40.00)
Other expenses *	95,217	74,540	20,677	27.74
Total	1,715,217	1,614,540	100,677	6.24
Audit Fee of the Subsidiary Company				
Annual audit fee	350,000	340,000	10,000	2.94
Interim financial statements audit fee	60,000	60,000	-	-
Other expenses *	6,850	6,500	350	5.38
Total	416,850	406,500	10,350	2.55
Total	2,132,067	2,021,040	111,027	5.49

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

In year 2019, the Corporat Group engaged in a consulting service with KPMG Phoomchai Tax Ltd., a related business of the audit company that the Company and subsidiary companies engaged in audit services. The consulting service was related to transfer pricing between the Company and subsidiary company, with the service fee of Baht 765,000.

MANAGEMENT STRUCTURE

Management structure comprises the Board of Directors, sub-committees, and 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 2019, the Board of Directors held 12 meetings altogether.

As of December 31, 2019, the Company’s Board of Directors had 12 directors, comprising of 4 independent directors, 6 non-executive directors, and 2 executive directors.

Names	Positions	Board of Directors’ Meeting (Sessions)	
		2019	2018
1. Mr. Prakit Pradipasen	Chairman of the Board	12/12	12/12
2. Mr. Kamolaphat Teepsuwan	Director	10/12	10/11
3. Mr. Chaiyut Srivikorn	Director	9/12	9/12
4. Mr. Warayu Pradipasen	Director	11/12	11/12
5. Mr. Thanit Pulivekin	Independent Director (started April 24, 2013)	12/12	11/12
6. Mr. Sakda Maneeratchatchai	Independent Director (started April 17, 2009)	11/12	12/12
7. Mr. Anun Louharanoo	Independent Director (started January 10, 2005)	12/12	12/12
8. Mr. Asanee Chantong	Director	12/12	12/12
9. Mr. Satid Sudbuntad	Director / Chief Executive Officer	12/12	12/12
10. Mr. Maitree Tawonatiwasna	Director / Deputy Chief Executive Officer	11/12	12/12
11. Mr. Chatchai Teepsuwan	Director	12/12	12/12
12. Mr. Woodthikrai Soatthiyanon	Independent Director (started January 12, 2011)	12/12	12/12
13. Ms. Thanakarn Phanthapirat	Company Secretary	12/12	12/12

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

Roles, Duties, and Responsibilities of the Board of Directors are summarized as follows:

The Board of Directors has compiled the Board Charter to establish the management authorities, duties, and responsibilities in writing that conform with objectives, main goals, Company’s regulations, and resolutions of shareholders’ meetings. The Board of Directors also has a duty to comply with laws on securities and exchange, regulations and best practice of the SEC and the Stock Exchange of Thailand, as well as other laws related to business operations. The details are as follows:

1. Duties in good corporate governance

The Board of Directors must recognize its duties and accountability as the leader, and must ensure that the organization possesses proper management. The authorities, duties and responsibilities of the Board of Directors regarding this matter are as follows:

- 1.1 To establish clear and proper objectives and main goals, as well as the corporate vision, mission, and values that create values for the Company, all stakeholders, and the society overall.
- 1.2 To establish policies for business operations, strategies, business plan, and annual budget by appropriately allocating important resources with the Management. The Board of Directors is to also ensure effective performance of assigned duties of directors and executives.
- 1.3 To establish financial management policy, ensure adequate liquidity and ability to repay, as well as put in place measures in case of financial issues. The Management has been authorized to manage financial matters and establish the Company's provident fund to support savings among employees.
- 1.4 To regularly monitor, evaluate, and report on the operations to ensure most effective performance.

2. Duties in creating sustainable corporate values

As the leader, the Board of Directors must create sustainable corporate values, managing the business to ensure success, competitiveness, and good operating results while considering long-term benefits. The authorities, duties and responsibilities of the Board of Directors regarding this matter are as follows:

- 2.1 To establish the code of conduct in writing to create corporate values that uphold ethics. As the leader in corporate governance, the Board of Directors must behave as a good role model.
- 2.2 To establish the corporate governance in writing that is in line with the laws on securities and exchange, regulations and best practice of the SEC and the Stock Exchange of Thailand, as well as other laws related to business operations.
- 2.3 To establish appropriate and sufficient internal control and risk management system throughout the organization.
- 2.4 To establish guidelines for transactions with potential conflict of interest between the Company and its stakeholders. The stakeholders should not be a part of the decision making process. Additionally, the proper and transparent disclosure process for potential conflict of interest is described in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2).
- 2.5 To establish the corporate social responsibility policy in writing to promote consciousness on social responsibility and environmental impact minimization among all employees.
- 2.6 To establish the anti-corruption policy in writing to promote awareness among all directors, executives and employees on the danger of corruption, and disclose the anti-corruption policy on the Company website.
- 2.7 To ensure adequate communication of policies to all directors, executives, and employee, and put in place sufficient mechanism to ensure actual implementation of such policies. The CGC Committee regularly monitors and reviews the implementation of each policy regularly every year.

3. Exercising duties with responsibility, diligence, and integrity

- 3.1 To ensure that the Company's operation complies with related laws, rules, and regulations, as well as the resolutions of shareholders' meetings and the laws on securities and exchange, regulations and best practice of the SEC and the Stock Exchange of Thailand.
- 3.2 To ensure that the Internal Control Office has duties to review and audit the Company's operations that they comply with related laws, rules, and regulations, as well as the resolutions of shareholders' meetings and established policies or guidelines.

4. Having an authority to appoint sub-committees, top executives, and an authority to authorize various matters as follows:

- 4.1 To appoint sub-committees through consideration of the NRC Committee. Each sub-committee shall establish its charter that clearly specifies authorities, duties and responsibilities to ensure that important matters are considered in details before further presenting opinions to the Board of Directors. The sub-committees are as follows:
 - (A) Audit Committee (AC Committee)
 - (B) Nomination and Remuneration Committee (NRC Committee)
 - (C) Corporate Governance Committee (RMC Committee)
 - (D) Production Technology and Innovation Committee (PTI Committee)
 - (E) Management Committee (MC Committee)
- 4.2 Appointment of top executives or in case of vacancy, with consideration from the NRC Committee, and clear assignment of authorities, duties and responsibilities.
- 4.3 Appointment of a suitable person as Company Secretary, and Assistant Company Secretary in case that the Board of Directors deems appropriate, or in case of vacancy. The qualification, authorities, duties, and responsibilities of the Company Secretary are according to the laws regarding securities and exchange, regulations and best practice of the SEC and related laws. The qualification and experience of the Company Secretary are disclosed in the Annual Registration Statement (Form 56-1), the Annual Report (Form 56-2), and the Company website.
- 4.4 Approval of the establishment, merger or termination of subsidiary company, affiliated company or joint venture company of the Company in compliance with the notifications of the SEC, the Stock Exchange of Thailand, and relevant laws concerning the acquisition or disposition of assets.
- 4.5 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 SEC, the Stock Exchange of Thailand, and relevant laws concerning the acquisition or disposition of assets
- 4.6 To provide right for 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.
- 4.7 Authority to approve important matters in order for the Board of Directors to achieve the objectives and goals as follows:
 - (A) Financial approval authority above the appointed authority of the MC Committee, including:
 - Long-term loan or promissory note of more than one year contract term.
 - Procurement and service employment contracts of more than one year contract term.

- Write-off of assets and inventories that are no longer in use, damaged, deteriorated, to be destroyed or sold as scrap, which has been duly reviewed by the AC Committee.
- Write-off of inventory or adjustment of differing items from inventory counting, which has been duly reviewed by the AC Committee.
- 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 regulations stipulated in the Revenue Code, which has been duly reviewed by the AC Committee.
- Opening or closing of fixed deposit account, saving account and current account with the financial institution, and acceptance or termination of credit line with the financial institution, as well as authorization for Company's executives to engage in financial transaction, whether over-the-counter or via Internet banking systems, to ensure circumspection and flexibility in daily business operations.

(B) Other approvals shall follow the regulations of the Company.

5. **To establish that the Chairman of the Board and the Chief Executive Officer** are not the same person. The authorities, duties and responsibilities of both positions are clearly separated, and such authorities and duties are to be regularly reviewed as per the direction of the Company.

(A) Roles, Duties and Responsibilities of the Chairman of the Board

- (1) To be the leader of the Board of Directors, and thus possesses leadership quality. The Chairman of the Board has a duty to preside as the chairman for both the Board of Directors' meetings and shareholders' meetings, and support and encourage meeting attendants to exercise their voting right by strictly and effectively adhering to principles of good corporate governance for the best interest of the Company.
- (2) To ensure that the Board of Directors performs its duties effectively, achieving the objectives, policies, and main goals of the Company for the interest of the Company.
- (3) To ensure that every director takes part in promoting corporate culture with ethics and good corporate governance, as well as behaves as a good role model in long term.
- (4) To determine the agenda of the Board of Directors' meetings in cooperation with the Chief Executive Officers, having a measure in place to ensure that important matters are included in the agenda of the Board of Directors' meetings and shareholders' meetings as required by law.
- (5) To allocate adequate and appropriate time at the Board of Directors' meetings for the Management to propose matters with enough time for directors to discuss on important matters with prudence and diligence altogether, as well as encourage directors to participate in careful discretion, and give opinions freely without influences from any person.
- (6) To enhance good relationship between executive directors and non-executive directors, and between the Board of Directors and the Management, and ensure that the directors are not under influences from the Management.

(B) Roles, Duties and Responsibilities of the Chief Executive Officer:

The Chief Executive Officer has duties to manage daily routine works in accordance with the established objectives, targets, policies, and work plans as approved by the Board of Directors. The Chief Executive Officer also ensures that senior executives and executives effectively carry out their assigned duties. It is also established that the Chief Executive Officer should not take positions in other listed companies exceeding three companies, which should be suitable to the nature of the business of the Company (see details on page 124 under topic “Executives”).

6. Establishment of charters of the Board of Directors and sub-committees

The Board of Directors and the sub-committees shall establish a charter for the Board and each committee. The charters shall clearly and circumspectly establish the roles, scope of authorities, and responsibilities of each committee. The charters shall be used as the references for all directors carrying out their duties, and the charters shall be revised at least once per year to ensure compliance with the objectives, trends, and business goals of the Company in long term.

7. Compilation of report on operating results of the committees: Each sub-committee is required to compile a report on its operating results at least once per year, and proposes it to the Board of Directors for consideration, as well as discloses it in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) of the Company.

8. Authority to appoint an individual or a professional search firm with skills and being independent or no conflict of interest as a consultant for the Board of Directors in case the Board of Directors does not possess skills in the particular matter. Additionally, Director Pool is to be used to select new directors. The details of consultants are disclosed in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2).

9. Skill development of the Board of Directors and sub-committees

To foster knowledge, improve upon the operations, and lend to more effective performance, the Board of Directors continuously promotes and supports all directors to attend seminars and courses, being held by the Thai Institute of Directors, the SEC, the Stock Exchange of Thailand, or other independent organizations.

10. Succession plan: The Board of Directors ensures that a proper process is in place for selecting employees assuming important executive positions via the nomination by the procedure set out by the NRC Committee. A succession plan is established to prevent lack of talents, which could have a significant impact to the business operation. Lack of human resources can occur due to retirement, early retirement, or job promotions. Therefore, the Company has put in place succession strategy for important positions to prevent such issues as follows: (1) Analyze the situation of the Company, (2) Explore positions at risk, (3) Plan for the selection and employee development, (4) Assess and evaluate the employee potential, (5) Appoint the successor, (6) Regular development and evaluation, etc.

11. 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 established that sub-committee members must pass the selection of the NRC Committee. At the end of a rotation of a sub-committee member, or in case of premature retirement for any reason, resulting in a number of members of less than the requirement, the NRC Committee shall consider a new sub-committee member and propose to the Board of Directors to complete the sub-committee within 3 months to ensure continuity of operations.

2.1 The Audit Committee (AC Committee)

The AC Committee comprises at least 3 independent directors having a three-year term. The Audit Committee shall have a composition and qualifications in compliance with the criteria specified by the Stock Exchange of Thailand and the SEC. The Company must have at least 3 AC Committee members and all members must be independent directors, and one of them must have good knowledge in accounting and finance. The AC Committee shall be appointed by the Board of Directors or by the shareholders' meeting.

In year 2019, the AC Committee held 6 meetings altogether.

As of December 31, 2019, the AC Committee comprised the following 3 members.

Names	Positions	AC Committee's Meeting (Sessions)	
		2019	2018
1. Mr. Sakda Maneeratchatchai	AC Committee Chairman	6/6	6/6
2. Mr. Anun Louharanoo *	AC Committee Member	6/6	6/6
3. Mr. Thanit Pulivekin	AC 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 Ms. Wasana Tochuwong as the Secretary to the Audit Committee.

Roles, Duties, and Responsibilities of the AC Committee are summarized as follows:

1. To review and ensure that the Company has correct and adequate financial reports.
2. To review and ensure that the internal control and the internal audit systems are sufficient and effective, and 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.
3. 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 businesses.
4. To select and propose appointment of the independent auditor and the audit fee by taking into consideration reliability, resourcefulness, work load of the audit office, and the experience of the appointed employees who audit the Company, including attending the meeting with the independent auditor without the Management at least once a year.
5. To consider connected transactions or transactions that may have conflicts of interest, and ensure compliance with the laws and regulations of the Stock Exchange of Thailand, being reasonable transactions and beneficial for the Company.
6. To review the validity of references and self-assessment forms related to anti-corruption measures as per the commitment to the Thailand's Private Sector Collective Action Coalition Against Corruption.

7. To prepare AC Committee reports to be disclosed in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) of the Company. The reports shall be duly signed by the Chairman of AC Committee, comprising at least but not limited to, opinion on the sufficiency and reliability of financial statements of the Company, opinion on the sufficiency of internal control and risk management of the Company, etc.
8. To perform any other duties as assigned by the Board of Directors and approved by the AC Committee
9. To periodically report the operation of the AC Committee to the Board of Directors at least once every quarter. The report should cover the abovementioned duties. The AC Committee is directly accountable to the Board of Directors, and the Board of Directors still holds the Company's operation accountable to the external parties.
10. While performing its duties, if the AC Committee finds or suspects that any transactions or actions would have a significant impact to the financial status and the operating results of the Company, the AC Committee shall report such matters to the Board of Directors for rectification within a timeframe that was deemed appropriate by the AC Committee.
11. To ensure achievement of objectives of the AC Committee, the AC Committee has the following authorities:
 - 11.1 An authority to invite the Management, relevant managers/supervisors or employees of the Company to attend a meeting, to give opinions, or to provide any documents that are deemed relevant and necessary.
 - 11.2 An authority to approve the appointment, dismissal, transfer or termination, as well as merits of the Internal Audit Office Supervisor, for example.
 - 11.3 An authority to approve the appointment, dismissal, and termination of external auditors, to propose the list of auditors to the Board of Directors, as well as compensation for the annual audit, which are to be proposed for approval at the shareholders' meeting. The AC Committee also reviews the operating result evaluation of the auditor.
 - 11.4 An authority in other matters: to hire specialists as consultants if the AC Committee considers appropriate, and to ensure that departments perform their duties that are related to the AC Committee.

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 AC Committee for good corporate governance. Ms. Wasana Tochuwong, Manager of the Internal Audit and Compliance Control Office, has been appointed as the Secretary to the AC Committee by position.

2.2 The Nomination and Remuneration Committee (NRC Committee)

The NRC Committee comprises at least 3 non-executive directors and at least 1 member must be an independent director. The NRC Committee members shall have a three-year office term. One member of the NRC Committee shall be appointed as the Chairman of the NRC Committee. The Chief Executive Officer shall be the Secretary to the NRC Committee by position, and has a duty to prepare meetings and to ensure communication with the Board of Directors and related departments (if any).

In year 2019, the NRC Committee held 5 meetings altogether.

As of December 31, 2019, the NRC Committee comprised of the following 3 members.

Names	Positions	NRC Committee's Meeting (Sessions)	
		2019	2018
1. Mr. Chaikut Srivikorn	NRC Committee Chairman	4/5	4/4
2. Mr. Chatchai Teepsuwan	NRC Committee Member	5/5	2/3
3. Mr. Anun Louharanoo	NRC Committee Member	5/5	4/4

Mr. Satid Sudbuntad, Chief Executive Officer, is the Secretary to the NRC Committee.

Roles, Duties, and Responsibilities of the NRC Committee can be summarized as follows:

The NRC Committee 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, as well as to consider nomination criteria and process to recruit suitable candidates for directorship positions, by using the board skill matrix as reference information for the consideration in order to establish the required qualifications. The qualification of the nominated directors includes knowledge, specialized skills that are beneficial to the Company, and experience in business or industries related to the Company's main operations. This is to enable the Board of Directors to effectively oversee compliance to the strategy and policies.
- 1.2 To consider rule and procedure for nomination of suitable candidate for executive position from the Assistant Chief Executive Officer 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 appropriate remuneration format and criteria for the Board of Directors and sub-committees by comparing with other companies in the same industry and listed companies in the Stock Exchange of Thailand of the same industry. Remuneration is considered based on 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 bonus paid to the Board of Directors and sub-committees. The opinion shall be submitted to the Board of Directors before proposing to the shareholders' meeting for consideration and approval.
- 2.2 To consider performance evaluation format 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 yearly performance, annual budget and operating objectives as well as market and economic situations. The opinion shall be submitted to the Board of Directors before proposing to the shareholders' meeting for consideration and approval.

3. The NRC Committee has the authority to invite the Company's executives and/or relevant employees of the Company to attend a meeting and clarify all relevant matters.
4. To perform any other duties as assigned by the Board of Directors on a case by case basis.

2.3 Corporate Governance Committee (CGC Committee)

The CGC Committee comprises of at least 3 Company's Directors, one of whom must be an independent director. The CGC Committee has a three-year office term. The CGC Committee nominates one of the members who is an independent director to be the Chairman of the CGC Committee. The head person responsible for Company's secretary task, or a person deemed appropriate by the CGC Committee, shall take up the position of the Secretary to the CGC Committee, having responsibility to organize CGC 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 2019, the CGC Committee held 5 meetings altogether.

As at December 31, 2019, the Company has a total of 3 CGC Committee members as follows.

Names	Positions	CGC Committee's Meeting (Sessions)	
		2019	2018
1. Mr. Thanit Pulivekin	CGC Committee Chairman	5/5	7/8
2. Mr. Woodthikrai Soatthiyanon	CGC Committee Member	5/5	8/8
3. Mr. Warayu Pradipasen	CGC Committee Member	5/5	6/7

Mr. Krit Kullertprasert, Accounting and Finance Division Manager, is the Secretary to the Corporate Governance Committee.

Roles, Duties, and Responsibilities of the CGC Committee are as follows:

1. To establish policies, rules, and guidelines for good practice in various business aspects to in compliance with the good corporate governance principles and prepare the Corporate Governance Handbook and the Code of Conduct for the directors, executives and employees at every level to adhere to as operating guidelines, which are deemed of important duty for everyone not to neglect these practices as appeared within the Corporate Governance Handbook.
2. To monitor, review, and improve the operations of the Company to ensure compliance with the good corporate governance principle of the SEC, the Stock Exchange of Thailand, and relevant laws.
3. To support the dissemination of corporate governance culture in the organization to nurture into corporate culture in practice among all directors, executives and employees.
4. To establish a policy and to support corporate governance evaluation within the Company at least once per year, in order to identify operating obstacles that prevent achievement of objectives, and to further report to the Board of Directors for acknowledgement and consideration.
5. To perform any other tasks as assigned by the Board of Directors occasionally.
6. To consider and review the self-assessment of the performance of the Board of Directors and sub-committees at least once per year, and to propose the opinions and the results of the assessments of the Board of Directors and sub-committees to the Board of Directors for consideration. In year 2019, the same assessment forms as the forms of year 2018 were used. However, there was an additional self-assessment form for the Chief Executive Officer (CEO), who is the top executive of the Company. The details of the assessments are as follows:

6.1 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, both as a group and as an individual, to accomplish more effective work by clearly acknowledging their own roles, duties, and responsibilities.
- (C) To become aware of the ability to utilize knowledge and skills, and independence in expressing opinions by the Board of Directors.

6.2 Assessment Procedure: Each member of the Board of Directors shall use the self-assessment of performance forms for the Board of Directors and sub-committees. The assessment can be made for both **the whole group and as an individual**, specifying comments from each member from 0-4 in “**group and individual**” box, having the following definitions.

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

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

- (A) The Board of Directors and the sub-committees, as a whole group and as an individual, received an average score of between 93.3 percent and 100.0 percent. The Board of Directors has provided feedback and recommendation for each committee, which were beneficial to the Company.
- (B) Summary results of the assessment for every board and sub-committee are as follows.

Board of Directors/Committees	Performance Assessment as a whole group		Performance Assessment as an individual	
	2019	2018	2019	2018
1. Board of Directors	97.8%	98.1%	96.9%	97.7%
2. Audit Committee	96.6%	99.2%	95.6%	96.9%
3. Nomination and Remuneration Committee	94.0%	97.2%	93.3%	98.0%
4. Corporate Governance Committee	96.4%	98.6%	95.7%	96.4%
5. Management Committee	98.5%	98.5%	98.5%	98.5%
6. Risk Management Committee	95.8%	88.3%	95.8%	88.3%
7. Production Technology and Innovation Committee	95.8%	97.0%	95.8%	97.0%
8. Corporate Social Responsibility Committee	93.7%	92.6%	94.3%	91.7%
9. Anti-Corruption Committee	95.4%	90.6%	95.1%	90.5%
10. Chief Executive Officer *	-	-	100.0%	-

Remark : * First time assessments in 2019

2.4 Production Technology and Innovation Committee (PTI Committee)

The PTI Committee comprises at least 3 directors or top executives from the Assistant Chief Executive Officer or above, with a three-year office term. The PTI Committee shall select a non-executive director as the Chairman of the PTI Committee, and appoint a suitable executive as the Secretary to the PTI Committee to prepare meetings and coordinate the reporting to the Board of Directors and other relevant departments (if any).

In year 2019, the PTI Committee held 12 meetings altogether.

As at December 31, 2019, the Company has a total of 3 PTI Committee members as follows:

Names	Positions	PTI Committee's Meeting (Sessions)	
		2019	2018
1. Mr. Asanee Chantong	PTI Committee Chairman	12/12	11/11
2. Mr. Maitree Tawonatiwasna	PTI Committee Member	12/12	11/11
3. Mr. Satid Sudbuntad	PTI Committee Member	12/12	11/11

Mr. Sunthorn Suwannajade, Assistant Chief Executive Officer Production and Engineering, is the Secretary to the PTI Committee.

Roles, Duties, and Responsibilities of the PTI Committee are as follows:

1. To establish cost reduction guidelines for manufacturing cost and other costs to ensure effectiveness in manufacturing processes.
2. To establish a work plan for innovation and new product developments.
3. To consider investment budget to expand production capacity and to optimize the manufacturing process.
4. To consider the annual operating plan and budget before proposing to the Board of Directors for further approval.
5. To compile a report on the operating result of the PTI Committee to be proposed to the Board of Directors for acknowledgement at least once every quarter.
6. To perform any other duties as assigned by the Board of Directors on a case by case basis.

2.5 Management Committee (MC Committee)

The MC Committee comprises at least 3 executives, ranking from the Assistant Chief Executive Officer and above, which are appointed by the Company's Board of Directors. The MC Committee is chaired by the Chief Executive Officer by position, and a MC Committee member or a suitable executive as the Secretary to the MC Committee with a duty to prepare meetings, as well as to coordinate the reporting to the Board of Directors and other departments (if any).

In year 2019, the MC Committee held 47 sessions of weekly meeting altogether.

As of December 31, 2019, the MC Committee comprised the following 5 members.

Names	Positions	MC Committee's Meeting (Sessions)	
		2019	2018
1. Mr. Satid Sudbuntad	MC Committee Chairman	47/47	49/49
2. Mr. Maitree Tawonatiwasna	MC Committee Member	45/47	48/49
3. Mr. Sunthorn Suwannajade *	MC Committee Member	21/23	-
4. Ms. Peachayanant Lorvorlak *	MC Committee Member	19/23	-
5. Ms. Thanakarn Phanthapirat	MC Committee Member and Secretary	45/47	47/49

Remark : * As per the resolution to appoint the new executives of the Company on July 1, 2019.

