

**SYNTEC**

## **Message from Chairman of the Board**

The year of 2015 was another significant year of the Company, the Company has obviously announced its intention upon "Growing Together" requiring the transparent operation with good governance as well as social and environmental responsibilities, and the "Code of Conduct" improved to be more vibrant along with the solemn operation had afforded the outstanding and satisfied business performance to all stakeholders.

In previous year, the Company was preparing and arranging the Company Information Form to contribute in the project of "Private Sector Collective Action Coalition Against Corruption Council (CAC)" and expects to establish the Corporate Governance Committee (CG Committee) in this near future in order to enable all departments or parties to obviously implement with concreteness and continuous improvement and development.

Additionally, the contracts of 16 construction projects in total with the value of 9,230 million baht and the construction area of 680,338 square meters had been signed in 2015 due to the incessant trustfulness occurred from the accumulation of the Company's fame.

However, the Company's performance is endlessly growing with the Company's experiences for a long time although there was a political conflict or declined economy, the Company is able to operate the business with smoothness and deliver a lot of completed projects to customers at the end of 2015. Furthermore, the Company still has 36 on-process construction projects with the total construction area of 1,438,189 square meters and total project value of 22,508 million baht having 9,697 million baht of value balance.

Last but not least, on behalf of the Board of Directors, Executives and Employees, I would like to express sincere appreciations to all shareholders, clients, business alliances as well as all stakeholders to always support our Company to steadily flourish with the smooth achievement of objectives, we would like to commit that "we will grow together" with never-ending sustainability.

Mr. Somchai Sirilertpanich  
Managing Director

## **About this report**

Syntec Construction Public Co., Ltd. prepares and arranges the first Report of Sustainable Development, all information of the Company has been concisely collected with the focus on the key informations of the year from 1<sup>st</sup> January to 31<sup>st</sup> December, 2015. The contents of this Report is emphasized on the concept of “Growing Together” for all stakeholders of the Company such as executives, employees, custoemrs, business partners, shareholders, society and environment, with the objective of easy understanding, its contents is sorted in many parts based on types of stakeholders, starting from the executives to the environment and showing the significant policies, the higher development of corporate good governance, society and environment. The intention of the Company without sole business performance is expected for understanding by readers, besides, the Company commits to develop and take responsibility on society with utmost effort shown by information of this Report.

## **History, Major Changes and Development**

### **History**

Syntec Construction Public Company, Limited. (“Company”) (formerly “Siam Syntec Construction Public Company Limited”) had incorporated to be a juristic person under Thailand’s law on 22nd December, 1988 and became a Public company on 14th October, 1992, later on 12 February, 1993, it was registered in Stock Exchange of Thailand. The Company’s head office is located at 555/711, Soi Sukhumvit 63 (Ekamai), Klong Tan Nua Sub-district, Wattana District, Bangkok having its principle business in construction services. Offering the service for both government and private bureaus. The service ranges from foundation establishment to completion of construction in a manner of One-Stop Shopping. The modern process or procedure of construction and many technologies are applied here along with the development of knowledge to enhance the potentiality of company’s staffs. Besides, these can also raise the maximum value to stakeholders, for example, shareholders, customers and staffs.

### **Business Goals**

The Company is determined to develop its business to grow up firmly and consistently. It has therefore set out the scope and direction toward such achievement by determining vision, mission and shared values as a guideline for management and operation heading to the standards of ISO9001:2008, personnel capacity building, cooperation with trading partners and promotion of corporate governance, in order to establish maximum value for the shareholders and benefit for all stakeholders.

### **Vision**

“We shall be the leader in construction of high rise building of quality and safety domestically and internationally.”

### **Mission**

“We shall be the leader in adopting suitable technology in order to set standard of quality and always keep our promise and act morally and honestly.”

1. Constantly create construction quality and standard

Modern technology is applied to business in such a manner that can quickly meet the customer's requirement ranging from piling works, structural works, architectural works and system works as well as construction of a building from the start until the end by adopting management principles under the standard of ISO9001:2008 and good practice in workmanship for construction works. These will result in continual development of management system and efficiently respond to the customer's expectations e.g. quality improvement, reduction of cost and time needed for correction, management of scraps percentage at the production line to be within acceptable limit expected during bidding for construction contract, maintenance of proper budget control and performing contractual works to be finished within the schedule etc.

#### 2. Maintain safety and accountability for relevant persons

The Company realizes working safety of all personnel and considers it as a significant mission to efficiently manage safety in construction works with accountability to the environment and society including stakeholders in the area in which the Company has performed its operation. It is the Company's policy to make it clear for the project manager to be responsible for implementing such safety at work policy and to closely work with working safety team. Meeting will be held regularly after safety check by working safety team in each department on monthly basis. This will reflect the Company's emphasis and help encouraging all personnel to pay attention to working safety matters as well as conservation of environment and society.

#### 3. Enhance the personnel's ability and competition

Since personnel is the very important resource, the company had concentrated on developing the personnel's ability for getting know-how, competency and work skill in every levels. The company conducted the training courses for the personnel according to work types by the outsourced expert or the experienced internal person. The company also organized the courses for management skill development, building teamwork, living together, learning in the specific career and supported all employees to learn the information technology in order to increase the efficiency of the employees' and management's activity so that they could apply the significant information for making effective solutions as well as enhanced the personnel to realize self-development for preparing themselves for competition in the higher level.

#### 4. Management under the Good Governance

The Company recognizes the advantage and significance of management under the principle of good corporate governance and has hence implemented such principle by adopting it in the Company's policy since the late 2004 and has also modified it continually. In the year 2007, the Company has applied good corporate governance as deemed proper to each of business categories by announcing "Policy on Good Corporate Governance (1st Revised Version dated 21 December 2007)" and it was revised as the 2<sup>nd</sup> version dated 10 March 2015.

However, the Company assigned all Directors to participate in setting the Vision and Mission regularly at least every 5 years and the latest revision was fulfilled in the Board Meeting No. 2/2558 on 2 March, 2015.

### **Strategies**

The strategies to be implemented in order to ensure that the established mission is in accordance with the objectives are as follows:

1. To realize management of quality and safety, application of state-of-the-art technology, good customer service, social accountability and on time delivery to maintain the Company's reputation and customer's trust in the next services and in telling other customers.

2. To engage in business in the format that can best and completely respond to the needs of the customers. Services to be provided are ranging from work designs to the construction of buildings to completion and provision of One Stop Service.

3. To suitably manage project cost to be in accordance with construction cost and economic fluctuation to allow customers to be able to compete in their business.

4. Promotion and imparting of knowledge on good corporate governance in accordance with business ethics to ensure the directors, executives, members of the staff have understanding together with the application of business ethics as the fundamental of work performance.

### **Policy Sustainability**

The Company has performed the business according to the strategy of sustainable growth with the essence created from the business performance, personnel and corporate culture. Additionally, the Company has the commitment to create the growth and sustainable development to the society and environment including all stakeholders. The company intends to further establish the Committee in charge the sustainable development in the future, Managing Director will be the Chairman with all executives and relevant division heads as Directors of this Committee. This Committee will take responsibility in analysis of overview, strategy and direction of sustainable growth to set the goal of the Company in the same direction reflecting the sustainable business operation and practicing in reality. All business units are independent in internal management within the frameworks settled by the Committee.

The Mission and Strategy in compliance with all stakeholders such as the commitment to constantly create construction quality and standard, the maintenance of safety and accountability for relevant persons, the enhancement of the personnel's ability and competition as well as management under the good governance as "the Code of Business Conduct" of the Company publicized to all executives and staffs to implement as the basic of operation such as report that might be the conflict of interest, the utility of internal information, securities trading, the responsibility towards the Company and Company's assets (the protection of assets, the preparation of informative documents, the utility of information technology, gifts or benefits, offering or acceptance of bribe and rewards, political rights and external activities, comments and providing news and information to external people, employees' behaviors and the manners to other employees, regulations towards stakeholders, monitoring to practice, inquiry and receipt of complaints, etc.

### **Shared Values**

The shared values of personnel are the unity represented by "working in team with love and solidarity (SYNTEC family), morality and good spirit in environmental conservation."

### **Corporate Culture**

The Company has built and forcefully complied with corporate culture for long time like tower construction. The quiddity has been based on strong and secure grounding of foundation. The corporate culture has been such like that when it has been performed and transmitted from a generation to another generation, it can be formed and merged the organization into unanimity to mutually overcome the obstacles for benefit of maximum work efficiency creation under following commitment.

1. We will help each other in working.
2. We will share resources to each other.
3. We will mutually develop the organization.
4. We will open reveal our feelings to discuss among us.
5. We will utilize resources at maximum worthiness.

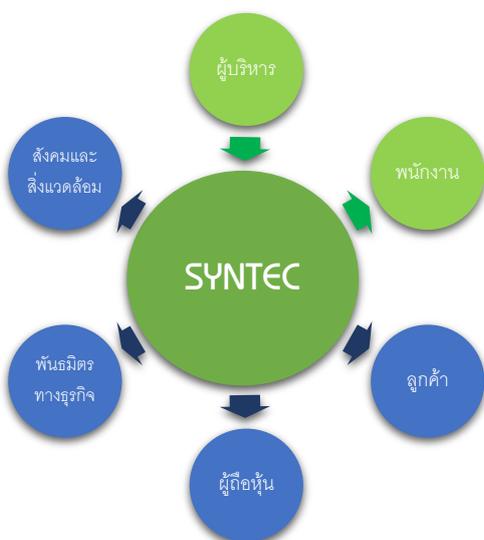
**Table showing the operation performance and revenue allocation to the Company's stakeholders in accordance to 2015 Financial Statements**

	2012	2013	2014	2015
<b>Part 1 : Operation Performance</b>				
Total Assets (Million Baht)	4,345.10	5,448.82	6,1805.63	6,721.83
Total Shareholders' Equity (Million Baht)	2,158.79	2,564.63	3,005.87	3,612.27
Total Income (Million Baht)	4,880.00	6,239.14	7,083.86	7,374.36
Net Profit (Million Baht)	-132.05	79.09	367.94	640.22
Earnings per Share (Baht)	-0.08	0.05	0.23	0.40
Year-end Closing Price (Baht)	1.04	1.09	2.68	2.86
Assets Value (Million Baht)	1,664.00	1,744.00	4,288.00	4,576.00
<b>Part 2 : Revenue Allocation for Stakeholders</b>				
Employees' Salary and Welfare (Million Baht)				490.01
Expenses of Selling and Administration (Million Baht)				
Selling Cost (Million Baht)				
Dividend per Share (Baht)	-	0.05	0.07	Considered in April 2016

Income Tax (Million Baht)	5.20	-8.10	67.65	18.55
Suditor Fee (Million Baht)	1.94	1.94	2.05	พิจารณา เม.ย. 2559

### Relationship of Value Chain

Apart from the operation focusing on the quality of construction works, the Company also emphasizes on the importance and fairness to all relevant parties, this is the Company's policy which has been continually implemented. In 2015, management team has realized the significance of external and internal stakeholders to the Company, therefore, the framework of policy has been started to settle to maintain the long-term relationship through the arrangement of value chain as follows :



**Executive** – A person performs on creating vision and recognizable business path with management skill or establishing strategies in both business operation and personnel with his/her role in leading, motivating and encouraging working team to achieve success altogether.

**Employee** – is seen as one of the most crucial resources for the Company's development and success. The Company has therefore continually emphasized its policy on building working structure and system to promote employees' working with effectiveness and happiness through continually supporting knowledge, capability development and skills utilized in working for all employees in order to enable employees to have working skills along with management skills, the Company emphasizes to promote employees to permanently love and feel bond to their works, colleagues, and the Company. Furthermore, the policy of remuneration for all employees is applied in accordance to assigned duties and responsibilities since all employees are the valuable and significant factors leading the success, progress as well as sustainable growth to the Company.

**Customer** – Customer or employee will be treated as the contract obligation based on professional working standard in work quality, delivery as contract condition and notice of significant information which is required by both the Company and project owner or contact person who expect to rely or obtain benefits from our product or service with the return of purchase of product or service mostly in monetary form.

**Shareholder** – A person holding shares of the Company in different ratio who may hold on behalf of the Company, fund or individual, dividend and profit from securities disposition are the return of monetary form for shareholders who emphasize on the importance of company business operation along with factors for investment decision such as investment policy, management point of view, corporate good governance and Company's responsibility towards stakeholders, shareholders believe the investment is the saving with “more risk, more return”.

**Business Alliance** – can be both individual and company with respect and responsibility to each other under the same condition and goal of business growing together. The Company has policy to treat trade competitors with fairness and without infringement or dishonest treatment or discredit by false information. Business alliance or debtor or outsourcer will be treated with equality and fairness under the rational contract obligation.

**Society and environment** – Society, environment and nearby houses are considered as the outstanding primary factors for construction business operation, all should not be affected and changed to improper condition in before, during and after the construction period. In case of unavoidable incidents, the Company is required to take utmost responsibilities to obtain the happiness and satisfaction of stakeholders together with the most effective performance of the Company.

Furthermore, in previous year, all related parties and people cooperated with the Company with smoothness and without any significant disputes, the Company's trustfulness is still maintained by the assignment from the Customer in proceeding project construction continually.

## Chapter 1 : Management

According to the policy of the Securities Exchange of Thailand, the Board of Directors and executives of all listed companies are promoted and expected to develop the corporate good governance with efficacy, transparency, traceability and fair treatment to all relevant parties or people for the utmost benefit of the Company in adding the value of sustainable development and providing competitiveness for Thai Capital Market.

The Company has recognized the benefit and significance in following the principles of good corporate governance and hence, managed to follow such principles and self-assessment form. In 2007, the Company reasonably applied the principles of good corporate governance to each kind of the Company's businesses by announcing the “Policy on Good Corporate Governance (1<sup>st</sup> Revised Edition dated 21 December 2007)”. At present, the Company has updated the policy to be up to date and consistent with the guideline of governing government agencies by proposing “Policy on Good Corporate Governance (2<sup>nd</sup> Revised Edition dated 10 March 2015)” to the Board of Directors for consideration and it has been publicized on the Company's website.

**Table showing the assessment result of the corporate good governance of Thai listed companies for the year 2014 -2015**

	Unit : percentage							
	Total listed companies		SET 100 Index		SET 50 Index		Companies	
	2014	2015	2014	2015	2014	2015	2014	2015
<b>1. Total average score</b>	72	75	80	84	84	87	75	85

## 2. Score by category

Rights of Shsreholders	87	91	94	95	96	95	95	95
Treating shareholders with fairness	91	91	95	94	93	95	96	96
The Awareness of stakeholders' roles	62	70	75	82	91	86	67	91
Information Disclosure and Transparency	77	80	86	90	96	92	76	83
Responsibilities of Directors	63	66	73	77	80	79	65	76

Remarks : In 2014, guideline and criteria of survey was adjusted to be consistent with ASEAN CG Scorecard Standard, therefore, the score of 2013 is unable to taken for comparison.

From the table showing the assessment result of the corporate good governance of Thai listed companies for the year 2014 -2015 with the cooperation from the Stock Exchange of Thailand, the Securities and Exchange Commission and Thai Institute of Directors, it was found that the Company is focusing on suitably performing business to be in line with such guideline and trying to develop the business governance to be on standard sustainably further.

The above concept enables the Company to encourage the Board of Directors to be transparent and trustful for investors' confidence, followings are the summary :

1. The Board of Directors are consisted of executive directors, non-executive directors and independent directors for power balance.
2. Qualifications and Criteria of Nomination for the Board of Directors are determined for the utmost benefits of the Company.
3. The remuneration of the Board is clearly notified.
4. Role, duty and responsibilities of all directors are obviously determined and disclosing in the Meeting Report which can be studied by investors.

The Board of Directors is classified into 5 groups as follows :

- 1) The Board of Directors and Executives
- 2) The Audit Committee
- 3) The Nomincation and Remuneration Committee
- 4) The Risk Management Committee
- 5) The Management Committee

## The Management Structure of the Company as of 31 December, 2015

### 1. The Board of Directors and Exectuives

#### 1.1 The Board od Directors

As of 31 December, 2015, they have been consisted of

- 4 Exeuctive Directors
- 1 Non-executive Director
- 3 Independent Directors

which is adequate to balance the power to prevent a person or a group of persons to have influence on the Board's decision making.

