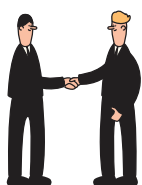


Make every morning
a “good morning”
for every customer.

—
Annual Report
2017



TOMORROW IS NOW

SC ASSET
FOR GOOD MORNINGS

TABLE OF CONTENT

20	MESSAGE FROM THE CHAIRMAN
22	BOARD OF DIRECTORS
23	THE BOARD OF DIRECTORS REPORT
26	REPORT OF THE EXECUTIVE COMMITTEE
27	REPORT OF THE AUDIT COMMITTEE
29	REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE
30	REPORT OF THE RISK MANAGEMENT COMMITTEE
31	REPORT OF THE CORPORATE GOVERNMENT AND SOCIAL & ENVIRONMENTAL RESPONSIBILITY COMMITTEE
34	POLICY AND BUSINESS OVERVIEW
37	NATURE OF BUSINESS
49	RISK FACTORS
52	GENERAL INFORMATION OF THE COMPANY AND ITS SUBSIDIARIES
56	SHAREHOLDERS
59	DIVIDEND PAYMENT POLICY
60	MANAGEMENT
93	CORPORATE GOVERNANCE
181	CORPORATE SOCIAL RESPONSIBILITIES
182	INTERNAL CONTROLS AND RISK MANAGEMENT
189	DETAILS OF DIRECTORS, MANAGEMENT TEAM, ADVISOR, CONTROLLING PERSONS AND COMPANY SECRETARY
211	RELATED TRANSACTIONS
218	FINANCIAL HIGHLIGHTS
219	MANAGEMENT DISCUSSION AND ANALYSIS
232	FINANCIAL STATEMENTS AND NOTES TO FINANCIAL STATEMENTS

"Investors can study additional information of the Company from Annual Registration Statements (Report Form 56-1) provided on www.sec.or.th or on the Company's website (www.scasset.com)"

TOMORROW IS NOW

We create today to be the best of tomorrow so, that everyone in the family can devote their time to, construct great future and passing it on to the rest of the society. The mission to make each morning, meaningful and eminence are the tasks we have always been committed to.

We believe that a good life comes from a good start and because every living starts from a home. Therefore, we improve living by understanding the, needs of human centric by introducing innovation to, make lives at ease and comfortable for everyone in the family as parts of concept design and development of the residences. As well as developing quality systems focusing in environmental friendly productions and energy efficiency consumption. These objectives are the collaboration and coordination from all parties; from employees, partners, customers to stakeholders to create today a secured and sustainable tomorrow.

OUR PRODUCTS IN 2017



Initiating happiness

GRAND BANGKOK BOULEVARD

SRINAKARIN

GRAND
BANGKOK BOULEVARD
ศรีนครินทร์



THE GLAMORISH LUXURY

Start 30-60 MB.

When the beauty of the East shines, accompanies by the contemporary and elegant design, developed into a new identity of the next level of living, just like a luxury oasis of the East of Bangkok. Grand Bangkok Boulevard Srinakarin, lavishing you from the very first step into the extravagance mansion with a unique architecture from Moroccan spectacular. Safe and sound with the 24-hour Premium Triple Security on a prime location with the utmost private atmosphere near main Srinakarin Road. Only 73 units exclusively available.

HEADQUARTERS

EKAMAI - LADPRAO

HEADQUARTERS

EKAMAI-LADPRAO



BECAUSE A BETTER IMAGE MEANS A HEAD START

Start 30-50 MB.

Welcome every success to the timeless luxury Biz Villa—an ideal place for business and pleasure. Bring workplace and residence together in a modern classic home office offering you a whole new level of professional and personal life. Enjoy more flexibility with over 5 floors of usable area with a private elevator and 6-7 parking spots. Achieve everything you want on the competitive location near 'Town In Town', the well-known business center. Only 29 units are exclusively available.

THE GENTRY
SUKHUMVIT

THE GENTRY
SUKHUMVIT



NEVER LOSE YOURSELF

Start 18.9 MB.