Roles, Duties, and Responsibilities of the MC Committee are summarized as follows:

1. To manage the Company's business in accordance with objectives, direction, targets, policies, mission, strategies, business plans, and budget as approved by the Board of Directors.
2. To consider the proposals from the Management on defining the objectives, direction, targets, policies, mission, strategies, business plans, annual budget, financial and investment plan, human resources and information technology management, for example, by assessing the operating results of the Company against the KPI (Key Performance Indicators) and proposing to the Board of Directors for further approval.
3. To monitor the Company's monthly, quarterly, and annual operating results, which are compared against the targets and annual budget, and to regularly provide opinion to Board of Directors for acknowledgement and consideration.
4. To foster corporate culture that upholds ethics and code of conduct, and to set an example for the organization.
5. To establish and review the corporate structure and scopes of managing authorities, as well as the appointments, recruitments, transfers, dismissals, wages, compensations, annual bonus, and termination for employees ranking from department manager or below, which shall then be proposed with opinions to the NRC Committee to consider for further acknowledgement and approval from the Board of Directors.
6. To consider the interim and annual dividend payments according to the operating results of the Company in each year, and proposing to the Board of Directors for acknowledgement and approval before proposing to the shareholders' meeting for further approval.
7. Having an authority to delegate one or many individuals and/or executives to perform a specific task within a specific timeframe, which shall be under governance and control from the MC Committee, including termination, revocation, or change to the person being authorized, or the specific authorization as appropriate.
8. Having an authority for approval on financial matters, operating regulations, and approval authorities as approved by the Board of Directors' meeting.
9. Having an authority to establish sub-committees or work teams as a mechanism to circumspectly consider important matters. The MC Committee shall establish the scopes of authorities, duties, and responsibilities, as well as ensure achievement of objectives and goals by the sub-committees as follows:
 - 9.1 The RMC Committee, having duties to ensure suitable and sufficient risk management system for Company.
 - 9.2 The CSR Committee, having duties to ensure that the Company contributes to the benefit of the society, as well as improving the environment and minimizing the environmental impact.
 - 9.3 The ACC Committee, having duties to ensure that the Company puts in place proper and sufficient anti-corruption measures.
 - 9.4 Other sub-committees shall be established periodically as appropriate for a particular matter.
10. To perform other duties as assigned by the Board of Directors for each matter on a case by case basis.

2.5.1 Risk Management Committee (RMC Committee)

The RMC Committee comprises the Company's executive directors and executives ranking from the Department Manager level and above totaling at least 10 members. One of the RMC Committee member shall be appointed as the Chairman of the RMC Committee, and one of the committee member or a suitable executive shall be appointed as the Secretary to the Risk Management Committee, having duties to prepare meetings, as well as to coordinate reporting to the MC Committee, the AC Committee and the Board of Directors, and other relevant departments (if any).

In year 2019, the RMC Committee held 7 meeting altogether and several other separate meetings according to specific tasks

Roles, Duties, and Responsibilities of the RMC Committee can be summarized as follows:

1. To establish risk management policy according to the objectives, main goals, strategies, and acceptable risks of the business. The policy shall be a framework for risk management tasks for every person in every department as in the same direction. Any warning signs should be considered, and the risk management policy shall be revised regularly according to changing situation and events.
2. To analyze all types of risk, internal and external factors, potential impacts to overall business operation, ranging from strategic risks, operational risks, financial risks, compliance risks, etc.
3. To establish risk management measures and work plans, which can be categorized as acceptance of some risks, reduction, avoidance, and transferring or sharing of risks.
4. The analysis and evaluation of risk factors are used as bases for risk management and rectification guidelines. The risk factors can be categorized as a risk map as follows:
 - **Red Risk** : Risk factors required urgent rectification, and risk mitigation guidelines must be established as the first priority.
 - **Yellow Risk** : Risk factors required monitoring, with potential to become an actual risk, and risk prevention guidelines must be established.
 - **Green Risk** : Risk factors considered to be risks without the need for immediate management.
5. To monitor management of unacceptable risks for setting rectification and prevention guidelines for potential risks in the future. Reports on the management of each individual risk shall be made and presented to the MC Committee, the AC Committee, and the Board of Directors.
6. To review policies and control systems established for risk evaluation, management, and control, including auditing and reporting to ensure that the Company has an adequate and effective risk management framework.
7. To ensure compliance with relevant laws and standards, both domestically and globally, and to sufficiency of the disclosure of risk information to the compliance unit and the public adequately and promptly.
8. To ensure that the subsidiary company and/or affiliated companies follow a risk management and an internal control with the same amount of rigor as the parent company.

9. To perform any other duties as assigned by the Board of Directors, the AC Committee or the MC Committee on a case by case basis.

During the year 2019, the RMC 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.

2.5.2 Corporate Social Responsibility Committee (CSR Committee)

The CSR Committee comprises executive directors and executives ranking from department manager level and above totalling at least 10 members. One of the CSR Committee member shall be appointed as the Chairman of the CSR Committee, and a CSR Committee member or a suitable executive shall be appointed as the Secretary to the CSR Committee, having duties to prepare meetings, as well as to coordinate reporting to the MC Committee, the Board of Directors, and other departments (if any).

In year 2019, the CSR Committee held 3 meetings altogether and several other separate meetings according to specific tasks.

Roles, Duties, and Responsibilities of the CSR Committee can be summarized as follows:

1. To establish the corporate social responsibility policy to be proposed to the MC Committee for approval, before proposing to the Board of Director for further approval.
2. To establish the annual work plan and budget, and propose to the MC Committee for approval before implementation.
3. To follow the approved work plan and budget. Individuals, departments, or established sub-committee may be appointed to carry out each task, or rely on external specialists as necessary and appropriate in case of no such skills. The Board of Directors shall be proposed for approval for each matter on a case by case basis.
4. To monitor and evaluate the progress of the undertaking, and to further give opinion to the MC Committee.
5. To prepare the Sustainability Report, a report on CSR works throughout the past year, at least once a year to be proposed to the MC Committee and the Board of Directors for approval. The report shall be disclosed in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) of the Company.
6. To perform any other duties as assigned by the Company and/or the MC Committee for each matter on a case by case basis.

2.5.3 Anti-Corruption Committee (ACC Committee)

The ACC Committee aims to ensure transparent business operations and best practice in the Company that are accepted by every group of stakeholders, encompassing proper and adequate anti-corruption measures. The committee comprises executive directors and executives ranking from department manager position and above, as well as Legal Office Manager, Internal Control Office Manager, totaling at least 10 members. The Chief Executive Officer is appointed as the Chairman of the ACC Committee by position, and one of the ACC Committee or a suitable executive is appointed as the Secretary to the ACC Committee, having duties to prepare meetings, as well as to coordinate reporting to the Board of Directors and relevant departments (if any).

Roles, Duties, and Responsibilities of the ACC Committee can be summarized as follows:

1. To establish the Company's anti-corruption policies and measures.
2. To prepare a handbook, best practice, and regulations related to anti-corruption, as well as financial approval authorities that are according to related policies and directives, and penalties in case of breaches of such handbook and regulations by executives and/or employees.
3. To arrange assessment and revision on corruption risk of every department regularly every year, or periodically as appropriate. Risk prevention measures concerning corruption shall be concisely and appropriately established for Company's business operation.
4. To arrange self-assessment on anti-corruption measures to be qualified for membership status of the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) and review on this matter shall be performed within specified time period.
5. To organize development trainings for executives and employees at every level to ensure understanding on anti-corruption.
6. To regularly revise work plans, policies, risk assessments, and measures regarding anti-corruption as appropriate to ensure monitoring and control measures that reflect transparent and accountable operation and good guidelines, and readily available for inspection.
7. To communicate, publish and monitor the operations of every department to ensure compliance with anti-corruption policies as established by the Company.
8. To perform any other duties as assigned by the Board of Directors, the AC Committee or the MC Committee for each matter on a case by case basis.

2.5.4 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, Safety and Workplace Environment Committee (OSH 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 Chief Executive Officer and above are appointed as members of the Management Committee by position.

As of December 31, 2019, The Company had 6 Executives as follows.

Names	Positions
1. Mr. Satid Sudbuntad	Chief Executive Officer
2. Mr. Maitree Tawonatiwasna	Deputy Chief Executive Officer Production and Engineering
3. Ms. Thanakarn Phanthapirat	Assistant Chief Executive Officer in Finance and Accounting (CFO)
4. Mr. Sunthorn Suwannajade *	Assistant Chief Executive Officer Production and Engineering
5. Ms. Peachayanant Lorvorlak *	Assistant Chief Executive Officer Sales and Marketing
6. Mr. Krit Kullertprasert	Accounting and Finance Division Manager (Chief Accountant)

Remark : * As per the resolution to appoint the new executives of the Company on July 1, 2019.

3.1 Roles, Duties, and Responsibilities of the Chief Executive Officer can be summarized as follows:

With responsibility, diligence and integrity, the Chief Executive Officer ensures that the Company daily operations comply with the objectives, policies, business plans and budget as approved by the Board of Directors. The scope of authorities, duties, and important responsibilities of the Chief Executive Officer are as follows:

1. To establish vision, corporate values, objectives, policies, directions, business plans, operating strategy, financial plan, investment management, human resources management, annual budget, Key Performance Indicators (KPI) target, and assess Company's performance before presenting opinions to the MC Committee before proposing to the Board of Directors for further approval and/or further providing opinion.
2. To monitor and evaluate the Company's performance 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.
3. To have authority to set salaries, compensation, bonuses or annual remunerations, as well as benefits for the employees ranking from the Division Manager level and below.
4. To have authority to issue rules and regulations, directives, notifications for the operations to be in line with the Company's objectives, directions, and main targets to maintain disciplines, effective operation within, and best interest for the organization.
5. To have authority to approve for the purchase and hiring, 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 efficiently and effectively with specified financial amount for Department Manager positions or higher and sub-committees, including matters that must be proposed for the Board of Directors for consideration and approval. Approval authorities are specified which can be summarized as follows
 - (A) Accounting and taxation: authorized persons are specified for each item.
 - (B) Approval for purchasing/hiring and repairing: financial amount is specified by rank.
 - (C) Financial approval, cash or check payment: financial amount is specified by rank.
 - (D) Service employment contracts not more than 1 year term: financial amount is specified by rank.
 - (E) Short-term loan not more than 1 year term: financial amount is specified by rank.

6. Having an authority to appoint working group to operate business operations; to define the scope of authorities, duties and responsibilities of the working group; and to ensure that the appointed working group achieve the established policies, directions, and targets. The Chief Executive Officer also has the authority to delegate specific tasks to one or many executives or individuals within a specified timeframe, which shall be control and supervised by the MC Committee, as well as termination, dismissal, or amendment to the delegations as appropriate on a case by case basis.
7. To ensure compliance with Company's regulations and laws regarding securities and exchange, regulations and best practice of the SEC and the Stock Exchange of Thailand, as well as laws relevant to Company's businesses.
8. To perform other duties as required by law or assigned by the Board of Directors for each matter on a case by case basis.

3.2 Roles, Duties, and Responsibilities of the Deputy Chief Executive Officer

To manage Company's daily operations related to Production Division, Engineering Division, and Technology Division, and to perform other duties as assigned by the MC Committee or the Board of Directors, ensuring achievement of policies, business plan, and annual budget. The qualifications and scope of authorities, duties, and responsibilities of the position are according to the laws regarding securities and stock exchange, regulations and best practice of the SEC, the Stock Exchange of Thailand, Company's regulations, and related laws.

3.3 Roles, Duties, and Responsibilities of the Assistant Chief Executive Officer in Finance and Accounting (CFO)

To manage Company's daily operations related to accounting and finance. The person in position is required to be knowledgeable on accounting and financial matters, ensuring the reliability, validity, adequacy, and transparency of financial statements, being accepted by directors, executives, and all stakeholders. The person in position also has a duty to oversee other tasks as assigned by the Board of Directors and the MC Committee. The qualifications and scope of authorities, duties, and responsibilities of the position are according to the laws regarding securities and stock exchange, regulations and best practice of the SEC, the Stock Exchange of Thailand, Company's regulations, and related laws.

3.4 Roles, Duties, and Responsibilities of the Assistant Chief Executive Officer in Production and Engineer

To manage Company's daily operation related production department, engineering and maintenance department, and technology department, and to perform other duties as assigned by the MC Committee or the Board of Directors by focusing on sustainable corporate development, production process improvement to reduce production costs, minimizing impact to the society, community and environment as per the objectives, policies, business plan, annual budget, KPIs, and the Company's success evaluation. The qualifications and scope of authorities, duties, and responsibilities of the position are according to the laws regarding securities and stock exchange, regulations and best practice of the SEC, the Stock Exchange of Thailand, Company's regulations, and related laws.

3.5 Roles, Duties and Responsibilities of the Assistant Chief Executive Officer in Sales and Marketing

To manage Company's daily operations related to sales and marketing, and to perform other duties as assigned by the MC Committee or the Board of Directors by focusing on establishing sales and marketing strategy according to the objectives, policies, business plan, annual budget, KPIs, and the Company's success evaluation in order to prevent risks from external and internal factors that may affect the Company's operating results and undermine the established objectives and goal. The qualifications and scope of authorities, duties, and responsibilities of the position are according to the laws regarding securities and exchange, regulations and best practice of the SEC, the Stock Exchange of Thailand, Company's regulations, and related laws.

3.6 Roles, Duties, and Responsibilities of the Accounting and Finance Division Manager (Chief Accountant)

To manage Company's daily operations related bookkeeping and finance. The person in position is required to be knowledgeable on accounting and financial matters, ensuring that financial statements comply with generally accepted accounting standards, having accurate and adequate information that can be audited, being prepared in timely manner as information for decision making by directors and executives. The qualifications and scope of authorities, duties and responsibilities of the position are according to the laws regarding securities and exchange, regulations and best practice of the SEC, the Stock Exchange of Thailand, Company's regulations, and related laws.

3.7 Performance Assessments of the Executives from the Assistant Chief Executive Officer Level and Higher

The Company has conducted performance assessments of the executives from the Assistant Chief Executive Officer level and higher. Each executive is assigned with annual Key Performance Indicator or KPI corresponding to the overall KPI of the Company. Annual salary adjustments are according to achievements as per the KPI targets of each individual. The resulting salary increase shall be proposed to the NRC Committee for consideration before proposing to the Board of Directors of the Company for consideration and approval.

NOMINATION OF DIRECTORS AND EXECUTIVES

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

1. The Board of Directors

The NRC Committee has a duty to consider and screen the individuals whom possess suitable 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 NRC Committee shall nominate and select the director of the Company according to established rule for nomination by using the board skill matrix as reference information for the consideration in order to establish the required qualifications. The consideration also includes knowledge, specialized skills that are beneficial to the Company, experience in business or industries related to the Company's operations. This is to enable the Board to effectively oversee compliance to the strategy and policies or the information can be sought 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 discrimination on gender, race, and religion to benefit the Board of Directors and shareholders in the decision making.

Accordingly, the diversity of the Company's Board of Directors comprises of individuals possessing knowledge, capability, and professional skills required for the nomination of directors, including: (1) construction materials business (2) business administration (3) engineering and/or industry and/or innovation (4) internal audit (5) accounting (6) finance and banking (7) jurisprudence and laws related to the business (8) risk management (9) corporate governance (10) marketing and competitive strategy (11) economics (12) transport and logistics and (13) information technology, etc.

- 1.2 The NRC Committee has a policy to provide equal rights to every shareholder, especially the minority shareholders in the nomination of new director in advance by establishing the rules, conditions and procedures 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 and conditions.
- 1.3 The NRC 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 appointment of the directors.
- 1.4 The appointment of the Company's directors must comply with the regulations of the Company and relevant laws. The Shareholders' Meeting shall consider the appointment of Company's director according to the following rules and procedure.

- (A) One shareholder will have each share being counted as one vote.
- (B) Each shareholder must use all the votes according to (A) to appoint one individual or several individuals for the directorship position but cannot divide the votes into different number of votes for a particular individual.
- (C) The individuals receiving the highest number of votes in descending order shall be appointed as the directors for the total numbers of directorship positions available or elected 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 NRC Committee has a duty to consider the nomination and selection of the Sub-committee members 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 AC 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 NRC Committee comprises of the Company's Directors whom are non-executive Directors of at least 3 persons and one of whom must be an Independent Director.
- 2.3 The CGC Committee comprises of the Company's Directors whom are non-executive Directors of at least 3 persons and one of whom must be an Independent Director.
- 2.4 The MTI Committee comprises of non-executive Directors, or senior executives in position of Deputy Chief Executive Officer or higher, of at least 3 persons, and the Chairman of the MTI shall be a non-executive Director.
- 2.5 The MC Committee comprises of the Company's executives in position of Chief Executive Officer or higher of at least 3 persons, and the Chairman of the MC Committee shall be the Chief Executive Officer by position.

3. Executives

The NRC Committee has a duty to consider and screen the individuals who possess knowledge, skills, and work experience for the interest of the Company's business to become the Company's executives at the level of Deputy Chief Executive Officer or above. The criteria and procedure for nominations of senior executives are as follows:

- 3.1 The Board of Directors has a duty to maintain an appropriate number of executives that is in line with the Company's operation. The Board of Directors and/or the NRC Committee, in conjunction with the Chief Executive Officer shall consider the nomination criteria and procedure to select and appoint a person that is deemed suitable to be an executive of the Company.
- 3.2 The Board of Directors has a duty to ensure continuous operation of the Company, with a succession plan in place for executive positions, in order to prepare for the succession of executive positions. The Chief Executive Officer shall report the progress of the results according to the succession plan regularly at least once per year.
- 3.3 The NRC Committee has a duty to establish and revise the Company structure as appropriately for the current and future Company's operation, which shall be further approved by the Board of Directors.

- 3.4 The NRC Committee has a duty to establish and revise the criteria and procedure for nomination of suitable persons for executive positions or for the vacancy of such positions and provide opinion, which shall be further approved by the Board of Directors.
- 3.5 The NRC Committee has a duty to nominate persons with necessary knowledge, skills, and experience as executives to drive the corporate forward toward its objectives and goals. The consideration shall put priorities on the Company's executives with potential according to the succession plan. External persons shall then be considered if none of the Company's executives are suitable.

Accordingly, the Company had provided opportunity for shareholders to propose 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, 2019 until December 31, 2019. 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 Company's internal information that has not been disclosed to the public, having important content for its own and other's benefit, which can be summarized 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 30 days before disclosure of such 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 (SEC).
 - 3.4 Report the case for legal prosecution.
 - 3.5 Carry out matter according to the resolution of the Board of Directors or the Shareholders' Meeting of the Company.
4. The Company has assigned the 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

Dividend Payment of Diamond Building Products Public Company Limited (Parent Company)

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

The Company was able to pay out dividend to its shareholders starting from 2004 after the Company started to generate profit after having deducted all the loss carried forward. Details on the dividend payment in 2019 are as follows:

Dividend	2019 *	2018	2017
Earnings Per Share (Baht Per Share)	0.59	0.44	0.43
Dividend Per Share (Baht Per Share)	0.40	0.36	0.36
Dividend Payout Ratio (%)	67.80%	81.82%	83.72%
Dividend Paid (million Baht)	379	341	341
Number of Paid - up Common Shares (Million Shares)	948	948	1,048
Number of Treasury Shares (Million Shares)	-	-	100
Par Value (Baht Per Share)	1.00	1.00	1.00

Remark : * According to the Table above for year 2019, the projected dividend payment was calculated based on the number of issued and paid-up shares deducted by the number of treasury stock remaining as of the end of year 2019; 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 deducted by the number of treasury stock remaining as at the Record Date of March 10, 2020.

Dividend Payment of Diamond Materials Co., Ltd. (Subsidiary Company)

According to the Articles of Association of the subsidiary company, Article 26 states that: At every dividend payment, the company must appropriate fund for reserve capital for at least one-twentieth of the net profit according to the separate financial statements, which the company has made from its business operation until such reserve capital reaches one-tenth of the capital of the company or more.

CORPORATE GOVERNANCE

With a commitment to be an organization with effective business operations, competitive advantage, and good operating results while being accountable, circumspect, honest, and transparent, including upholding the code of conduct, providing equitable treatment to all stakeholders, contributing to the society, minimizing environmental impact, no violation on human rights, upholding political neutrality, and zero tolerance toward corruption, the Board of Directors has established the corporate governance policy as a guideline for all directors, executives, and employees toward “Sustainable Value Creation for the Enterprise”.

Corporate Governance Policy: The Company commits to be an organization with effective business operations, competitive advantage, and good operating results while being accountable, circumspect, honest, and transparent, including upholding the code of conduct, providing equitable treatment to all stakeholders, contributing to the society, minimizing environmental impact, no violation on human rights, upholding political neutrality, and zero tolerance toward corruption, all of which lead toward creating sustainable values for the enterprise in long term.

In year 2019, the Company received the following awards related to corporate governance:

- The Company was presented with the “Sustainable Stock” or “Thailand Sustainability Investment (THSI) 2019 Award” consecutively for the third year from the Stock Exchange of Thailand and Money & Banking Magazine. The award was for listed companies with sustainable business practice that consider the **Environment, Society, and Governance (ESG)**.
- The Company received a **five-star award** () for the assessment of corporate governance among Thai listed companies year 2019, in which the Company received 90% score and was placed in the “**Excellent**” group, 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.
- The Company received a **four-star award** () for the annual general meeting (AGM) quality assessment of the listed companies year 2019, in which the Company received 99% score and was placed in the “**Very Good**” group.
- The Company was selected as one of the companies in ESG 100 list, which are companies with distinct operations on environmental, social, and governance-related matters (ESG), from the evaluation of listed companies in 2019 by Thaipat Institute.

1. Corporate Governance Structure

As the leader of the enterprise, the Board of Directors as a duty to govern the business at policy level and set the direction for the operations by establishing objectives and main targets for the Company, as well as set out the vision, mission, and core values. To ensure that all directors, executives, and employees can implement the strategy and work plan successfully and effectively according to the objectives and main targets of the Company, leading to sustainable development, the policy shall be regularly reviewed as least once per year.

Executive Level	Roles / Important Issues
Board of Director	- Establishing objectives and main targets, providing strategies that drive good corporate governance for the enterprise. - Creating sustainable value for the enterprise, ensuring competitiveness and good operating results. - Fostering corporate values that uphold ethics by considering contribution to the society and minimizing environmental impact.
	
Chief Executive Officer, Deputy Chief Executive Officer	- Establishing strategies, targets, work plans, and annual budget according to the assigned objectives and main targets. - Ensuring suitability and adequacy of risk management and internal control as assigned. - Monitoring efficiency and effectiveness of the strategies (KPI).
	
Division Managers	Implementing the strategies, monitoring, and reporting the operating results.

2. Monitoring and Reporting on Operating Results toward Sustainability

All directors, executives, and employees at every level of the Company have duty to uphold the good corporate governance principles, as well as the code of conduct and best practices of the Company, as guidelines for work without neglecting the principles described in this handbook.

The Corporate Governance Committee (CGC Committee) has duty to monitor Company's operations to ensure compliance with the good corporate governance principles and the code of conduct. The CGC Committee also has duty to review Company's guidelines and provide opinions to the Board of Directors, leading to sustainable operating results.

The Audit Committee (AC Committee) has assigned the Internal Audit and Compliance Control Office (Internal Audit Office) to be the division responsible for auditing and monitoring compliance with the Company's good corporate governance principles and the code of conduct. The audit results shall be reported to the AC Committee for further proposal with opinion to the Board of Directors.

All directors, executives, and employees at every level of the Company can also report in good faith to their superiors regarding violation or potential violations on such principles. It is a duty of the superiors in inspecting and giving advice to the subordinates for compliance with the good corporate governance principles and the code of conduct.