Name of Directors	Position	Type
Mr. Somchai Sirilertpanich	Vice Chairman / Managing Director / Director of Nomination and Remuneration Committee	Executive Director
Mr. Chaiwat Atsawintarangkul	Director/ Chairman of the Audit Committee/ Chairman of the Nomination and Remuneration Committee	Independent Director
Miss Benjawan Sinkuknakorn	Director / Director of the Audit Committee / Director of the Nomination and Remuneration Committee	Independent Director
Dr. Arichai Ractham	Director/ Director of the Audit Committee / Director of the Nomination and Remuneration Committee / Chairman of the Risk Management Committee	Independent Director
Mr. Tavee Kullertprasert	Director	Non-executive Director
Mrs. Angsana Munkongcharoen	Director / Director of the Nomination and Remuneration Committee, Company Secretary	Executive Director
Miss Yuvadee Nipattamanon	Director / Director of the Risk Management Committee	Executive Director
Mr. Jiramote Phahusutr	Director	Executive Director

Information of the Board of Directors is in Attachment 1 of the 2015 Annual Information Form (Form 56-1).

Names and number of authorized Managing Directors are Mr. Somchai Sirilertpanich, Mrs. Angsana Munkongcharoen, Miss Yuvadee Nipattamanon and Mr. Jiramote Phahusutr. Two of these four members jointly affix the signatures and corporate seal (following the certification letter of Ministry of Commerce).

### **Meeting Attendance of the Board of Directors**

In year of 2015, there were totally 12 meetings of the Board of Directors, the number of meeting attendances was summarized in the topic of the summary of the number of meetings.

### **Company Secretary**

The Board's annual meeting of 16<sup>th</sup> session held on 23 December 2013 resolved to appoint Mrs. Angsana Munkongcharoen to be the Company Secretary and the function of Company Secretary was presented in the Attachment 1 of the 2015 Annual Information Form (Form 56-1).

### **Structure of the Board of Directors**

- 1) The Board of Directors consists of at least 5 members. Quorum in each Board of Directors meeting must consist of not less than half of the total members.
- 2) In the Board of Directors' Meeting while resolution of the Board in the Meeting, the Board shall be present for not less than two-third of total directors.
- 3) When one term completes, at least one-third of the members must discharge the position. In case the number of the Board of Directors cannot be divided into three portions, the number of the member discharging should be close to the number of the member having to discharge. After the first and second year of corporate registration, lucky draw should be made to find the members discharging. As for the following years, the members holding the position for the longest period of time have to quit.
- 4) The Board of Directors has to arrange a meeting per month except for inconvenience and at least once in three-month period.
- 5) The Board specifies meeting schedule in advance every year. Nevertheless, such schedule can be altered as deemed as proper.
- 6) The members of the Board of Directors must inform the Company right away if they directly and indirectly have a share in the contracts made by the Company or have changes in amount of shareholding or debentures of the Company and its affiliates.

### **Extent of Roles and Responsibility**

The Board of Directors is responsible for all the Company's activities and has Authorization in carrying out any process within the extent of Law, the Company's objectives and regulations and resolution of the shareholders General meeting and is entitled to implement any activities as specified in business registration.

#### **1. Policy, Plan and Budget**

- 1.1) Considering policy, business plan as presented.
- 1.2) Considering related budget including important items needing initiation to achieve the goals.

#### **2) Authorization of the Board of Directors**

The Board can assign Managing Directors authorized to sign to merge the Company. Two members can jointly affix the signatures and the Company's corporate seal. However, the Board can determine Managing Directors authorized to sign to merge the Company.

3) Following up

3.1) Following up practice according to policy and plan as approved.

3.2) Following up and suggesting about the Company's income of each quarter.

4) Supervising working systems

4.1) Supervising and providing proper internal audit giving data correctness and reliability to be in line with the regulations made by concerning government agencies including efficient property management and resource use.

4.2) Taking charge of related transactions according to the Government's regulation.

5) Coordinating and communicating with related persons

5.1) Providing sufficient communication system, coordination, disclosure of data to the persons relating to the Company and the public.

6) Assigning committees

6.1) Considering for assigning the Audit Committee to supervise and audit the employees' performance to be in line with the plan.

6.2) Nomination and Remuneration Committee was established to nominate and consider the remuneration for the directors and management according to the measurement.

6.3) The establishment of Risk Management Committee was considered in order to perform management and find the solution of the Company's risks to be line with the requirement.

**Shareholder's right to appoint the director subject to the Company's articles of association:**

At the shareholders' meeting, each shareholder shall have one vote count for one share. If any shareholder has special interest in any matter, that shareholder is not allowed to vote on that matter unless that voting is intended for election of director.

Decision or approval on any matter in the general meeting may be reached only by majority vote from shareholders attending the meeting and having vote right except the following cases which need not less than three fourth of all shareholders attending the meeting and having vote right:

1. Selling or transferring the whole or substantial part of the Company's business to other person.

2. Acquiring or receiving transfer of business of other public company or private company

3. Making, amending or terminating contract regarding leasing out the whole or substantial part of the Company, assigning other person to manage the Company's business or merging and acquisition with an aim to share profit and loss with other person.

### **Selection of independent director and seeking procedure**

Appointment of independent director shall be done by nominating person (s) to the Board after consulted with Nominating and Remuneration Committee. Independent director shall act independently from the Company's business. To select Independent Directors and nomination process, we will consider the qualification, knowledge, competency, skill, experience, various abilities and leadership as well as vision and good attitude for the organization, this will be useful for the company performance. We also consider the appropriate size, quantity and constituent of the Committee in order to enhance the good governance and provide the effective management as well as follow the requirements of the government and various environments. The qualifications shall be in line with the criteria of Securities and Exchange Commission. The details of criteria and nomination process is in the subject of "The Nomination and Remuneration Committee.

### **Voting to select director must be in accordance with the Company's regulation.**

1. As for voting for the committee, the candidates receiving the majority of the total vote given by the shareholders attending the meeting and having voting right shall win. Each shareholder shall have one vote per one share.

2. When one term completes, at least one-third of the members must discharge the position. In case the number of the Board of Directors cannot be divided into three portions, the number of the member discharging should be close to the number of the member having to discharge. After the first and second year of corporate registration, lucky draw should be made to find the member discharging. As for the following years, the members holding the position for the longest period of time have to quit. The member discharging may be able to return to hold the position.

3. Besides the completion of term, the members may discharge when

- 1) Die
- 2) Resign
- 3) Disqualified or having forbidden characteristics against the Public Limited Company Law
- 4) The shareholders' meeting agrees to discharge
- 5) Court order to discharge

4. In case the position is vacant because of other reasons besides completion of term, the Board of Directors must select a person qualified and having no forbidden characteristics according to the Public Limited Company Law to replace in the following Board of Directors' meeting except that the term of such vacant position is less than 2 months.

1) Such replacing persons must hold the position for the period of the rest of the term of the vacant position.

2) Resolution of the Board of Directors in clause 1 must consist of the vote at least three-quarter of total existing members.

5. The shareholders meeting may agree to discharge any member of the committee before the completion of the term with the vote of at least three-quarter of the shareholders attending the meeting, having voting right and having no more than half of the total attending shareholders' amount of shares and having voting right.

### **Holding the position of directors in other company.**

The Company has policy to determine the number of listed companies where the Company's directors (including Managing Director) will hold the position of director in other listed companies. In order to provide the utmost benefit for the Company on the function performance of directors, not over 5 listed companies are permitted to the Company's directors to hold the position of directors, additionally, directors and Managing Directors who would like to hold position of director in other listed companies are required to propose the Board of Directors for consideration and approval through the consideration of the Nomination and Remuneration Committee respectively.

### **Responsibility of the Board of Directors**

#### 1. The counterbalance of the Board of Directors

In 2015, the Company's Board of Directors (as of 31 December 2014) comprises 8 directors who are 4 executive directors, 1 non-executive director and 3 independent directors. The Company therefore has had 3 independent directors or more than 1/3 of total number of directors. The composition of the Board of Directors is quite adequate to counterbalance to preclude persons or any group of persons to influence a decision of the Board.

Independent member of the Committee shall not have any relationship to or any business with the Company which may affect his/her independent decision and his independency according to criteria prescribed by the SEC and/or the SET as follows:

1) Holding share not exceeding 1% of the share containing vote right in the Company, parent company, associated company or joint company or the major shareholder of the company or person having controlling power upon the Company and holding shares by person related to such member shall be counted in this regard. -

2) Being not or used to be a director involving in executive function, employee, staff, consultant receiving regular salary or a person having controlling power upon the Company, parent company, associated company, joint company, associated company of the same level, major shareholder or of person having controlling power upon the Company except otherwise a period of not less than two year has lapsed before the date of applying for permit to the competent authority. Such prohibition is exclusive of the case of such independent member used to be government official or consultant of the government agency which is the major shareholder or the controller of the Company.

3) Not being a person, by blood relation or by registration, having relationship as parent, spouse, brother/sister and child including spouse of the child of the executive, major shareholder or controller or person nominated to be the executive or authorized person of the Company or subsidiary.

4) Never or used to have business relationship with the Company, parent company, associated company or joint company or the major shareholder or the controller in the manner that it may prevent fully exercising independent discretion including never be or used to be the shareholder that have substantial power or the controller of person having business relationship with the Company, parent company, associated company or joint company or the major shareholder or the controller, except freeing from such position for more than 2 year before the date of applying for permit to regulatory agency.

5) Not being or used to be by the Company's auditor or of parent company, associated company or joint company or the major shareholder or the controller and never be or used to be the shareholder that have substantial power or the controller of person or partner of the auditing firm of the auditor of the Company, parent company, associated company or joint company or the major shareholder or the controller except freeing from such position for more than 2 year before the date of applying for permit to regulatory agency.

6) not being or used to be a person providing any professional service including legal counseling or financial consultant having gained service charge more than 2 million baht per year from the Company, parent company, associated company or joint company or the major shareholder or the controller and never be or used to be the shareholder that have substantial or controlling power or a partner of person providing such professional service except freeing from such position for more than 2 year before the date of applying for permit to regulatory agency.

It shall be in accordance with regulations prescribed by the competent authorities. Three independent directors shall have independency from the Company's administration and major shareholders and in line with aforesaid criteria based on the criteria mentioned above including performance of assigned duty sufficiently and properly.

1 The Board of Directors is independent from management and major shareholders of the Company and follows the above criteria including perform the assigned duty sufficiently and properly.

2. The Company's Board of Directors has required skills, experience and specific expertise consistent with assigned duty (detail, Board of Directors).

3. The Company's Board of Directors also approved the production of the Business Ethics Manual whereby the Company's directors, executives and member of the staff could put it to practice ultimately. The manual is divided into many parts for ease of understanding and implementation, namely, the message from the Chairman of the Board, the visions and the mission of the valued organization or the ideals expected by the Company and strategies; tips to be observed, monitoring to ensure proper performance, enquiries about doubtful matters, receiving business ethics complaints and other actions. All these matters were announced for information to persons involved and for proper observance in November 2007 and issuance of 1<sup>st</sup> revised edition as of 10 March, 2015 as well as further proper monitoring will be carried out to ensure serious implementation.

4. The Company's Board of Directors was aware of the importance of good corporate governance to ensure efficient, effective, transparent, verifiable management system as well as to instill confidence and assurance to the shareholders, entrepreneurs and interested persons of every side. In order to monitor proper good corporate governance, the Company launched the first improvement on policy of good corporate governance on 21 December 2007 and the second improvement as of 10 March, 2015 to be in agreement with the guidelines of the Stock Exchange of Thailand and received approval from the meeting of the Board of Directors. This is in the interest of and for building confidence among interested persons from all sides.

5. The sub-committees of the Company such as the Audit Committee, the Nomination and Remuneration Committee and the Risk Management Committee are consisted of 1/3 of independent directors that counterbalances in the review of the management of the Company.

6. The Company has established the Nomination and Remuneration Committee, the said Committee has also appointed the executive committee and scrutinized the remuneration taking in account appropriate, adequate duty, responsibility commensurate thereto. The remuneration of the Executive Committee members and the executives is in accordance with the principles and policy established by the Company to be on a par with the industry. The remuneration is linked to the result of performance and track record of each executive according to the assigned duty and responsibility. At the 2015 Annual General Meeting of the Shareholders held on 29 April 2015, the Company disclosed the remuneration of the directors and high-level executives in the Annual Report including the form and characteristic of the remuneration for shareholders' consideration and acknowledgement.

7. The Company establishes that there shall be held the Company's Board of Directors Meeting at least once every month with the agenda of the meeting clearly defined; that there will be the monitoring of operational performance on a regular basis. At least 7 days in advance of the Board Meeting, the letter of invitation to attend the meeting together with the meeting agenda and relevant documents are delivered, unless in the event of exigency, to ensure that the directors shall have enough time to study the data prior to the meeting and at the meeting there will be proper recording in writing of the Minutes of the Meeting; the filing away of the minutes of the meetings that were duly ratified for inspection by the Board of Directors and relevant persons. Each meeting will take about 2 to 3 hours. In 2015, totally 12 meetings of Board of Directors were held in which various matters of material importance were discussed. The Company had prepared the information and supporting documents adequately required for making decisions by the directors attending the meeting. The Chairman of the meeting allotted adequate amount of time for the meeting and there had been discussions about various problems carefully and comprehensively.

8. The Company has promoted independent directors to gain the opportunity for meeting to freely discuss, exchange and express opinions without the presence of executive directors or management in order that the function of the Company's director is continuously developed. The meeting of independent directors is defined to be held for at least once a year. In 2015, it was held on 13 November, 2015.

9. The Company's Board of Directors has appointed sub-committees, namely, the Audit Committee to assist with the supervision of the business operation and internal control inside the Company and the Select and Consideration of Remuneration Committee to perform duty in the selection of directors, members of the sub-committee, executives including the determination of remuneration. The three sub-committees perform their duty in accordance with the roles and duty as determined adequately for the year of 2015.

10. The Audit Committee had arranged for the availability of the internal control system including the establishment of work unit with the responsibility for audit/review of various operations to ensure that principal operation and financial activities of the Company had proceeded according to the established guidelines adequately including the compliance culture of the government regulatory organizations.

The Company established an Audit Work Plan to ensure completeness and correctness of the working system under the construction project to be carried out by independent external organization in the performance of duty. In addition, the Company also carried out the review of the Internal Working System in accordance with the Adequacy Assessment of the Internal Control System Form by reviewing 5 principal parts, namely,

- 1) Organization and Environment
- 2) Risk Management
- 3) Control of the Operation of the Management
- 4) Information Technology System and Data Communication
- 5) Monitoring System

According to the Internal Audit Report, no significant erroneous issues were detected. The performance of work had been proceeding according to the established procedure with the availability of the internal control adequately and suitably.

## **1.2 Directors**

As of 31 December, 2015, the Company has 15 directors as follows

<b>Name of Directors</b>	<b>Position</b>
Mr.Somchai Sirilertpanich	Managing Director
Mr. Sukhum Phahusutr	Deputy Managing Director
Mr. Nayot Pisantanakul	Assistant Managing Director
Mr. Jiramote Phahusutr	Deputy Managing Director
Miss Nichaya Phahusutr	Deputy Managing Director
Mrs. Chongchid Vitheekol	Financial Director
Miss Yuvadee Nipattamanon	Accounting Director
Mrs. Angsana Weerachatsakul	HR. & Admin Director
Mr. Suwicha Savetsila	Construction Director 1
Mr. Veerapong Tungbenjakun	Construction Director 2
Mr. Tawatchai Tirapairojana	Construction Director 3
Mr. Chinnatat Na Ranong	Construction Director 4
Mr. Anuwat Chutmongkolchart	Estimate & Technical Engineer Director
Mr. Yotin Treratanapan	Cost Control and Contract Director
Mr.Paiboon Chetchotiros	Quality Assurance & Safety Director

Remarks \* according to the definition of “Directors” of the Securities and Exchange Commission

Details of Directors and Authorized persons of the Company are in the Attachment of the 2015 Annual Information Form (Form 56-1).

#### **Authority and Responsibility of Managing Director**

The authority and responsibility of Managing Director are to control and manage the core business of the Company and to encourage the internal management to be consistent with the resolution and policy of the Board who will assess his/her performance with the comparison of goals, the remuneration of Managing Director will be

considered by the Nomination and Remuneration Committee before proposing to the Board for consideration regularly in every year.