NEVER LOSE YOURSELF Unleash your true self and live a luxurious life in a single house amidst Sukhumvit. Settle in the unparalleled location with extended private area. With a perfect modern luxury design inspired by the borough of Brooklyn in New York, every inch of space allows all your passions to be fulfilled like nowhere else. Feel the real pleasure now at THE GENTRY, a first luxury single house project in Sukhumvit with a unique club house, central park and premium innovations security system. This exclusive privilege to live in the best environment of plush community is only limited to 57 families.

THE GENTRY

RAMA 9

THE GENTRY

RAMA 9



YOU ARE THE LEADER OF YOUR LIFE

Start 20.9-50 MB.

Experience the new concept of living in midtown location, near Thong Lo-Ekamai and the new business district, NEW CDB RAMA 9. Loosen on the utmost private area, away from any chaos and relax freely while fulfilling all the needs to your LIFE JOURNEY at GENTRY RAMA 9. A luxury 3-storey villa with the modern concept designed especially for new generation livings who live their lives to the fullest. Enjoy any parties with 3 Double Volume Space, both vertically and horizontally that connect to every area of the house well-designed to utilize the complete functional. Liven up your luxurious lifestyle with the Private Life & Private Pool with Jacuzzi at THE GENTRY RAMA 9 ... exclusively only 13 units available for the ultimate privacy.

BANGKOK BOULEVARD

RANGSIT

== B A N G K O K ==
boulevard
รัจสิต



HERE IS MY FORM OF LUXURY

Start 5.99-12 MB.

New Series of luxury Nordic styled homes inspired by famous world travel destinations, combines natural design with unique Nordic architectural high ceiling glass halls. The city that has been well known as the happiest land in the world. Every day is your relaxing day with the Triple Security System. Only 132 units available for the utmost private community.

BANGKOK BOULEVARD SIGNATURE
RATCHAPHRUEK

==== B A N G K O K ====
boulevard
Signature



YOUR UNPARALLELED LIVING

Start 18-24 MB.

The ultimate living inspired by the English village of Bibury on the waterfront, absolute peaceful and utmost private, just like Bangkok Boulevard (Signature) Ratchaphruek, an luxury English mansion from SC Asset. Exclusively available only 15 units with Clubhouse, swimming pool and Fitness, under Triple Security System, the 24-hour security system on Ratchaphruek Road.

BANGKOK BOULEVARD SIGNATURE

SATHORN- RATCHAPHRUEK

== B A N G K O K ==
boulevard
Signature



Start 16-35 MB.

Possessing nature is priceless. Experience the ultimate luxuriousness with the supreme location of Ratchaphruek, near Sathorn. Extravagance mansion in Luxury Nordic style inspired by the city of Bourton-on-the-Water, one of the most beautiful riverside towns in England. The city famous for its architectural honey colored stone bridge. Enabling your everyday the most relaxing day, with the large communal garden located on an over 4 Rai land and securing your safety with Triple Security System.

BANGKOK BOULEVARD

CHAENGWATTANA 2

== BANGKOK ==
boulevard
แฉงวตัฒน = 2



HERE IS MY FORM OF LUXURY

Start 6.99-15 MB.

New Series of luxury Nordic styled homes inspired by famous world travel destinations, combines natural design with unique Nordic architectural high ceiling glass halls. The city that has been well known as the happiest land in the world and the Nordic Clubhouse is notable for its distinctive design. Luxuriously equipped with full facilities and a large communal garden inspired by Scandinavian pine forests of all seasons, making your day an unforgettable one. Feel maximum security with the 24-hour security system of Triple Security System, located on a potential area of Hor Kan Kha Thai Road.

BANGKOK BOULEVARD

SATHORN - PINKLAO 2

== BANGKOK ==
boulevard
สาทร-ปิ่นเกล้า 2



THE NORDIC BY THE RIVER

Start 8.99-15 MB.

The new series of luxury 5-bedroom house in the heart of Ratchaphruek, only 10 minutes away from Srirat-Outer Ring expressway. Relish your absolute relaxation on the 2 Rai green space at Riverside Clubhouse.

VENUE

RAMA 5-2

VENUE

RAMA 5-2



BECAUSE HAPPINESS GROWS

Start 6.29 MB.