Executive Level	Monitoring and Reporting Methods	Frequency
Board of Director	Board of Directors' meetings	Monthly
		
Chief Executive Officer, Deputy Chief Executive Officer and Assistant Chief Executive Officer	- MC Committee meetings - EXCO meetings following strategic plans	- Weekly - Monthly
		
Division Managers Section Managers Department Managers	- Division Managers' meetings in each plant - Executive meetings for Division Managers - Chief Executive Officer meetings with mid-level executives, department managers - Sustainability report preparation	- Weekly, Monthly - Quarterly - Quarterly - Annually

Corporate Governance Code

The Company's Corporate Governance Code is divided into 8 principles as follows:

Principle 1 :Establish Clear Leadership and Responsibilities of the Board

The Board of Directors is considered the key to good corporate governance. It comprises a diverse set of qualified persons with knowledge, experience, leadership, vision, independence in decision making, full devotion of time and commitment to perform the duty of care and duty of loyalty for the best interest of the Company. The roles, duties, and responsibilities of the Board of Directors are established in the Board of Directors Charter (see details on page 110 under topic "Management Structure").

Principle 2: Define Objectives that Promote Sustainable Value Creation

The Board of Directors has established clear and appropriate main objectives and goals as guidelines for employees at every level to move forward in the same direction. The Board of Directors also determines the vision, mission, core values, strategies, and annual plan that are in line with the nature of businesses, while considering all Stakeholders and the society overall to ensure sustainable value creation (see details on Page 1 under topic "Vision, Mission, Core Values, Objectives and Strategies").

Principle 3: Strengthen Board Effectiveness

- 3.1 **The Board Structure:** The Board of Directors has assigned the NRC Committee to determine and review the board structure, in terms of size, composition, and the proportion of independent directors that are appropriate and necessary so as to ensure its leadership role in achieving the Company's objectives (see details on Page 110 under topic "Management Structure").
- 3.2 **Sub-committees:** The Board of Directors has authority to appoint specific sub-committee as necessary through consideration of the NRC Committee to ensure that important matters are carefully considered with detailed information in specific issues before further presenting with opinions to the Board of Directors (see details on Page 110 under topic "Management Structure").
- 3.3 **Nomination of the Board of Directors members and Sub-committee members:** The Board of Directors has assigned the NRC Committee with a duty to select and nominate the Company's directors with a transparent and clear procedure, in compliance with the Company's regulations and regulations of the SEC and the Stock Exchange of Thailand, to obtain Company's director with appropriate qualifications as required by the Company, without discrimination toward genders, races, or religions (see details on Page 128 under topic "Nomination of Directors and Executives").
- 3.4 **Consideration of Remuneration for the Board of Directors and Sub-committees:** The NRC Committee has a duty to consider the structure and the rate of remunerations that are suitable for the roles and responsibilities. The remunerations must be attractive and motivating for the directors to lead the organization, ensuring that the operations are successful according to the objectives and the main targets, both in short-term and long-term. The remuneration policy of the Company is as follows:

Remuneration Policy: The Company is committed to provide fair and suitable remunerations in both short-term and long-term. The remunerations are considered according to the roles and responsibilities, performances, and expected benefits from directors, executives, and employees. The remunerations are evaluated from the operating results of the Company and the overall performances of the Board of Directors, which are compared with other companies of the same industry and listed companies of the same industry in the Stock Exchange of Thailand. (see details on page 106 under topic "Remuneration of Directors, Executives, and Employees").

3.5 Accountability to Ones' Duties and Sufficient Time Allocation: The Board of Directors ensures that all directors are accountable for their duties and allocate sufficient time as directors of the Company as follows:

- (A) Ensure that directors have full understanding of their roles and responsibilities.
- (B) Establish a regulation stipulating that executive directors may take up positions in other companies listed in the Stock Exchange of Thailand not exceeding three companies, while taken into account of the directors' performance due to their positions in multiple companies and the suitability due to the nature and the condition of the Company. The details of the positions should be disclosed in the Annual Report (Form 56-2).
- (C) The details of positions in other companies holding by directors must be disclosed in the Annual Report (Form 56-2).
- (D) As for directors or executives with direct or indirect interests in other businesses with conflict of interests, the Company has established measures and procedures regarding approval on connected transactions, which must be considered by the AC Committee before proposing to the Board of Directors for consideration, and disclosed in the Annual Report (Form 56-2) or informing the shareholders as appropriate.
- (E) Each director should attend at least 75 percent of all Board of Directors meeting annually.

3.6 Policies on Investment in Subsidiaries / Affiliated Companies: The Board of Directors has established policies and operations of subsidiaries and other businesses with significant investment at a level appropriate for such businesses, ensuring that the subsidiaries and other invested businesses have mutual understanding on such matter. The Board of Directors shall appoint individuals to hold directorship, executive, or authoritative positions in the subsidiaries in writing, ensuring operations that are consistent with the parent company. The operating results of the subsidiary are monitored to ensure standard-compliant and timely compilation of the Company financial statements (see details on Page 94 under topic "Investment in Subsidiary Company").

3.7 Self-Assessment on the Performance of the Board of Directors and Sub-committees as a Group and as an Individual: The Board of Directors has assigned the CGC Committee to establish self-assessment on the performance of the Board of Directors and sub-committees, both as a group and an individual, at least once per year. With some adaptations to suit the Company, the assessment form is derived from the guidelines of the Thai Institute of Directors and the Stock Exchange of Thailand with the following objectives:

- (A) To identify any obstacles that were the causes of unsuccessful objectives during the past year.
- (B) For the Board of Directors and sub-committees, both as a group and an individual, to accomplish more effective work by clearly acknowledging their own roles, duties, and responsibilities.
- (C) To become aware of the ability to utilize knowledge and skills, and freedom to give opinion of the Board of Directors.
- (D) The CGC Committee has a duty to summarize the self-assessments of the Board of Directors and sub-committees, both as a group and an individual, and propose to the Board of Directors for further consideration.

3.8 Directors' Training and Development: The Board of Directors ensures that sub-committees and each individual director recognize their roles, duties, and responsibilities as directors of the Company, nature of the businesses, and laws related to Company's businesses. Additionally, all directors are encouraged to reinforce skills with regular training and development on directorship, including new director orientations to prepare and ensure expedient and effective transition with the Company Secretary as the coordinator. The details of the training and development of directors are disclosed in the Annual Report (Form 56-2).

3.9 The Board of Directors' Meetings

The Board of Directors ensures that directors' works proceed smoothly with access to necessary information. The Board of Directors is to convene meetings at least 6 sessions per year. The Company Secretary has duty to prepare sufficient and appropriate meeting documents, and to send directors meeting invitations at least 5 working days before the meeting or within the period required by law. The Company Secretary shall compile minutes of the Board of Directors' meeting within 14 days after the date of the meeting.

As for the meetings of sub-committees, meetings shall be held as necessary and appropriate. The secretaries to the sub-committees have duty to inform members of the sub-committees and relevant persons on the meetings. The meetings of the Board of Directors and sub-committees may be held via electronic media as allowed by the law.

Principle 4: Ensure Effective CEO and People Management

The Board of Directors ensures that a proper mechanism is in place for the nomination and development of top executives to ensure that they possess the knowledge, skills, experience, and characteristics necessary for the Company to achieve its objectives.

4.1 Management Structure: The management structure comprises the Board of Directors, sub-committees, top executives, and Company's executives. The top executives must possess proper qualifications, with stated roles, duties, and responsibilities (see details on page 110 under topic "Management Structure").

4.2 Nomination of Top Executives: The NRC Committee has a duty to consider and screen individuals as per the procedure set out in the Company's regulations, by selecting individuals as top executives who possess knowledge, capabilities, and experience that would benefit the Company's operations. Additionally, each director should not hold positions in companies listed in the Stock Exchange of Thailand that suit the nature of businesses of the company not exceeding 3 companies listed in the Stock Exchange of Thailand, as the performance as a top executive of the Company may falter with too many positions. These regulations are to be disclosed in the Annual Report (Form 56-2) (see details on page 128 under topic "Nomination of Directors and Executives").

4.3 Consideration of Remuneration for Top Executives and Employees of the Company: The NRC Committee has a duty to consider the structure and amount of remuneration that are appropriate with the responsibilities and able to motivate top executives and employees of the Company to drive the Company toward its main objectives and goals, according to the short-term and long-term remuneration policies (see details on page 106 under topic "Remuneration for Directors, Executives and Employees").

4.4 Performance Assessment of Top Executives and Employees of the Company: The Board of Directors together with the NRC Committee have prepared the performance assessment form for top executives and assigned the Chief Executive Officer and Human Resources Division Manager to arrange performance assessment for department managers and operational employees, which can be summarized as follows:

- 4.4.1 Performance Assessment for Top Executives:** The NRC Committee has arranged performance assessments for top executives. The top executives are to fill out the assessment form, specifying each individual's responsible work plan including additional assigned tasks in the sub-committees. Key performance indicators (KPI) are jointly established by the assessor and the one being assessed, having incentives for the business management according to the main objectives and goals, in line with long-term benefits for the Company. Preliminarily, top executives shall assess their performance against the established KPI, and further propose to the NRC Committee for consideration.
- 4.4.2 Performance Assessment for Executives Ranking from Division Managers to Operational Employees:** The Chief Executive Officer assigns the Human Resources Division Manager to arrange performance assessments for executives ranking from the division managers to operational employees. Each department shall determine the topics of assessment, which are in line with the overall KPI of the Company. Assessment forms are categorized into 6 forms for division managers to operational employees / mechanics / officers, namely, Form E (Executives), M (Managers), SP (Specialists), SV (Supervisors), S (Staff) / SS (Senior Staff) / P (Professional, and operational employees / mechanics / officers. The performance assessments shall be conducted twice per year, etc.
- 4.5 Top Executive Development:** An orientation for all new directors is arranged to familiarize them with the nature of businesses and to prepare and expedite the executive to effectively undertake the directorship position. The Human Resources Division shall coordinate on various matters and provide support to the Chief Executive Officer and top executives to attend trainings and seminars being held by the Thai Institute of Directors, the Stock Exchange of Thailand, the SEC, and other independent institutions to expand their knowledge, skills, experience, and characteristics required for driving the Company forward toward the objectives. Plans are also put in place for job rotations and succession plan for top executives in case of vacancy, with regular assessment on the top executives.
- 4.6 Executive Committee Meeting (EXCO):** The MC Committee has established that the executives, which comprises executives ranking of division managers and section managers, to regularly convene meetings to summarize the operating results as appropriate, for example, meetings of the MC Committee; meetings of the Executive Committee (EXCO), which comprises executives ranking from division managers or above; meetings of executives ranking from section managers or above, and meetings of mid-level executives, etc.
- 4.7 Human Resource Management:** The Company places emphasis on human resource management to ensure proper response toward the changing economic climate and environment. The Company believes that our personnel has capabilities to operate businesses toward sustainable success (see details on page 149 under topic "Human Resource Management").
- 4.8 Shareholding Structure:** The Board of Directors attends to Company's shareholders and relationship with major shareholders that may affect the operations of the Company. Therefore, rules for connected transaction approval have been established, by which major shareholders having more than 60 percent in aggregate shareholding, having controlling power in Company's operations, and any persons with potential conflict of interests may not approve any transactions that are related to themselves, with consideration from the AC Committee before proceeding with the transactions.

Principle 5: Nurture Innovation and Responsible Business

The Board of Directors places emphasis on and support creations of innovation that adds values for the Company, as well as provides benefits to customers, partners, or related parties, but still remain the responsibility toward society and environment, and thus the innovation shall not support inappropriate behavior, illegal or unethical activities.

As a framework for developing innovation toward the future, the Board of Directors has established the “**Production Technology and Innovation Committee (PTI Committee)**” with an objective to “**focus on fostering creativity among the personnel to create innovation for sustainable development.**” The PTI Committee has been assigned with the authorities, duties, and responsibilities to establish objectives and work plans related innovation, new product development, manufacturing process optimization and cost reduction. This is to improve competitiveness, ensure good operating results and benefits for the Company. The PTI Committee shall present its progress to the Board of Directors at least once every quarter, which can be outlined as follows.

- 5.1 **Innovation Creation:** Products of the Company are construction materials, such as, roof tiles, siding boards, boards, autoclaved aerated concrete, and accessories. Innovation thus relates to differentiating existing products to create benefits which are unique, different and better than the competitors. Production development policies include utilization of modern, energy efficient technology, and reduction of real wood usage, leading to less deforestation, minimizing climate change and environmental impact. The priority is put on the development of Diamond people to foster creativity, leading to innovation in sustainable development. The principle is to foster “**Innovative Culture**” as an important corporate culture for sustainable business operations of the Company.
- 5.2 **Code of Conduct:** The Board of Directors is committed to good corporate governance, and thus has established the Code of Conduct as the operating framework and guideline for all directors, executives, employees, ensuring effectiveness and transparency, inspiring confidence and acceptance among all stakeholders, leading to sustainable value creation for the businesses. The Code of Conduct includes practices toward: (1) Conflict of interests, (2) Shareholders, (3) Customers, (4) Partners, (5) Commercial competitors, (6) Creditors, (7) Employees, (8) Social and environmental responsibility, (9) Respect to human rights laws and principles, (10) Local culture and traditions, (11) Marketing communication, (12) Political activities, and (13) Anti-corruption, etc.
- 5.3 **Effective Resource Management:** The Company has an effective resource management by considering impacts and ensuring sustainable value chain for the best interest of all stakeholders, from procurement, manufacturing process, and logistic partners, to different types of customers, such as, domestic and overseas sale agents, as well as responsibility to the consumers. This is to ensure that the main objectives and goals are achieved as follows:
 - 5.3.1 **Sustainable Value Chain:** The Company recognizes the importance of procurement and hiring, manufacturing process, transportation system, domestic and overseas sale agents, and consumers. Marketing communication is utilized to promote correct usage of products for the best benefits for consumers, etc.
 - 5.3.2 **Energy Consumption:** The Company recognizes the importance of management on energy consumption and has thus established “**Energy Management Working Group**” to ensure effective energy management, and to abide by the **Energy Conservation Act** and related laws. The working group focuses on creating guidelines for energy conservation and promotes energy conscious mindset among all employees, leading to effective use of energy, and reduced energy cost. Awareness on climate change is also promoted, including measures to reduce greenhouse gases which lead to global warming, such as, reducing usage of refrigerant that cause ozone depletion, etc.

5.3.3 Packaging Management: The Company has assigned the Procurement Division to manage the sourcing of packaging as required by all divisions, particularly for the Production Division to ensure the required product quality and best usage of materials. To reduce waste from manufacturing processes and prevent impacts to the environment, measures and procedures have been made regarding the sourcing of packaging with required standards, with systematic sourcing according to circumspect, theoretical principles, and changing the procedures according to the business changes.

5.4 Information Technology Management: The Board of Directors has established the information technology management framework that is in line with business needs. To achieve the main objectives and goals, the information technology is utilized to create more business opportunity and improve the operations and risk management. Thus, the policy has been established regarding disclosures on social media and directives regarding IT usage, which is a joint responsibility and common guidelines for all employees.

5.4.1 Policy regarding communication on social media: Social media refers to communication channels via the Internet that any persons can use to communicate and present information to the public via computers and communication devices. Examples of social media include, Facebook, Instagram, Twitter, and LINE, etc. The policy regarding communication on social media should be strictly followed.

5.4.2 Directives regarding IT usage: IT usage refers to the act of communication or communication channels either via the Internet, locally within the Company, or publicly via the Company's devices, including computer networks usage, e-mail usage, and software usage. For proper functions and standard, the directives regarding IT usage have been established with clear guidelines, including (1) Computer network usage, (2) E-mail usage, (3) Software usage with the computer, (4) Marketing communication via social media and (5) Human resource management via social media, etc.

5.4.3 Penalties: Penalties are put in place in case of violation of the above policies and directives.

5.5 Corporate Social Responsibility Management: The Company ensures that business operations uphold the good corporate governance, and incorporates the corporate social responsibility in the Code of Conduct. The Company recognizes that the "society" is an important mechanism that ensures sustainable growth of the Company with acceptance from all stakeholders, by starting from a small society within the organization, which includes directors, executives, and employees, who are the key to the development of potential and competitive advantage toward the society at the community level. The director, executives, and employees engage in a common framework that is in line with the core values: "**Determined, Transparent, Yearning for Development, Environmental Protection**" (see details on page 18 under topic "Sustainability Development Report").

Principle 6: Strengthen Effective Risk Management and Internal Control

The Board of Directors ensures that the Company possesses suitable and sufficient risk management system and internal control system that ensure effective objective achievements and compliance with related laws and standards.

6.1 Risk Management: The Board of Directors ensures that the Company has sufficient risk management system by authorizing the MC Committee to appoint the RMC Committee to manage risks of the Company. Policies on risk management have been established in writing and communicated to all executives and employees as guidelines (see details on page 153 under topic "Risk Management").

6.2 Internal Control: The Board of Directors ensures that the Company has adequate and appropriate internal control system, with regular assessments on relevant matters. The Internal Audit and Compliance Control Office has autonomy to directly report on its work to the AC Committee. International standards are used for the best interest of the Company and being accepted by all stakeholders (see details on page 158 under topic "Internal Control").

- 6.3 Use of Internal Information:** The Company has established measures and practices on use of Company's significant internal information that have not been disclosed to the public for its own and other's benefit. The directors and executives has a duty to report the possession of securities of the Company by oneself, spouse, and minors, as well as to report changes of the possession of the securities to the SEC as per Section 59 and Penal Code according to Section 275 of the Securities and Exchange Act B.E. 2535 (1992) (see details on page 131 under topic "Use of Internal Information").
- 6.4 Confidentiality:** The Company has established measures and guidelines regarding confidentiality of trade secrets which are significant to business operations which cannot be disclosed to the public. Information security measures have been established which include measures and practices regarding confidentiality, integrity, and availability of information, as well as management of market sensitive information.
- 6.5 Trading of Company's Securities:** The Company has established rules and procedures for reports on sales and purchases of Company's securities in possession of directors and executives of the Company, which abide by the regulations of the SEC and the Stock Exchange of Thailand, including (1) Report on possession of securities according to the regulations of the SEC and the Stock Exchange of Thailand, (2) Compliance with laws regarding use of internal information, (3) Security measures are established to prevent unsolicited disclosure of confidential information, (4) Directors and top executives may not trade Company's security within 30 days before the disclosure of financial statements, and (5) Directors and top executives must inform the Company Secretary regarding their trade of Company's securities at least one day prior to the trade of Company's securities.
- 6.6 Anti-Corruption:** The Company is committed against all types of corruption and has thus established "Anti-Corruption Policy" in writing, raising awareness among all directors, executives, and employees about the danger of corruption, instilling proper values, and inspiring confidence from all stakeholders. The policy is also a clear guideline for business operations, leading to sustainable development (see details on page 148 under topic "Anti-Corruption").
- 6.7 Anti-Corruption Best Practices:** To ensure achievement of objectives, the Company has established anti-corruption best practices on various matters according to the established anti-corruption policy. In order for the operation to achieve the objectives with orderliness and transparency, the directives and best practices have been established as follows: (1) Political affairs, (2) Receiving of gifts, allowances, service charges, or other benefits, (3) Giving of gifts, allowances, service charges, or other benefits, (4) Charitable donations, (5) Financial sponsorship, and (6) Guideline on whistleblowing and complaints, which include whistleblower and complainant protection, problem solving and damage compensation measures, etc.
- 6.8 Connected Transactions and Transactions Related to Acquisition or Disposition of Assets:** The Board of Directors has established measures and approval procedures for connected transactions and transactions related to acquisition or disposition of Company's assets to ensure compliance with regulations of the SEC, the Stock Exchange of Thailand, and related laws. The persons having interest in the transaction, or with potential conflict of interests, may not approve the transaction that is related to themselves. The price or compensation must be in accordance with normal business and general commercial terms. The AC Committee must consider the transaction before proposing with opinions to the Board of Directors, and the transaction must be disclosed according to the rules and procedures as required by the SEC.

- 6.9 Reports of Directors and Top Executives Interest:** The Company has established rules, terms, and procedures for reports on the interest of directors, executives, and related persons according to Section 89/14 of Securities and Exchange Act B.E. 2535 (1992) as amended by Securities and Exchange Act (No. 4) B.E. 2551 (2008), which requires directors and executives to report their interest or of their related persons with the written and established timeframe and procedures. The Company Secretary shall forward a copy of the information to Chairman of the Board and Chairman of the AC Committee within 7 days after the Company has been informed of the report. The information shall also be disclosed in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2).

Principle 7: Ensure Disclosure and Financial Integrity

The Board of Directors has a responsibility to ensure that financial reports and important information are made and disclosed correctly, completely, adequately, fairly, and punctual as per the related regulations, standards, and practices.

- 7.1 Financial Integrity Maintenance:** The Company has assigned the Accounting and Finance Division to compile and disclose financial information, and ensures that the responsible persons have adequate knowledge, skills, and experience, with adequate number of persons. The Company has established those with duty to disclose financial information, namely, the Chief Executive Officer, top position in the Accounting and Finance Division, and Company Secretary. The following factors are considered concerning with the disclosure of financial information.

- (A) Evaluation results of the adequacy of the internal control system.
- (B) Opinions of the auditor on financial reports, observation of the auditor on the internal control system, and observation of the auditor through other channels of communication (if any).
- (C) Opinions of the AC Committee.
- (D) Consistency with main objectives and goals, strategies, and policies of the Company, etc.
- (E) Measures have been in place to ensure that records are accurate, complete, and accountable, according to the generally accepted accounting standards and related laws. The involved personnel must exercise their duties with integrity and ethics, including accuracy of records and accounting and financial reports, and adherence to law, etc.

- 7.2 Information Disclosure:** The Board of Directors ensures complete, timely, and transparent disclosure of important information related to the Company, including financial reports and non-financial information, as well as other related information as described in the regulations of the SEC and the Stock Exchange of Thailand, via Company website which is easily assessable, equitable and reliable.

Disclosure policy: Information disclosure to external persons is appropriate, timely, not causing misunderstanding and sufficient for the users of information to make decisions. Information must be equally accessible and up-to-date via the established channels, protecting confidential information and information sensitive to the Company's security price.

Communication Policy: Disclosable information according to the disclosure policy must be accurate, clear, presented in timely manner and fair to all parties. Inappropriate language or format must be avoided, including misinformation regarding the Company's security. Mutual understanding on the policy implementation must be ensured throughout the whole organization.

7.2.1 Information Disclosure: The Company ensures that important information disclosure is valid, not causing misunderstanding, and sufficient for decision making by investors. Up-to-date information is disclosed via the Company website in both Thai and English to ensure equitable access by the information users. The information is disclosed in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) according to regulations of the SEC and the Stock Exchange of Thailand.

7.2.2 Information Being Disclosed on the Company Website: Apart from disclosing information according to the required channels according to the Stock Exchange of Thailand, namely, the downloadable Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2), the Company also discloses information in both Thai and English on the Company website; including vision, mission, goals, strategies, business operations, curriculum vitae of the Board of Directors, executives, and Company Secretary, financial statements, reports on financial status, and operating results, direct and indirect shareholding structures, organizational structure, corporate group structure, major shareholders, shareholding of directors and executives, invitations to general and extraordinary meetings of shareholders, Company's regulations, Company's Memorandum of Association and Articles of Association, agreements between groups of shareholders (if any), policies, code of conduct, charters of the Board of Directors and sub-committees, information related to investor relations, and any other information or documents being presented to analysts and the media, etc.

7.3 Monitoring and Assessment on Company's Financial Status: The Board of Directors monitors and assesses the Company's financial status, sufficiency of liquidity, and debt payment ability, by establishing financial management policy to ensure that the Company has adequate financial liquidity, ability to pay debt and mechanism for management in case of financial difficulties. The management is authorized to have duty in financial management and establish provident fund to support savings for the employees' future usage; regularly monitor and assess financial status of the Company and report to the Board of Directors.