### Remuneration for Managing Directors and executives

#### Monetary Remuneration

The determination of remuneration for executives for 2015 was approved by the Board of Committee in accordance to the proposal of the Nomination and Remuneration Committee which was presented in the 2015 Annual General Meeting of Shareholders held on 29 April, 2015, the monetary remuneration for directors in 2015 was approved as following classifications :

1. Meeting allowance for the meeting of the Board of Committee is 11,000 Baht per time per person.
2. Pension allowance for the Audit Committee is 220,000 Baht per year.

Name of Director	Position	Remuneration and Meeting allowance of 2015 (Baht)				
		Board of Director	Board of Director	Nomination and Remuneration Committee	Risk Management Committee	Total
Mr. Somchai Sirilertpanich	Vice Chairman / Managing Director / Director of Nomination and Remuneration Committee	130,000				130,000
Mr. Chaiwat Atsawintarangkul	Director/ Chairman of the Audit Committee/ Chairman of the Nomination and Remuneration Committee	130,000	220,000			350,000
Miss Benjawan Sinkuknakorn	Director / Director of the	130,000	220,000			350,000

	Audit Committee / Director of the Nomination and Remuneration Committee				
Dr. Arichai Ractham	Director/ Director of the Audit Committee / Director of the Nomination and Remuneration Committee / Chairman of the Risk Management Committee	130,000	220,000		350,000
Mr. Tavee Kullertprasert	Director	119,000			119,000
Mrs. Angsana Munkongcharoen	Director / Director of the Nomination and Remuneration Committee, Company Secretary	130,000			130,000
Miss Yuvadee Nipattamanon	Director / Director of the Risk Management Committee	119,000			119,000
Mr. Jiramote Phahusutr	Director	97,000			97,000



Miss Benjawan Sinkunakorn	Director / member of the Audit Committee / member of the Nomination and Remuneration Committee	Independent Director
Dr. Arichai Ractham	Director / member of the Audit Committee / member of the Nomination and Remuneration Committee / member of the Risk Management Committee	Independent Director

Having Mr. Pornanan Vongniphon as Secretary of the Audit Committee

None of the 3 members of the Audit Committee shall have any business relationship or to provide professional service to the Company, parent company, affiliated company, joint company or any juristic person which may have conflict of interest in accordance with regulations prescribed by the regulatory authorities e.g. the SEC, the SET and other competent authorities. The member of the Committee shall possess experiences and knowledge in auditing, the information related to the Audit Committee is in Attachment 1 as 2015 Annual Information Form (Form 56-1).

#### **Meeting Attendance of the Audit Committee**

In Year 2015, the Company held the Audit Committee's Meeting for 5 times in total and the committee members attended each time of meeting is summarized in the topic of the Summary of Meeting Number.

#### **Structure of the Audit Committee**

1. Consisting of independent directors for at least one third of the total number of the member of the committee or at least 3 person.
2. The Nominating and Remuneration Committee shall seek for person suitable for position of the member of the Audit Committee and then submit to the Board or shareholder's meeting for appointment. The member of the Audit Committee is required to be the Company's director and has 3 year term of his/her office and may be re-elected.
3. If any position of the member of the Audit Committee has vacated by the reason other than expiry, the Board (by the Nominating and Remuneration Committee) shall appoint person holding required qualification to work in that position and such person shall act as a member of the Audit Committee only for the remaining period of the previous member.
4. The Audit Committee shall be trained for update knowledge continually in respect of work of the Audit Committee.

#### **Role, Duties and Responsibilities**

1. Auditing the Company's financial report to be adequate and accurate.
2. Ensuring that the Company has implemented proper and effective internal control system and internal audit and consider independency of internal audit unit including approving on promotion and transfer, termination of employment of the head of internal audit unit or other unit responsible for internal audit.

3. Controlling the Company to respect the law on stock and stock exchange, regulation of the Stock Exchange of Thailand or other laws relating to the Company's business.

4. Considering, selecting and nominating person with independency to be the Company's auditor and proposing his/her remuneration including attending the meeting with the auditor without the management for at least once a year

5. Considering particulars that may have connection or conflict of interest to ensure that such shall be in compliance with the applicable laws and regulations of the SET and to ensure that such particulars are reasonable and of the optimum benefit to the Company.

6. Preparing report of the Audit Committee by publishing it in the annual report of the Company and it is required to be signed by the Chairman of the Audit Committee and to have at least the following information:

6.1 Opinion regarding accuracy and adequacy of financial report of the Company

6.2 Comment on adequacy of the internal control system

6.3 Opinion of compliance with the laws related to securities and security exchange, regulations of the SET or laws related to business of the Company

6.4 Opinion toward appropriateness of the auditor

6.5 Comment on particulars that may have conflict of interest

6.6 Number of meeting of the Audit Committee and attendance of each member

(A) View or observation for the overall picture where the Committee has gained under the performance in accordance with its Charter

(B) Other particulars deemed that it should be reported to the shareholders or general investor under the scope of duties and responsibilities assigned by the Board

7. Considering budget and workforce of internal audit unit

8. Considering internal control system, plan and approaches for auditing and assessment of auditing on performance of the Company from different aspects by generally accepted method and standard

9. Supervising, auditing and commenting on performance of internal auditing unit and cooperating with the auditor

10. Considering engagement or inviting expert to come to give comment as it deems appropriate

11. Performing any other act required by laws or assigned by the Board where it has the authority to call for, direct the management or head of section or any employee involving in the concerned matter to give a comment, to attend the meeting or to submit relevant document.

### **3. The Nomination and Remuneration Committee**

The Nomination and Remuneration Committee is appointed by the Board of Directors to perform the duty to consider and nominate personnel having knowledge and capability to hold the position of the Company's Director, member of each Committee, top management as well as executive directors upward, as well as to consider and scrutinize the remuneration of Directors, Managing Director and annual bonus.

The Nomination and Remuneration Committee has 5 independent directors as of 31 December 2015 consisted of

Name of Nomination and Remuneration Committee	Position	Type
Mr. Chaiwat Atsawintarangkul	Director / Chairman of the Audit Committee / Chairman of the Nomination and Remuneration Committee	Independent Director
Miss Benjawan Sinkunakorn	Director / member of the Audit Committee / member of the Nomination and Remuneration Committee	Independent Director
Dr. Arichai Ractham	Director / member of the Audit Committee / member of the Nomination and Remuneration Committee / member of the Risk Management Committee	Independent Director
Mr. Somchai Sirilertpanich	Vice Chairman of the Board / Managing Director / member of the Nomination and Remuneration Committee	Executive Director
Mrs. Angsana Munkongcharoen	Director / member of the Nomination and Remuneration Committee/ Company Secretary	Executive Director

Having Miss Rattapawee Lapnan as Secretary of the Nomination and Remuneration Committee

All 5 members of the Nomination and Remuneration Committee have no transaction concerning business relation or professional service between independent director and the Company, its subsidiaries and affiliates or any other entity that may have conflict of interest according to the requirements prescribed by regulating body such as the Office of Securities and Exchange Commission, the Stock Exchange of Thailand and other competent authorities. The Nomination and Remuneration Committee consist of 5 members holding qualifications and skills as attachment 1 in the 2015 Annual Information Form. (Form 56-1)

#### **Meeting Attendance of the Nomination and Remuneration Committee**

In Year 2015, the Company held the Nomination and Remuneration Committee's Meeting for 3 times in total and the committee members attended each time of meeting is summarized in the topic of the Summary of Meeting Number.

#### **Composition and qualifications**

1. The Committee will be appointed by the Board comprising of not less 3 Directors. Chairman of the Committee and most of its members should be Independent Directors.
2. Three-year term of office and being able to be re-elected.
3. If a position of the committee has become vacant for any other reasons than expiry, the Board shall appoint person with appropriate qualifications to fill such vacancy and such committee will act for the rest of the term of such replaced committee.
4. Holding knowledge, capacity and experiences and having a clear understanding of duties and responsibilities.
5. The Committee shall appoint qualified employee of the Company to act as a secretary.
6. Each meeting held by the Nomination and Remuneration Committee shall be attended by at least half of the total number of the committee members to form the meeting quorum.
7. Resolution is reached by the majority vote of the committee members attending the meeting.

### **Role, Duties and Responsibilities**

#### **Recruitment works**

1. Setting out policy and criteria for recruitment of directors, managing director, member of the committee and top executives from director of department or above to submit to the Board
2. Defining qualifications of the director in accordance with structure, size and composition of the Company
3. Recruiting and nominating appropriate person as required by policy and criteria to be a director, managing director, member of the committee and top executive from director of department or above
4. Ensuring that person nominated for those positions has qualifications as required by rules and regulations of the Company, of the supervising authorities and by provisions of relevant laws
5. Approaching/coordinating/contacting qualified person subject to the requirements to ensure that such person is willing to take the position if approved by the Board and/or shareholder's meeting
6. Nominating person (s) for the consideration of the Board and specifying such nomination in the notice for shareholders' general meeting for their consideration.
7. Carrying out business as assigned by the Board.

### **Policy and criteria of nomination and appointment of directors (including new directors) and top executives.**

To nominate the company directors, we shall propose the name lists to Shareholder Meeting for designation which is agreed by Board of Directors and already considered by Nomination and Remuneration Committee (according to the details of independent director selection and nomination process). In the guideline, the company shall consider the knowledgeable, competent and experienced person in management; especially, good governance, in order to have the person who can develop the company to meet the set target. The nomination criteria and method for selection of

the individual who takes the post as the Company's director and the Company's independent director (as well as new director) includes 2 guidelines as follows.

1. The person who will be selected must possess the qualifications according to the Company's criteria and the established guidelines. The Recruitment and Consideration of the Remuneration Committee will scrutinize and propose the list of names to the Company's Board of Directors for scrutiny and screening of such proposed candidates prior to further proposal to the Meeting of Shareholders for discussion and election. Qualifications are possessed according to the following criteria.

1) Knowledge, competence and comprehension on role and duty of the director according to the criteria of governing government agencies such as the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand, etc

2) Experience in the Company's business operation and other related experiences

3) Knowledge and comprehension in work system and standard of accounting, financing and managerial works.

4) Decision skills under accurate and sufficient reason and information

5) Maturity, stability, and independence in decision

6) Professionalism, virtue and responsibility

7) Apart from other necessary skills, the shortage of the current Committee's skills such as wisdom and expertise in the Company's business and relevant law, etc. has been considered.

For the appointment of high level executives from the position of the departmental head up, the Company calls for the Recruitment and Consideration of Remuneration Committee to screen and nominate the names of suitable candidates to the Board for consideration. As for the appointment of other executives, the screening will be conducted by the Company's Management Committee.

The Company's nomination of executives for every division of the Company such as Engineering Division and Internal Administration Division is based on considering eligible persons who are sophisticated and experienced in administration to contribute to the Company as much as possible and to be able to achieve the goal planned. The nomination is made via job announcement in media. Short-listed candidates who have direct experiences will be considered and invited for an interview by the division who will later report the supplementary information to the Company's executives before another interview and approval for employment.

2. In order to promote the good corporate governance and holding the shareholders as being of paramount importance, the Company therefore introduces a policy to call for the shareholders to propose and nominate persons for recruitment and election as a director in advance of the Annual Ordinary Meeting of the Shareholders according to the criteria established by the Company. The Company has publicized the said information via the media of the Stock Exchange of Thailand and the Company's website. However, in 2014, there was not found the nomination of persons for recruitment and election to be a director from among the Company's shareholders at all.

For this year, the opportunity to propose qualified persons for nomination and election as Directors was opened in advance prior to the Annual General Meeting of Shareholder, it was set to propose from 16 November 2015 until 31 January 2016, however, none of list was proposed for nomination and slection as directors from shareholders.

## **Remuneration works**

1. Considering policy and criteria and method for designating remuneration of director, managing director, member of the committee and top executive from director of department or above to submit to the Board
2. Reviewing appropriateness of such policy and criteria to adequately respond to current situation
3. Setting out the guideline for evaluation the performance of director, managing director, member of the committee and top executive from director of department or above in order to adjust yearly remuneration
4. Considering data on remuneration for director by comparing to similar companies in the same business summarized by the SET and/or other relevant data.
5. Monitoring appropriate remuneration for director, managing director, member of the committee and top executive from director of department or above corresponding to their duties and responsibilities.
6. Proposing remuneration for managing director and top executive from director of department or above to the Remuneration Committee and proposing such for director to the shareholder.
7. Preparing report on remuneration for director and top executive from director of department or above and disclosing it in the Company's annual report.
8. Carrying out business as assigned by the Board.

#### **Policy and criteria of consideration on top executive and director's remuneration**

1. The attendance of various sets of committees' meetings by directors and executives, and participation and opinion expression.
2. Knowledge and comprehension in duty and responsibility and as required by law such as Law of Securities and Exchange Act and other laws relevant to the Company's business operation.
3. Consideration on business plan and strategic plan on behalf of director and executive.
4. Follow-up and suggestion of development/improvement guideline according to duty and responsibility
5. Functions of director/executive and other duties as assigned.

#### **Number of Meeting**

1. The Nomination and Remuneration Committee is specified to have the meeting in relevant matter for at least twice per year.
2. At every meeting of the Committee, there must be in attendance of not less than one half of the total number of committee in order to constitute a quorum.
3. Any resolution of the meeting shall be taken by a majority of votes.

#### **Report of the Nomination and Remuneration Committee**

1. Performance report of the Committee including minutes of the meeting shall be submitted to the Board within a reasonable period in order to enable the Board to further its necessary operation.

2. Yearly performance report to be submitted to the shareholders shall be inserted in the Company's annual report and shall consist of the following: list of member of the Committee, number of meeting, number of attendance of each member of the Committee, summary of the Charter of Nominating and Remuneration Committee etc.

**Information disclosure in relation to the Nominatinon and Remuneration Committee -**

Details of the Charter of the Nomination and Remuneration Committee have been disclosed via the Company's website.

**Advisor of the Nomination and Remuneration Committee**

The Committee may engage the advisor (s) to give his/her professional comment or suggestion to enable the Committee to carry out its duties under the Charter properly and adequately by the company own expenses.

**4. The Risk Management Committee**

The Risk Management Committee is appointed by the Board of Directors to support the mission of the Board of the Company in determine the framework of risk management appropriate to the business of the Company, to govern and follow the practice as policy to assure the adequacy of risk determination, advance warning and preventive measures, furthermore, this Committee must review and create the tools utilized for risk management supporting the achievement of business target.

The Risk Management Committee has 3 independent directors as of 31 December 2015 consisted of

Name of Director	Position	Type
Dr. Arichai Ractham	Director / member of the Audit Committee / member of the Nomination and Remuneration Committee / member of the Risk Management Committee	Independent Director
Miss Yuvadee Nipattamanon	Director / member of the Risk Management Committee	Independent Director
Mr.Paiboon Chetchotiros	The Director of QA and Safety Department 	Executive

Miss Ratthapawee Lapnarn, has been the Risk Management Committee's Secretary.

Anyhow, all three members of the Risk Management Committee have neither business relationship transaction nor professional service between independent directors and the Company, holding company, subsidiaries, associates or juristic person that may have conflicts of interest according to the requirement of governing government agencies such as the Office of Securities and Exchange Commission, the Stock Exchange of Thailand, and other relevant agencies. All of the three members of the Risk Management Committee are experienced with knowledge in risk management as their qualification shown in Attachment 1 as the 2015 Annual Information Form (Form 56-1).

### **Meeting Attendance of the Risk Management Committee**

In Year 2015, the Company held the Risk Management Committee's Meeting for 4 times in total and the committee members attended each time of meeting is summarized in the topic of the Summary of Meeting Number.

### **Element and Qualification**

1. The Risk Management Committee consists of members for not less than 3 people coming from at least 1 independent director and 2 executives of the Company.
2. The position holding term for committee member of Risk Management Committee is 3 years and the director who retires by rotation can be reappointed.
3. Risk Management Committee shall have cognizance or experiences in the Company's business with understanding on management and risk management according to the criteria as required by governing government agencies.
4. If the director position is vacant due to other reasons apart from the time of retirement by rotation, the Board of Directors shall appoint the individual who is qualified to be the director in order to be complete according to the requirement. Such director represents the director just equaling to the remaining term of the director replaced by him or her.
5. The committee member of Risk Management Committee shall be continuously trained and reinforced for knowledge in the matter related to the operation of Risk Management Committee.
6. The person who manages rule and regulation acts as the Risk Management Committee's Secretary.