“Time” makes us grow, and “Time spent with your loved ones” also makes the happiness grows. We design the house to fulfill functional living space, a simple design but full of Japanese style interior detail to allocate more living space. Completing your expanding happiness to the fullest.

WORK PLACE
CHAENGWATTANA



THE PRIME LOCATION OF CHAENGWATTANA

Start 10.9 MB.

“New business center” at “Work Place Chaengwattana”, the heart of residential community and the modern business district on Chaengwattana Road. Growing potential area with diverse populations from all around the city, located on a perfect atmosphere and environment for business. Priceless location of today.

PAVE

RAMINTRA – WONGWAEN

PAVE



DESIGNED SPACE FOR YOUR LIVING

Start 4.59-7 MB.

We, 'design' every square meter to fulfill every lifestyle for your family by delivering liberated functions in your own choice of selected space. Modern 2-storey detached house with easy access to the heart of the city, connecting to main roads and accessible by several main routes. Fully functioned with Clubhouse, swimming pool and a large communal garden, and the 24-hour security system controlling accessing traffic with Easy Pass system and CCTV, as well as built-in burglar alarms.

VERVE

PETCHKASEM 81

Verve
PETCHKASEM 81



PROSPECTIVE LOCATION ON PHETKASEM

Start 2.59-12 MB.

Modern Loft Style townhome designed for the new generation with functions that fulfill the needs and lifestyles by being more than residential entities, but for the happiness of everyone in the family to utilize all areas effectively. Front facing area is 5.45 meters wide and a 5.7 meters wide master bedroom, with a versatile function room that can be customized according to your family's lifestyle and the 4-storey Loft style home-office (Biz-Zone). Only 22 units available at the project front where you perfectly can start your business for your great profits and achievement in the coming future.

28 CHIDLUM

28 CHIDLUM



Start 10-73 MB.

28 CHIDLUM is located on Chitlom Road, only 180 metres or a 3-minute walk from Central Chidlom. The project comprises 2 high-rise residential buildings named The Tower and The Villa. The residences at 28 CHIDLUM, varying in type from studio units to penthouses, boast a ceiling height of 3-3.1 metres.

CHAMBERS CHER

RATCHADA - RAMINTRA



Start 2 MB.

How great would it be to live in a place where you can be anywhere at ease? Wherever you want to go, towards the heart of the city or going outbound. Everywhere is easily accessible and connected to many main roads. Whether you want to shop, eat or chill out, everything is just at your reach. Relax with the wide-front condominium that comes with high ceiling window façade welcoming the breeze and natural sunlight, feeling just like in amidst of nature with the Danish modern home-style condominium. Designed specially to provide cozy living space that balances perfectly with nature.

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

2017 was the year of business changes as the world is stepping into the age of “Connectivity” and becoming interconnected through a digital system. Even though technological breakthrough does not cause drastic impact to the real estate development segment, the industry still evidenced quick changes in consumer behaviors, their lifestyle and their needs that influenced its business competitive pattern. Real estate developers are enthusiastic and have extensively adjusted themselves to embrace this new era of technological innovation and set their business strategy in awareness of multi dimension growth. New innovations are applied in developing their products and services to achieve their competitive edge. We, as a prominent company in the Thai real estate segment, set a dynamic strategy that focuses on the “Human-Centric” aspect while applying modern technological solutions to accommodate contemporary lifestyles in the quick pace of changes and to also follow our business sustainability path.

The Thai economy in 2017 continued to expand with a GDP growth of 3.9%, due mainly to major new and ongoing investments, as well as government public spending. Continual growth in export and tourism is also a positive contribution thereof. Nevertheless there are other uncertain variables such as private investments, consumption, and high household debt situations, all of which resulted in more stringent credit reviews by financial institutions. Despite all this adversity, we continue to report sales growth for both our low rise and high rise developments, as well as keeping our No.1 market share for single-detached house developments for prices over Baht 20 million and No.2 position for all types in the single-detached house market. Our condominium projects are also well-accepted.