7.4 In Case of Financial Difficulties or Potential Financial Difficulties: The Company used to face financial difficulty during the global financial crisis in year 1997, resulting in operating loss and lack of liquidity, and the Company needed to take both short-term and long-term loans from financial institutions for over Baht 1 billion. In addition, there was also a problem with large surplus inventory during the crisis. As a result, the Board of Directors, in cooperation with the MC Committee, have established a long-term business plan, while monitoring the industry trend and ensuring that the operating results are in accordance with the established plan. Regarding sales and marketing, new sale channels with high revenue were added. On the production side, ineffective and unprofitable production lines were disposed in order to repay the loan. As for the finance, re-financing was engaged to find low cost financing sources. As for the supporting departments, various costs and expenses were reduced. Finally, the Company regained profit and was able to repay all the loans within year 2003.

From the past experience, the Board of Directors has ensured that the business operations proceed with circumspection to secure operating results according to established plan, resulting in good operating results, profit, and liquidity. The Company has been able to repay debt and regularly pay dividends to the shareholders, and never faced financial difficulties again. Regardless, businesses always have some risks. In case of financial difficulties or potential financial difficulties, the Board of Directors must ensure that the Company has in place rectification measures or mechanism for resolving the problems, while considering the rights of stakeholders. The Board of Directors shall be reported on the situation regularly until the problems have been solved.

- 7.5 Sustainability Report:** The CSR Committee has a duty to compile the sustainability report at least once a year, and to establish the corporate social responsibility policy, ensuring that the business management is in the same direction under the core value of “Determined, Transparent, Yearning for Development, Environmental Protection”. The sustainability report is disclosed in the Annual Report (Form 56-2) and the Annual Registration Statement (Form 56-1).
- 7.6 Investor Relations:** The Board of Directors has assigned the management to establish the Investor Relations Office, which has a duty to communicate with shareholders and other stakeholders, such as investors and analysts, in a timely and appropriate manner. The communication policy and the disclosure policy have been established to ensure appropriate, equitable, and timely communication and disclosure to external persons. The communication and disclosure shall be made via the established channels to protect confidential and security price sensitive information. The persons in positions of Chief Executive Officer or above shall oversee works related to investor relations, ensuring effective direction and support.
- 7.7 Use of Technology in Disclosure:** The Board of Directors promotes the use of information technology in disclosure, apart from disclosure according to the regulations and via the established channel of the Stock Exchange of Thailand. The Board of Directors regularly discloses information in both Thai and English via other channels, and provides up-to-date information on the Company website, as well as marketing information via mobile application, Facebook, Instagram, LINE, YouTube, etc., to suit the lifestyle of the current generation.

Principle 8: Ensure Engagement and Communication with Shareholders

The Board of Directors ensures that shareholders are involved in the decision making process of important matters.

8.1 Shareholders’ Meetings include:

- (A) **General Meetings of Shareholders**, being held annually within four months after the end of accounting period of the Company.
- (B) **Extraordinary Meetings of Shareholders**, being held to consider urgent matters, including matters requiring shareholders’ approval before proceeding by law, such as, capital increase, capital reduction, debenture issuance, partial or full disposition or transfer of Company’s businesses to other persons, acquisition or transfer of businesses of other companies to the Company, and amendments of the Memorandum of Association or Articles of Association of the Company, etc.

Arrangement of Shareholders’ Meeting: The Company recognizes the importance of shareholders, who possess the right in business ownership, controlling the business via the appointment of directors as proxy. Shareholders also have a right in decision making of important changes and matters. The Company shall not violate or undermine the rights of shareholders, and shall encourage every shareholder to exercise their lawful and basic rights. The arrangement procedure of shareholders’ meeting is as follows:

- 8.1.1 Important Matters as Shareholders’ Meeting Agenda:** The Board of Directors recognizes the importance of placing important matters as shareholders’ meeting agenda. Both matters required by law and matters that may affect the direction of business operations must be considered and/or approved by the shareholders meeting. It has been established that the Directors should not unnecessarily add meeting agenda that was not announced in advance, especially for matters that shareholders would require sufficient time for consideration before making decision.

8.1.2 Participation of Minority Shareholders: The Company has a policy that ensures equitable rights among all shareholders, especially for the minority shareholders. One of the measures is to allow shareholders to propose meeting agenda and new directors appointment in advance. This established measure provides additional right to shareholders apart from the requirement by Company's regulation and related laws. The procedure for such proposals is disclosed on the Company website, by which shareholders may propose agenda within three months before the end of financial year, from October to December of every year.

8.1.3 Shareholders' Meeting Invitations: The Company ensures that invitation to shareholders' meeting and related documents are delivered and disclosed on the Company website at least 30 days before the meeting in both Thai and English to provide shareholders sufficient time to study the information. The details of the invitation include (1) date, time, and venue of the shareholders' meeting that is conveniently accessible, (2) meeting agenda, (3) objectives, rationale, and opinions of the Board of Directors on each proposed agenda, including dividend payment approval agenda, director appointment agenda, directors' remuneration approval agenda, auditor appointment agenda, etc., (4) proxy forms as required by the Ministry of Commerce, and (5) meeting's supporting documents, such as, voting rules and practices of attendance and vote counting and reporting, etc.

8.1.4 Arrangement of Shareholders' Meeting

(A) Procedures Prior to the Shareholders' Meeting

The Company maintains its website to present important information and news related to shareholders' meeting, such as, quarterly and annual financial statements, annual registration statements (Form 56-1), annual reports (Form 56-2), and meeting invitations that specify date, time, venue, meeting agenda, and supporting information for decision making in each agenda to allow sufficient time for shareholders' consideration. Apart from providing shareholders with rights and opportunities to propose meeting agenda and nominate qualified persons as new directors in advance, shareholders can also send questions regarding the meeting agenda at least 3 weeks before the shareholders' meeting date, etc.

(B) Procedures at the Shareholders' Meeting

To ensure swift, valid, and precise proceedings, the Company utilizes technology during shareholders' meeting, from the registration to vote counting and reporting. Shareholders are informed of the voting and vote counting procedure for each agenda prior to the commencement of the shareholders' meeting.

Chairman of the Board, who chairs the shareholders' meetings, has duty to ensure that the meetings proceed according to related laws and Company's regulations. Sufficient time must be allocated for each agenda stated in the invitation, and shareholders must have opportunities to express opinion and make inquiries at the meeting on subjects related to the Company.

The Company ensures that independent persons are responsible for vote counting and reviewing, as well as disclosure of voting results - Approve, Disapprove and Abstain - in each agenda, and record the results in the minutes of the meeting.

(C) Procedures after the Shareholders' Meeting

The Company discloses shareholders' meeting resolutions and voting results for each meeting agenda on the next day after the shareholders' meeting by reporting to the Stock Exchange of Thailand and presenting accurate and complete minutes of the meeting to the Stock Exchange of Thailand within 14 days after the shareholders' meeting, as well as disclosing the minutes on the Company' website in both Thai and English. Additionally, the Company prepares the form for the quality assessment of the shareholders' meeting (AGM Checklist) compiled by the Thai Investors Association, as well as arranges plant visit at least once per year to provide opportunities for the shareholders and analysts to visit the businesses of the Company.

8.2 Communication with Shareholders

The Company utilizes its website as a channel for communicating important information and news to external parties, such as, shareholders, institutional investors, and general investors. Every group of individuals is provided with equal opportunities to access and inquire for information. Information being communicated is categorized, such as, investor information, marketing information, and general information, etc., to ensure appropriateness in each group without putting any group at a disadvantage or loss of opportunity for investment. The characteristics of information have been established to ensure equitable communication and understanding to all related parties.

8.3 Dividend Payments

The Board of Directors has established the dividend payment policy of the Company and the subsidiary that is in line with Company's regulations and related laws (see details on page 132 under topic "Dividend Payment Policy").

The Corporate Governance Assessment of Thai Listed Companies

In 2018, the CGC Committee of the Company has revised the Corporate Governance Code (CG Code) to be in accordance with the revision of the Corporate Governance Code for Listed Companies 2017 by the SEC, having main objectives being as practical principles for the Board of Directors, as the leader and governing body of a listed companies, for the benefit of building long-term sustainable value creation. In 2019, the Company has not put into practice such following items.

Items Not Yet in Practice	Reasons
The Board of Directors should consider specifying the maximum number of not more than 5 listed companies that each director may take up directorship position without exception.	Although the Company has not specified the number of listed companies that each director may take up directorship position, every director has allocated time for the Board of Directors' meetings appropriately and adequately for the management to propose matters and sufficiently for the director to discuss important issues thoroughly and concisely overall, as well as the director has participated in the meeting with careful discretion and can offer opinion independently with any influence from any person.
The Board of Directors should clearly specify the term period of directorship position for the independent director to not more than 9 years without exception within the Corporate Governance Policy.	The Company has not specified the term period of directorship position for the independent director to not more than 9 years without exception. Nonetheless, those independent directors who have held the directorship position for more than 9 years have express their opinions independently and still have complete qualifications according to the definition of the independent director of the Company, having various expertise, especially in accounting and financial aspect and legal knowledge, as well as bringing these knowledge, experience and skills to offer opinions and advice which are beneficial for planning Company's business strategy and policy according to the principle of long-term sustainable development. Thus, the Board of Directors has proposed to the Shareholders' Meeting to consider approving the re-appointment of the independent directors for another term.

Items Not Yet in Practice	Reasons
The Company should establish a policy specifying for the minimum number of directors as at time of voting during the Board of Directors' Meeting to be not less than two-third of the total directors to constitute a meeting quorum.	Due to the Company's Articles of Association, Chapter 5, Article 28 and Public Limited Company Act, Section 80 stating that "Not less than one-half of the total directors must be present at a meeting of the Board of Directors to constitute a quorum. In case the Chairman is not present or unable to perform his/her duties, the Vice Chairman, if present, shall be the chairman of the meeting. If the Vice Chairman is not present or unable to perform his/her duties, the attending directors shall nominate a director as the chairman of the meeting.
The Chairman of the Board should be an independent director.	Although the Chairman of the Board of the Company is not an independent director; nonetheless, the Chairman of the Board has carried out his duties according to the role of Company's Chairman with fairness and transparency by considering Company's best interest without benefiting anyone in particular, as well as supporting and promoting the directors and independent directors to participate in discussion and offer their opinions independently. There has never been a case of the Chairman of the Board casting a deciding vote.
The Chairman of the Nomination and Remuneration Committee is an independent director.	Although the Chairman of the NRC Committee of the Company is not an independent director; nonetheless, he possesses knowledge, capability, skill and experience, and has understanding with regard to the authority, duties and responsibilities as the member of the NRC Committee, as well as having virtue, making decision with information and rationale, having maturity and adhering to systematic work and principle, able to offer independent opinion without being under influence by any person, and can sufficiently dedicate his time for the work of the NRC Committee.

ANTI-CORRUPTION

With commitment to transparency, ethics, and responsibility to the shareholders, customers, employees, society, and every group of stakeholders, the Company has established the “**Anti-Corruption Policy**” and “**Anti-Corruption Handbook**” in writing to raise awareness among the directors, executives and employees of the Company at every level on the danger of corruption, instill good values, inspire trust in every group of stakeholders, as well as being a clear guideline in supporting business operation of the Company to ensure achievement of main objectives and goals of the Company.

In year 2019, as a guiding principle for all Diamond executives and employees to uphold within the rule of law, the Anti-Corruption Committee (ACC Committee) arranged assessments on corruption risks for every department of the Company and established measures mitigating corruption risks between the Company and governmental agencies. To reinforce the effort on anti-corruption, a letter has been sent to partners in the same industry as an invitation to join the Thailand’s Private Sector Collective Action Coalition Against Corruption (CAC). Representatives from the company has attended the annual event “**Join Force...Fight Fraud**” promoting anti-corruption efforts held by the Anti-Corruption Organization of Thailand. Employees also engaged in external training programs, including “**Transparent Organization.**” According to the training plan, training courses have been arranged for employees regarding anti-corruption efforts with the “**Nong Petch in Anti-Corruption Stance**” as the mascot. Additionally, starting from this year the Company has adopted “**No Gift Policy**” to minimize potential bribery. The policy has been announced to all stakeholders via the Company’s website and the official notification letter has been sent to Company’s trading partners, asking for “**Cooperation on No Gift Policy**” including a symbol design for communication, etc.

Throughout year 2019, the Corporate Group has no legal disputes or violations related to corruption. According to the monitoring of assessments on corruption risks conducted for every department, no significant shortcomings were found that would result in damage to the overall integrity of the Company. Accordingly, the Company has internal control and audit system that are proper and circumspect, by which all Diamond employees recognize their accountability within the rule of law and ethics, fostering proper values and ensuring sustainable development of the Company.



HUMAN RESOURCE MANAGEMENT

The Board of Directors recognizes the importance of human resource management, as they are crucial in response to changing business and economic condition. The Company believes that the Company's employees have potential to achieve sustainable business success. The human resource strategy has been established as follows:

Policy on Human Resources: 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.

1. **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 as follows:
 - 1.1 Constantly communicating recruitment opportunities on the **Internet, via Facebook, DBP Career and LINE @DBP Career**, focusing on building the brand by showcasing the products, usages, and applications.
 - 1.2 Developing the recruiting tool by utilizing QR code, including **"Interview Check Point, Evaluation by QR Code"**, and Satisfaction by QR code in order to reduce paper usage and bring the recruiting system up to date. Interviewee profiles are recorded in a database. The **"New Hire Check In"** system is implemented to incorporate the data with the Company's HRMS system, enabling expedient and accurate process, reducing paper cost and document storage.
 - 1.3 Approaching local higher education institutes to introduce the Company and its products for branches with many job openings and vicinity areas of the Company (Khon Kaen Province, Nakhon Ratchasima Province and Lopburi Province).
 - 1.4 Continuous improvement on the perceived image of the recruitment by providing satisfaction questionnaire for candidates, focusing on inquiring about the atmosphere of the interview, impression on the contact for interview, and notification of related information.
2. **Personnel Development:** The Company has organized several programs for skills and competency development of employees to support future growth, as well as training and development courses to improve the quality of the personnel, creating knowledge base within the organization, and promoting engagement in expressing opinions toward the organization. The training and development courses are planned in advance every year to ensure competitiveness and enhance work potential of the personnel. During year 2019, focus was placed on developing knowledge for development and innovation applications, modern leadership skills, and coaching skills for executives to promote coaching culture. Additionally, training and development for sale agents and PC staff were provided to ensure competitiveness in the current market condition. Training was also provided on anti-corruption measures, awareness in safety and environmental concerns. Apart from the above training and development, the Company also promoted the development of employee skills according to the relevant national skill standard as required by law. In 2019, a total of 55 courses in 77 classes were provided, or a total training hour of 7,710 hours (8.42 hours per person per year on average), in accordance with the established target.

3. **Employee Retention:** The Company puts great emphasis on employee retention by establishing a fair and appropriate compensation or remuneration according to the job description and capability of the employee; overseeing the welfare and benefits; maintaining 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. In year 2019, the following programs were carried out.

- 3.1 **Diversity Management:** The Company has a policy on diversity management placing importance on equitable treatment of all genders in terms of positions and fair compensation, which can be summarized as follows:

Position Breakdown across Genders

Level	Female	%	Male	%	Total
Executive	13	19.12%	55	80.88%	68
Supervisor	36	32.14%	76	67.86%	112
Employee	144	18.82%	621	81.18%	765
Total	193	20.42%	752	79.58%	945

Compensation Ratio across Genders

Compensation Ratio	Female	Male
Compared with Total Compensation Median*	7.59%	-1.93%
	Higher	Lower

* Total Compensation Median is the median of the compensation of all female and male data. The median is then a base value for comparison with the female compensation median and male compensation median.

- 3.2 **Benefits:** The Company has improved benefits of employees for better quality of life as follows:

- (A) “DBP Health Me, Up!!” is a long-term program promoting good health among advanced age and high-risk employees, as well as raising the awareness on health related issues among younger generations. The program provides monthly activities related to health, with a collective goal for better wellbeing among employees.
- (B) Arranging “25 Years of Diamond Diligence” Awards for the third year for employees with employment period over 25 years in order to inspire and express appreciation to the employees who have been working for over 25 years.
- (C) Various benefits have been improved for better quality of life, for example:
 - (1) Increase the Company contributions to the provident fund from to the maximum of 8 percent to 9 percent.
 - (2) Increase diligence allowance from Baht 500, 600, and 700 to Baht 600, 700, and 800.
 - (3) Increase the allowance for outpatient department (OPD) of the health insurance from Baht 1,300 to Baht 1,500.
 - (4) Shift allowance, travel allowance, and life insurance, etc., have also been increased.

- 3.3 Activities promoting “Happy Workplace”** : The Company has continuously arranged activities promoting “Happy Workplace”, with employees and neighboring community participating in the activities. Eighteen activities that were arranged could be grouped into eight categories as follows: (1) Happy Body, (2) Happy Heart, (3) Happy Soul, (4) Happy Relax, (5) Happy Family, (6) Happy Society, (7) Happy Brain, and (8) Happy Money, etc.
- 3.4 Labor Relations Promotion Based on the “Bilateral System”** by attending meeting with the representatives from the employees committee continuously every month to clarify about policies and the Company’s trend, as well as discuss about employees’ welfare and arrange activities together within the Company or with external business units regularly.
- 3.5 Traveling HR** activity to create cooperation among nearby companies by forming a coalition of “**HR Kaengkhoi**” to discuss and exchange information and knowledge with one another, as well as continuously arranging activities with local governmental organizations, community, and community leaders.
- 4. Safety:** The Occupational Health, Safety, and Workplace Environment Committee (OSH Committee) and the Safety, Health, and Environmental Unit (SHE) have jointly assessed occupational risks to ensure safety and well-being among employees and relevant persons. Several measures have been implemented, including Seven Basic Safety Rules (SHE 7 Rules), 7 Permits for Risk-Prone Works, Unsafe Action Reports, Unsafe Condition Reports, Near Miss Reports. In 2019, the OSHWE and SHE unit have surveyed risk-prone areas in order to determine risk control measures and minimize accident. As a result, Diamond employees and business partners are acutely aware and engaged in accident prevention. With such cooperation from employees, there are over 8,600 reports and suggestions in 2019.
- 5. Health and Disease Prevention:** The Company puts great effort in taking care of employee’s health. To ensure that employees are healthy, health related risks are assessed, and potential disease is monitored according to the law and ISO 45001, for example:
- 5.1 Ensure that professional nurse is available at the infirmary 24 hours a day without holiday.
 - 5.2 Maintain clean restrooms, hand-washing spots, with soap always available in every restroom.
 - 5.3 Provide hand sanitizer gel at the plant entrances.
 - 5.4 Maintain clean canteen, with UV cleansers provided for utensils.
 - 5.5 Health examination before entering workplace and annual health check-up.
 - 5.6 Wear face masks or higienic masks to prevent dust and disease during work.
 - 5.7 Clean doors, door knobs, and office areas daily. Provide alcohol spray for cleaning at each office area.
 - 5.8 Train on healthcare knowledge.
 - 5.9 Publicize and raise awareness on how to prevent various diseases.
- 6. Work 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.
- 7. 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 employees who propose guidelines or feedbacks 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.

8. **Resignation of Employee:** The Company has continuously taken care of employees in various aspects including arranging several activities promoting participation from the employees to create happiness in the workplace (8 Workplace), supervising over safety and environment in the workplace, improving on employees' benefits that cover major necessities of the employees. These undertakings have resulted in the employee **turnover rate in 2019 of 2.89 percent, which was lower than 2018 with the rate of 6.81 percent.** When compared with the average value surveyed within the same type of business or every group of businesses, the Company's employee turnover rate was significantly lower. Accordingly, the Company is confident that the employees have organizational commitment with love, pride and attachment with the Company, having effective and adequate human resource management.



9. **Succession Plan:** The Company possesses a suitable selection system for employees assuming roles in all important managerial positions. The nomination of executive positions at Assistant Chief Executive Officer position or higher shall follow the procedure of the NRC Committee.

Succession Planning Strategy for Important Positions

The Company has put in place a succession plan to prevent shortage of talents in important positions due to inability to find replacement employees that are knowledgeable, which can greatly affect business operation of the Company. Shortage of employee may occur due to early retirement or job promotion. Therefore, the Company has put in place a succession plan for important positions to prevent such problem, which can be summarized as follows:

- 9.1 Analyze the current situation of the Company according to policies within the next three to five years to estimate the appropriate manpower of the Company.
- 9.2 Find out what positions are important and what are at risk.
- 9.3 Determine qualification, performance, knowledge, personality, and attitude that are required for such important positions.
- 9.4 Select employees with achievement and suitable potential with tendency to be developed to higher positions.
- 9.5 Applying several development methods according to the development plan and period as per the individual in order to prepare for higher position.
- 9.6 The development shall undergo periodic evaluation in order to analyze performance, knowledge and qualification against the development plan to determine whether these qualities are as expected. If they are as expected, the promotion can proceed according to the plan and the specified timeframe. If they are not as expected, the candidate can be changed promptly to ensure effective, continuous, and sustainable personnel management.

RISK MANAGEMENT

The Risk Management Committee (RMC Committee) manages and mitigates risks, with assessment and review on risk factors that may affect every aspect of Company's business operation. Control and resolution are established for unacceptable risks. To prevent and mitigate potential impacts and to gain trust among every group of stakeholders, the RMC Committee ensures that appropriate and adequate risk management system is put in place according to the principles of good corporate governance.

Risk Management Policy: The Company is determined to prevent and mitigate any potential risks that may occur in the future by analyzing, assessing, and reviewing risk factors that may affect every aspect of Company's business operation by controlling and determining guideline for resolving or managing unacceptable risks, as well as monitoring that risk management system is concise, appropriate, adequate, efficient and effective according to the principles of good corporate governance.

During year 2019, the RMC Committee held 7 meetings altogether, comprising of executives from every department, totalling 14 persons, to analyse and assess risk factors to create a risk map, as well as determining guideline for risk management according to risk factors as follows:

- **Red Risk :** Risk factors required urgent rectification, with first priority on finding mitigating guidelines.
- **Yellow Risk :** Risk factors required monitoring due to potential risk that may need prevention measures.
- **Green Risk :** Risk factors that are not yet considered as risk that requires immediate management.

The analysis and assessment of risk factors results in 9 risk factors required urgent rectification (Red Risk), being 5 external risk factors and 4 internal risk factors within the Company. Guidelines and measures have been established to mitigate risks that may significantly affect business operation of the Company and subsidiary company, which can be summarized as follows.

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 government still had no clear direction in establishing such policy. Starting from 2019, an additional permit is required. Formerly, only the permit for import of hazardous material was required from the Department of Industrial Works according to the Hazardous Substance Act B.E. 2535 (1992). Now, an additional permit issued by the Department of Primary Industries and Mines according to the Minerals Act B.E. 2560 (2017) is required each time for each import of asbestos. Accordingly, the Company has fully complied with the relevant laws.

The Company has continued to manufacture products with asbestos content due to the fact that the characteristic of fiber cement tiles with asbestos content is inexpensive, more durable, and stronger than non-asbestos fiber cement tiles, with better noise and heat insulation capabilities, as well as easier installation. The products are still very popular among consumers both locally and overseas. Regardless, to diversify the product portfolio, the Company has been prepared to handle such risk by developing the machinery and equipment and improving the manufacturing processes of non-asbestos

products, including non-asbestos roof tiles, concrete roof tiles, DECRA tiles, autoclaved aerated concrete, trusses, gypsum boards, insulating material, heat-reflecting material, and roofing accessories. These products have become popular among consumers.

1.2 Risk related to the government issuing new laws

In order to identify any impact to business units, the Company has assigned the Legal Office to coordinate with related authorities to study the details of new laws issuing by the government. Any affected business unit shall establish measures and procedures as a clear guideline to prevent potential breaches of law that may adversely affect the Company in the future. The newly issued laws shall be summarily reported to the Board of Directors every month. In 2019, new laws related to business operations that have been issued by the government can be summarized as follows: (1) Land and Building Act B.E. 2562 (2019), (2) Labour Protection Act (No. 7) B.E. 2562 (2019), (3) Ministerial Regulation Establishing the Pa Sak Irrigation of Pa Sak River as Leivable Irrigation B.E. 2562 (2019), (4) Hazardous Materials Act (No. 4) B.E. 2562 (2019), (5) Notification of Director-General of Revenue Department Re: Criteria, Procedures, and Conditions for the Deduction of Assessable Income to Repay Student Loan According to Student Loan Fund Act B.E. 2560 (2017) (No. 2), (6) Notification of Debt Collection Regulatory Commission Re: Number of Times for Debt Collection, etc.