### **Role, Duties and Responsibilities**

1. Define risk management policy and framework to be proper for the Company's business operation and in line with the criteria or requirement of governing government agencies.
2. Support, promote and mutually develop risk management as well as push forward for collaboration in risk management in all levels of the organization.
3. Govern, follow up, express the opinion and report corporate risk management as required by program.
4. Review risk management policy and management to be correspondent with business operation and varying economic situation.
5. Consider to employ or consult with the experts in specific fields and express the opinions as deemed as appropriate by Risk Management Committee.
6. Report the crucial result of Risk Management Committee's Meeting to the Board of Directors for acknowledgement and consideration. Particularly, the case that is significant and affect the organization shall be reported as quickly as possible.
7. Take any other actions as required by laws or assigned by the Board of Directors. In compliance with scope, authority and responsibility, Risk Management Committee has authority to call and direct the management, relevant chief of work unit or employee of the Company to express their opinions, attend the meeting or submit the documents as deemed as relevant and essential.

### **Number of Meetings**

1. Risk Management Committee specifies to have the meeting in relevant matter for at least once per quarter whereas the additional meeting may be held according to the consent of the Chairman of Risk Management Committee.

2. In each time of Risk Management Committee's Meeting, there must be the committee members to attend the meeting for at least half of total directors so that it will be a constituted quorum.

3. The meeting's resolution shall be performed by majority votes of the directors who attend the meeting with constituted quorum.

#### **Report of the Risk Management Committee**

The Risk Management Committee shall report the result of Risk Management Committee's Meeting and report the overall operation to the Board of Directors in next meeting for the Board of Directors' acknowledgement in case of general matters or in significant case requiring consideration on correction and improvement so as to ensure that risk management policy is properly implemented.

#### **Others**

The Risk Management Committee shall regularly execute the following every year.

1. Evaluate self-performance regularly every year (according to the criteria of governing government agencies). In case that the operating obstacles are confronted (if any) causing the function incompliant with determined by objective, the Board of Directors shall be informed for consideration.

2. Consider and review the appropriateness of the charter of Risk Management Committee. If it is deemed as appropriate for improvement and change, the Board of Directors is proposed for consideration on further execution.

#### **5. The Management Committee**

The Company calls for the Management Committee to arrange for the monthly meetings with the availability of the secretary to record the minutes of every weekly meeting.

The Management Committee has 5 members as of 31 December, 2015 as follows :

<b>Name of Director</b>	<b>Position</b>	<b>Type</b>
Mr. Somchai Sirilertpanich	Vice Chairman of the Board / Managing Director / member of the Nomination and Remuneration Committee	Executive Director
Mrs. Angsana Munkongcharoen	Director / member of the Nomination and Remuneration Committee/ Company Secretary	Executive Director
Mr. Jiramote Phahusutr	Director	Executive Director
Mr. Nayot Pisantanakul	Vice Managing Director	Executive

Mr. Yos Laksanakoses	Company Advisor	Executive
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Mr.Paiboon Chetchotiros, has been the Management Committee's Secretary.

Details of the Management Committee is shown in Attachment 1 as the 2015 Annual Information Form (Form 56-1).

#### Meeting Attendance of the Management Committee

In Year 2015, the Company held the Management Committee's Meeting for 44 times in total and the committee members attended each time of meeting is summarized in the topic of the Summary of Meeting Number.

#### Role, Duties and Responsibilities

1. To establish the target, policy guidelines on various matters for proposal to the Company's Board of Directors for consideration.
2. To implement the policy guidelines received from the Company's Board of Directors.
3. To consider and follow up the work performance of work units of the Company to ensure consistency with the established targets and work plan.
4. To consider selection of new projects including the conduct of a feasibility study on entering into biddings for contract work.
5. To consider the adjustment of work plan/operating budget for various projects.
6. To make recommendations, offer advice, consultancy, provide policy guidelines to various assigned working committees.
7. To consider approving budget for various expenses of the Company.
8. To consider establishing working rules, procedure, regulations and criteria in relation to the operation of the Company.
9. To carry out various tasks as assigned by the Board of Directors.

#### Summary of the number of meetings and participations of all directors for the whole year of 2015

Name of Director	The Board of Directors	The Audit Committee	The Nomination and Remuneration Committee	The Risk Management Committee	The Management Committee
Mr. Somchai Sirlertpanich	12	-	3	-	42
Mr. Chaiwat Atsawintarangkul	12	5	3	-	
Miss Benjawan	12	5	3	-	

Sinkunakorn					
Dr. Arichai Ractham	12	5	3	4	
Mr. Tawee Kullertprasert	11	-	-	-	
Mrs. Angsana Munkongcharoen	12	-	3	-	34
Miss Yuvadee Nipattamanon	11	-	-	4	37
Mr. Jiramote Phahusutr	9	-	-	-	24
Mr.Paiboon Chetchotiros	-	-	-	4	41
Mr. Nayot Pisantanakul	-	-	-	-	21
Mr. Yos Laksanakoses	-	-	-	-	42

## Chapeter 2 : Employees

The Company believes that employees are one of the most crucial resources for the Company's development and success. The Company has therefore continually emphasized its policy on building working structure and system to promote employees' working with effectiveness and happiness through continually supporting knowledge, capability development and skills utilized in working for all employees in order to enable employees to have working skills along with management skills, the Company emphasizes to promote employees to permanently love and feel bond to their works, colleagues, and the Company.

**Table showing the number of employees in each department of the Company as at 31 December 2015.**

Department	No. of employees*
Executive office	17
Construction 1	206

Construction 2	128
Construction 3	172
Construction 4	175
Estimate & Technical Engineer	26
Cost Control & Contract	18
HR & Admin.	61
Accounting	22
Finance	7
Procurement & Purchase	29
Quality Assurance & Safety	10
Business Development	8
MIS	8
HRD & Training	3
Internal Audit	4
Regulations & Investor Relation	1
Plant & Ware House	48
M & E	11
<b>Total</b>	<b>954</b>

Note : All employees above are full-time and daily labor about 3,893 people.

**Table showing employees' data classified by the level of work and gender as of 31 December, 2015.**

Unit : Persons

Level of employees	Male		Female		Total
	No.	Ratio	No.	Ratio	
Executive Level (Top, middle and primary)	109	11.43	18	1.88	127
Senior Level	360	37.73	96	10.06	456
Operation Level	235	24.63	44	4.62	279
Supporting Level	42	4.41	49	5.14	91

Disabled	1	0.10	-		1
<b>Total full time employees</b>	747	78.30	207	21.70	954
Daily employees	2,321	59.62	1,572	40.38	3,893

From the table showing employees' data classified by the level of work and gender, it was found that the employment is appropriate in the ratio of male and female at 78.30 and 21.70 respectively, it shows the Company respects the human rights and non-sexual discrimination. However, the Company's main business on construction requiring employees with good health and patience is another reason of hiring male employees more than female employees who will mostly occupy in documentary and coordination works.

The Company intends to support the employment of disabled people in order to support and develop their quality of life for work availability protection. They are wished to have a chance to utilize their capabilities in income generation and self-reliance. This also promotes disabled people to be a part of strengthening economy of family, society and country. Although presently, there are 17 disabled employees in the Company which is still not covered the ratio of employment as specified by law, since the Company's core business is the construction which most works are required to perform in the construction site which may cause too danger for this group of employees. However, the Company is opening the chance to select disabled people to be our employees with appropriate position and responsibilities.

#### **Policy on Fair Labor Treatment and Respect on Human Right**

The Company strictly follows the labour law with the regulation of HRM to promote the variety of employees and provide all employees rights in all aspects such as promoting and respecting in human rights protection with govern the business avoid from the infringement of human rights, anti-labour forcement, anti-children labour, etc. Additionally, regulation of human rights in the Company's business is promoted and the practice of human rights principles is encouraged to implement in accordance to international standard through the relection of management policy as follows :

#### **Respect of Human Rights**

All employees will be treated equally to receive the opportunity of employment, stability, caree progress and proper remunartion although they are different in education, age, race and religion, non-fairness treatment affecting the employees' working stability or threatening freedom of employees will be avoided by the management. The claiming system is arranged in case the employees are treated without fairness or with law violation, the criteria of practice and responsibility for employees is determined in the "Business Ethics Manual" of the Company with the contents of fair opportunity, all employees and directors as well as executives are requested to follow human rights principle and avoid the relation of human rights infringement. The Company has formulated the policy together with preparing Business Ethics Manual for compliance of the director, executive and employee with Principle of Human Right and avoidance to be involved with the infringement of human rights.

1. The director, executive, employee and daily employee are supervised and given for employment opportunity and proper and fair remuneration based on their performance appraisal required by the Company as well as mutual consideration with the Company's turnover and rate of return according to market situation in the same industry.

2. The personnel in the levels of director, executive, employee and daily employee are continuously developed so as to yearly enhance the competitive potentiality to be higher.

3. The daily employees are supervised since they are regarded as the key personnel toward the Company's success to have good livelihood both in good occupational health and safety in working and in their camps according to the principle of human right.

4. The care on good work environment of the construction project is supervised to keep with required standard criteria such as machinery function, noise condition, dust, air pollution, water drainage from working, etc., details is in the Topic of Corporate Social Responsibility.

5. Training and Knowledge Provision on Environmental Matter, the Company has arranged trainings and educated the employees in all positions on environmental matter as follows.

1) The Company has mutually arranged training and development with Work Safety and Quality Assurance Department to plan and specify knowledge provision and training to employees for acknowledgement on the policy suggested by the Management or specify practical guideline as well as specify timeframe in periodical correction and improvement so that Company can correctly and continuously improve its operation to be in line with environmental impact abatement measure.

2) The policy of promotion on knowledge provision and training on safety, occupation health and working environment to employees such as arrangement of training and review on fire suppression and firefighting knowledge for employees, arrangement of trainings courses related to safety, occupation health and working environment as required by laws such as Safety Committee course, executive level-working safety officer course, supervisory level-working safety officer course, and working environment, occupation health and safety course for general employees and the employees who are new entrants.

3) Implementation of the Project of "10 Minutes for Safety and Environmental Concern" (Morning talk) for every employee level in the morning before operation. The occupational safety officer will inform daily operating plan in order to clarify risk, risky point or hazardous point that may occur with working in each day to the employees, labors and contractors for more precaution. In addition, campaign and awareness creation are conducted so that the employees work with environmental concern.

The Company has regarded that the responsibility apart from safety, working occupation health, pollution impact protection and abatement has been a significant issue as top priority and prepared to continuously and sustainably manage for social impact abatement.

### **Children's Rights and Business Principles (CRBP)**

Children's Rights and Business Principles (CRBP) is the principle developed by UNICEF, UN Global Compact and Save the Children Organization are proposed to the business sector to respect and promote the Children's Rights to cover in WorkPlace, Marketplace and Community and Environment, the Children's Rights is emphasized to merge in the policy of corporate good governance and organizational strategy to drive the core business by replacing social activity or development project separated from ordinary business operation.

Children reflect the social varieties in language, culture, religion and economic status from the richest to the poorest, The respect and emphasis on all children by the Company are considered as the support on the strength of next generation, 10 principles of the practice framework are established as follows :

Principle 1 : Respect Children's Rights and Commit to support Children's Rights.

Principle 2 : Support the elimination of Children Labour in business operation and contact.

Principle 3 : Arrange valuable works for youth labours as well as parents and child caretaker.

Principle 4 : Aware of the protection and safety of Children in the company and business operation.

Principle 5 : Assure that the product and service are safe and Support the awareness of Children's Rights through products and services.

Principle 6 : Utilize advertising and marketing medias for the respect and support of Children's Rights.

Principle 7 : Respect and Support Children's Rights when operating business related to environment and the takeover or utility from land

Principle 8 : Aware of Children's Rights in the establishment of safety systems.

Principle 9 : Protect children from the impact of emergency situation or any disasters.

Principle 10 : Promote and Support the role of government and community in protecting and fulfilling Children's Rights.

The implementation of Children's Rights and Future Business Practice are planned as following steps :

1. Study and have more understanding on the issue of Children's Rights related to each principle.
2. Consider that in which context having risk factors or support factors to Children's Rights specifically.
3. Assess any policy or procedure significant to cope with the impact of Children's Rights and Determine the measure of improvement to be more proper.
4. Apply assessment result to the business operation in order to merge the issue of Children's Rights to the policy and business process of the Company.
5. Report the operation performance on Children's Rights.

On 14 December, 2015, more than 30 companies had cooperated to promise on the support of Children's Rights and Practical Principle of Sustainability for Children aspect which is "Children Sustainability Forum : Business for the Future" organized by Thaipat Institute and UNICEF at the Office of SET.

### **Regulations on the Use of Internal Information**

The company management was assigned to report the change of holding securities to Securities and Exchange Commission according to Section 59 of Securities and Exchange Act B.E. 2535. The awareness of information was limited only for the management or concerned internal person as necessary and it was disallowed to disclose the internal information to the third person including prohibit to trade the company securities by using such information technology. The company created the guideline for the directors, management and employees to observe in accordance with the Code of Conduct as follows:

1. The use of acquired inside information that has not yet been disclosed to public (inside information) for self-benefit in trading of the Company's stocks or provision of inside information to other people for benefit in buying or selling the Company's stocks is prohibited and avoided as well as other important information and should wait at least 48 hours after revealing the information to the public prior to trade the company share.

2. Report the company securities trade to the immediate supervisor in order to prevent trading share by using the internal information and avoid the reproach on the appropriateness of share trade of the internal person.

3. The internal person should not trade the company shares at the period before disclosing the financial budget or publicity the company status as well as other important information and should wait at least 48 hours after revealing the information to the public prior to trade the company share.

4. It is disallowed to reveal the confidential information or documents to the third person although such person resigned or dismissed from director, management and employee.

5. The Company realizes on the significance and executes with precaution in consideration on doing inter-transactions that may have conflict of interest, provided that the related parties shall avoid doing connected transactions between themselves, with customers, business partners, creditors, debtors and the parties of which the Company have dealt the businesses with. If such transaction doing is unavoidable, fair execution for all parties by price and condition like doing with outsiders (Arm's Length Basis) shall be assured. In consideration on approval of transactions in the agenda of which the directors, executives and employees have interests, they shall not attend the meeting so that the meeting can freely explain. Such transactions shall be strictly notified/reported to the Board of Directors for acknowledgement and such transactions shall be considered and approved from the Board of Directors only. In previous year, the Company strictly and properly executed according to the required criteria of "Business Ethics Manual" and carried out through the Board of Directors' Meeting. Additionally, the Company also determines the criteria to follow up and supervise the practice in accordance to such claims with the notification as Business Ethics Manual, duty and responsibility of Directors, executives and all employees, everyone has acknowledged, understood and practice for the whole period performing duties to the Company. The punishment regulated in the Company's regulations with the approval from the Board of Directors will be applied in case of refrains of practice.

### **Policy of Employee Development**

The Company places importance on personnel development as a key to success of the Company's operation. It is therefore committed to consistently promoting personnel's competency, skill and knowledge required for all operation levels as well as managerial skills. To effectuate this goal, trainings are provided for staffs at all levels aiming to allow them to carry out their works efficiently and in accordance with the Company's present or future plan and goal. Those training include the following:

1. Individual Training: This training aims to develop core competency, individual skill and familiarity with new technology that can facilitate the work. The Company has developed training plan for specific position under long-term training roadmap; the result of the cooperation between human resource section, individual division and operating staff in order to evaluate skill and knowledge requiring additional development. The training form includes in-house and public training conducted by leading institutes and experts. The training record of individual employee (SYNTEC Traing Passport) has been prepared for benefit in consideration on effective development guideline and also used as the part of criteria of promotion and upgrading consideration.

2. Group Training: The Company provides in-house training on yearly basis either for staffs in construction line or supporting line in order to promote skill and expertise in their respective field for the benefit of an individual staff and the organization as a whole. Trainings are classified as follows:

1) Executive level: The Company provides trainings focusing on management, team development, leadership, executive safety officer, change management, construction management, basis of criminal law and civil and commercial law.

2) Supervisor level: Trainings will emphasize supervisory skills, team forming skill, fluency in English, supervising safety officer, teamwork, and specific knowledge about supervisor.