The Company’s operational results for 2017 showed Baht 15,278 million in presales, a 32% rise from 2016. Total revenues and operating revenues were Baht 12,472 million and Baht 12,450 million, respectively, of which 93% came from residential developments and another 7% from office rental and services. The company had a net profit attributable to owners of the parent of Baht 1,259 million, or 10.1% of total revenues, and a profit per share of Baht 0.30. As December 31, 2017, the Company and its subsidiaries had total assets of Baht 38,498 million and total liabilities of Baht 23,583 million, respectively. The Company launched 15 new development projects in 2017 with a total project value of Baht 25,650 million, and had a total 47 development projects for sales with the combined project value of Baht 53,250 million.

During the past year, the Company established Scope Company Limited in which it owns 90% of the shares. The establishment aims for an expansion of its real estate business portfolio, particularly for the sales of its condominium projects. The Company intends to push for strong and growing condominium sales growth. Additionally the Company also joined hands with its business alliances to add value to its main business line and to cooperate in the upcoming development of its future residential projects. The collaborations include:

1. A 10% investment of SC Able Company Limited, a subsidiary of the Company, in the registered capital of Fixzy Company Limited, an innovative startup company that develops applications for house repair services through sharing economy platform. This partnership is intended to help improve the Company’s aftersales services.

2. SC Able Company Limited established the “Able Academy” with the collaboration of many major business alliances to provide training for the repair technicians in the Company and in Fixzy Company Limited, and the security guards in the Company’s projects to assure that they can efficiently serve their customers.

3. A 20% investment of Upcountry Land Company Limited, a subsidiary of the Company, in the registered capital of Fire One One Company Limited, a technical consultant company engaging in platform development. This partnership is intended for the co-creation of a Living Solutions Platform.

4. The Company collaborates with Advance Info Services Public Company to develop high quality digital network for all the Company's development projects, as well as to co-create an IoT smart home which provides added conveniences and assistance for house problems. The first project to utilize this new dwelling platform is THE GENTRY RAMA 9.


With commitment and devotion in creating good efforts for its entire work process from designing, product development, service delivery, after sales services, to added value of future business for future livings, the Company always adheres to its business principles of good corporate governance, social responsibilities, and community awareness. The Company was awarded an honorable recognition from the Stock Exchange of Thailand by receiving the SET Sustainability Awards 2017 in the rising star category for publicly listed companies with market capitalization between Baht 10,000 - 30,000 million and the Company is among the companies in the list of Thailand Sustainability Investment (THSI) that has passed the evaluation standard on environment, social, and corporate governance for the past three consecutive years. Other awards granted to the Companies included:

- The "Outstanding Real Estate Projects for 2017" from the Agency for Real Estate Affairs Company Limited for GRAND BANGKOK BOULEVARD SRINAKARIN for its outstanding luxurious single-detached houses.
- The Company was awarded for its outstanding real estate housing projects for energy conservation from the Department of Alternative Energy Development and Efficiency, Ministry of Energy. The awards included two awards for outstanding housing estates for energy conservation for small estates with sub-divided plots of less than 99 units, for its GRANADA PINKLAO - PHETKASEM and GRAND BANGKOK BOULEVARD RATCHAPHRUEK - CHARAN, and four awards for housing designs from VENUE RAMA 5-2, PAVE RANGSIT, GRAND BANGKOK BOULEVARD RATCHAPHRUEK - CHARAN and GRAND BANGKOK BOULEVARD SUKHUMVIT.

The Corporate Mission to build residential developments for the future has become one of the Company's main business strategies that drives it towards sustainable growth proportionately with the economic and social growth. On behalf of the Board of Directors and the Company, I would like to thank all our supporters, namely our shareholders, customers, financial institutions, business counterparties, stakeholders, executives, and employees for their trust and devotion in supporting our company and driving it to its present success and leading it towards a promising future and mutual sustainable growth.