1.3 Risk related to financial instruments

- (A) **Foreign currency exchange rate risk:** Due to the purchase and sales of products 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 Foreign Currency Deposit account (FCD) for receiving and making payment in foreign currencies to reduce fluctuations in the foreign currency exchange rate to an acceptable level.
- (B) **Interest rate related risk:** The Company has mitigated the risk by using fixed interest rate on long-term loans, but using floating interest rate for short-term loans or promissory notes with maturity of one year or less, which are used for daily operation. Operating cash flow reports are prepared daily to ensure sufficient management of income and expenses. Low-cost loan sources are also explored to support the established target and strategy.

1.4 Risk related to influence from domestic economic condition

In 2019, the domestic construction businesses became stagnant. Operators in private sector operated their business with extra care, and new projects were delayed. Most of the construction projects in public and private sectors were ongoing projects. Apart from construction projects in public and private sectors, the repair market was a large market and growing. The Company has accordingly planned the sale and marketing plan in line with the economic condition, focusing on continuous marketing communication to reinforce awareness of the brand and the Company's positive image.

1.5 Drought Disaster

The RMC Committee has assigned the Engineering and Maintenance Division to establish a risk mitigation plan for drought disaster. Water supply situation is to be monitored, including water in Pa Sak Cholasit Dam, water level of the Pa Sak River, water management policy of the government-the governing body of the Royal Irrigation Department in the Pa Sak River region and Saraburi Province. The assessed level of the risk is very high. Therefore, in 2019 the Company established the drought disaster management plan involving drilling of four ground water wells, which have sufficient raw water for the manufacturing process. The plan completed in September 2019, being able to handle the risk of insufficient water from the Pa Sak River for the manufacturing process.

2. Risk from Internal Factors

2.1 Risk related to strategy

The Company determines the annual budget according to the economic condition each year; establishes the target, work plan, and business management strategy to achieve the target; and analyses risks that may inhibit the success of the target as follows:

(A) Risk related to price competition

Sales and Marketing team closely monitors the market situation and competition of each product in every distribution channel, and continuously reviews operational plans and sales strategy to ensure the achievement of the target. However, there is a risk due to constantly strong price competition. The Company has thus established a work plan to closely monitor selling prices and profitability of every product and every sale channel, reviewed compensation payments for distributors in highly competitive areas, engaged in marketing communication via modern channels, such as Facebook, LINE, Instagram (@DiamondBrandOfficial), and “Diamond Brand” mobile application to communicate about product types, usages, designs, and to provide convenient and fast service. Products are also distributed to modern trade, projects, and export markets in order to increase sales in areas where construction sector is growing and construction materials from the Company are in demand.

(B) Risk related to production capacity

Production and Engineering team closely manages the production capacity, in which the production department, the technology department, and the engineering department have jointly managed the production and maintenance to ensure efficient product manufacturing. In 2019, a flexible operational plan has been established to allow production capacity that is adaptable to market demand. Production efficiency has been improved for more production capacity. Additionally, expansion on the NT-11 production line has started to support the production of non-asbestos fiber cement product group. The expansion is expected to complete and be able to begin production around early 2021. Moreover, the production capacities of CT and CT KK production lines are expanded by efficiency improvement and capacity expansion in order to support the market demand from 2020 onwards.

(C) Risk related to new product development

The PTI Committee and the Product Development Committee jointly conduct a study to explore new product development for at least 1 to 2 studies every year. The products of the Company are construction materials, including roofing tiles, siding boards, boards, autoclaved aerated concrete counter tops and fences, and installation accessories. Therefore, new product development involves diversification of existing products, creating competitive edge, as well as developing new products by using modern technology and lower energy in manufacturing.

Although new product development requires time and expenses on trial production to ensure product quality and marketability, with potential risk in case of unsuccessful attempts, it is a necessary endeavor to ensure competitiveness and sustainable footing in the industry. Research and development thus requires proper proceeding, and trainings must be provided to Diamond People to inspire creativity for innovation for sustainable development.

2.2 Risk related to operation

Supporting departments, such as procurement and human resources, are required to support the sale department and production department to achieve the established target. The risk factors that may inhibit the target are as follows:

(A) Risk related to shortage of raw materials

The Company's raw materials are comprised of cement, synthetic fiber, paper pulp, sand and water; there is a risk related to the increase in price and shortage of raw materials. The Company has set up strategies to mitigate this risk, such as establishing a specific work team to monitor main raw materials (cement, sand, paint, coating, etc.); procurement strategy that utilize multiple sellers; effective management of procurement, distribution, and storage to mitigate potential short age risk; development of effective manufacturing processes to mitigate potential raw material shortage; delivery risk distribution and creating price negotiation equilibrium; conducting research and development of production formulas that can use alternative raw materials; finding sources for raw materials both locally and overseas.

(B) Risk related to manpower and employment

The Company has risk related labor shortage and minimum wage increase due to the requirement for skilled workers in industrial factories. Recruitment, training and retention of personnel are properly managed. Emphasis has been placed on ensuring that Diamond People are happy, healthy, with appropriate and fair compensation and benefits. To mitigate risk of potential labor shortage, the Company has assigned the PTI Committee which comprises the engineering department and the production department to jointly improve and develop automatic and robotic machinery throughout all production lines, which otherwise require large number of manpower, especially in accident-prone areas and areas that require heavy works unsuitable for human labor.

2.3 Risk related to Diamond Society and Environment

(A) Risk related to occupational health and safety

The Occupational Health, Safety, and Workplace Environment Committee (OHS Committee), in cooperation with SHE unit, have assessed occupational safety risks to ensure wellbeing of employees and related persons. Several measures have been implemented, including Seven Basic Safety Rules (SHE 7 Rules), Unsafe Action Reports, Unsafe Condition Reports, and Near Miss Reports. In 2019, the OSHWE and SHE unit have surveyed risk-prone areas in order to determine risk control measures and minimize accident. As a result, Diamond employees and business partners are acutely aware and engaged in accident prevention. With such cooperation from employees, there are over 8,600 reports and suggestions in 2019.

(B) Risk related to environmental impact

With emphasis on judicious use of resources and waste management with 3R methodology (Reuse, Reduce, and Recycle), waste from manufacturing process, as well as reduction of waste being discarded out of the system and waste disposal cost, are reduced. Manufacturing processes are improved to decrease water and energy usage. Regarding electricity consumption in particular, the Company has established the Energy Management Committee, who has initiated the installation of solar rooftop at the premise of the aerated autoclave concrete production line to decrease the reliance on the grid as well as reduce greenhouse gas emission. The manufacturing processes are

also improved to reduce dust and odor by which their measurements have been continuously conducted. According to the results of these measurement indicators in 2019, the Company has passed the industrial standards in every category with no impact or damage to the environment and surrounding community.

2.4 Risk related to administration and management of majority shareholders

The Company is a subsidiary Company of Myriad Materials Co., Ltd., which is the Company's majority shareholder with 58.85 percent of shares in the Company (as at December 31, 2019). In combination with the shares owned by the Directors who are the representatives of Myriad Materials Co., Ltd., the shareholding proportion is more than 60 percent of the shares in the Company. Thus, Myriad Materials Co., Ltd. can control all resolutions at the shareholders' meeting. However, the Company adheres to the code of best practices, having principles for approval of related party transaction, by which a person who may have conflict of interest cannot approve self-related transactions and the AC committee shall consider and give opinion, before proposing to the Board of Directors and/or the shareholders' meeting for consideration and approval. The Company shall disclose the related party transactions in the notes to the Company's financial statements to the public as well.



INTERNAL CONTROL

The Board of Directors has established that the Company must have circumspect and appropriate internal control system, including regular result assessment and monitoring, by having the Internal Audit and Compliance Control Office monitor the results of the operation and report to the Audit Committee (AC Committee) regularly by adhering to the international standard for internal audit work for the best interest of the Company and acceptable by all related stakeholders. The assessment of the Company's internal control system in year 2019 complied with international standards. The AC Committee has an opinion that the Company's internal control system is well circumspect and appropriate, which can be summarized as follows.

1. Control Environment

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

- (A) The Company has issued the Code of Conduct in writing and reviewed in accordance with the current situation for the directors, executives and employees at every level 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 on the Company's website for acknowledgment by the employees and outsiders.
- (B) The Company has established measure and procedure for approval of connected transactions or transactions with conflict of interest, 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 all employees at every level of the Company and subsidiary company to carry out or accept any form of corruption either directly or indirectly, either with government officials, government agencies, private agencies encompassing related businesses of the Company. Additionally, a 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 on the compliance with the Code of Conduct, in which executives of every department are required to perform self-assessment. The Internal Audit and Compliance Control Office shall review those self-assessment forms.
- (D) The Company reviews and rectifies the actions that are against the principles of honesty and business ethics appropriately and periodically.

1.2 The Board of Directors of the Company is independent and separated from the Management and has oversight function and development of internal control system 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 the Board of Directors and each sub-committee, which can be summarized as follows.

- The Board of Directors has 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 that there are regular monitoring and assessment of the performance.
 - 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.
- (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 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 the corporate structure specifying 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 MC Committee, comprising of the executives from the Assistant Chief Executive Officer 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 circumspect and adequate 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 AC Committee.
- (B) The MC 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 department to jointly consider and resolve the issue 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 and top executives. For the employees at every level from the division manager and lower, the Human Resources Division in cooperation with managers from each department 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:
- The Company recognizes the importance of personnel management in response to changes in business and economic condition. The Company believes that the employees of the Company have potential to operate the business successfully and sustainably. The strategy for human resources has been established as follows:

- (A) **Human Resources Strategy** : The Company focuses on enhancing the capabilities of the personnel of the organization, promoting honesty and transparency, while maintaining good quality of life and safe environment. These are done by developing skills in both production and sales so that they are prepared to drive the organization forward towards success as excellence, and sustainably support the growth in both domestic and overseas.
 - (B) **Human Resources Management** : For sustainability of the organization and as one of the important strategies, the Company has important tasks to retain talents in long-term, including: (1) Personnel Recruitment, (2) Personnel Development, (3) Employee Retention, (4) Safety, (5) Work Monitoring, (6) Performance Assessment and (7) Succession Plan, etc.
- 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 work plan and annual budget regularly every year.
 - (C) The Board of Directors and executives have reviewed that the KPI does not put too much pressure on each employee performing his/her duties, by linking it to the success of performance in accordance with the internal control system also.

2. Risk Assessment

- 2.1 The Company has established clear, appropriate 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 and fair values and complete and accurate disclosure of information, having been reviewed by the AC Committee and regularly 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 in order to have sufficient information for the decision making reflecting actual business activities of the Company.
 - (C) The RMC Committee has established policy and guideline for the risk management in writing and disseminated in the Corporate Governance Handbook, the Intranet, and website of the Company, as well as communicated with every executive and employee at every level 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 Board of Directors has established the RMC Committee, comprising of executives from every department totaling at least 10 persons. The RMC Committee held meetings to analyze every type of risks, including internal and external factors, their probabilities and impacts on the business operation at the level of organization, business unit, operating unit, and various work duties. Then, the measures and work plan shall be prepared for the management of these risks which may be by way of acceptance (acceptable risk), 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 factors required urgent rectification, with first priority on finding mitigating guidelines.
- **Yellow Risk :** Risk factors required monitoring due to potential risk that may need prevention measures.
- **Green Risk :** Risk factors that are not yet considered as risk that requires immediate management.

The RMC Committee shall regularly prepare the Report of the RMC Committee to be proposed to the AC Committee and the Board of Directors once every quarter to for acknowledgment of guidelines for mitigation of risks, risk prevention measures and monitoring of risk assessment appropriately and in accordance with the specified 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 as follows: “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 with government officials, state agency and private organization, covering every business relevant to the Company and that regular check and review on the anti-corruption practice in order to conform with the changing business, rules, regulations and laws.”

(B) The Board of Directors has resolved for the Company to announce its intention be a member of the Thailand’s Private Sector Collective Action Coalition against Corruption (CAC). In order for the Company to operate with transparency, the ACC Committee has been established to prepare the handbook for operating regulation concerning with the anti-corruption, having self-assessment concerning corruption related risks in each department and prepare the self-assessment form concerning the anti-corruption measures. Accordingly, the Company has received the certificate as the member of CAC on October 16, 2015. The membership has been duly re-certified on August 21, 2018, and is valid for the next three years from the approval date.

(C) The Company shall regularly review operating targets every year during the preparation of work plan and 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 AC Committee has assigned the Internal Audit Office to prepare the annual audit plan to make assessment of performance of every department to be in accordance with the work plan and 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, guidelines 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 prepare such measure together.
 - (E) The Company has communicated, publicize and disseminated the Prevention and Anti-Corruption Handbook on the Company's website and intranet for understanding and practice by executives and employees 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 appropriate and adequate measures for response to such changes such as:
- (A) **External risk factors**, such as government policy on the control of asbestos use, newly issued laws, financial instruments, impact from domestic economic condition, and drought disaster, etc.
 - (B) **Internal risk factors**, such as environmental impact, occupational health and safety, manpower and employment, sufficiency of production capacity to market demand, raw material shortage, new product development, and management by major shareholders, etc.

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

3. Control Activities

- 3.1 The Company has established control measures to help mitigating the risks that will not achieve objectives to be within acceptable level by performing the following tasks:
- (A) The Company has assigned the RMC Committee to monitor the operation of the departments that have been found to have risks to have risk mitigation measures to be within acceptable level and report such progress to the AC Committee and the Board of Directors for acknowledgment and consideration periodically.
 - (B) The Company has established the control measures in writing, circumspectly and 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 major investment approval that requires consideration by the Board of Directors, etc.
 - (C) The Company has established that the Company Secretary compiles information concerning major shareholders, directors, executives and their related persons, including connected persons, as well as regularly updates the information.
 - (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.

- (E) The Company has established various circumspect and appropriate internal controls such as manual and automated control, preventative control and direct control.
 - (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 as follows:
- (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 by using the SAP Software version ECC6 for development of 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, including the development of the Business Intelligence system (BI) for convenient preparation of any reports. In 2019, several softwares are deployed to improve work process, including K2 which helps reduce paper work, Qlik for analytics, Sketchup for design and installation calculation, and Web Sale for 24-hour order availability for customers, etc. Information Technology and Standard System Division has specified access right to the use of computer system for operation, making transaction, approval of transaction or accessing any reports in accordance with the authority and responsibility. Also, the Company has computer programmers who have expertise in developing reports corresponding to various controlling activities, such as termination of product sales program, debt collection program, price anomaly detection program, etc.
 - (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 AC 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 system so it can proceed according to the established plan as follows:
 - (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 each 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 5 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 adequate details which can be rechecked 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 and meeting supporting documents, 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”, etc.

- (B) Communication channels outside the Company
- The Company has established the Investor Relations Office by designating executives at the Assistant Chief Executive Officer level and higher to be responsible for communicating and provide information to 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://drt-th.listedcompany.com/home.html> 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 AC 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 ext. 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 system 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 AC Committee according to the annual internal audit plan and guideline as established by the AC 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 generally accepted international standards 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 AC 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 AC Committee for acknowledgment and consideration at the first opportunity or within timely period.

RELATED TRANSACTIONS

The Company has established measures and procedure concerning the approval of connected transaction and transaction concerning acquisition or disposal of the assets of the Company in compliance with the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand, as well as related laws within the 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 AC Committee has to consider and provide comments prior to making such transaction. If the AC Committee lacks expertise in a particular matter or transaction, an independent expert must be engaged to provide comments to the AC Committee as part of the consideration before proposing to the Board of Directors and/or the Shareholders Meeting for further consideration and approval.

In case that such transaction is a trade agreement of similar nature to agreements that a reasonable person would engage with another party in similar circumstances; with trade negotiating power in absence of influences from own positions as directors, executives, or related persons, whichever the case; or of normal business transactions or normal supporting transactions with general trade conditions such agreement must be approved by the Board of Directors, or be approved in principle by the Board of Directors, prior to engagement in such transaction. This is 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 shall inform the Company without delay when the following cases occur.
 - Having 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).
 - Holding ordinary shares or debentures in the Company or subsidiary companies by specifying total amount increase and decrease during the accounting period (if any). In any case, 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 top executive from the level of Assistant Chief Executive Officer or higher, including Accounting and Finance Department Manager, must follow the procedure in the same manner as the director as described in Item 5, by informing the Company Secretary as well.

In year 2019, the Company had related transactions with related persons as follows.

1. Product Sales and Service Rendering

Company	Relationship	Transaction	Amount (Million Baht)			
			Product Sales and Services		Accounts Receivable	
			2019	2018	2019	2018
Supalai Plc. (Buyer) *	Having mutual directors but no possession of inter-related shares. • Diamond Building Products Plc. (Seller) having Mr. Prakrit Pradipasen as Chairman of the Board. • Supalai Plc. (Buyer) having Mr. Prakrit Pradipasen as 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.	-	55.93	-	15.31
Wisdom Enterprise Co., Ltd. (Buyer)	Having mutual directors but no possession of inter-related shares. • Diamond Building Products Plc. (Seller) having Mr. Chatchai Teepsuwan as Director and Nomination and Remuneration Committee and Mr. Kamolaphat Teepsuwan as Director • Wisdom Enterprise Co., Ltd. (Buyer) having Mr. Chatchai Teepsuwan and Mr. Kamolaphat Teepsuwan as Director.	Purchase of tiles including installation at normal prices and commercial conditions in general. <u>Pricing Policy</u> Use normal pricing as compared with real estate development group with normal commercial conditions in general.	0.63	-	-	-
Pattaya Grand Village Co., Ltd. (Buyer)	Having mutual directors but no possession of inter-related shares. • Diamond Building Products Plc. (Seller) having Mr. Prakrit Pradipasen as Chairman of the Board Mr. Chatchai Teepsuwan as Director and Nomination and Remuneration Committee and Mr. Kamolaphat Teepsuwan as Director. • Pattaya Grand Village Co., Ltd. (Buyer) having Mr. Prakrit Pradipasen as Director, Mr. Chatchai Teepsuwan as Managing Director and Mr. Kamolaphat Teepsuwan as Director.	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.	1.22	-	-	-
Total			1.85	55.93	-	15.31

Remark : * Mr. Prakrit Pradipasen has resigned from the positions of Independent Director, Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee of Supalai Public Co., Ltd., effective from October 15, 2018 onward.

2. Purchase of Finished Products for Sale

Company	Relationship	Transaction	Amount (Million Baht)			
			Purchase of Finished Products		Account Payable	
			2019	2018	2019	2018
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.	146.83	121.52	68.86	40.17
Total			146.83	121.52	68.86	40.17

3. Office Rental and Property Service Fee

Company	Relationship	Transaction	Amount (Million Baht)			
			Office Rental and Property Service Fee		Other payables	
			2019	2018	2019	2018
Phahol 8 Co., Ltd. (Service Provider)	Having mutual directors but no possession of inter-related shares. • Diamond Building Products Plc. (Service Receiver) having Mr. Chatchai Teepsuwan and Mr. Kamolaphat Teepsuwan as Director. • Phahol 8 Co., Ltd. (Service Provider) having Mr. Chatchai Teepsuwan and Mr. Kamolaphat Teepsuwan as Director.	Usage of property within Phaholyothin Place Office Building as an office of the Company. <u>Pricing Policy</u> Use rental and service fee not exceeding the average rental fee of nearby rental buildings.	3.47	3.38	-	-
Total			3.47	3.38	-	-

Opinion of the AC Committee

The AC Committee has reviewed the related transactions occurred in the Company's accounting record during the year 2019 as described above and found that these transactions had conditions and pricing that were fair and appropriate, which had been approved by the MC 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 strictly adhere to and 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 policy.

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 2019 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 October 2, 2017 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 AC 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 AC Committee have been presented within the Report of the AC Committee included in the Annual Report 2019.

February 24, 2020

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



Mr. Prakrit Pradipasen
Chairman of the Board



Mr. Satid Sudbuntad
Chief Executive Officer

SUMMARY OF OPERATING RESULTS AND FINANCIAL ANALYSIS

(For the Consolidated Financial Statements of the Year Period Ending December 31, 2019)

1. Overall Operating Results

For the year 2019, the total revenue from sales and services of the Company and its subsidiary (together referred to as the “Corporate Group”) was Baht 4,747.55 million, which increased from the previous year by 9.66 percent and the net profit of year 2019 was Baht 571.54 million, which increased from the previous year by 35.16 percent. However, if the extraordinary item from the sale of unused land of Baht 46.31 million and the provision for employee retirement benefits from 300 to 400 days of Baht 23.04 million had not been included, the net profit of the Corporate Group for Year 2019 would be Baht 548.27 million or an increase of 29.66 percent. This was due to expansion of distribution channels and use of business strategy, namely “Complete Set of Beauty, Entirely Filled with Diamond Brand”, as well as effective cost management having resulted in Corporate Group achieving highest record for revenue and net profit during the past several years.

2. Analysis of Operating Results and Profitability

2.1 Revenues from Sales and Services

Description	Year 2019		Year 2018		Increase / (Decrease)	
	Million Baht	% of Total Revenue	Million Baht	% of Total Revenue	Million Baht	%
Revenues from Sales	4,326.87	89.67	3,948.85	90.92	378.02	9.57
Revenues from Services	420.68	8.72	380.50	8.76	40.18	10.56
Total Revenue from Sales and Services	4,747.55	98.39	4,329.35	99.68	418.20	9.66
Gain on Sales of Fixed Assets	64.21	1.33	1.67	0.04	62.54	3,744.91
Gain on Foreign Exchange Rate - Net	4.96	0.10	4.61	0.11	0.35	7.59
Other Revenue	8.64	0.18	7.40	0.17	1.24	16.76
Total Other Revenue	77.81	1.61	13.68	0.32	64.13	468.79
Total Revenue	4,825.36	100.00	4,343.03	100.00	482.33	11.11

The Corporate Group’s total revenue of year 2019 increased from the previous year by 11.11 percent, consisting of:

- Revenues from sales were Baht 4,326.87 million, which increased from the previous year by Baht 378.02 million or 9.57 percent, due to the increase in sales revenue from the roofing tile, autoclaved aerated concrete blocks, siding board and truss.
- Revenues from services were Baht 420.68 million, which increased from the previous year by Baht 40.18 million or 10.56 percent, due to the increase in revenue from services of Baht 22.32 million and increase in revenue from transportation of Baht 17.86 million.
- Other revenue was Baht 77.81 million, which increased from the previous year by Baht 64.13 million, due to revenue from the sale of unused land in Chon Buri province of Baht 63.30 million, due to revenue from sales of scrap and gain on foreign exchange rate.

2.2 Cost of Sales and Services

Description	Year 2019		Year 2018		Increase / (Decrease)	
	Million Baht	% of Sales	Million Baht	% of Sales	Million Baht	%
Cost of Sales	3,060.00	64.45	2,849.00	65.81	211.00	7.41
Cost of Services	414.68	8.73	392.61	9.07	22.07	5.62
Total Cost of Sales and Services	3,474.68	73.19	3,241.61	74.88	233.07	7.19

The Corporate Group's total cost of sales and services of year 2019 increased from the previous year by 7.19 percent, consisting of:

- Cost of sales was Baht 3,060 million, which increased from the previous year by Baht 211 million or 7.41 percent, due to the increase in product sales volume of 6.66 percent.
- Cost of services was Baht 414.68 million, which increased from the previous year by Baht 22.07 million or 5.62 percent, due to the increase in the cost of services of Baht 19.40 million and increase in transportation cost of Baht 2.67 million.