3) Operating staff level: Training will aim at promoting knowledge, experience and expertise of each relevant field of operation in order to draw out potential of each staff for the best benefit of an organization and also encourage them to learn and develop themselves continually.

3. Provide training for daily-paid workmen and send them to learn more with the Department of Skill Development in different fields such as mason, welder, carpenter and tiler etc.

4. Provide training for daily-paid technicians of different fields e.g. mason, carpenter, welder, door/window frame installer and tiler in order to improve their skill and expertise both in theoretical and practical aspects. This training will be organized every year including skill testing.

5. On The Job Training: Training specifically provided for newly recruited staff supervised and advised by header.

6. Planning for career path: The Company develops plan for career path for its personnel both in construction and supporting line as a guideline for personnel development plan under which each staff can be developed with skill and knowledge fit for one's future job position.

Level of Employee	Total No. of employees having rights to train (persons)	No. of trained employees (persons)	Average No. of training Hours per person (hrs.)	No. of Course	
				Internal	External
Executive level	67	54	36	6	6
Seniro level	57	54	18	3	3
Operation level	783	578	12	14	28
<b>Total</b>	<b>907</b>	<b>686</b>	<b>10.4</b>	<b>23</b>	<b>37</b>

Throughout the year of 2015, the Company had training expense for the employees having rights to train at 3,715,413 Baht in total, dividing into internal training expense for 3,169,885 Baht, external training expense for 533,078 Baht and other expense for 12,450 Baht, the budget of 2015 is increased to be 5,151,400 Baht with the objective to develop and promote the potentials of employees with full efficacy.

### **Policy of Employee Welfare and Remuneration Determination**

#### **Employee Remuneration Determination**

The Company's policy of remuneration payment to its employees emphasizes on fairness, appropriateness, motivation and competitiveness with businesses in same type of industry and other relevant industries. Every level of employees shall gain the remunerations consistent with his or her obligation and responsibility. Such remuneration is sufficient for care and retention of qualified employee as required by the Company. Anyhow, the Company has determined to administrate remuneration system through regular survey remunerations in the market as necessary and mainly concern on the Company's financial status and operation, cost of living rate, competency level and the employee performance. Salary structure shall be annually considered as the standard for competitiveness. Moreover, the Company focuses on remuneration administration that obviously reflects the employee competency.

Every rises of salary or payment of bonus for employees must be requested for approval from the Board of Directors in advance, in 2015, the performance of employees will be evaluated twice per year which are in April and

October. The evaluation of performance will be considered by scores from 2 parts which are KPI and employee's working behavior based on individual.

### **Remuneration for employees**

In 2015, there were 954 full time employees with the payment of remuneration at 490,013,771 Baht in total, such remuneration includes salary, OT, living cost allowance, special vehicle allowance, provident fund, social security fund, professional engineer allowance and bonus, etc.

The Company has established the provident fund for employees to express the Company's concrete care on employees in the long-term period. The Company selects the saving plan based on the requirement of employees, each employee can select investment plan of provident fund as his/her desire and self-risk level.

In 2015, the Company arranged the system of KPI and Competency to evaluate the performance of employees, KPI and Competency determined by level and department will be effective to be consistent with the Company's goal. The competency of employees including management competency and specific work competency are determined based on performance of individual and team and linked to the appropriate and fair remuneration system in accordance to the criteria specified by the Board of Directors. The system of employees' performance assessed will be evaluated twice a year (middle and end of the year periods) and launched from 2015. For salary increase or bonus payment for the Company's employees, the Company shall firstly ask for approval from the Board of Directors every time. The appraisal method applies the method of consideration on work performance, determination and content of jointly performed works under annual appraisals for twice a year.

### **Determination of Employee Welfare**

The Company determines to arrange welfare for its employees as required by law and as proper for assistance and security for its employees on good working environment and life quality to be morale and courage, and reinforce life quality to the operators on behalf of the Company's members. Different areas of welfares are regularly considered for improvement to each level of employees every year together with salary structure adjustment for competitiveness in the same group of industry and other relevant groups of industries. The welfares have consisted of the following.

#### **Welfares As Required by Law includes**

Social Security Fund and Compensation Fund

**Welfares deemed as proper by the Company to additionally arrange as morale and spirit to the employees as follows.**

Provident Fund , Medical Fee Welfare in case of Inpatient and Outpatient , Dentistry Case Welfare , Life Insurance and Accident Insurance , Welfare for Wedding Ceremony Grant , Welfare for Childbirth Expense Allowance, Welfare for Funeral Allowance and Being Funeral Host in case of Employee's Death and in case of the Death of the Employee's Family Members, Annual Medical Examination Exercise Center for employees who operate in Head Office, Cheap Lunch Welfare for employees who operate in Head Office, Employee Relations Activity ( Walk Rally), New Year Party, Sport Event and Monthly Active Payment

**Table showing number of resigned employees as of 31 December, 2015**

Unit : Persons

Level of employees	Male		Female		Total
	No.	Ratio	No.	Ratio	
Executive level (top, middle, primary)	3	2.26	-	-	3
Senior level	56	42.10	14	10.53	70
Operation level	43	32.33	4	3.01	47
Supporting level	11	8.27	2	1.50	13
<b>Total full time employees</b>	113	84.96	20	15.04	133

From the table showing number of resigned employees as of 31 December, 2015, there were 133 resigned employees, decreasing 19 people when comparing to the year of 2014 which was 152 people, this was resulted by the improvement of the Company's welfare, salary re-structuring, proper consideration for bonus payment including obvious policy to encourage the position promotion of employees.

#### **Occupational Health and Safety**

The Company is committed to providing safe working environment for construction work for all relevant personnel and it is always willing to provide supports to ensure that safety issues are included in the safety manual and that safety officers are appointed to the construction team both at management and operation level. In addition, safety committee will be set up comprising of chairman, member and secretary.

Daily paid workmen are considered one of the most significant human resources in construction industry. Presently, there are more than four thousand daily paid workmen working for the Company and another four thousand daily paid workmen working for the subcontractors. With variety of skills and expertise, they involve in many sections and levels of construction works. They are provided by the Company with trainings and tests according to the requirements of the Department of Skill Development, Ministry of Labour. At the moment, there are more than 20 camps provided for the daily paid workmen. Those camps are always maintained in good, clean and safe condition.

The construction of temporary Camp Knock Down has been invested to have more durable accommodation for employees including electricity system, roof and wall with anti-heat insulator to replace zinc ones. Although this investment is very high, this type of accommodation can be removed and re-use with worthiness.

The Company has designated specific persons responsible for submitting report to the Board with recommendation for solution on weekly basis. In respect of basic living things, daily paid workmen are able to buy foods and groceries at discounted price as well as access to special price drinking water machine and washing machine etc. All of these are provided with an aim to enable them to live normally under current economic condition in which living expenses seem to rise steadily. All revenues from services provided to those labour are contributed by the Company to build school and buy education materials and equipment for those in rural area (details as described in Chapter 6 : CSR).

**Table of the accident statistic in projects within the year of 2015**

Unit : times

Type of Accidents	No. of Accidents
Skidding / Falling from high place	48
Chemical substances	11
Hitting / Crushing	28
Falling materials	49
Scrap into eyes	73
Tearing / Cutting	26
Impaling	18
Electric Current	2
Excessive Exertion	9
<b>Total</b>	<b>264</b>

Throughout the year of 2015, total 264 accidents with 1 died were happened during the construction, the Company is trying to protect and always emphasizes the safe working process in order to reduce the number of accidents and maintain the safety of employees's lives.

**Labor disputes**

During the period of 3 years, the company has no labor dispute.

**Chapeter 3 : Customers and Employers****Characteristic of Customers and Target Group**

The Company has mainly offered construction services to customers from private sector for office facility, commercial buildings, residences, leisure etc. However, governmental customers have also assigned the Company for construction projects such as Baan Eur-arthorn Project, Air Traffic Control building at New Bangkok International Project, Suwannabhum maintenance workshop New Bangkok International Airport, BMA project, Bangkok Metropolitan Administration District Office buildings and road flood way on the Chao Phraya River and Klong Chan Reinforced Dam Project from Lat Phrao Road to Pradit Manutham Road by Canal System Division, Department of Drainage and Sewerage, Bangkok Metropolitan Administration etc. Details of the Company's Construction Performance is shown in part 1 of 2015 Annual Information Form (Form 56-1).

**Table showing the statistic of projects entrusted by customers to sign the contract for 3 years backward**

Year	No. of Projects	Construction Value by Contract (million baht)
2013	14	6,357
2014	16	8,140
2015	16	9,320

**Table showing List of projects entrusted by the customer to sign the contract as of 2015**

No.	Project Name	Proejct Owners	Construction
			Value (Million Baht)
1	Supalai City Resort Rayong	Supalai Plc.	210
2	Supalai Loft Chaeng Watthana	Supalai Plc.	216
3	Supalai City Resort Bearing Station (Sukhumvit 105)	Supalai Plc.	133
4	Supalai Elite Phayathai	Supalai Plc.	242
5	Supalai Wellington II	Supalai Plc.	646
6	Chapter One Midtown Ladprao 24	Prukso Real Estate Plc.	524
7	Chapter One the Campus Ladprao 1	Prukso Real Estate Plc.	89
8	The Tree Elegance	Prukso Real Estate Plc.	900
9	Noble Revolve Ratchada (Phase 1-2)	Noble Development Plc.	1,350
10	Shinawatra Tower IV	SC Asset Corporation Plc.	290
11	Life Asoke 3	AP (Phetchaburi) Co., Ltd.	1,798
12	Life Pinklao	AP ME 1 Co., Ltd.	802
13	The Stage Taopoon Interchange	Real Estate Development Co., Ltd.	495
14	Grand Center Point Thong Lo	Pacific Read Estate Co., Ltd.	634
15	The President Sathorn-Ratchaphruek (Phase 3)	Chaiphattana Teedin Co., Ltd.	453
16	Farmhouse Factory, Bangchan Industrial Estate	President Bakery Co., Ltd.	448
<b>16 Projects in Total</b>			<b>9,230</b>

**Table showing the structure and revenue proportion from the construction for the year 2015**

No.	Type	Revenue (Million Baht)	Proportion
1	Residential	5,728.37	81.24
2	Office Building / Commercial Building	757.68	10.75
3	Institution	-	
4	Hotel / Resort	255.51	3.62
5	Industrial Plants	266.28	0.61
6	Department Store / Shopping Mall	-	-
<b>Total Revenue from Projects of Private Sector</b>		<b>7,007.84</b>	<b>99.39</b>
7	Infrastructure Projects	43.21	0.61

<b>Total Revenue from Projects of Public Sector</b>	<b>43.21</b>	<b>0.61</b>
<b>Grand Total Revenue from Construction Projects</b>	<b>7,051.05</b>	<b>100.00</b>

The revenue proportion sort by client type and construction type suggests that revenue from construction by private sector shared the major part at 99.39 % of total revenue in 2015 most of which came from residential unit construction for as high as 5,728.37 million baht or 81.24% of total revenue from construction works while such from office/commercial building was merely at 757.68 million baht or 10.75%. All construction works mentioned above are being under operation the progress of which can be obtained from the Company's website at [www.synteccon.com](http://www.synteccon.com)

However, in another point of view, the revenue proportion of public sector project was 0.61%, the Company considered that the construction of the Government is a large project that requires high investments and a low-margin with long period of construction, compared with the Private sector. However, the company remains committed to the auction in the future to reduce the risk of a portion of the private lots. The important projects from public sector in 2015 were the construction of Klong Chan Reinforced Dam Project (BMA is the project owner) from Lat Phrao Road to Pradit Manutham Road with the distance of 8.8 kilometers.

Additionally, the Company still commits to maintain and improve its works of better quality for both private sector projects and governmental projects in order to meet the client's full satisfaction by the construction performance in accordance to objective, punctuality, and standard. The impression on overall performance of the Company is the main reason customers returning to further utilize the service of the Company in the future.

#### **Customers' satisfaction level**

The Company arranged the satisfaction assessment of project owner continually hiring the Company to contract, its objective was to acknowledge problems and obstacles of construction operation from the starting until delivery to customers, all problems and obstacles will be analysed to find causes as well as determined guideline of development and improvement, as well, the customer will obtain benefit from the quality operation with on-time condition, proper price, and practice as contract obligations.

Such assessment shall be implemented twice a year in every June and December with the following 3 main assessment items and sub-items.

**Table showing customers' satisfaction level as of 2015**

<b>Assessment Items</b>	<b>June</b>		<b>December</b>	
	<b>*No. of assessors</b>	<b>Score</b>	<b>*No. of assessors</b>	<b>Score</b>
1. Assessment during the construction process				
1) Readiness of personnel for working		3.2		3.2

2) Readiness of machines for working	3.5	3.4
3) Readiness of material for working	3.3	3.3
4) Safety in construction	2.7	3.0
5) Construction Environment	3.0	3.0
Average Score	23 3.1	21 3.2
2. Assessment after completing the construction		
1) Construction in line with model and work standard	3.0	3.4
2) Material in construction is correct as obligations	3.2	3.6
3) Work Delivery as contract schedule	3.0	2.9
4) Checking performance with completeness before delivery	3.0	2.4
5) Satisfaction of delivered performance	3.1	2.8
Average Score	14 3.1	9 3.0
3. Assessment after work delivery (in the period of performance guarantee)		
1) Proceeding the improvement and correctness as appointment schedule	3.2	3.0
2) Following up and Inquiring the utility of delivered building	3.0	2.5
Average Score	7 3.1	4 2.8

Remarks : \*No. of Assessors means the number of project owners with different conditions of construction in line with the progress of construction in that period.

Definition of customers' satisfaction level :

Level of Satisfaction 4.0 – 3.1 means in the level of standard maintaining

Level of Satisfaction 3.0 – 2.1 means in the fair level but need to improve the working

Level of Satisfaction 2.0 – 1.1 means in the level of lower standard and need lots of improvement

Level of Satisfaction 1.0 – 0.0 means in the crisis level and need to change the new working system

From the table showing customers' satisfaction level as of 2015, the average score of the assessment during the construction process, the assessment after completing the construction, and the assessment after work delivery (in the period of performance guarantee) in June and December were 3.1 or in the level of standard maintaining and 2.8 or in the fair level but need to improve the working respectively. The Company had gathered all recommendations, suggestions, comments from projects owners who were assessors to apply for further solution and correction guidelines such as taking wastes from scaffolds soonest for safety and more convenience in construction area as most as possible, etc.

Previously, the Company implemented the quality system of ISO9001:2008 to apply for maintain the working standard and review the operation from the periods of before signing contract, after signing contract and during the construction in order to success the construction process with smoothness as customers' requirement and contract terms and schedule. Customers or employers will be treated based on contract obligation, professional standard of working, work quality, delivery as contract terms as well as notice of important information utilized in decision making for acknowledgement of both parties. At present, the Company commits to develop potentiality and maintain standard of operations with full capability, this commitment is under preparation and creating understanding in many aspects to take the Company into the quality system of ISO9001 : 2015 after the official announcement of launching from controlling unit.

#### Chapter 4 : Shareholders

Shareholder means a person holding shares of the Company on behalf of the Company, fund or individual with the remuneration of company performance. Presently, shareholders not only emphasize on the management or profit of the Company but also non-monetary matters which are factors for the Company's sustainable growth. Both Corporate Good Governance and CSR support the creation of actual value of the Company.