(Mr.Rath Kitivejosoht)
Chairman of the Board of Directors



(Mr.Nuttaphong Kunakornwong)
Chief Executive Officer

BOARD OF DIRECTORS



Mr. Rath Kitivejsoth
Chairman



Ms. Busaba Damapong
Director



Mr. Nuttaphong Kunakornwong
Director



Mr. Nathpath Ouajai
Director



Mr. Attapol Sariddipuntawat
Director



Mr. Kunodom Tharmmaphornphilas
Independent Director



Mr. Prasert Samanawong
Independent Director



Mr. Precha Sekhararidhi
Independent Director



Mr. Songsak Premsuk
Independent Director



Ms. Vilasinee Puddhikarant
Independent Director

THE BOARD OF DIRECTORS REPORT

Dear Shareholders,

SC Asset Corporation Public Company Limited is a fully integrated property development company that operates activities in Property Development for Sales, Property Development for Rental, as well as Consulting & Management Services. It is the Company's key management policy to develop and create a wide variety of premium in every segment of property development products including single detached house, townhouses, home offices and condominiums. The Company also continually integrates social and environmental concerns as well as good governance in its business operations, whilst regularly reviewing its governance policies and recurrently applying new good corporate principles into practice. Such applications are properly implemented in accordance with its corporate strategies and business management directions. The Company recognizes the importance of duly complying with applicable laws and fostering anti-corruption efforts, while operating its business with integrity, transparency and commitments that stakeholders' concerns are also equitably recognized and addressed. All of these best practices have enabled it to achieve business sustainability in its corporate growth.

In 2017 we noticed fast changes in digital technology and their widespread impact on lifestyle, business, and investment. This year is then another year of challenge for real estate developers. In order to prepare ourselves for sustainable growth in the age of connectivity, the Company has declared its proactive strategies that commensurate with the trend of the "Industry 4.0" era that focuses on the "Human Centric" approaches and directs our developments to respond to rapid changes in consumer behaviors in this digital era. The Company promotes and fosters creativity and innovations in product development and service improvement to enhance added value for both consumers and Society. We have developed a new innovation known as "Baan Ruu Jai" in every price range, which involves the adaptation of new technologies and innovations, as well as the integrated improvement in our products and services to provide solutions that enable each morning to be a "good morning" for our customers. Additionally, we also contribute to create a society of quality which has become one of our key strategies in crafting our sustainable business growth and values.

Additionally, in 2017 the Company held 7 meetings of the Board of Directors, and another 7 meetings before each of the Board of Directors meetings which were attended only by the independent directors, without the presence of any executives of the Company, to follow up on the Company's business operations and to discuss important issues and beneficial matters to the Company, as well as management and administrative issues that may be of material concern. During the past year the Company operated various business activities of which the details are as follows:

1. Launching 15 new projects, comprised of Low Rise Projects which are single detached house 11 project, townhouse and home office 2 project and High Rise Projects (condominium) 2 projects namely:

- 1 GRAND BANGKOK BOULEVARD Project, 1 HEADQUARTER Project and 2 THE GENTRY Projects, which are classified in segment with price range of 20 - 50 Million Baht
- 5 BANGKOK BOULEVARD Projects classified in segment with price range of 10 - 20 Million Baht.
- 1 VENUE Project, which is classified in segment with price range 5-10 Million Baht.
- 1 PAVE Project which is classified in segment with price range 3-5 Million Baht.
- 2 Townhouse and Home Office Projects which are 1 WORKPLACE Project, which is classified in segment with price range 5-10 Million Baht and 1 VERVE Project, which is a new segment launched in this year with price range lower than 3 Million Baht and.
- 2 Condominium Projects which are 28 CHIDLUM Project which is a super luxurious residential with the price range more than 250,000 Baht per square meter and CHAMBER CHER with the price range 60,000 - 120,000 Baht per square meters.

2. Forming business alliances with business partners in order to create and develop the product focuses on Human Centric and to respond to changes in consumer behaviors. These business alliances include:

2.1 Participated in a joint investment with Fixzy Company Limited under SC Able Company Limited with the objective to design user applications whereby customers can contact repairer online. This intends to raise the quality of the Company's after-sales services to be more convenient, faster and full services.