2.3 Selling and Administrative Expenses

Description	Year 2019		Year 2018		Increase / (Decrease)	
	Million Baht	% of Sales	Million Baht	% of Sales	Million Baht	%
Selling Expenses	132.63	2.79	127.84	2.95	4.79	3.75
Administrative Expenses	453.29	9.55	401.91	9.28	51.38	12.78
Management's Remuneration *	50.92	1.07	40.64	0.94	10.28	25.30
Total Selling and Administrative Expenses	636.84	13.41	570.39	13.17	66.45	11.65

Remark : * Management means the director, chief executive officer or the next four executives succeeding the chief executive officer, 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 selling and administrative expenses of year 2019 increased from the previous year by 11.65 percent, consisting of:

- Selling expenses were Baht 132.63 million, which increased from the previous year by Baht 4.79 million or 3.75 percent, due to the increase in salary and benefits of the employees of Baht 8.82 million and service expenses of Baht 3.73 million but there was a decrease in sales promotion expenses of Baht 7.64 million.
- Administrative expenses were Baht 455.19 million, which increased from the previous year by Baht 52.71 million or 13.10 percent, due to the increase in salary and benefits of the employees of Baht 34.83 million (from the provision for employee retirement benefits), increase in the fee and commission from the sale of unused land of Baht 5.43 million, increase in product packaging expenses of Baht 5.92 million, increase in consulting expenses of Baht 4.04 million and increase in service other expenses of Baht 4.17 million.
- Management's remunerations were Baht 50.92 million, which decreased from the previous year by Baht 10.28 million or 25.30 percent.

2.4 Profitability

Description	Year 2019		Year 2018		Increase / (Decrease)	
	Million Baht	% of Sales	Million Baht	% of Sales	Million Baht	%
Revenues from Sales and Services	4,747.55	100.00	4,329.35	100.00	418.20	9.66
Costs of Sales and Services	3,474.68	73.19	3,241.61	74.88	233.07	7.19
GP	1,272.87	26.81	1,087.74	25.12	185.13	17.02
EBITDA	952.71	20.07	767.99	17.74	184.72	24.05
EBIT	713.84	15.04	531.03	12.27	182.81	34.43
NP	571.54	12.04	422.85	9.77	148.69	35.16
EPS (Baht per Share) *	0.60		0.45		0.15	33.33
Weighted Average Number of Ordinary Shares (Million Shares) *	947.96		947.96		-	-
Return on Equity (ROE) (%)	26.37%		20.78%		5.59%	
Return on Assets (ROA) (%)	17.67%		13.74%		3.93%	

Remark : * Calculated based on the number of issued and paid-up ordinary shares deducted by the number of treasury share 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 2019 was Baht 1,272.87 million, an increase from the previous year by Baht 185.13 million or 17.02 percent, due to the increase in revenues from sales and services of 9.66 percent but increase in the cost of sales and services of 7.19 percent.

Net Profit (NP) :

The Corporate Group's net profit and net earnings per share of year 2019 increased from the previous year as follows:

- The Corporate Group's net profit was Baht 571.54 million, an increase from the previous year by Baht 148.69 million or 35.16 percent, due to the increase in gross profit margin of 17.02 percent despite the increase in selling and administrative expenses of 11.65 percent.
- The Corporate Group's net earnings per share was Baht 0.60 per share, an increase from the previous year of Baht 0.15 per share or 33.33 percent, due to the increase in net profit of 35.16 percent.

EBITDA :

- The Corporate Group's EBITDA of year 2019 was Baht 952.71 million, an increase from the previous year of Baht 184.72 million or 24.05 percent, due to the increase in gross profit margin of 17.02 percent despite the increase in selling and administrative expenses excluding depreciation of 12.13 percent.

Earnings Efficiency :

- Return on Equity (ROE):** The Corporate Group's ROE increased from 20.78 percent as at end of 2018 to 26.37 percent as at December 31, 2019 or an increase of 5.59 percent, due to an increase in net profit of 35.16 percent but there was an increase in average shareholders' equity of 6.50 percent from the previous year.

- **Return on Assets (ROA):** The Corporate Group's ROA increased from 13.74 percent as at end of 2018 to 17.67 percent as at December 31, 2019 or an increase of 3.93 percent, due to an increase in net profit of 35.16 percent but there was an increase in average total assets of 5.11 percent from the previous year.

2.5 Financial Position

Description	Statement of Financial Position		Increase / (Decrease)	
	As at December 31, 2019	As at December 31, 2018		
	Million Baht	Million Baht	Million Baht	%
Total Assets	3,331.97	3,137.70	194.27	6.19
Total Liabilities	1,072.79	1,061.61	11.18	1.05
Total Shareholders' Equity	2,259.18	2,076.09	183.09	8.82
Weighted Average Number of Ordinary Shares (Million Shares) **	947.96	947.96	-	-
Book Value (Baht per Share) *	2.38	2.19	0.19	8.68

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, 2019 increased from the end of year 2018 by Baht 194.27 million or 6.19 percent, due to increase in fixed assets of Baht 111.62 million, increase in inventory of Baht 93.38 million, increase in cash advance payment for purchase of assets of Baht 24.03 million, increase in deferred income tax of Baht 15.01 million, increase in cash and cash in bank of Baht 11 million, and increase in other current assets and other non-current assets of Baht 0.82 million but there were net decrease in trade accounts receivable and other accounts receivable of Baht 35.28 million, decrease in non-current assets classified as held for sale (unused land) of Baht 25.45 million and decrease in intangible assets of Baht 0.86 million.
- The Corporate Group's total liabilities as at December 31, 2019 increase from the end of year 2018 by Baht 11.18 million or 1.05 percent, due to the increase in current income tax payable of Baht 15.15 million, increase in other current liabilities of Baht 9.11 million and increase in provision for post-employment benefits obligation of Baht 76.23 million but there were decrease in short-term loan of Baht 65 million, decrease in trade accounts payable and other accounts payable of Baht 23.83 million and decrease in financial lease liabilities of Baht 0.48 million.
- The Corporate Group's total shareholders' equity as at December 31, 2019 increased from the end of year 2018 by Baht 183.09 million or 8.82 percent, due to the increase in net profit of Baht 571.54 million but there was a dividend payment of Baht 360.22 million and loss of Baht 28.23 million from new valuation of employee benefits established net of income tax, resulting in an increase in share book value from Baht 2.19 per share as at end of year 2018 to Baht 2.38 per share as at December 31, 2019.

2.6 Cash Flows

Description	Unit : Million Baht	
	Year 2019	Year 2018
Cash Flows from Operating Activities	687.78	506.66
Cash Flows used in Investing Activities	(238.81)	(139.97)
Cash Flows used in Financing Activities	(437.94)	(369.59)
Unrealized loss of cash and cash equivalents	(0.03)	(0.62)
Cash Increase (Decrease) - Net	11.00	(3.52)
Cash at the Beginning of the Period	20.31	23.83
Cash at the Ending of the Period	31.31	20.31
CFROE = Cash Flow Return on Equity Increase (Decrease) (%)	30.18%	23.87%

- The Corporate Group's net cash from operating activities of year 2019 was Baht 687.78 million, which was lower than the net profit before tax by Baht 19.81 million, due to the transactions that did not affect the cash such as depreciation of assets and amortization of Baht 238.87 million, net decrease in trade accounts receivable and other accounts receivable of Baht 35.49 million, increase in other non-current liabilities of Baht 40.94 million and increase in other current liabilities of Baht 15.82 million but there were net increase in inventory of Baht 93.38 million, decrease in trade accounts payable and other accounts payable of Baht 59.22 million, increase in other current assets of Baht 5.19 million, increase in other non-current assets of Baht 0.99 million, increase in income from the sale of unused land of Baht 63.30 million and payment of accrued corporate income tax for year 2018 of Baht 35.30 million, payment of mid-year corporate income tax of year 2019 of Baht 85.66 million and payment of withholding tax of Baht 7.89 million.
- The Corporate Group's net cash used in investing activities of year 2019 was Baht 238.81 million, due to cash payment for the purchase of fiber cement machinery (NT-11) of Baht 123.93 million, cash payment for tools and equipment replacement after their useful life of Baht 170.55 million, cash advance payment for purchase of assets of Baht 33.49 million and cash payment for intangible assets of Baht 3.29 million but there were cash received from the sale of unused land of Baht 88.74 million, cash received from sale of damaged and unusable assets of Baht 3.64 million and cash received from interest of Baht 0.07 million.
- The Corporate Group's net cash used in financing activities of year 2019 was Baht 437.94 million, due to dividend payment of Baht 360.22 million, repayment of financial lease of Baht 7.52 million, interest payment of Baht 5.20 million and repayment of short-term loan of Baht 65 million.

2.7 Financial Ratios

Financial Ratios	As at December 31, 2019	As at December 31, 2018
Current Ratio (Times)	1.64	1.48
Quick Ratio (Times)	0.65	0.65
Cash flow Liquidity Ratio (Times)	0.74	0.54
Account Receivable Turnover Ratio (Times)	9.77	8.44
Average Collection Period (Days)	37	43
Inventory Turnover Period (Days)	19	19
Average Payable Period (Days)	16	18
Cash Cycle (Days)	40	44
Total Debt to Equity Ratio (Times)	0.47	0.51
Interest Coverage Ratio (Times)	126.53	72.99
Debt Service Coverage Ratio (Times)	75.36	56.23

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, 2019 account for 15.54 percent of the total assets with 78.69 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 2019 and there was no bad debt in the past year 2018.

3.2 Inventory and Deterioration or Obsolescence

The Corporate Group's inventory as at December 31, 2019 accounts for 25.67 percent of the total assets, of which 24.14 percent are finished products, 18.90 percent are work in progress and 48.48 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, 2019 was at 0.47 times, a decrease from the end of year 2018, due to the increase in total liabilities from the end of 2018 of 1.05 percent but shareholders' equity increased from the end of year 2018 by 8.82 percent and the interest coverage ratio increased from 72.99 times as at end of year 2018 to 126.53 times as at December 31, 2019, due to an increase in cash flow from operating activities from the previous year of 35.75 percent and decrease in interest on loan from the previous year of 22.20 percent.

- The Corporate Group's current ratio as at December 31, 2019 was 1.64 times, an increase from the end of year 2018, due to an increase in current assets of 3.25 percent and decrease in current liability of 7 percent and the quick ratio of 0.65 times, which was equivalent to the end of year 2018, due to an increase in inventory of 12.26 percent but there was a decrease in current liability of 7 percent and the cash flow liquidity ratio was 0.74 times, an increase from end of year 2018, due to the increase in cash flow from operating activities from the previous year of 35.75 percent.
- The Corporate Group's cash cycle as at December 31, 2019 was 40 days, a decrease from the end of year 2018 by 4 days due to the decrease in average collection period of 6 days but the average payable period decreased by 2 days and inventory turnover period was 19 days, which was equivalent to the end of year 2018.
- The Corporate Group's debt service coverage ratio increased from 56.23 times as at end of year 2018 to 75.36 times as at December 31, 2019 due to an increase in EBITDA from end of year 2018 of 24.05 percent and a decrease in interest on loan payment of 22.20 percent but the financial lease liabilities due within one year increased by 13.64 percent.

5. Debt Obligation

The Corporate Group has policy to mitigate risk from interest fluctuation by taking long-term loan with fixed interest rate. Accordingly, as at December 31, 2019, the Corporate Group had no long-term debt obligation to comply with the terms and conditions of the loan agreement with the commercial bank.

6. Factors Having Impact on Future Operating Results

It is anticipated that in year 2020, Thai businesses will be confronted with various problems including stronger Thai currency, drought crisis, increase of minimum wages and current epidemic disease, which are factors causing higher inflation, as well as slowdown in Thai and global economy, impacting purchasing power of domestic consumers. Nonetheless, the Corporate Group still adheres to its strategy, namely **“Complete Set of Beauty, Entirely Filled with Diamond Brand”**, to convey that the Corporate Group produces variety of products which can be used to build a whole beautiful house under the **“Diamond”** brand name, that is strong and entrusted by the customers. In addition, the Corporate Group has expanded its sales and marketing base in both domestic and overseas for Corporate Group's continuous growth, including carrying out effective cost management to maintain profit margin target.

REPORT OF INDEPENDENT AUDITER

To the Shareholders of Diamond Building Products Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Diamond Building Products Public Company Limited and its subsidiary (the “Group”) and of Diamond Building Products Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2019, 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.

In my opinion, the accompanying 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 2019 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Valuation of inventories	
Refer to Notes 2 (c), 4 and 9 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
The Group’s inventories are material to the financial statements which are measured at the lower of cost and net realisable value. High market competition affects to the determination of the Group’s selling price. Therefore, there is a risk that inventories may be presented at cost higher than net realisable value including the occurrence of the inventory obsolescence. The Group considers the allowance for decline in value and obsolescence by the management estimates and judgment. Consequently, I consider that this is a significant matter.	My audit procedures were designed to assess the appropriateness of the allowance for decline in value of inventories and obsolescence included: - Understanding the policies and procedures that the Group’s management applied for setting up allowance for decline in value of inventories. - Testing on a sample basis items in the stock aging report and corroborating on whether these items were classified in the appropriate aging bracket. - Performing test on a sample basis of net realisable value of inventories by investigating with the sales documents after period end whether there were any sales at price lower than cost to assess management’s estimates and decision whether the allowance for decline in value of inventories was appropriate and adequate.

Valuation of inventories

Refer to Notes 2 (c), 4 and 9 to the financial statements.

The key audit matter	How the matter was addressed in the audit
	- Considering the historical accuracy of the allowance for decline in value of inventories for evaluating the appropriateness of the assumptions made in the current year and assessing the reasonableness of assumptions made by management on the extent of long-outstanding inventories and sales at price lower than cost to consider the appropriateness of the decline in value of inventories. - Considering of the adequacy and appropriateness of the Group's disclosures in accordance with the related Thai Financial Reporting Standards.

Impairment of investment in subsidiary and related property plant and equipment in the consolidated financial statements

Refer to Notes 2 (c), 4, 11 and 13 to the financial statements.

The key audit matter	How the matter was addressed in the audit
The Company has investment in subsidiary where the cost of investment has been higher than the net book value as a result of continuing operational losses. The Company's valuation of investment was depending on operating results of the subsidiary affecting to the carrying amount of the Group's property, plant and equipment pertaining to the subsidiary may be higher than recoverable amount. Accordingly, impairment of property plant and equipment needs to be reviewed. The Group considered that recoverable amount of the assets should be determined based on the value in use. The net present value of projected future cash flows is calculated based on the assumptions such as sales, costs and discount rate. The calculation result is sensitive that may affect the significant change in present value of projected cash flows depending upon the assumptions which involve management judgment in estimation. Consequently, I consider that this is a significant matter.	My audit procedures were designed to assess the appropriateness of the impairment, assessment of investment in subsidiary and related property, plant and equipment included: - Assessing and making inquiries of management regarding processes related to identification of potential impairments of investment in subsidiary and related property, plant and equipment, the preparation of discounted cash flows and approval by management. - Inquiring management of discounted cash flows model including the understanding of the business, strategy and considering data and assumptions used in discounted cash flows model by comparing with the historical trend and the industry trend to assess the reliability of management's forecast. I assessed the current and forecasted performance and considered whether any factors exist that would suggest the investment in subsidiary and related property plant and equipment were impaired. - Considering of the adequacy and appropriateness of the Group's disclosures in accordance with the related Thai Financial Reporting Standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

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

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, 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.

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements

or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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



(Chanarat Chanwa)

Certified Public Accountant

Registration No. 9052

KPMG Phoomchai Audit Ltd.

Bangkok

24 February 2020

Diamond Building Products Public Company Limited and its Subsidiary

STATEMENT OF FINANCIAL POSITION

Unit : Bath

		Unit : Data			
	Note	Consolidated financial statements	Separate financial statements		
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
Assets					
Current assets					
Cash and cash equivalents	6	31,315,728	20,314,824	30,247,970	19,562,874
Trade accounts receivable	5, 7	458,046,234	496,687,935	458,046,234	496,687,935
Other receivables	8	59,600,410	56,234,717	59,160,583	55,723,173
Inventories	9	855,351,095	761,969,907	842,902,076	749,011,373
Non-current assets classified as held for sale	10	-	25,445,330	-	25,445,330
Other current assets		5,947,898	5,211,307	5,893,233	5,179,851
Total current assets		1,410,261,365	1,365,864,020	1,396,250,096	1,351,610,536
Non-current assets					
Investment in a subsidiary	11	-	-	170,000,000	170,000,000
Investment properties	12	25,304,374	22,804,374	25,304,374	22,804,374
Property, plant and equipment	13	1,804,194,873	1,695,080,488	1,708,573,778	1,591,394,301
Intangible assets	14	15,521,925	16,384,273	5,280,829	3,143,177
Deferred tax assets	30	46,812,102	31,803,197	52,099,527	37,476,327
Other non-current assets		29,871,301	5,765,581	29,821,301	5,715,581
Total non-current assets		1,921,704,575	1,771,837,913	1,991,079,809	1,830,533,760
Total assets		3,331,965,940	3,137,701,933	3,387,329,905	3,182,144,296
Liabilities and equity					
Current liabilities					
Short-term loans from financial institutions	15	446,000,000	511,000,000	446,000,000	511,000,000
Trade accounts payable	16	137,978,364	175,478,514	201,929,838	213,202,538
Other payables	17	178,075,907	164,403,136	175,556,123	162,200,344
Current portion of finance lease liabilities	15	6,386,660	6,396,743	6,386,660	6,396,743
Current tax payable		50,380,132	35,225,878	50,380,132	35,225,878
Other current liabilities	18	38,986,490	29,880,256	38,747,777	29,408,293
Total current liabilities		857,807,553	922,384,527	919,000,530	957,433,796
Non-current liabilities					
Finance lease liabilities	15	8,914,252	9,383,283	8,914,252	9,383,283
Non-current provisions for employee benefits	19	206,069,515	129,840,955	205,014,592	129,158,361
Total non-current liabilities		214,983,767	139,224,238	213,928,844	138,541,644
Total liabilities		1,072,791,320	1,061,608,765	1,132,929,374	1,095,975,440
Equity					
Share capital:	20				
Authorised share capital		947,961,800	947,961,800	947,961,800	947,961,800
Issued and paid-up share capital		947,961,800	947,961,800	947,961,800	947,961,800
Share premiums:					
Share premium on ordinary shares	20	166,511,520	166,511,520	166,511,520	166,511,520
Share premium on treasury shares	21	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		874,494,840	691,413,388	869,720,751	701,489,076
Total equity		2,259,174,620	2,076,093,168	2,254,400,531	2,086,168,856
Total liabilities and equity		3,331,965,940	3,137,701,933	3,387,329,905	3,182,144,296

The accompanying notes are an integral of these financial statements.

Diamond Building Products Public Company Limited and its Subsidiary

STATEMENT OF COMPREHENSIVE INCOME

Unit : Baht

	Note	Consolidated financial statements For the year ended		Separate financial statements For the year ended	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
Revenue					
Revenue from sale of goods					
and rendering of services	5, 23	4,747,553,698	4,329,350,276	4,747,553,698	4,329,350,276
Other income	24	77,802,233	13,675,958	77,784,688	13,510,287
Total income		4,825,355,931	4,343,026,234	4,825,338,386	4,342,860,563
Expenses					
Cost of sales of goods and rendering of services		3,474,676,568	3,241,611,842	3,498,240,863	3,260,141,501
Distribution costs	25	132,632,540	127,836,578	132,629,597	127,836,577
Administrative expenses	26	504,207,934	442,549,443	495,134,452	434,095,556
Finance costs	29	6,246,132	8,028,722	6,246,132	8,028,722
Total expenses		4,117,763,174	3,820,026,585	4,132,251,044	3,830,102,356
Profit before income tax expense		707,592,757	522,999,649	693,087,342	512,758,207
Tax expense	30	(136,055,524)	(100,150,082)	(136,432,962)	(100,206,331)
Profit for the year		571,537,233	422,849,567	556,654,380	412,551,876
Other comprehensive income					
Item that will not be reclassified to profit or loss					
Losses on remeasurements of defined benefit plans, net of tax	19	(28,230,297)	-	(28,197,221)	-
Total comprehensive income for the year		543,306,936	422,849,567	528,457,159	412,551,876
Earnings per share (in Baht)					
Basic earnings per share	31	0.60	0.45	0.59	0.44

The accompanying notes are an integral of these financial statements.

Diamond Building Products Public Company Limited and its Subsidiary

STATEMENT OF CHANGES IN EQUITY

Unit : Bath

Note	Consolidated financial statements							
	Issued and paid-up share capital	Treasury shares	Share premium on ordinary shares	Share premium on treasury shares	Legal reserve	Retained earnings Treasury shares reserve	Unappropriated	Total equity
For the year ended 31 December 2018								
Balance at 1 January 2018	1,047,958,000	(520,760,210)	166,511,520	165,206,460	105,000,000	520,760,210	509,833,869	1,994,509,849
Transactions with owners, recorded directly in equity								
<i>Distributions to owners of the Company</i>								
Reduction of ordinary shares	20	(99,996,200)	-	-	-	-	99,996,200	-
Cancellation of treasury shares	21	-	520,760,210	-	-	(520,760,210)	-	-
Dividends to owners of the Company	32	-	-	-	-	-	(341,266,248)	(341,266,248)
Total distributions to owners of the Company		(99,996,200)	520,760,210	-	-	(520,760,210)	(241,270,048)	(341,266,248)
Comprehensive income for the year								
Profit		-	-	-	-	-	422,849,567	422,849,567
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-	422,849,567	422,849,567
Balance at 31 December 2018	947,961,800	-	166,511,520	165,206,460	105,000,000	-	691,413,388	2,076,093,168
For the year ended 31 December 2019								
Balance at 1 January 2019	947,961,800	-	166,511,520	165,206,460	105,000,000	-	691,413,388	2,076,093,168
Transactions with owners, recorded directly in equity								
<i>Distributions to owners of the Company</i>								
Dividends to owners of the Company	32	-	-	-	-	-	(360,225,484)	(360,225,484)
Total distributions to owners of the Company		-	-	-	-	-	(360,225,484)	(360,225,484)
Comprehensive income for the year								
Profit		-	-	-	-	-	571,537,233	571,537,233
Other comprehensive income	19	-	-	-	-	-	(28,230,297)	(28,230,297)
Total comprehensive income for the year		-	-	-	-	-	543,306,936	543,306,936
Balance at 31 December 2019	947,961,800	-	166,511,520	165,206,460	105,000,000	-	874,494,840	2,259,174,620

The accompanying notes are an integral of these financial statements.

Diamond Building Products Public Company Limited and its Subsidiary

STATEMENT OF CHANGES IN EQUITY (CON)

Unit : Bath

		Note	Separate financial statements						Total equity	
			Issued and paid-up share capital	Treasury shares	Share premium on ordinary shares	Share premium on treasury shares	Retained earnings			
							Legal reserve	Treasury shares reserve		Unappropriated
For the year ended 31 December 2018										
Balance at 1 January 2018			1,047,958,000	(520,760,210)	166,511,520	165,206,460	105,000,000	520,760,210	530,207,248	2,014,883,228
Transactions with owners, recorded directly in equity										
<i>Distributions to owners of the Company</i>										
Reduction of ordinary shares	20	(99,996,200)	-	-	-	-	-	99,996,200	-	-
Cancellation of treasury shares	21	-	520,760,210	-	-	-	(520,760,210)	-	-	-
Dividends to owners of the Company	32	-	-	-	-	-	-	(341,266,248)	(341,266,248)	(341,266,248)
Total distributions to owners of the Company		(99,996,200)	520,760,210	-	-	-	(520,760,210)	(241,270,048)	(341,266,248)	
Comprehensive income for the year										
Profit		-	-	-	-	-	-	412,551,876	412,551,876	412,551,876
Other comprehensive income		-	-	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-	-	412,551,876	412,551,876	412,551,876
Balance at 31 December 2018		947,961,800	-	166,511,520	165,206,460	105,000,000	-	701,489,076	2,086,168,856	2,086,168,856
For the year ended 31 December 2019										
Balance at 1 January 2019		947,961,800	-	166,511,520	165,206,460	105,000,000	-	701,489,076	2,086,168,856	2,086,168,856
Transactions with owners, recorded directly in equity										
<i>Distributions to owners of the Company</i>										
Dividends to owners of the Company	32	-	-	-	-	-	-	(360,225,484)	(360,225,484)	(360,225,484)
Total distributions to owners of the Company		-	-	-	-	-	-	(360,225,484)	(360,225,484)	(360,225,484)
Comprehensive income for the year										
Profit		-	-	-	-	-	-	556,654,380	556,654,380	556,654,380
Other comprehensive income	19	-	-	-	-	-	-	(28,197,221)	(28,197,221)	(28,197,221)
Total comprehensive income for the year		-	-	-	-	-	-	528,457,159	528,457,159	528,457,159
Balance at 31 December 2019		947,961,800	-	166,511,520	165,206,460	105,000,000	-	869,720,751	2,254,400,531	2,254,400,531

The accompanying notes are an integral of these financial statements.