**Table showing the information of major shareholders of the Company as of 31 December, 2015.**

Type	No. of shareholders	No. of Shares	Percentage
<b>Thai Shareholders</b>			
Juristic Persons	19	136,665,695	8.54
Ordinary people	5,832	1,247,727,767	77.98
<b>Total</b>	<b>5,851</b>	<b>1,384,393,462</b>	<b>86.52</b>
<b>Foreign Shareholders*</b>			
Juristic Persons	43	215,542,328	13.47
Ordinary people	16	64,210	0.01
<b>Total</b>	<b>59</b>	<b>215,606,538</b>	<b>13.48</b>
<b>Grand Total</b>	<b>5,910</b>	<b>1,600,000,000</b>	<b>100.00</b>
<b>Share Allocation</b>			
More than 0.5%	28	1,111,015,416	69.44
Not over 10% but not lower than 1 Board Lot**	5,446	488,971,996	30.56
lower than 1 Board Lot **	436	12,588	0.00
<b>Name list of the first 10 shareholders holding the highest number of shares ***</b>			
1.Miss Nichaya Phahusutr		171,895,260	10.743
2.Mr.Jiramote Phahusutr		170,036,060	10.627
3.Thai NVDR Co., Ltd.		110,114,300	6.882
4.LITTLEDOWN NOMINEES LIMITED 38		79,564,600	4.973

5.Mr. Preecha Angkhumsub	77,500,000	4.844
6.Mr. Chawalit Phunpermsuwan	77,135,000	4.821
7.Mr. Nattaphat Rungsun	52,000,000	3.250
8.Mrs. Uporn Subandit	49,426,220	3.089
9. Mrs. Phimolwan Taneehiranrat	37,144,460	2.322
10. RAFFLES NOMINEES (PTE) LIMITED	25,426,220	1.589

Remarks : \* Ratio of foreign investors regulated at 40% // \*\* 1 Board Lot = 100 shares // \*\*\*Address Consideration Form

The Company's Board of Directors has formulated the policy on the principles of good corporate governance by taking into account the rights of the shareholders. Over and above the provisions of the laws, the fundamental rights of the shareholders are the right to attend the meeting of shareholders, the right to receive adequate information prior to attending the meeting of shareholders, the right to vote, the right to grant proxy to another person to attend the meeting on the shareholder's behalf, the right to appoint or remove the directors, the right to appoint an auditor, etc. All these rights are in accordance with the policy on good corporate governance of the Company through the implementation on following activities:

#### The 2015 Annual General Meeting of Shareholders

The Company held 2015 Annual General Meeting of Shareholders on 29 April 2015 at Wassana Room, 3<sup>rd</sup> floor, Golden Tulip Sovereign Hotel Rama 9 and assigned Thailand Securities Depository Company Limited to be the Company's Share Registrar for Record Date as of 24 March, 2015 and Closure of registration list as of 25 March, 2015.

#### Table showing number of shareholders with rights of meeting attendance for the year of 2015.

Unit : People		
Thai Shareholders	Foreign Shareholders	Total
6,321	59	6,380

The Company executed according to good corporate governance policy through various information notice such as agenda, date and time, venue, objective and cause, director's opinion in each agenda and details used by shareholders in decision making consideration that shall be clear, proper and sufficient for decision making on shareholder's voting, etc. Reference documents for the meeting Notice to Call for the shareholder meeting, Proxy Forms, 2015 Annual Report in the form of CD-Rom ob both Thai and English versions were delivered through

1. Postal mailing to all shareholders as of 14 April, 2015 prior to actual meeting date for 15 days by Thailand Securities Depository Company Limited
2. Publicizing through the Company's website in both Thai and English versions from 27 March, 2015 prior to the actual meeting date for 34 days.
3. Accepting the request of receiving Annual Report Book through rules and regulation of process as mentioned in the Notice to Call for the shareholder meeting.
4. Notification on newspaper for 3 consecutive days from 16, 17 and 20 April, 2015 in order to inform all shareholders to acknowledge as most as possible.

The Company promoted the right of shareholders and equitable treatment toward shareholders by giving the opportunities to minor shareholders or minority of shareholders to be able to nominate the candidate for holding the director position in advance before the Company's Ordinary General Meeting of Shareholders. The Company also gave the opportunity for such shareholders to enable to propose the meeting agenda in advance before the Company's Annual General Meeting of Shareholders. The Company's detail, requirement and criteria were publicized in letter to the shareholders through the Stock Exchange of Thailand's system and the Company's website on 11 November 2014 to 31 January, 2015. However, the shareholders did not exercise such right.

**Table showing the status of shareholders attending the meeting of 2015**

Type of shareholders	No. of people	No. of shares	Ratio
Attending by themselves	80	29,844,162	1.86
By proxy	98	681,447,918	42.59
<b>Total</b>	<b>178</b>	<b>711,292,080</b>	<b>44.45</b>

From the table showing the status of shareholders attending the meeting of 2015, there were 178 people attending the meeting which was more than 2014 which was 139 people representing 718,441,635 shares or 44.90%.

The Company executed according to the meeting agenda from the first agenda to the last agenda without any change on significant information during the meeting and meeting minutes were correctly and completely noted. Records of meeting in audio, photographs, and video were arranged with accuracy and appropriateness throughout the whole period of meeting, as well as the number of votes was verified by requesting volunteer from shareholders as the independent representatives for vote counters with accuracy, transparency, obviousness and verifiableness. In this opportunity, the Company's auditors were also invited to fully express the opinions on the Company's financial statements as well as opportunities were opened for shareholders to express opinions, recommendations and other issues which were entirely and completely clarified by the Company's directors. Totally 3 hours and 5 minutes were spent for the meeting from 09.10 hrs. – 12.15 hrs.

As the Thai Investors Association has continually implemented the project "Annual General Meeting Checklist" 2006 in accordance to the mission assigned by SEC, the Company is able to maintain the working standard well and always obtain scores higher than average scores. However, the Company still commits to maintain the good standard and develop and correct the weak points to be more improved as well as preserve utmost benefits for shareholders persistently.

**Table showing quality assessment score of the Annual General Meeting of Shareholders.**

Year	2012	2011	2012	2013	2014	2015
<b>Company Score</b>	97.38	95.88	96.38	97.00	96.50	97.50
<b>Average Score</b>	86.16	88.88	89.43	91.04	91.35	92.68

#### **Guideline of Shareholders' Satisfaction Creation**

Apart from the determination of primary rights of shareholders completely, the Company also has guideline to generate more satisfaction of shareholders by the emphasis of 2 issues as follows :

## **Policy of Disclosure of Information and Transparency and Corruption Protection**

### **1. Disclosure of Information and Transparency**

1.1 The disclosure of significant information related both to financial information and nonfinancial information in line with the requirement of governing government agencies such as the Stock Exchange of Thailand, the Office of Securities and Exchange Commission, etc., and under the basis of accuracy, completeness and timeliness through the means of equitable and easy information access both of the Stock Exchange's website and the Company's website. The significant information that must be clearly disclosed such as Shareholders' structure, Shareholding of the Company's directors, Explanation about financial status, overall operation and crucial change, Nature of business engagement, competitive status and potentiality, Major risk in the Company's business engagement and nature of risk, cause and impact, Biography of the Board of Directors, criteria of remuneration payment and stakeholding of the director. In previous period, the Company disclosed the information to be in line with the requirement of listed company being. None of any verbal notice, letter notice, fine or symbol signs from controlling agency was obtained.

1.2 The Company opens channels of information communication, in 2015, there were 2 analyst meetings via the executive meets the securities analyst will take place twice a year, they were held on 19 March and 2 September 2015, while there were 14 meetings of sub-groups which Managing Director provided information. For inquiries via telephone by journalists, analysts, institution, investors, shareholders or other interested public, Managing Director delegated Investors Relations Unit to give the information directly transferred by Managing Director to prevent the mis-communication and control effective information providing.

1.3 The Information Disclosure of the Company's Directors and Committees such as name list, personal history, working experience, remuneration (Policy and Amount) and work performance in the past year, details is shown in Chapter 2 : Management).

1.4 The Company has also required directors and executives of the Company to report the change in securities holding to the Office of Securities and Exchange Commission pursuant to Section 59 of the Securities and Stock Exchange Act 1992 including restricting the knowledge of internal data particularly to executives or insiders involved as may be necessary; and prohibiting the disclosure of internal information to outsiders as well as the prohibition imposed on the trading of the Company's securities during the period of time before the disclosure of the Financial Statement or publicizing the Company's status including other information of consequence at least 48 hours after the information having been publicly disclosed in accordance with the business ethics policy. In the past year, it did not appear that there had been traded the shares during the said period.

1.5 The Company realizes on the significance and executes with precaution in consideration on doing inter-transactions that may have conflict of interest, provided that the related parties shall avoid doing connected transactions between themselves, with customers, business partners, creditors, debtors and the parties of which the Company have dealt the businesses with. If such transaction doing is unavoidable, fair execution for all parties by price and condition like doing with outsiders (Arm's Length Basis) shall be assured. In consideration on approval of transactions in the agenda of which the directors, executives and employees have interests, they shall not attend the meeting so that the meeting can freely explain. Such transactions shall be strictly notified/reported to the Board of Directors for acknowledgement and such transactions shall be considered and approved from the Board of Directors only. Details is in the clause 12 : Related Transactions shown in the 2015 Annual Information Form (Form 56-1).

1.6 The Board of the Company takes responsibility on the financial report of consolidated financial statements and separated financial statements as well as financial information appeared in the Annual Report. Financial Statements were prepared in accordance to the general accounting standard with the selection of proper accounting policy and regular practice, all preparations were carefully considered with the best judgement as well as important information was disclosed with adequacy in the notes of financial statements.

The Board of Directors implements the preservation of effective internal control system to assure with reasons that all accounting records were accurate and complete with adequacy for asset preservation. Additionally, weak points were acknowledged to mainly prevent the corruption or abnormal action.

In this case, the Board of Directors assigned the Audit Committee consisted of non-executive director to take responsibility in review and verify the quality of financial statements and internal control system. The Audit Committee considered the Company's overall internal control system was in the satisfactory level and can create the reasonable confidence towards the reliability of the Company's and subsidiaries' financial statements. Details is shown in Clause 11 : Internal Control System and Risk Management of 2015 Annual Information Form (Form 56-1).

### **Whistle Blowing Policy for Offence**

The Company's policy is to receive the ethical complaint issues or whistle blowing for offence. The Company has fairly and equally treated to each group of stakeholders. Therefore, the channel of suggestion or complaint receipt on what is the stakeholder's impact from the Company's business operation or from treatment of the Company's employee or acts that are improper, unfair and not compliant with the Company's regulation and code of conduct, or the event that is fraudulent or is suspected to be fraudulent, or the practice with lack of deliberate carefulness and being infringed in right, etc. has been arranged.

The Board of Directors has assigned Audit Committee to perform in receiving complaints of ethical business and conclude complaint issues in order to propose to the Board of Directors for consideration on execution. Anyhow, the petitioner can send the ethical complaint issues to below address.

1. The Audit Committee, Syntec Construction Public Co., Ltd.  
No. 555/7-11 Soi Sukhumvit 63 (Ekamai), Sukhumvit Road,  
Klongtoey-Nua Sub-district, Wattana District, Bangkok 10110

Email : [auditcommittee@synteccon.com](mailto:auditcommittee@synteccon.com) or [compliance@synteccon.com](mailto:compliance@synteccon.com)

Tel. 02 381-6333 ext. 5941 Fax. 02 711-5183

2. Legal Department, Syntec Construction Public Co., Ltd.  
No. 555/7-11 Soi Sukhumvit 63 (Ekamai), Sukhumvit Road,  
Klongtoey-Nua Sub-district, Wattana District, Bangkok 10110

Email : [legal@synteccon.com](mailto:legal@synteccon.com) or [anans@synteccon.com](mailto:anans@synteccon.com)

Tel. 02 381-6333 ext. 5922 Fax. 02 711-5183

3. Human Resources Management Department, Syntec Construction Public Co., Ltd.  
No. 555/7-11 Soi Sukhumvit 63 (Ekamai), Sukhumvit Road,  
Klongtoey-Nua Sub-district, Wattana District, Bangkok 10110

Email [hrd@synteccon.com](mailto:hrd@synteccon.com) or [potjanard@synteccon.com](mailto:potjanard@synteccon.com)

Tel. 02 381-6333 ext. 5560 / 5151 Fax. 02 711-5183

4. Internal Audit Department, Syntec Construction Public Co., Ltd.

No. 555/7-11 Soi Sukhumvit 63 (Ekamai), Sukhumvit Road,  
Klongtoey-Nua Sub-district, Wattana District, Bangkok 10110

Email [internalaudit@synteccon.com](mailto:internalaudit@synteccon.com) or [pomananv@synteccon.com](mailto:pomananv@synteccon.com)

Tel. 02 381-6333 ext. 5940 Fax. 02 711-5183

5. Company Secretary, Syntec Construction Public Co., Ltd.

No. 555/7-11 Soi Sukhumvit 63 (Ekamai), Sukhumvit Road,  
Klongtoey-Nua Sub-district, Wattana District, Bangkok 10110

Email : [angsanam@synteccon.com](mailto:angsanam@synteccon.com) or [compliance@synteccon.com](mailto:compliance@synteccon.com)

Tel. 02 381-6333 ext. 5941 Fax. 02 711-5183

6. Whistle Blowing Hotline Tel. 02-381-2790

The Company has policy to protect the notifier who will be kept as confidential and source of information will be not disclosed as well as the examination of complaints or corruption case to be completed as soonest in consistent with the specified criteria. The progress will be informed to the notifier in case of self-disclosure. Details is shown in "Business Ethics" under the topic of the support and mechanism on notifier protection.

### **1. Anti-corruption**

The private sector has reached the agreement to set up the "Private Sector Collective Action Coalition against Corruption: CAC in order to ban being a "person offering bribe". CAC realizes that corruption is the key burden to national development. Therefore, CAC and the Office of Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET) and the Thai Institute of Directors (IOD) have jointly launched many campaigns including allowing listed companies to register their expression to not involve any corruption. The Company's Board's meeting held in November 2013 decided to subscribe to CAC to fight against corruption. The Company will revise its related manuals and policies such as good corporate governance, business code of conduct, employee manual and employee code of conduct etc. by being added with the issue of anti-corruption for business operation. And on 11 November 2014, the Company signed to participate in "Intention Declaration for Thai Private Sector Collective Action Coalition against Corruption." The Company received acceptance letter for such participation from "the Committee and the Secretary of Thai Private Sector Collective Action Coalition against Corruption" on 24 November 2014. Moreover, the relevant manuals and policies such as Good Corporate Governance, Business Ethics Manual, Employee Manual, and Employee Code of Conduct in the issue of anti-corruption will be amended in order to be business operation guideline and will enter into approval process within 2016 henceforth.

#### **Anti-corruption policy**

1. Directors, executives and employees have duties to comply with anti-corruption policy and the executive is assigned by the Board to communicate and implement anti-corruption measures.

2. Directors, executives or employees who have violated or failed to comply with anticorruption policy may be subject to punitive sanction provided by law and/or the Company's rule. However, for those directors, executives and/or employees who may have caused damage or loss of business opportunity to the Company resulted from the implementation of anti-corruption policy; the Company shall not impose any sanction or negative effect upon that person in any respect.

3. Communicate policy on anti-corruption and provide internal channel for giving information or making complaint through orientation course for directors or employees and in-house seminar as appropriate.

4. Communicate policy on anti-corruption and provide different channels for giving information or making complaint by the third party and stakeholders e.g. customers, shareholders or business allies etc. such as via annual report or company's website etc.

5. Put in place regulation for disbursement and approving power for the executive in respect of donation, charity activities, financial support, entertainment, gift and souvenir; all of which require document declaring intention of above and complete evidence to prove that such activities have been conducted not for offering bribe for any person while internal audit section shall have power to review these activities.

6. Directors, executives and employees are strongly not recommended to receive gift, souvenir or entertainment from any person contacting or cooperating with them in relation to the Company's business. If the price of such gift or souvenir is too much for usual practice, those directors, executives and employees are recommended to decline it and report the fact to higher-ranked person.

7. Provide personnel management procedures to encourage the Company's staffs to comply with anti-corruption policy such as qualification requirement, training, evaluation, reward and promotion etc.

8. Provide internal control covering finance, accounting, data record and storage as well as other in-house procedures relating to anti-corruption.

9. Provide internal audit system to ensure that the internal control system will help the Company to achieve its goal while all units' operations will be audited whether they are in compliance with rules and regulations and whether there is any defect or weak point to which suggestion will be given to improve operation procedures to be implemented efficiently and effectively under the approach of good corporate governance.

10. The internal audit section will urgently report the concerned issues to the managing director and the Audit Committee to seek for preliminary measure before forwarding the issue to the Board.