2.2 Participated in a joint investment with Fire One One Company Limited to jointly support the development of "Digital Living Solution Platform" that brings improvement to the Company's products and services to enter the "Digital Economy"

3. In the past year, the important corporate honor is the receipt of various awards and recognitions from government agencies and private entities. This is regarded as the highest honor and pride for the Company which all resulted from capability management in business, adhering in good governance and emphasizing always pays attention and continually complying good corporate governance principles. The awards and recognitions are:

3.1 The full assessment score of 100 for the quality assessment for the arrangement of its 2017 Annual General Meeting of the Shareholders from the Thai Investors Association. It has enjoyed this "excellence" status with full score of 100% consecutively from 2008 to 2017.

3.2 The "excellence" status with a score of "90 or higher" for its 2017 corporate governance assessment, reviewed by the Thai Institute of Directors (IOD), out of 620 Thai publicly listed companies under assessment. The Company's average assessment score was 96 out of the total marks of 100.

3.3 Thailand Sustainability Investment 2017 (THSI) or "Sustainable Share", organized by the Stock Exchange of Thailand: This award represents acknowledgement of publicly listed companies in their business sustainability efforts and their consideration towards balanced growth in economical, social, and environmental aspects. The Company has achieved this award for the past three continuous years.

3.4 SET Sustainability Award 2017, under the category of "Rising Star, offered" by the Stock Exchange of Thailand: This award represents the recognition of publicly listed companies which have outstanding performance in their business sustainability efforts.

3.5 Outstanding Real Estate Projects for 2017, under the low-rise developments category: The Company received this award for its luxurious single-detached houses in GRAND BANGKOK BOULEVARD SRINAKARIN. The award was granted by the Agency for Real Estate Affairs (AREA) Company Limited.

3.6 Housing Award 2017, offered by the Department of Alternative Energy Development and Efficiency, Ministry of Energy: The Company won six awards including : two awards for outstanding housing estates for energy conservation for small estates with sub-divided plots of less than 99 units, for its GRANADA PINKLAO - PHETKASEM and GRAND BANGKOK BOULEVARD RATCHAPHRUEK - CHARAN, and four awards for its housing design for "ZENBI" housing type, plot number 2, in its VENUE RAMA 5-2, its housing design for "PAVE X" housing type, plot number 67, in its PAVE RANGSIT, its housing design for "RATCHAPHRUEK" housing type, plot number 42, in its GRAND BANGKOK BOULEVARD RATCHAPHRUEK - CHARAN, and its housing design for "ST. VINCENT" housing type, plot number J1, in its GRAND BANGKOK BOULEVARD SUKHUMVIT.

4. The Company recognizes the importance of good corporate governance. The Company's Board of Directors considers and reviews the adaptation of the Corporate Governance Code 2017 for publicly listed companies to use as its guidelines in compliance with the Company's business context.

5. With awareness of importance of a good internal control system, the Company's Board of Directors arranged to have the annual assessment and review on the adequacy of the Company's internal control system, to ensure that the Company has an appropriate and sufficient internal control system that can efficiently and transparently govern and monitor its operations according to its prescribed policies and objectives, as well as relevant laws and regulations.

6. With the true and consistent belief in ethical business conducts, equitable treatment of all stakeholders, principles of good corporate governance, and code of business conducts; the Company thus achieves its sustainable growth. Additionally, the Company recognizes the danger of fraud and corruption, and believes that fraud and corruption are a cause that negatively impact economic and social confidence. The Company pays attention to this issue and thus became a member of the Thailand's Private Sector Collective Action Coalition against Corruption. The Company also established its policies and measures against corruption to reiterate its inspiration and intention to fight against all types of fraud and corruption.

The Company's Board of Directors would like to thank our shareholders, customers, business partners, financial institutions and all government and private organizations for the power of their support and inspiration that has yielded the greatest impact on our consistent success. The Company continues to conduct its business according to its committed targets and business plan under the good corporate governance principles, pay attentive to society, the environment, and all internal and external stakeholder groups, as well as establish protective measures against any operational actions that may cause environmental impact, with the aims to be a company striving to sustain their position as a leading company.



(Mr. Rath Kitivejsoth)
Chairman of the Board of Directors
SC Asset Corporation Public Company Limited
January 19, 2018

REPORT OF THE EXECUTIVE COMMITTEE

Dear Shareholders,

In 2017, the Executive Committee held 13 meetings and managed matters of importance as follows:

1. Authorized corporate growth targets on revenues and net profit for 3 years between 2017-2019 under 4 strategies aimed at creating sustainable growth in the “Industry 4.0” or the era of digital connectivity.