Diamond Building Products Public Company Limited and its Subsidiary

STATEMENT OF CASH FLOWS

Unit : Bath

	Note	Consolidated financial statements For the year ended		Separate financial statements For the year ended	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
Cash flows from operating activities					
Profit for the year		571,537,233	422,849,567	556,654,380	412,551,876
<i>Adjustments to reconcile profit to cash receipts (payment)</i>					
Tax expense	30	136,055,524	100,150,082	136,432,962	100,206,331
Finance costs		6,246,132	8,028,722	6,246,132	8,028,722
Depreciation	13	232,907,118	230,848,741	220,815,754	218,212,674
Amortisation of intangible assets		4,110,053	3,965,606	1,110,053	965,606
Reversal of impairment loss on investment properties		(2,500,000)	-	(2,500,000)	-
Provision for employee benefits	19	43,919,857	10,580,207	43,588,873	10,483,613
Unrealised (gain) loss on exchange		(70,379)	914,217	(70,379)	914,217
Amortisation of premium on forward exchange contracts		1,853,472	2,147,244	1,853,472	2,147,244
Reversal of bad and doubtful debt expense		(270,000)	(1,130,000)	(270,000)	(1,130,000)
(Reversal of) losses on inventories devaluation		1,778,771	143,864	222,566	(40,787)
Gain on disposal of property, plant and equipment		(947,769)	(1,476,088)	(999,450)	(1,477,696)
Loss on write-off of intangible assets		41,195	28,635	41,195	28,635
Gain on sales of non-current assets classified as held for sale	10	(63,298,583)	-	(63,298,583)	-
Interest income		(66,923)	(57,584)	(65,032)	(55,646)
		931,295,701	776,993,213	899,761,943	750,834,789
Changes in operating assets and liabilities					
Trade accounts receivable		38,900,630	15,035,653	38,900,630	15,035,653
Other receivables		(3,136,509)	(22,901,581)	(3,208,227)	(23,104,131)
Inventories		(95,159,959)	(186,318,238)	(94,113,269)	(187,035,454)
Other current assets		(2,552,102)	(716,711)	(2,528,893)	(708,423)
Other non-current assets		(79,307)	(6,912)	(79,307)	(6,912)
Trade accounts payable		(38,137,330)	19,614,621	(11,909,881)	44,609,392
Other payables		(21,086,897)	8,519,268	(21,143,238)	9,318,483
Other current liabilities		9,568,373	4,201,654	9,801,623	4,283,695
Provisions for employee benefits paid		(2,979,168)	(7,031,280)	(2,979,168)	(7,031,280)
Net cash generated from operating		816,633,432	607,389,687	812,502,213	606,195,812
Taxes paid		(128,849,878)	(100,728,934)	(128,849,878)	(100,728,934)
Net cash from operating activities		687,783,554	506,660,753	683,652,335	505,466,878
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		3,635,846	1,800,515	3,755,219	1,802,125
Acquisition of property, plant and equipment		(294,485,086)	(121,014,988)	(290,787,157)	(119,878,837)
Acquisition of intangible assets		(3,288,900)	-	(3,288,900)	-
Prepayment for purchases of assets		(33,487,067)	(20,812,746)	(33,487,067)	(20,812,746)
Proceeds from sale of non-current assets classified as held for sale		88,743,913	-	88,743,913	-
Interest received		66,923	57,584	65,032	55,646
Net cash used in investing activities		(238,814,371)	(139,969,635)	(234,998,960)	(138,833,812)

The accompanying notes are an integral of these financial statements.

Diamond Building Products Public Company Limited and its Subsidiary

STATEMENT OF CASH FLOWS (CON)

Unit : Bath

	Note	Consolidated financial statements For the year ended		Separate financial statements For the year ended	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
<i>Cash flows from financing activities</i>					
Repayment of short-term loans from financial institution		(65,000,000)	(14,000,000)	(65,000,000)	(14,000,000)
Payments by a lessee for reduction of the outstanding liabilities relating to finance leases		(7,520,754)	(7,591,309)	(7,520,754)	(7,591,309)
Dividends paid to owners of the Company	32	(360,223,584)	(341,264,448)	(360,223,584)	(341,264,448)
Interest paid		(5,197,614)	(6,730,422)	(5,197,614)	(6,730,422)
Net cash used in financing activities		(437,941,952)	(369,586,179)	(437,941,952)	(369,586,179)
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		11,027,231	(2,895,061)	10,711,423	(2,953,113)
Effect of exchange rate changes on cash and cash equivalents		(26,327)	(619,443)	(26,327)	(619,443)
Net increase (decrease) in cash and equivalents		11,000,904	(3,514,504)	10,685,096	(3,572,556)
Cash and cash equivalents at 1 January		20,314,824	23,829,328	19,562,874	23,135,430
Cash and cash equivalents at 31 December	6	31,315,728	20,314,824	30,247,970	19,562,874
<i>Non-cash transactions:</i>					
Acquisitions of property, plant and equipment for which payments have not yet been made		34,625,457	18,791,798	34,364,805	18,681,481
Acquisitions of property, plant and equipment under finance lease agreements		6,138,384	4,790,902	6,138,384	4,790,902
Transfer of prepayments for purchases of assets to property, plant and equipment		9,460,653	16,323,690	9,460,653	16,323,690
Transfer of inventories to property, plant and equipment		-	103,107	-	-
Transfer of investment properties to non-current assets classified as held for sale		-	25,445,330	-	25,445,330
Transfer of property, plant and equipment to intangible assets		3,088,900	-	3,088,900	-

The accompanying notes are an integral of these financial statements.

Diamond Building Products Public Company Limited and its Subsidiary

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

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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 24 February 2020.

1. General information

Diamond Building Products Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in November 2005. The Company’s registered office at 69 - 70 Moo 1, Mitraphab Road (Km. 115), Thambol Talingchan, Amphur Muang, Saraburi, Thailand.

The Company’s major shareholder was Myriad Materials Co., Ltd. (58.85% shareholding), which 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 2019 and 2018 are given in notes 5 and 11.

2. Basis of preparation of financial statements

(A) Statement of compliance

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

New and revised TFRS effective for annual accounting periods beginning on or after 1 January 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. There is no material impact on the Group’s financial statements except for initial applying TFRS 15 Revenue from Contracts with Customers which replaces TAS 18 Revenue and related interpretations. Such change in accounting policy has no material impacts on the financial statements and the Group has disclosed in note 3 for comparative purposes.

In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 35.

(B) Functional and presentation currency

The financial statements are prepared 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.

(C) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

1. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

4 (s) and 23 Revenue recognition whether revenue from sales of products and rendering of services are recognised over time or at a point in time.

2. Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2019 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

9 Valuation of inventories: key assumptions underlying allowance for decline in value of inventories;

11 Impairment test: key assumptions underlying recoverable amounts;

19 Measurement of defined benefit obligations: key actuarial assumptions;

30 Recognition of deferred tax assets.

3. Change in accounting policy

The Group has initially applied TFRS 15 from 1 January 2019 which has no material impacts on the financial statements of the Group. Under TFRS 15, the Group recognises revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled to. In addition, judgement is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time. Whereas, under TAS 18, the Group recognises revenue from sale of goods when the significant risks and rewards of ownership of the goods have been transferred to the buyer, and recognises revenue from rendering of services by reference to the stage of completion of the transaction at the end of the reporting period. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due.

The Group provides the considerations to the customers such as sale promotions and credit notes that the customers could use to deduct the amounts due to the Group. Under TAS 18, the Group recognises such amount as distribution costs. Under TFRS 15, it is required that the Group will consider whether the Group receives distinct goods or services from the customer. If so, then the Group recognises such payments as an expense when the distinct goods or services are consumed. In contrast, if not, such payments are recognised as a reduction of revenue. If the payment exceeds the fair value of the goods or services received, then the excess is recognised as a reduction of revenue. As a result, this results in decreases in revenue and distribution costs.

The Group has adopted TFRS 15 using the retrospective approach, hence, the Group has applied all requirements of TFRS 15 to each comparative period presented in the consolidated and separate financial statements.

The detail and quantitative impact of the change in accounting policy which has no impact on comprehensive income for the year, equity and basic earnings per share are disclosed as follows:

<i>Statement of comprehensive income for the year ended 31 December 2018</i>	<i>As previously reported</i>	<i>Consolidated financial statements / Separate financial statements</i>	
		<i>Reclassification</i>	<i>Restated</i>
		(in thousand Baht)	
Revenue from sale of goods and rendering of services	4,401,354	(72,004)	4,329,350
Distribution costs	(199,841)	72,004	(127,837)

4. 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 currencies

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 at the exchange rates at the dates of the transaction.

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.

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

(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 and contract assets

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is stated at invoice value less allowance for doubtful accounts which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Contract assets are measured at the amount of consideration that the Group is entitled to, less impairment losses.

(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 assets classified as held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held for sale or held for distribution 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 measured 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.

(J) Property, plant and equipment***Recognition and measurement******Owned assets***

Property, plant and equipment are measured 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.

Any 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 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.

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 and installation.

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:

Deferred know-how and technical assistance fees	10	years
Software licences	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 regularly 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) Measurement of fair values

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 chief financial officer.

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 these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market 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 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 or indirectly.
- Level 3 : inputs for the asset or liability that are based on unobservable input.

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.

(R) 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, 'Premium 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 premium on treasury shares.

(S) Revenue

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Sale of goods and services

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Revenue for rendering of services is recognised as the services are provided. The related costs are recognised in profit or loss when they are incurred.

For bundled packages, the Group accounts for individual products and services separately if they are distinct (i.e. if a product or service is separately identifiable from other items and a customer can benefit from it) or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices which are determined based on the price list at which the Group sells the products and services in separate transactions.

Interest income

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

(T) Finance costs

Finance costs is recognised using the effective interest method and comprises interest expense on borrowings, unwinding of the discount on provisions and contingent consideration.

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.

(U) 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.

(V) 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. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. 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.

(W) 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, adjusted for own shares held.

(X) Related parties

A related party is a person or entity that has direct or indirect control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

(Y) Segment reporting

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

5. Related parties

Relationships with subsidiary is described in notes 11. Other related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation /nationality	Nature of relationships
Phahol 8 Company Limited	Thailand	Common director
Wisdom Enterprise Company Limited	Thailand	Common director
Pattaya Grand Village Company Limited	Thailand	Common director
Supalai Public Company Limited	Thailand	Common director until 14 October 2018

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Sale of goods and rendering of services	Market price based on normal course of business
Purchase of goods	Market price based on normal course of business
Office rental and space service fee	Market price based on normal course of business

Significant transactions for the years ended 31 December with related parties were as follows:

Year ended 31 December	Unit : Thousand Bath			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Subsidiary				
Purchase of goods	-	-	146,834	121,517
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	41,796	32,923	41,796	32,923
Post-employment benefits	1,850	539	1,850	539
Total	43,646	33,462	43,646	33,462
Other related parties				
Sales of goods or rendering of services	1,850	55,929	1,850	55,929
Office rental and space service fee	3,468	3,378	3,468	3,378

Balances as at 31 December with a related party were as follows:

Trade accounts payable	Unit : Thousand Bath			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Subsidiary				
Diamond Materials Co., Ltd.	-	-	68,857	40,168

6. Cash and cash equivalents

	Unit : Thousand Bath			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash on hand	100	100	100	100
Cash at banks - current accounts	25,912	10,223	25,906	10,218
Cash at banks - saving accounts	5,304	9,992	4,242	9,245
Total	31,316	20,315	30,248	19,563

7. Trade accounts receivable

	Unit : Thousand Bath			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Within credit terms	407,348	432,878	407,348	432,878
Overdue				
Less than 91 days	49,632	64,665	49,632	64,665
91 - 180 days	1,446	1,576	1,446	1,576
181 - 360 days	2,501	499	2,501	499
Over 360 days	5,329	5,550	5,329	5,550
Total	466,256	505,168	466,256	505,168
Less allowance for doubtful accounts	(8,210)	(8,480)	(8,210)	(8,480)
Net	458,046	496,688	458,046	496,688

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

8. Other receivables

	Unit : Thousand Bath			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Accrued sales discount	35,261	37,114	35,236	36,972
Advance for purchase of goods	1,797	8,960	1,778	8,874
Prepaid expenses	20,478	8,309	20,167	8,098
Others	2,064	1,852	1,980	1,779
Total	59,600	56,235	59,161	55,723

9. Inventories

	Unit : Thousand Bath			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Finished goods	187,824	145,232	179,037	136,237
Merchandise goods	18,673	17,368	18,673	17,368
Semi-finished goods	98,286	111,070	98,286	111,070
Work in progress	63,346	58,979	63,346	58,979
Raw materials	414,324	290,800	410,087	287,911
Supplies	60,640	59,594	58,707	57,567
Goods in transit	27,154	92,044	27,154	92,044
	870,247	775,087	855,290	761,176
Less allowance for decline in value	(14,896)	(13,117)	(12,388)	(12,165)
Total	855,351	761,970	842,902	749,011

Inventories recognised as an expense in cost of sales of goods'

Cost	3,059,259	2,848,857	3,084,320	2,867,571
Write-down to net realisable value	736	144	-	-
Reversal of write-down	-	-	(760)	(41)
Net	3,059,995	2,849,001	3,083,560	2,867,530

10. Non-current assets classified as held for sale

At 31 December 2018, the Company classified land that co-owned with other two companies, which during the year 2018 was classified as investment properties to be non-current assets classified as held for sale since the Company and the other two companies entered into land purchase and sale agreement with another entity dated 21 December 2018. On the agreement date, the Company received a deposit totaling Baht 17.8 million.

At 31 December 2018, such land was stated at the carrying value in the amount of 25.4 million and fair value less cost to sell was Baht 83.3 million.

During March 2019, the Company and the other two companies sold and transferred ownership of such land to such entity. The Company had already received the land payment totaling Baht 88.7 million and had gain on sales of non-current assets classified as held for sale in the amount of Baht 63.3 million.

11. Investment in subsidiary

	Unit : Thousand Bath	
	Separate financial statements	
	2019	2018
At 1 January	170,000	170,000
Increase	-	-
At 31 December	170,000	170,000

Investment in subsidiary as at 31 December 2019 and 2018, were as follows:

Subsidiary	Separate financial statements													
	Description of business	Country of operation	Ownership interest		Paid-up capital		Cost		Impairment losses		At cost - net			
			2019	2018	2019	2018	2019	2018	2019	2018	2019	2018		
			(%)		(in Thousand Bath)									
Diamond Materials Co.,Ltd	Manufacturing of autoclaved aerated concrete	Thai	99.99	99.99	200,000	200,000	200,000	200,000	(30,000)	(30,000)	170,000	170,000		
Total							200,000	200,000	(30,000)	(30,000)	170,000	170,000		

The subsidiary was incorporated and operates in Thailand. The Company did not received dividend for the year 2019 and 2018.

The recoverable amount of this CGU was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU.

The discount rate was a pre-tax measure based on the rate of 30-year government bonds.

Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined with reference to the nominal gross domestic product (GDP) rates for the country in which the CGU operates.

Forecasted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past three years and the estimated sales and price growth for the next five years.

Following the impairment loss of investment, the recoverable amount was equal to the carrying. Therefore, any adverse movement in a key assumption would lead to further impairment.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

	Unit : Thousand Bath			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate	9.4	9.4	9.4	9.4
Growth rate	6.0	6.0	6.0	6.0

12. Investment properties

12. Investment properties

		Unit : Thousand Bath			
	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Cost					
At 1 January		25,305	50,750	25,305	50,750
Transfer to non-current assets classified as held for sale	10	-	(25,445)	-	(25,445)
At 31 December		25,305	25,305	25,305	25,305
Allowance for impairment					
At 1 January		(2,500)	(2,500)	(2,500)	(2,500)
Reversal of allowance for impairment		2,500	-	2,500	-
At 31 December		-	(2,500)	-	(2,500)
Net book value					
At 1 January		22,805	48,250	22,805	48,250
At 31 December		25,305	22,805	25,305	22,805

Investment properties are land held for future projects. The fair value of investment properties, as at 31 December 2019 of Baht 63.3 million (2018: Baht 35.8 million) was determined by an independent valuer based on the market approach. The fair value measurement for investment properties has been categorised as a Level 3 fair value.

13. Property, plant and equipment

Unit : Thousand Bath

	Consolidated financial statements						
	Land and Improvement	Building structure and Improvement	Machinery and equipment	office furniture fixture and equipmet	Vehicles	Asset under construction and installation	Total
Cost							
At 1 January 2018	229,915	768,749	3,865,700	83,704	63,297	11,680	5,023,045
Additions	704	2,298	19,576	4,656	5,000	128,990	161,224
Transfers	-	16,439	64,129	911	392	(81,871)	-
Disposals	-	(344)	(40,799)	(1,681)	(2,055)	-	(44,879)
At 31 December 2018 and 1 January 2019	230,619	787,142	3,908,606	87,590	66,634	58,799	5,139,390
Additions	-	3,242	25,681	6,396	7,555	304,925	347,799
Transfers	-	37,315	132,266	1,799	-	(174,469)	(3,089)
Disposals	-	(1,352)	(21,683)	(3,320)	(8,934)	-	(35,289)
At 31 December 2019	230,619	826,347	4,044,870	92,465	65,255	189,255	5,448,811
Accumulated depreciation							
At 1 January 2018	-	442,670	2,702,852	70,626	37,821	-	3,253,969
Depreciation charge for the year	-	31,559	185,060	5,316	9,109	-	231,044
Disposals	-	(326)	(40,502)	(1,671)	(2,055)	-	(44,554)
At 31 December 2018 and 1 January 2019	-	473,903	2,847,410	74,271	44,875	-	3,440,459
Depreciation charge for the year	-	33,214	185,219	6,262	8,212	-	232,907
Disposals	-	(868)	(21,427)	(3,309)	(6,997)	-	(32,601)
At 31 December 2019	-	506,249	3,011,202	77,224	46,090	-	3,640,765
Allowance for impairment							
At 1 January 2018	-	-	-	-	-	3,851	3,851
Increase (decrease)	-	-	-	-	-	-	-
At 31 December 2018 and 1 January 2019	-	-	-	-	-	3,851	3,851
Increase (decrease)	-	-	-	-	-	-	-
At 31 December 2019	-	-	-	-	-	3,851	3,851
Net book value							
At 1 January 2018							
Owned assets	229,915	326,079	1,162,848	13,078	9,217	7,829	1,748,966
Asset under finance leases	-	-	-	-	16,259	-	16,259
	229,915	326,079	1,162,848	13,078	25,476	7,829	1,765,225
At 31 December 2018 and 1 January 2019							
Owned assets	230,619	313,239	1,061,196	13,319	7,206	54,948	1,680,527
Asset under finance leases	-	-	-	-	14,553	-	14,553
	230,619	313,239	1,061,196	13,319	21,759	54,948	1,695,080
At 31 December 2019							
Owned assets	230,619	320,098	1,033,668	15,241	4,898	185,404	1,789,928
Asset under finance leases	-	-	-	-	14,267	-	14,267
	230,619	320,098	1,033,668	15,241	19,165	185,404	1,804,195

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2019 amounted to Baht 2,195.5 million (2018: Baht 2,144.4 million).

Unit : Thousand Bath

	Separate financial statements						
	Land and Improvement	Building structer and Improvement	Machinery and equipment	office furniture fixture and equipmet	Verhicles	Asset under construction and installation	Total
<i>Cost</i>							
At 1 January 2018	209,818	697,392	3,784,031	83,239	61,060	11,680	4,847,220
Additions	704	2,298	19,339	4,645	5,000	127,888	159,874
Transfers	-	16,426	63,432	911	-	(80,769)	-
Disposals	-	(344)	(40,799)	(1,763)	(2,055)	-	(44,961)
At 31 December 2018 and 1 January 2019	210,522	715,772	3,826,003	87,032	64,005	58,799	4,962,133
Additions	-	3,242	23,512	6,299	7,489	303,299	343,841
Transfers	-	37,314	130,862	1,799	-	(173,064)	(3,089)
Disposals	-	(1,351)	(21,850)	(3,526)	(8,934)	-	(35,661)
At 31 December 2019	210,522	754,977	3,958,527	91,604	62,560	189,034	5,267,224
<i>Accumulated depreciation</i>							
At 1 January 2018	-	423,437	2,663,618	70,291	35,771	-	3,193,117
Depreciation charge for the year	-	27,426	176,845	5,255	8,881	-	218,407
Disposals	-	(326)	(40,502)	(1,753)	(2,055)	-	(44,636)
At 31 December 2018 and 1 January 2019	-	450,537	2,799,961	73,793	42,597	-	3,366,888
Depreciation charge for the year	-	29,126	177,345	6,213	8,132	-	220,816
Disposals	-	(868)	(21,523)	(3,517)	(6,997)	-	(32,905)
At 31 December 2019	-	478,795	2,955,783	76,489	43,732	-	3,554,799
<i>Allowance for impairment</i>							
At 1 January 2018	-	-	-	-	-	3,851	3,851
Increase (decrease)	-	-	-	-	-	-	-
At 31 December 2018 and 1 January 2019	-	-	-	-	-	3,851	3,851
Increase (decrease)	-	-	-	-	-	-	-
At 31 December 2019	-	-	-	-	-	3,851	3,851
<i>Net book value</i>							
At 1 January 2018							
Owned assets	209,818	273,955	1,120,413	12,948	9,030	7,829	1,633,993
Asset under finance leases	-	-	-	-	16,259	-	16,259
	209,818	273,955	1,120,413	12,948	25,289	7,829	1,650,252
At 31 December 2018 and 1 January 2019							
Owned assets	210,522	265,235	1,026,042	13,239	6,855	54,948	1,576,841
Asset under finance leases	-	-	-	-	14,553	-	14,553
	210,522	265,235	1,026,042	13,239	21,408	54,948	1,591,394
At 31 December 2019							
Owned assets	210,522	276,182	1,002,744	15,115	4,561	185,183	1,694,307
Asset under finance leases	-	-	-	-	14,267	-	14,267
	210,522	276,182	1,002,744	15,115	18,828	185,183	1,708,574

The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2019 amounted to Baht 2,184.1 million (2018: Baht 2,134.5 million).

Property, plant and equipment under construction

During the year ended 31 December 2019, the Group and the Company had equipment under installation. Costs incurred until 31 December 2019 were totaling Baht 189.3 million and Baht 189.0 million (2018: Baht 58.8 million and Baht 58.8 million, respectively).

Capitalised borrowing costs relating to the acquisition of the new production line for the Group are amounted to Baht 0.9 million (2018: nil), with a capitalisation rate of 1.4% (2018: nil).

In 2019 and 2018, the Group performed an impairment testing of property plant and equipment of the subsidiary by determining the recoverable amounts based on value in use of asset which the period for estimated future cash flow were five years. The recoverable amount was higher than its carrying amount of subsidiary's property plant and equipment and no impairment was required.