### **Present Action**

The Company's assessment process for corruption risk according to anti-corruption policy through different processes is as follows. The Company resolved to approve the establishment of Risk Management Committee and Remuneration and Nomination Committee proposed to the Board of Directors to consider approving on 9 December 2014. The objective is to support the Board of Directors' tasks in performing on defining risk management framework to be proper for the Company's business, and governing and following up in keeping with such policy so as to ensure that there are risk identification, prior-warning, determination of sufficient measure for such risk management and prevention, including review and creation of risk management tools that contributes to support and promote the business operation to be in line with setting goal. After establishment, Risk Management Committee has determined that all working groups of the Company shall prepare the risks of working groups (the analysis on the circumstance that is likely to occur and impact that will occur, including corruption risk) and measure on risk level abatement. The follow-up and reporting is specified for quarterly regular acknowledgement whereas Risk Management Committee shall further govern and follow up. Details is in Chapter 2 : Management, topic : the Risk Management Committee.

The Company has prepared Business Ethics Manual for adherence of its director, executive and employee as a practical guideline since November 2007. At present, the Company has amended the Manual to be modern, up to date and consistent with the guideline of governing government agencies by proposing to the Board of Directors for consideration within this March 2015. Training and seminar have been stipulated for its attempt to understand every level of employees, particularly Complaint Receipt Channel for its employees (submitting the complaint issue to the Company's Audit Committee). Announcement has been posted for acknowledgement by different groups of

stakeholders such as customer, business partner, trade creditor, etc., on communication channel for complaint receipt. Furthermore, the Company will continuously carry out the participation of aforesaid different groups of stakeholders in anti-corruption.

## **Chapter 5 : Business Alliances**

**Trade Partner is the Business Alliance** who can be either individual or juristic person, the good business alliance must have morale, sincerity, transparency, honest without undertaking any illegal actions, fairness, non-advantage taking, equality and respect to each other under the same goal on pushing business forward together as well as share social value, skill and knowledge and business experience for actual growing together. The Company has policy to cooperate with business alliance in the form of benefits, business relation, good tendency of investment ratio growth as well as policy of business management mainly based on the expertise of business, investment capability and management authority.

Supplier or Material provider performs the duty in supplying materials utilized in the construction project, the Company is required to determine the qualification and quantity of material based on construction design. Qualified manufacturers or distributors who exist in the list or are new will propose the prices which will be compared by the Company to select and negotiate before proceeding the purchase. Quality of material will be considered by the correctness of specification, quality assurance, delivery leadtime, reasonable prices and the best payment condition. All projects have different work characteristics from design, scale and complexity, therefore, the Company's management will consider the cost of construction project based on the factors affecting cost of operation such as construction site, work quantity, utilized technique, resource allocation, labour cost and construction material cost as well as outsourcer, labour and construction material procurement with loss of sub-items will be controlled by the Company. As a result, the Company delights in the negotiation power with the procurement of big lot for main construction materials in each project such as steel, cement, ready-to-use concrete, wood, glass, door and window, etc., the agreement of procurement for raw materials will not be retained to any specific seller by the comparison of quotations from many trade partners. Correspondingly, the Company also has not a policy to rely on any particular manufacturer or distributor or purchase over 30% of total consumption amount to prevent risk of monopoly caused by excessive capacity of that partner.

After being hired, the company is generally the main contractor. However, if the project is big and requires the specialization, the company will consider the co-operation as a joint venture with other company or other people possessing the required specialization. Consequently, the company can be transferred the modern technologies in construction along with much knowledge such as the construction management including the increase of staffs' capabilities. Generally, the Company will mainly utilize our own labours and will hire subcontractor or registered outsourcer to support in accordance with the situation, subcontractor is required to be qualified as the Company's specification with the continuous assessment of operation capability. These are to ensure the hirer that the construction will be achieved with the specific agreement or contract. Furthermore, the company is likely to have a new co-operator (in trade) who possesses enough potentiality to cooperate in the construction of a big project in the future agreeing with the government policy. The Company also has not a policy to rely on any particular subcontractor or employ over 30% of total outsourcing amount to prevent risk of monopoly caused by excessive capacity of that subcontractor or outsourcer.

Financial Institutions providing loans to the Company have assisted and supported the Company on the working capital and the issuance of guarantee letter to facilitate the Company in operating the project with smoothness.

Policy of treatment and responsibility for business alliances is applied and details of criteria, selection method, subcontractor procurement, raw material supply and raw material distributor is in accordance to Clause 2 : Summary of Business Characteristics and Product or Service Supply in 2015 Annual Information Form (Form 56-1).

### Risk of Operation with Business Alliance

Risk cognizance including damage limitation and systematic solution plan are very important to operate the business or any actions which may face risks in some process of working, working with business alliance is considered as another significant mechanism to drive the Company to grow and develop with following unavoidable risks :

#### 1. Risk of Construction Material Price

In previous year, the level of construction material level was slightly changed by Construction Materials Price Index (CMI) made by Bureau of Trade and Economic Indices with the calculation of the survey on construction material price in Bangkok Metropolitan Region for wood, wooden products, cement, concrete products, steel and its products, tiles, surfacing materials, sanitary wares, electrical and water equipment and other construction materials, the CMI of 2015 was averagely at 100.

Table showing the comparison of construction material price between 2014 and 2015

#### ดัชนีราคาวัสดุก่อสร้าง

เดือน ธันวาคม ปี 2558  
(2548 = 100 )

หมวด	สัดส่วน น้ำหนัก	ดัชนี				อัตราการเปลี่ยนแปลง		
		ธ.ค.58	พ.ย.58	ธ.ค.57	เฉลี่ย	ธ.ค.58/ พ.ย.58	ธ.ค.58/ ธ.ค.57	ม.ค.- ธ.ค.58/ ม.ค.- ธ.ค.57
ดัชนีรวม	100.00	116.3	117.1	124.7	120.2	-0.7	-6.7	-5.1
ไม้และผลิตภัณฑ์ไม้	7.81	153.1	153.1	152.1	153.0	0.0	0.7	1.1
ซีเมนต์	12.00	112.9	115.0	120.5	116.9	-1.8	-6.3	-3.9
ผลิตภัณฑ์คอนกรีต	16.00	131.5	131.5	134.9	133.4	0.0	-2.5	-1.1
เหล็กและผลิตภัณฑ์เหล็ก	20.04	87.8	89.4	109.2	97.4	-1.8	-19.6	-15.2
กระเบื้อง	7.02	111.8	111.8	111.8	111.8	0.0	0.0	0.1
วัสดุฉนวนผิว	2.96	120.9	120.9	120.9	120.9	0.0	0.0	0.0
สุขภัณฑ์	2.42	155.8	155.8	155.8	155.8	0.0	0.0	-0.1
อุปกรณ์ไฟฟ้าและประปา	12.85	104.0	104.0	107.8	105.6	0.0	-3.5	-5.0
วัสดุก่อสร้างอื่น ๆ	18.91	146.0	146.4	150.8	148.2	-0.3	-3.2	-1.3

สำนักดัชนีเศรษฐกิจการค้า สำนักงานปลัดกระทรวง กระทรวงพาณิชย์ โทร. 0 2507 6719 โทรสาร. 0 2507 5825

The Company has realized the significance of such matter and therefore initiated many risk management in different dimensions as follows: fluctuation of prices of construction materials is continually monitored and if it has shown the rising tendency, the Company will place the order with trading large partners/producers for a large amount including centralized procurement by the head office to increase negotiating power in such purchase against dealer/subcontractor to get construction material and engagement price at the lower rate and therefore make its cost

lower accordingly. The Company may also find new strategic partner to do its business in the future. For some projects that the owners will provide construction materials for the Company, it will help reducing risks at certain degree.

2. Risks of legal dispute from construction work

Construction business may encounter the delay of construction caused by subcontractor, to solve this problem, the Company has to select qualified subcontractor. Also, it is possible drawings are changed or added to the effect different from the original one in the contract which needs the construction to stop for the owner or its consultant while no discussion is made about original schedule or construction price. The Company therefore has to urge the owner to agree to extend the construction period according to such additional work and to conclude on construction price of that additional part to avoid legal dispute in the future and delay as much as possible in order to preserve the Company's reputation and trust.

In addition, there are exist risks from being sued by people living around the construction site. The Company conducts pre-construction survey, taking up insurance covering natural disaster and possible danger, implementing supporting systems for construction works to meet the contract terms and alleviating risks from construction activities e.g. equipment for prevention of falling object, environmental impact etc. in order to avoid dispute with relevant government agencies and surrounding communities which can save the construction cost and improve the revenue and business return.

However, operation in non-risk environment can reduce the accidents of construction works, the Company has a desire to prepare safe working conditions for employees, subcontractors and relevant people surrounding construction sites, the Company will always be pleased to support on the confidence of safe working system, applied regulation of internal control unit as well as the encouragement of strict practice in accordance to the Company's 's safety manual. Details is shown in Chapter 2 : Employees, subject " Occupational Health and Safety".

3. Risk from change in policy of the financial institutions regarding granting credit facilities

One of the top priorities for the construction firm is to have adequate revolving funds for the operation as money is to be allocated for procurement material and equipment, labor cost and other revolving funds, requesting for Performance Bond, requesting for Retention Bond, etc. Policies on granting credit facilities and guarantee bond adopted by each financial institution are varied depending on risk management policy and standard measures for risk warranty which are also varied due to economic circumstances. Change in those policies may affect the Company in change of financial cost as well.

The Company has financial capital to financial institutions in 2015 for 44,869,673 Baht decreasing from the same tranche in 2014 at amount of 47,444,923 Baht or decreasing for 2,275,250 Baht. At the previous time, the company had been provided the good collaboration from the commercial banks for guarantee letters and credit. And the Company is emphasizing proper compliance with the contractual commitment it has made with various financial institutions to maintain fame and trustfulness of the Company.

**Table summarizing the rating analysis result of the Company as of 2014 – 2015.**

Type / Year	2014	2015
<b>Corporate Rating</b>	BBB-	BBB-
<b>Credit Rating</b>	Stable	Positive

From the news of rating on 27 August, 2015, its details is "The Company has been assigned in the level of BBB- for the company rating and the outlook has been changed from "Stable" to be "Positive" by TRIS Rating Co., Ltd.", this rating and outlook reflect the continuous better development of the Company's performance and financial status. Such rating also considers the fluctuated characteristic of construction business, the risk from non-variety of construction works and a few customers as well as the medium level of indebtedness (details as report of sustainability, chapter 5 : Business Alliance).

The Company's business status in medium level reflects the construction performance of high building project for residential and commerce in Bangkok area, most customers of the Company are listed companies in the Stock Exchange of Thailand which have acceptable credit. The Company highly relied on the project of Condominium belonged to some customers, in last 3 years, the Company recognized revenue from the project of Supalai Public Co., Ltd. who is the significant customer generating more than ¼ of total annual revenue, in the same time, the project with the most revenue recognition in each year is calculated as 10-15% of revenue. However, the risk of relying on such customer is compensated by the reliable customers having acceptable risk of construction payment, a well, the Company is able to continually preserve existing customer base who always employs the Company.

The Company has quite careful financial policy reflecting from the medium level of loan and adequate liquidity by holding assets with liquidity such as cash and securities with high demands in the market, as well as closely follow up the requirement of working capital in each project. The overall debt ratio of the Company is at 20-30%, in last 3 years at the end of June 2015, it was 23.5% while the ratio of operation capital per total debt and profit ratio (before deducting paid interest, tax, depreciation and disposition fee) per paid interest was also better. The operation capital ratio per total debt was increased to 74.4% (ratio was adjusted in full-year figure) in the first half of 2015 comparing to 70.5% in 2014, also, the profit ratio (before deducting paid interest, tax, depreciation and disposition fee) per paid interest was increased to be at 18.1 times in the first half of 2015 comparing to 13.8 times in 2014.

The credit rating of "Positive" reflects the expectation that the operation performance and financial status of the Company will be in the good level continuously while the pressure of cost may be at the manageable level under the situation of low and stable construction material price. Additionally, the investment in serviced apartment projects does not affect the debt ratio per the capital structure of the Company increasing over 40% or the debt ratio with interest per shareholder's equity over 0.7 time.

The preservation on competitiveness and construction business performance may be able to make the credit rating increased while the achievement of real estate for rent business will increase profitability of the Company as well as maintain the level of the Company's revenue in the long term. The Company's credit rating may be minimized if the financial status of the Company is significantly declined which may be caused by the higher cost of construction than expected or excessive expansion of investment.

## **Chapter 6 : Corporate Social Responsibility (CSR)**

The year of 2014 was the first year that the Securities and Exchange Commission has a policy to support listed companies on Sustainability Development and cooperated with Thaipat Institute on development assessment of

Thai listed companies, the Company was assessed as the level 2 of CSR progress indicator which is “Engaged” and obtained the level 1 of Anti-Corruption progress indicator which is “Committed”.

In 2015, the Company obtained the level 3 of Anti-Corruption progress indicator which is “Established”, showing the level of policy which the Company determined to proceed (non-payment for governmental officials, non-relation, non-participation and party opposition) the business risk assessment in order to point out the operation of the Company or subsidiaries having risk that may relate to the corruption, the communication and training for employees to provide knowledge of policy and guideline in anti-corruption as well as the supervision of the Board on proceeding the policy and review on the appropriateness of policy at least every year.

The Board’s policy is that the Company’s and subsidiaries’ business operation shall be carried out with responsibility to society, environment and stakeholders. It has also included the encouragement on effective resource utilization as required by the Company. This is also included in the Company’s vision, mission and strategies as guideline for directors, executives, staff and related parties. , the Corporate Social Responsibility can be classified into 3 types as follows :

1. CSR-after-process is the activity separated from the core business operation of the Company which the Company intends to develop better condition for nearby communities in the future such as building public toilets, garden, stadium, etc. In last year, the Company had implement Syntec Social Responsibility Project No. 8 to construct one school building consisted of 4 classrooms and 4 toilets and donate stationery and sporty equipment to students at Baan Kam Pai School, Kumpawapi District, Udon Thani Province.

2. CSR-in-process is the CSR under the main process of the business or business operation for profit with responsibility such as protection and elimination of pollution in the construction process in order to not affect community and environment.

3. CSR-as-process is the activity proceeded by the Company with non-profit objective, it is established with the main objective of social benefit such as foundation, public association for charity, the Company is studying and may tend to establish in accordance to further appropriateness in the future.

### **Project “Graduated with jobs at Syntec Construction”**

#### Principles and Ratioanles

Since the labour shortage is the problem in construction business sector at present, causes are from the lesser interest of vocational field of students and university students and problem of recruitment channel in upcountry resulting lesser employment. Therefore, the Company notices the importance of cooperation in potential development for students and university students in the field of construction by training and working with the Company in order to support the growth of the country’s economy entering Asean Economic Community in the future.

#### Objectives

1. To create cooperation network with educational institutes to develop knowledge and capability of students and university students for future working.

2. To make public relation on the Company and job vancy to students and university students in vocational field who are going to be graduated and to ordinary interested people.
3. To recruite students and university students in various fields qualified with job positions and requirements of the Company.
4. To make public relation on the recruitment of students and university students in various fields who desire to take internship with the Company for the increase of skill, knowledge and experience applied in working operation.

**Target Group**

Students and University students studying in the construction business program or relevant.

**Vocational Certificate and Higher Vocational Certificate**

- Construction field
- Electrical field
- Survey field
- Architectural field

**Bachelor Degree**

- Construction Engineering
- Electric Engineering
- Architecture
- Occupational health and safety

**Project Responsible Unit**

Human Resource Department, Syntec Construction Public Co., Ltd.

**Expected Benefits**

1. Students or University Students who are studying can obtain experience of working in construction project from the internship with the Company.
2. Students or University Students who are studying have choices and opportunities to work with the Company
3. Make public relation for the Company to be known widely in vocational educational institutes and universities teaching construction field, engineering field and relevant fields.
4. More applicants are recruited by the Company and the selection of the qualified applicants to be suited with job position and the Company's requirements can be effectively conducted.
5. The recruitment channels of students and university students who are going to be graduated are increased.

**Table showing the number of students applying for jobs in the project "Graduated with jobs at Syntec" as of 2015**

Educational Institutes	Position							Total
	Foreman	Draftsman	Surveyor	Foreman M&E	Mechanical	Electrician	Draftsman M&E	
1. Srisaket Technic College	9	2	1	3	-	-	-	15
2. Surin Technic College	16	2	6	-	-	-	-	24
3. Buriram Technic College	2	4	5	-	-	-	-	11

4. Roi Et Technic College	8	11	-	-	-	-	-	19
5. Nakhon Ratchasima Technic College	17	3	1	1	-	1	2	25
6. Phitsanulok Technic College	4	16	17	2	-	-	-	39
7. Sukhothai Technic College	7	-	-	8	-	-	-	15
8. Kampaengpetch Technic College	7	1	-	-	-	-	-	8
9. Nakorn Sawan Technic College	15	10	-	-	-	-	-	25
10. Don Muang Technic College	4	2	-	2	-	-	-	8
11. Dusit Technic College	5	-	-	-	-	-	-	5
12. Thaivichitsilp Technology College	6	8	-	-	-	-	-	14
13. Rajasitharam Technical College	-	2	-	-	-	-	-	2
<b>Total</b>	<b>100</b>	<b>61</b>	<b>30</b>	<b>16</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>210</b>

From the above table, in 2015, the Company operated in various areas of educational institutes for totally 13 institutes, there were 210 students who were interested in participating the project, 83 of them were passed the selection criteria and entered the interview. Finally, 23 students were selected to work with the Company.

### **Consumer responsibility**

As most of the Company's construction projects have been high-building construction in business districts in downtown and township zones, it has been unavoidable to create both direct and indirect impacts toward the outsiders who are originally residing or engaging the business or passerby around construction work unit area. The Company shall strictly operate according to law requirement relevant to construction works, for instance.

1. Ministerial Rule, Issue No. 4 B.E. 2526 (1983) issued according to the content in Building Control Act, B.E. 2522 (1979), Bangkok Metropolitan's Ordinance on Stipulation of Criteria in Public Utility and Building Construction, B.E. 2539 (1996).
2. Proclamation of National Environmental Board, Issue No. 10 (B.E.2538 (1995) issued according to the content in National Environmental Quality Care and Promotion Act, B.E. 2535 (1992) on Stipulation on Ambient Air Quality Standard, and proclaimed in Government Gazette, Volume 112, Part 71Ngor on 5 September 1995.
3. Proclamation of National Environmental Board, Issue No. 15 (B.E. 2540) on Stipulation of Background Noise Level Standard issued according to the content in National Environmental Quality Care and Promotion Act, B.E. 2535 (1992) and proclaimed in Government Gazette, Volume 114, Part 27d dated 3 April 1997.

4. Proclamation of National Environmental Board, Issue No. 37 (B.E. 2010) on Stipulation of Vibration Standard for Building Impact Protection issued according to the content in National Environmental Quality Care and Promotion Act, B.E. 2535 (1992) and claimed in Government Gazette, Volume 127, Part 69d dated 2 June, 2010.
5. Proclamation of Ministry of Natural Resources and Environment on Stipulation of Control Standard for Effluent Discharge from Some Types and Sizes of Buildings dated December 2005, issued according to the content in National Environmental Quality Care and Promotion Act B.E. 2535 (1992) and proclaimed in Government Gazette, Volume 122, Part 125d dated 29 December 2005.

The Company's will is to abate the occurred impact toward surrounding area to be less or least and the impact has been classified into 3 groups as follows.

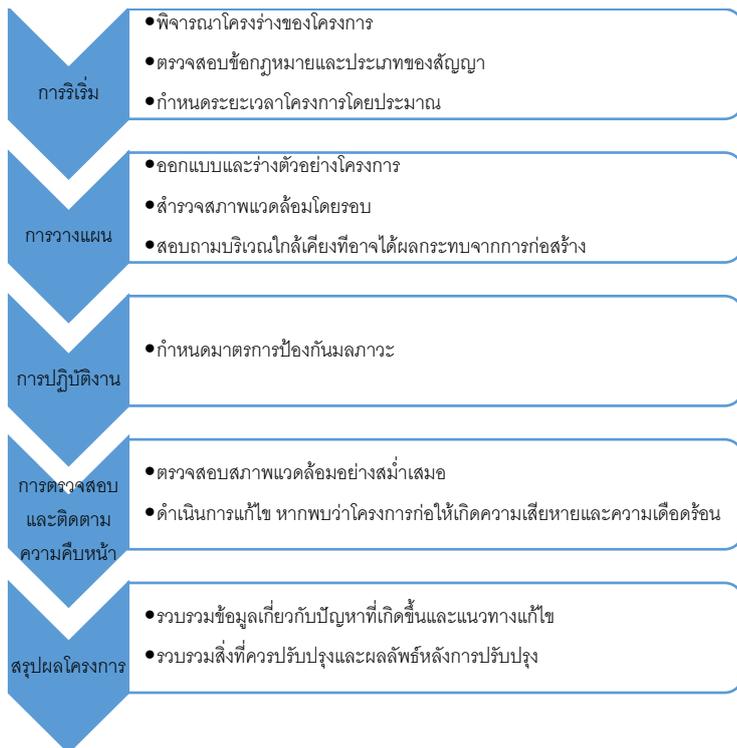
#### **1. Impacts on houses located around construction site**

Impact from land slide and collapse caused by piling works in some areas that may not facilitate piling works, it is possible that land slide can occur and result in certain impacts on houses surrounding the construction site. To avoid such problems, the Company selects bored pile or FC-PTG (Full Center Auger with Pile Toe Grouting).

Land slide and collapse caused by land digging if it is considered that land digging may cause slide and collapse of the area around construction site, the Company shall apply appropriate soil protection system that meets engineering requirements and also install proper tool to monitor motion. Vibration from soil protection system arisen from sheet pile installation, the Company will apply silent hammer to avoid such vibration.

Impacts from falling object from building under construction was protected by installing safety protection system including steel structure and mesh sheet around the building under construction and adjacent area will be cleaned and while unused materials will be moved from the building on regular basis in order to avoid impacts from falling object.

#### **Operation Process**



## 2. Environmental impact

### Impact of Noise

Noise origin control: The Company chooses tools and machines that are in good condition and under regular maintenance in order to avoid causing noise. Also, isolator or absorber is installed to absorb sound at its origin. Transport trucks in construction area are subject to speed limit up to 5 km/hr.

Machines and tools were installed at the direction that can minimize noise impact e.g. at the farthest side from surrounding houses, or at the location surrounding by thick concrete wall, installing temporary wall around the machine causing loud noise, installing mesh sheet of the same height as that of the building as a shield for blocking noise or even solid wall not lower than 4 meters around construction area etc.

Operation period control: through the discussion with surrounding houses about appropriate period of time for operation that can cause noise, it will ensure that people living in surrounding area will be least affected and at the same time, they will be provided with information of steps taken by the Company to mitigate impacts from construction. Moreover, noise level will be regularly monitored and report will be issued monthly to ensure that noise is still within acceptable limit. The values from the result of measuring and analysis on noise level at construction area during construction period at average  $Leq$  24 hrs. and  $L_{max}$  have met the standards required according to Proclamation of National Environment Board, Issue No. 15 (B.E. 2540 (1997) on Stipulation on General Background Noise Level Standard and according to Proclamation of National Environmental Board, Issue No. 29 (B.E. 2550 (2007) on Noise Level Value. The standard values are equal to 70.0 and 115.0 dB(A), respectively.

### Impact of Water

In respect of wastewater from activities in construction site, it will be treated with onsite wastewater treatment plant installed by the Company. Soil water with high density of dust and debris e.g. wastewater from cement mixing, from container or floor cleaning and draining water from construction site will be collected at sedimentation pond. Clarified and treated water will be sprayed at the construction site to control dust or used for cleaning and then be

treated again before drained out to public water resource. Sedimentation may be used for land filling within or outside the construction site.

Effluent quality measuring result at effluent cesspool before draining into public sewer during construction period has had the value as required by the standard according to Proclamation of Ministry of Natural Resources and Environment on Stipulation of Control Standard for Effluent Discharge from Some Types and Sizes of Buildings dated December 2005. The values were based on criteria standards.

### **Impact of air and particles**

To avoid impact on air and particles, the Company adopts following measures: Install temporary solid wall not less than 4 meters high around construction site, Clean truck wheel at the project entrance/exit before the truck leaves the construction site, Water spray and clean the construction area to reduce particles diffusion, Make temporary concrete road around the project site and clean it regularly to reduce particles generated from transportation in the construction area, Strictly apply speed limit up to 5 km/hr., Install mesh sheet around the building under construction with the same height as that of the building to prevent particles diffusion, Check tools, machines and vehicles used in the construction to ensure that they are in good and functioning condition.

The air quality measuring result by 24-hours average of Total Suspended Particulate (TSP) and measuring result of air quality by measuring 24-hours average of Particulate Matter size below 10 micron (PM10) at the construction site area have had the values as standards required by Proclamation of National Environmental Board Issue No. 10 (B.E. 2538 (1995)) on Stipulation of Ambient Air Quality Standard and according Proclamation of National Environmental Board, Issue No. 24 (B.E. 2547 (2003)) on Stipulation of Ambient Air Quality Standard with standard value of 0.330 and 0.120 milligram/cubic meter, respectively.

### **Impact of Traffic**

In order to reduce traffic impact, the Company will implement following measures: Avoid transfer construction material and soil during rush hour, Coordinate with traffic control agency for the entire period of construction, Install blinking light around the construction site to have clear vision for the public, Install signs and warning symbols and provide staffs to facilitate traffic control at the project entrance/exit.

### **Environmental Care**

In addition to compliance with rules and regulations about occupational health and safety in its operation, the Company invests in provision of system and equipment for preventing object fall and dust generally originated from construction work of skyscraper. This Safety Protection consists of steel structure and mesh sheet that can prevent falling object and dust falling or dispersing from construction site in order to avoid causing pollution. These measures reflect 3 aspects of social responsibility including:

1. Responsibility to the Company's employees: newly recruited employee or transferred employee will be trained by professional safety officer to be familiar with working condition and risks associated in such work before commencing the work. Employees are also assessed regularly as to their understanding.
2. Responsibility to client: Work will be carried out by referring to the standards in terms of procedures, machine, equipment and personnel. This will create good image for the project while the consumer buying or using the building

constructed by the Company will be satisfied with the environmental-friendly building which reflects social responsibility.

3. Responsibility to the third person: As construction work is one of the industries that can cause pollution and impact to the surrounding communities e.g. noise, falling object and dust etc., the Company hence gives priority to planning on environmental issues e.g. planning for soil collapse, high wall installation to reduce noise and annoyance, implementation of Safety Protection consisting of steel structure and mesh sheet.

For Training and Knowledge Provision on Environmental Matter, the Company has arranged trainings and educated the employees in all positions on environmental matter. The Company has mutually arranged training and development with Work Safety and Quality Assurance Department to plan and specify knowledge provision and training to employees for acknowledgement on the policy suggested by the Management or specify practical guideline as well as specify timeframe in periodical correction and improvement so that Company can correctly and continuously improve its operation to be in line with environmental impact abatement measure.

The policy of promotion on knowledge provision and training on safety, occupation health and working environment to employees includes arrangement of training and review on fire suppression and firefighting knowledge for employees, arrangement of trainings courses related to safety, occupation health and working environment as required by laws such as Safety Committee course, executive level-working safety officer course, supervisory level-working safety officer course, and working environment, occupation health and safety course for general employees and the employees who are new entrants as well as implementation of the Project of "10 Minutes for Safety and Environmental Concern" (Morning talk) for every employee level in the morning before operation. The occupational safety officer will inform daily operating plan in order to clarify risk, risky point or hazardous point that may occur with working in each day to the employees, labors and contractors for more precaution. In addition, campaign and awareness creation. There is none of the Company's business operation significantly affecting social responsibility over the concerned period.

### **Case Study of the environmental impact under the Company's operation**

The project of Supalai Mare Pattaya is located in the area of 7 rais with 400 square meters and 93 square two-meters or 73,655 square meters at the center of Pattaya, on Theprasit Road and far from Sukhumvit Road only 2 kilometers, it is surrounded by shopping areas and important tourist spots such as outlet mall, Big C Department Store, Tesco Lotus Department Store, Theprasit Night Market, Jomtien Beach, Pattaha Park, Colosseum Show Pattaya, Pharatamnak hill, etc. with convenient travelling of one and a half hours from Bangkok and only 6 kilometers distance from Motorway. The project is consisted of one 35-floor residential building and one 3-floor club house building which are designed in modern style mixed with the imitation of sea atmosphere as the element of internal and external building design. The layout of building supports both sea and mountain views, green tint glass and anti-heat materials are utilized to relieve heatness from outside. Furthermore, many facilities including Swimming pool, Fitness room, Sauna room, Aerobic room, Adventure Park, Pocket Garden, Sky Lounge, Roof Garden, shops and 24-hour security system are provided with fullness.

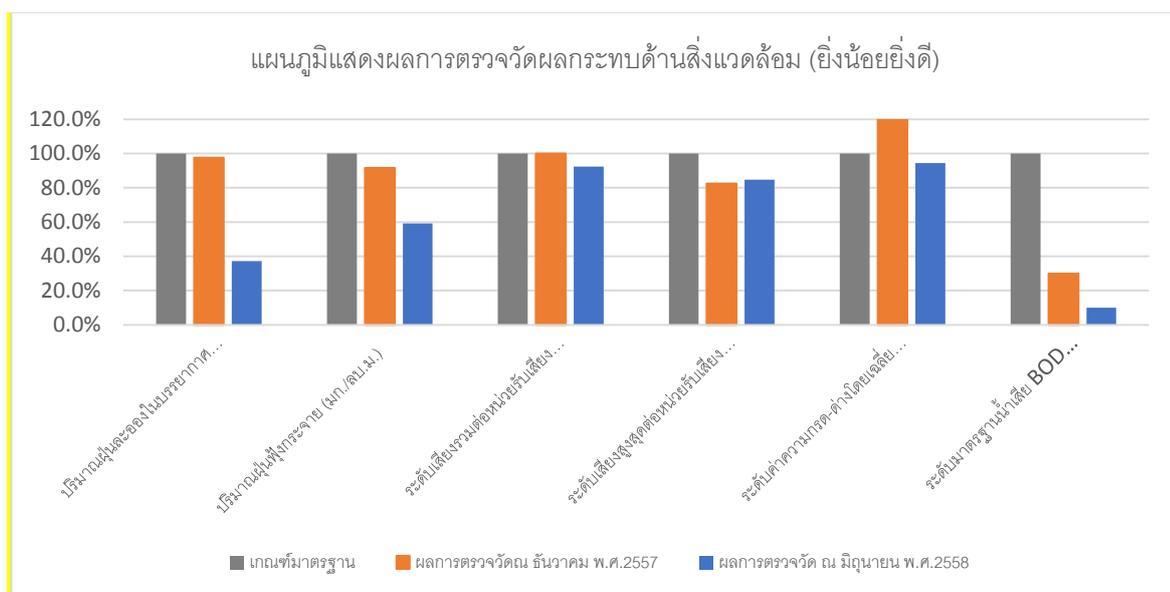
Greencare Consultant Co., Ltd. is assigned by the project owner to proceed the Environmental Impact Analysis Report and Envilab Co., Ltd. is also assigned to collect samples for environmental quality testing by using TSP High Volume Air Sampler with Recorder as a tool for sampling and analysis.

### **The result of environmental impact as of December 2015**

Measuring Items	Standard	Result	
Atmospheric Particulates (mg./m <sup>3</sup> )	0.33	0.322	Good
Diffused Particulates (mg./m <sup>3</sup> )	0.12	0.110	Good
Total sound level per phonoreceptors surrounding the project (dB(A))	70	70.00	Good
Maximum sound level per phonoreceptors surrounding the project (dB(A))	115	94.9	Good
Average pH value level (pH)	5.0 - 9.0	11.0	Bad
Standard level of Biochemical Oxygen Demand (BOD) (mg./ltr.)	20	6	Good

### The result of environmental impact as of June 2015

Measuring items	standard	Result	
Atmospheric Particulates (mg./m <sup>3</sup> )	0.33	0.123	Good
Diffused Particulates (mg./m <sup>3</sup> )	0.12	0.071	Good
Total sound level per phonoreceptors surrounding the project (dB(A))	70	64.6	Good
Maximum sound level per phonoreceptors surrounding the project (dB(A))	115	97.5	Good
Average pH value level (pH)	5.0 - 9.0	8.5	Good
Standard level of Biochemical Oxygen Demand (BOD) (mg./ltr.)	20	2	Good



It was found that all environmental items were on standard, although the average pH value was found too high in December, after that the project with the cooperation of the Company searched for guideline of solution for such impact and its value was returned to be on standard for the inspection in June.