14. Intangible assets

	Unit : Thousand Bath		
	Consolidated financial statements		
	Deferred know how and Technical assistance fees	Software licences	Total
<i>Cost</i>			
At 1 January 2018	30,000	33,542	63,542
Disposals	-	(121)	(121)
At 31 December 2018 and			
At 1 January 2019	30,000	33,421	63,421
Additions	-	200	200
Transfers	-	3,089	3,089
Disposals	-	(419)	(419)
At 31 December 2019	30,000	36,291	66,291
<i>Accumulated amortisation</i>			
At 1 January 2018	13,759	29,405	43,164
Amortisation for the year	3,000	965	3,965
Disposals	-	(92)	(92)
At 31 December 2018 and			
At 1 January 2019	16,759	30,278	47,037
Amortisation for the year	3,000	1,110	4,110
Disposals	-	(378)	(378)
At 31 December 2019	19,759	31,010	50,769
<i>Net book value</i>			
At 1 January 2018	16,241	4,137	20,378
At 31 December 2018 and			
At 1 January 2019	13,241	3,143	16,384
At 31 December 2019	10,241	5,281	15,522

Unit : Thousand Bath

	Separate financial statements		
	Deferred know how and Technical assistance fees	Software licences	Total
<i>Cost</i>			
At 1 January 2018	-	33,542	33,542
Disposals	-	(121)	(121)
At 31 December 2018 and			
At 1 January 2019	-	33,421	33,421
Additions	-	200	200
Transfers	-	3,089	3,089
Disposals	-	(419)	(419)
At 31 December 2019	-	36,291	36,291
<i>Accumulated amortisation</i>			
At 1 January 2018	-	29,405	29,405
Amortisation for the year	-	965	965
Disposals	-	(92)	(92)
At 31 December 2018 and			
At 1 January 2019	-	30,278	30,278
Amortisation for the year	-	1,110	1,110
Disposals	-	(378)	(378)
At 31 December 2019	-	31,010	31,010
<i>Net book value</i>			
At 1 January 2018	-	4,137	4,137
At 31 December 2018 and			
At 1 January 2019	-	3,143	3,143
At 31 December 2019	-	5,281	5,281

15. Interest-bearing liabilities

Unit : Thousand Bath

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Current				
Short-term loans from financial institutions				
Unsecured	446,000	511,000	446,000	511,000
Short-term loans from financial institutions	446,000	511,000	446,000	511,000
Current portion of finance lease liabilities	6,387	6,397	6,387	6,397
Total current interest-bearing liabilities	452,387	517,397	452,387	517,397
Non-current				
Finance lease liabilities	8,914	9,383	8,914	9,383
Finance lease liabilities	8,914	9,383	8,914	9,383

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

Unit : Thousand Bath

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Within one year	446,000	511,000	446,000	511,000
After one year but within five years	-	-	-	-
Total	446,000	511,000	446,000	511,000

As at 31 December 2019, the Group had unutilised credit facilities amounting to Baht 3,052.9 million (2018: Baht 2,967.9 million).

Finance lease liabilities

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

Unit : Thousand Bath

	Consolidated / Separate financial statements					
	2019			2018		
	Minimum lease payment	Interest	Present value of minimum lease payment	Minimum lease payment	Interest	Present value of minimum lease payment
Finance lease liabilities						
Maturity period						
Within 1 year	7,207	820	6,387	7,208	811	6,397
1 - 5 years	9,864	950	8,914	10,067	684	9,383
Total	17,071	1,770	15,301	17,275	1,495	15,780

As at 31 December 2019 and 2018, the Company entered into finance lease agreements with several local leasing companies to purchase vehicles. Such lease agreements have terms expiring up to 2024, and bear interest at rates ranging from 5.9% to 15.8% per annum in 2019 (2018: ranging from 6.0% to 13.0% per annum). The agreements are repayable in 60 installments starting from August 2014.

Changes in liabilities arising from financing activities

Unit : Thousand Bath

	Consolidated / Separate financial statements		
	Loans	Finance lease liabilities	Total
Balance At 1 January 2019	511,000	15,780	526,780
Changes from financing cash flows	(65,000)	(7,520)	(72,520)
Other changes - new finance leases	-	6,138	6,138
Changes in other non-cash movement	-	903	903
Balance at 31 December 2019	446,000	15,301	461,301

16. Trade accounts payable

Unit : Thousand Bath

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Related party	-	-	68,857	40,168
Other parties	137,978	175,479	133,073	173,035
Total	137,978	175,479	201,930	213,203

17. Other payables

Unit : Thousand Bath

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Accrued operating expenses		64,078	48,944	63,502	48,232
Payables for acquisition of assets		34,625	18,792	34,365	18,681
Deposits	10	-	17,749	-	17,749
Others		79,373	78,918	77,689	77,538
Total		178,076	164,403	175,556	162,200

18. Other current liabilities

Unit : Thousand Bath

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Revenue department payable	14,203	12,155	14,138	11,833
Contract guarantee	20,733	14,701	20,560	14,551
Retention	4,021	2,450	4,021	2,450
Others	29	574	29	574
Total	38,986	29,880	38,748	29,408

19. Non-current provisions for employee benefits

Unit : Thousand Bath

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Post-employment benefits	206,070	129,841	205,015	129,158
Total	206,070	129,841	205,015	129,158

Defined benefit plan

The Group operate a defined benefit 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. The defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

<i>Present value of the defined benefit obligations</i>	Unit : Thousand Bath			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
At 1 January	129,841	126,288	129,158	125,702
Include in profit or loss:				
Current service costs	9,818	7,692	9,691	7,613
Past service costs	28,969	-	28,797	-
Interest on obligation	5,133	2,892	5,101	2,874
	43,920	10,584	43,589	10,487
Included in other comprehensive income				
Actuarial loss				
- Demographic assumptions	471	-	539	-
- Financial assumptions	35,496	-	35,299	-
- Experience adjustment	(679)	-	(591)	-
	35,288	-	35,247	-
Benefits paid	(2,979)	(7,031)	(2,979)	(7,031)
	(2,979)	(7,031)	(2,979)	(7,031)
At 31 December	206,070	129,841	205,015	129,158

On 5 April 2019, the Labour Protection Act was amended to include a requirement that an employee, who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group has therefore amended its retirement plan in accordance with the changes in the Labour Protection Act in 2019. As a result of this change, the provision for retirement benefits as well as past service cost recognised increased.

<i>Principal actuarial assumptions</i>	Unit : %			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate	1.63, 1.88	2.68, 2.56	1.63	2.56
Future salary growth	5.00, 6.00	6.35	6.00	6.35
Future salary growth	0 - 60	0 - 50	0 - 60	0 - 50

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2019, the weighted-average duration of the defined benefit obligation of the Company and its subsidiary was 15 years and 23 years, respectively (2018: 17 years and 27 years, respectively).

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.

<i>Effect to the defined benefit obligation At 31 December</i>	Unit : Thousand Bath			
	Consolidated financial statements			
	0.5% increase in assumption		0.5% decrease in assumption	
	2019	2018	2019	2018
Discount rate	(10,261)	(6,266)	11,135	6,785
Future salary growth	10,647	7,332	(9,276)	(6,817)
<i>Effect to the defined benefit obligation At 31 December</i>	Unit : Thousand Bath			
	Separate financial statements			
	0.5% increase in assumption		0.5% decrease in assumption	
	2019	2018	2019	2018
Discount rate	(10,163)	(6,201)	11,025	6,711
Future salary growth	10,535	7,255	(9,185)	(6,748)

20. Share capital

	Par value per share (in Baht)	Unit : million shares / in million Baht			
		2019		2018	
		Number	Amount	Number	Amount
Authorised shares at 31 December		948	948	948	948
<i>Issued and paid-up shares</i>					
At 1 January					
- ordinary shares	1	948	948	1,048	1,048
Reduction of shares	1	-	-	(100)	(100)
At 31 December					
- ordinary shares	1	948	948	948	948

Share premium on ordinary shares

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"). Share premium on ordinary shares is not available for dividend distribution.

As at 31 December 2019, the Company had premium on ordinary shares of Baht 166.5 million (2018: Baht 166.5 million).

21. Treasury shares

	Par value per share (in Baht)	Unit : million shares / in million Baht				
		Consolidated / Separate financial statements				
		2019			2018	
		Number	Treasury shares reserve	Treasury shares	Number	Treasury shares reserve
<i>Treasury shares</i>						
At 1 January	1	-	-	-	100	(521)
Cancellation of treasury shares	1	-	-	-	(100)	521
At 31 December	1	-	-	-	-	-

In May 2016, the Board of Directors of the Company approved a treasury share plan (the "Plan") to re-purchase not more than 9.5%, or 100 million shares, of the Company's shares then in issue. The purpose of the Plan is to increase the Company's return on equity, earnings per share and dividend yield. The maximum amount approved for share purchase under the Plan is Baht 520 million and the price to be paid for the shares is not to exceed 111% of the closing price on the Stock Exchange of Thailand (SET) over the 30 business days prior to the date the Board of Director's meeting. The Company may purchase the shares by offering to general shareholders during the period from 17 June 2016 to 30 June 2016. The Company appropriated treasury share reserve to be equal to the full amount paid for treasury shares.

In accordance to the Ministerial Regulation relevant to the repurchase of shares, the Company shall dispose all of its repurchased shares not more than three years from the completion of the share repurchased which the Company shall start dispose of the repurchased shares after six months from the completion of each share repurchase and must make the total disposal thereof within the timeframe specified. If the Company does not dispose or is unable to dispose all, the Company shall reduce its paid-up capital by deducting therefrom the registered shares not disposed of which is the cancellation of repurchased shares in term of accounting basis. The timeframe for the Company to dispose of the repurchased shares already ended on 31 December 2017.

To comply with the stated Ministerial Regulation, at the annual general meeting of shareholders of the Company held on 24 April 2018, the shareholders approved the reduction of the registered and paid-up share capital from previously in the amount of Baht 1,048 million to be new registered and paid-up capital in the amount of Baht 948 million by

cancelling the unsold treasury shares of 100 million shares, amounting to Baht 520.8 million, comprising 9.5% of the Company's issued share capital. The Company registered the reduction of capital with the Ministry of Commerce on 18 May 2018.

Share premium on treasury shares

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

22. Reserves

Legal reserve

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

Treasury shares reserve

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

23. Segment information and disaggregation of revenue

Segment information

The Group operates in one business segment which is manufacturing of roof tiles, artificial woods and autoclaved aerated concrete which were 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.

Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

	Unit : Thousand Bath			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>For the year ended 31 December</i>				
<i>Disaggregation of revenue</i>				
Primary geographical markets				
Thailand	4,014,468	3,639,495	4,014,468	3,639,495
Overseas	733,086	689,855	733,086	689,855
Total revenue	4,747,554	4,329,350	4,747,554	4,329,350
Major products / service lines				
Revenue from sale of goods	4,326,945	3,948,847	4,326,945	3,948,847
Revenue from rendering of services	420,609	380,503	420,609	380,503
Total revenue	4,747,554	4,329,350	4,747,554	4,329,350
Timing of revenue recognition				
At a point in time	4,747,554	4,329,350	4,747,554	4,329,350
Over time	-	-	-	-
Total revenue	4,747,554	4,329,350	4,747,554	4,329,350

Major customers

The Group has no external customer as major customers of the Group.

24. Orther income

Unit : Thousand Bath

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Gain on exchange rate	4,964	4,613	4,964	4,613
Gain on disposal of assets	64,205	1,670	64,257	1,671
Reversal of doubtful debts and bad debts	270	1,130	270	1,130
Others	8,363	6,263	8,294	6,096
Total	77,802	13,676	77,785	13,510

25. Distribution costs

Unit : Thousand Bath

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Sales promotional expenses	29,582	37,227	29,579	37,227
Employee benefit expenses	67,907	59,092	67,907	59,092
Others	35,144	31,518	35,144	31,518
Total	132,633	127,837	132,630	127,837

26. Administrative expenses

Unit : Thousand Bath

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Employee benefit expenses	269,446	225,670	265,296	222,393
Storage expenses	100,911	96,381	100,897	96,249
Depreciation and amortisation	27,618	26,396	25,721	24,412
Service fees	34,483	30,315	33,577	29,464
Tax and fees	21,426	14,613	21,154	14,410
Fuel and energy expenses	8,996	8,469	8,718	8,205
Rental expense	8,237	7,454	8,051	7,219
Utilities expenses	6,684	7,160	6,528	6,803
Others	26,407	26,091	25,192	24,941
Total	504,208	442,549	495,134	434,096

27. Employee benefit expenses

Unit : Thousand Bath

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Salaries, wages and bonus	446,994	398,135	437,771	389,921
Contribution to provident fund	21,439	18,366	21,439	18,366
Post-employment benefits	43,920	10,584	43,589	10,487
Contribution to social securities fund	8,542	8,219	8,144	7,850
Others	105,843	87,753	101,794	85,317
Total	626,738	523,057	612,737	511,941

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 Company 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 Company at the same rates but not exceed 9% 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

The statements of comprehensive income include an analysis of expenses by function. Expenses by nature /disclosed in accordance with the requirements of various TFRS were as follows:

Unit : Thousand Bath

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Changes in inventories of finished goods and work in progress	(35,479)	(23,625)	(35,687)	(25,569)
Raw materials and consumables used	1,668,864	1,548,240	1,610,318	1,503,364
Employee benefit expenses	626,738	523,057	612,737	511,941
Storage expenses	434,672	417,983	426,945	411,965
Service fees	368,788	335,422	361,235	328,444
Depreciation and amortisation	238,871	236,962	223,779	221,325
Others	809,063	773,959	926,678	870,604
Total cost of sales of goods and rendering of services, distribution costs and administrative expenses	4,111,517	3,811,998	4,126,005	3,822,074

29. Finance costs

Unit : Thousand Bath

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Interest expense:				
Loans from financial institutions	6,212	6,847	6,212	6,847
Interest on finance leases	898	1,182	898	1,182
Total interest expense	7,110	8,029	7,110	8,029
<i>Less Capitalised as cost of assets under constructions</i>	(864)	-	(864)	-
Net	6,246	8,029	6,246	8,029

30. Income tax

Unit : Thousand Bath

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Current tax expense				
Current year	143,935	100,645	143,935	100,645
Adjustment for prior years	72	38	72	38
	144,007	100,683	144,007	100,683
Deferred tax expense				
Movements in temporary differences	(7,951)	(533)	(7,574)	(477)
Total income tax expense	136,056	100,150	136,433	100,206

Unit : Thousand Bath

	Consolidated financial statements					
	2019			2018		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Income tax						
Recognised in other comprehensive income						
Defined benefit plan						
actuarial losses	35,288	(7,058)	28,230	-	-	-
Total	35,288	(7,058)	28,230	-	-	-

Unit : Thousand Bath

	Separate financial statements					
	2019			2018		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<i>Income tax</i>						
Recognised in other comprehensive income						
Defined benefit plan						
actuarial losses	35,247	(7,050)	28,197	-	-	-
Total	35,247	(7,050)	28,197	-	-	-

<i>Reconciliation of effective tax rate</i>	Consolidated financial statements			
	2019		2018	
	Rate (%)	(in thousand Bath)	Rate (%)	(in thousand Bath)
Profit before income tax expense		707,593		523,000
Income tax using the Thai corporation tax rate	20.00	141,519	20.00	104,600
Tax losses not recognised		(2,903)		(2,049)
Expenses not deductible for tax purposes		1,377		1,739
Expenses with tax deductible benefits		(4,009)		(4,178)
Under provided in prior years		72		38
Total	19.23	136,056	19.15	100,150

<i>Reconciliation of effective tax rate</i>	Separate financial statements			
	2019		2018	
	Rate (%)	(in thousand Bath)	Rate (%)	(in thousand Bath)
Profit before income tax expense		693,087		512,758
Income tax using the Thai corporation tax rate	20.00	138,617	20.00	102,552
Expenses not deductible for tax purposes		1,755		1,795
Expenses with tax deductible benefits		(4,011)		(4,179)
Under provided in prior years		72		38
Total	19.68	136,433	19.54	100,206

Unit : Thousand Bath

<i>Deferred tax</i>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	At 31 December			
Deferred tax assets	46,812	31,803	52,100	37,476
Deferred tax liabilities	-	-	-	-
Net	46,812	31,803	52,100	37,476

Unit : Thousand Bath

<i>Deferred tax</i>	Consolidated financial statements			
	(Charged) / Credited to:			
	At 1 January	Profit or loss	Other comprehensive income	At 31 December
2019				
Deferred tax assets				
Trade accounts receivable (doubtful accounts)	1,696	(54)	-	1,642
Inventories (allowance for decline in value)	2,624	355	-	2,979
Investment properties (allowance for impairment)	500	(500)	-	-
Property, plant and equipment (allowance for impairment)	770	-	-	770
Finance lease liabilities	245	(38)	-	207
Provision for employee benefits	25,968	8,188	7,058	41,214
Total	31,803	7,951	7,058	46,812

Unit : Thousand Bath

Deferred tax

Deferred tax	Consolidated financial statements (Charged) / Credited to:			
	At 1 January	Profit or loss	Other comprehensive income	At 31 December
2018				
Deferred tax assets				
Trade accounts receivable (doubtful accounts)	1,922	(226)	-	1,696
Inventories (allowance for decline in value)	2,595	29	-	2,624
Investment properties (allowance for impairment)	500	-	-	500
Property, plant and equipment (allowance for impairment)	770	-	-	770
Finance lease liabilities	226	19	-	245
Provision for employee benefits	25,257	711	-	25,968
Total	31,270	533	-	31,803

Unit : Thousand Bath

Deferred tax

Deferred tax	Separate financial statements (Charged) / Credited to:			
	At 1 January	Profit or loss	Other comprehensive income	At 31 December
2019				
Deferred tax assets				
Trade accounts receivable (doubtful accounts)	1,696	(54)	-	1,642
Inventories (allowance for decline in value)	2,433	45	-	2,478
Investment properties (allowance for impairment)	500	(500)	-	-
Investment in subsidiary (allowance for impairment)	6,000	-	-	6,000
Property, plant and equipment (allowance for impairment)	770	-	-	770
Finance lease liabilities	245	(38)	-	207
Provision for employee benefits	25,832	8,121	7,050	41,003
Total	37,476	7,574	7,050	52,100

2018

Deferred tax assets				
Trade accounts receivable (doubtful accounts)	1,922	(226)	-	1,696
Inventories (allowance for decline in value)	2,441	(8)	-	2,433
Investment properties (allowance for impairment)	500	-	-	500
Investment in subsidiary (allowance for impairment)	6,000	-	-	6,000
Property, plant and equipment (allowance for impairment)	770	-	-	770
Finance lease liabilities	226	19	-	245
Provision for employee benefits	25,140	692	-	25,832

Unit : Thousand Bath

Unrecognised deferred tax assets

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Tax losses	17,113	32,821	-	-
Total	17,113	32,821	-	-

Tax losses of a subsidiary will expire in 2021. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of this item because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

31. Earnings per share

	Unit : in thousand Baht / thousand shares			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>Profit attributable to ordinary shareholders for the year ended 31 December</i>				
Profit attributable to ordinary shareholders of the Company (basic)	571,537	422,850	556,654	412,552
Weighted average number of ordinary shares outstanding (basic)	947,962	947,962	947,962	947,962
Earnings per share (basic) (in Baht)	0.60	0.45	0.59	0.44

32. Dividends

The dividends paid by the Group to the shareholders are as follows:

	Approval date	Payment schedule	Dividend rate per share (Bath)	Amount (in thousand Bath)
2019				
Annual dividend of 2018	23 April 2019	May 2019	0.38	360,255
Interim dividend	26 August 2019	September 2019	(0.20)	(189,592)
Additional dividend			0.18	170,633
2018				
Annual dividend of 2017	24 April 2018	May 2018	0.36	341,266
Interim dividend	27 August 2018	September 2018	(0.18)	(170,633)
Additional dividend			0.18	170,633

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 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. 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.

As of 31 December

2019

Current

Short-term loans from
financial institutions

1.40 - 2.03

446,000

-

-

446,000

2018

Current

Short-term loans from
financial institutions

1.65 - 2.00

511,000

-

-

511,000

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.

Unit : Thousand Bath

Asset and liabilities denominated in the foreign
currencies as at 31 December

Non

Consolidated financial statements		Separate financial statements	
2019	2018	2019	2018

United States Dollars

Cash and cash equivalents

6

722

2,981

722

2,981

Trade accounts receivable

7

2,752

788

2,752

788

Other receivable

8

-

25,889

-

25,889

Trade accounts payable

16

(20,295)

(67,187)

(20,295)

(67,187)

Other payable

17

(491)

(307)

(491)

(307)

Euro

Trade accounts payable

16

(1,248)

(560)

(1,248)

(560)

Gross balance sheet exposure

(18,560)

(38,396)

(18,560)

(38,396)

Currency forwards purchase

34

21,122

62,002

21,122

62,002

Net exposure

2,562

23,606

2,562

23,606

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.

Carrying amount and fair values

The following table shows the carrying amount and fair values of financial assets and liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Unit : Thousand Bath

Carrying Amount	Consolidated / Separate financial statements			
	Fair value			
	Level 1	Level 2	Level 3	Total
31 December 2019				
<i>Financial liability not measured at fair value</i>				
Forward contract	-	(79)	-	(79)
31 December 2018				
<i>Financial liability not measured at fair value</i>				
Forward contract	-	(556)	-	(556)

The Group and the Company did not disclose the fair value of financial instruments such as cash, trade accounts receivable, other receivables, trade accounts payable, other payables, short-term loans, and finance lease liabilities because their book value are close to fair value as these financial instruments have short-term maturity.

Measurement of fair values**Valuation techniques and significant unobservable inputs**

The following tables show the valuation techniques used in measuring Level 2 fair values at 31 December 2019 and 2018 for financial instruments not measured at fair value in the statement of financial position, as well as the significant unobservable inputs used. Related valuation processes are described in the note 4 (q).

Financial instruments not measured at fair value

Type	Valuation technique
Forward exchange contracts	Forward pricing: The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instrument.

34. Commitments with non-related parties

Unit : Thousand Bath

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Capital commitments				
Agreements of construction and acquisition of machinery and equipment	305,991	81,022	305,991	81,022
Total	305,991	81,022	305,991	81,022
Future minimum lease payments under non-cancellable operating leases				
Within 1 year	11,978	1,413	11,978	1,413
1 - 5 years	25,756	228	25,756	228
Total	37,734	1,641	37,734	1,641

Unit : Thousand Bath

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>Other commitments</i>				
Unused letters of credit	134,331	99,933	134,331	99,933
Currency forwards purchase	21,122	62,002	21,122	62,002
Total	155,453	161,935	155,453	161,935

Operating lease agreements

The Group has operating lease agreements for office space and other services for the periods of 1 year to 3 years up to February 2022 at the agreed amount stipulated in the rental agreement.

Forward exchange contracts

As at 31 December 2019, the Group had outstanding currency forward purchase of US Dollars 0.7 million equivalent to Baht 21.1 million (2018: currency forward purchase of US Dollars 1.9 million equivalent to Baht 62.0 million).

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

New and revised TFRS, which are relevant to the Group's operations, expected to have material impact on the consolidated and separate financial statements when initially adopted, and will become effective for the financial statements in annual reporting periods beginning on or after 1 January 2020, are as follows:

TFRS	Topic
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments

* TFRS - Financial instruments standards

(A) TFRS - Financial instruments standards

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRS are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The Group has made an assessment of the potential impact of adopting and initially applying TFRS – Financial instruments standards on the consolidated and separate financial statements and there will be no material impact on the consolidated and separate financial statements in the period of initial application.

(B) TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability. There are recognition exemptions for short-term leases and leases of low-value items. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Currently, the Group recognises payments made under operating leases in profit or loss on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. Under TFRS 16, the Group will recognise right-of-use assets and lease liabilities for its operating leases as disclosed in Note 34. As a result, the nature of expenses related to those leases will be changed because the Group will recognise depreciation of right-of-use assets and interest expense on lease liabilities.

Transition

The Group plans to apply TFRS 16 initially on 1 January 2020 and apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply TFRS 16 to all contracts entered into before 1 January 2020 and identified as leases in accordance with TAS 17 and TFRIC 4 with no restatement of comparative information.

The preliminary impact assessment of initially applying TFRS 16 on the financial statements is as follows:

<i>Statement of financial position</i>	Consolidated / Separate financial statements
<i>At 1 January</i>	2020
	(in thousand Bath)
Increase in right-of-use assets	25,765
Decrease in property, plant and equipment	(14,267)
Increase in lease liabilities	11,498



DIAMOND

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