1.1 Top-line growth: Proactive strategies in pursuing residential developments in all price ranges, preserving a leading market position and market shares in the high-end segment, and increasing market shares in the mass market segmentation.

1.2 Human-centric innovation: Promoting smart innovation of goods and services to offer needed solutions. The Company together with its business alliance namely AIS, developed its “living solutions platform” to enhance conveniences for home dwellers. The first phase of this program is known as the “IoT smarthome feature” which was initially applied in THE GENTTRY RAMA 9 while other features shall be developed in other phases.

1.3 Top quality: Maintaining the excellence in quality for its goods and services.

1.4 Lean: Digitization of its working process and reorganizing its organizational structure to accelerate working speed.

2. Authorized an investment budget for land acquisitions for future developments totaling 12 land plots.

3. Follow-up on policy implementations and monthly operational results.

4. Review credit applications to financial institutions and debenture issuance plans.

5. The Company invested in 3 companies, Fire One One Company Limited, Fixzy Company Limited and Scope Company Limited, to create business and innovation alliances aiming for sustainable growth.

The Committee commits to perform its duties for corporate business sustainability and with recognition of the importance in quality growth and innovation, along with growth in quantity.



(Mr. Nuttaphong Kunakornwong)
Chief Executive Officer
SC Asset Corporation Public Company Limited
January 18, 2018

REPORT OF THE AUDIT COMMITTEE

Dear Shareholders,

The Audit Committee of SC Asset Corporation Public Company Limited was appointed by the Company's board resolution, and composes of three independent directors, who have professional proficiency in the fields of accounting, engineering and management. They are Mr. Kunodom Tharmmaphornphilas, the Committee Chairman, Mr. Prasert Samanawong and, Mr. Precha Sekhararidhi. Ms. Pannee Tharapat, Senior Vice President of the Company's Internal Audit Department, acts as the Committee Secretary.

In 2017, the Audit Committee held nine meetings consisting of eight regular meetings and one special meeting attended only by the committee members and the Company's external auditors, without the presence of any executives of the Company. All the committee members fully attended all of the meetings during the year.

During those meetings the Committee discussed and exchanged views with the company's executives, as well as its internal and external auditors on various matters of which the issues of importance can be summarized as follows:

1. Review of the Company's 2017 financial statements: The Committee reviewed the quarterly and annual financial statements of SC Asset Corporation Public Company Limited, as well as its consolidated quarterly and annual financial statements. The statements are reviewed and audited by independent auditors, who are certified public accountants, and are provided with audit opinions stating that the statements are presented in conformity with generally accepted accounting principles, with full and fair disclosure of information. In addition, the Committee also invited the Company's auditors to regularly attend each of its meetings for discussions on matters arising during the audit, auditor independence, the adequacy of useful information disclosed in the financial statements for the benefit of users of such, as well as the auditors' recommendations on the preparations of such financial reports, prior the Committee's review of the audited financial statements and before their submission to the Board for further approval.

2. Oversight of internal controls and internal audit:

2.1 The Committee reviewed the annual internal audit plan which was prepared to assess internal controls and risk management processes of each corporate function, and set the targeted audit work scope that covers all material aspects.

2.2 The Audit Committee reviewed actions of the Internal Audit Office and provided suggestions on the internal controls system, aiming to assure the effectiveness of the internal controls process and the due compliance with all applicable laws and relevant regulations affecting operations of the Company.

3. Review of the Company's risk management: The Committee reviewed the adequacy of risk management systems by regularly obtaining risk reporting from the Risk Management Committee, and offered suggestions and insights on systematic and appropriate risk management.

4. Selection and proposal for appointment of the Company's external auditors: The Audit Committee evaluated the previous year's performances of the Company's external auditors and recommended the appointment of the independent auditors from PricewaterhouseCoopers ABAS Limited to be the Company's external auditors for 2018 and also proposed the annual audit fee for 2018 to the Company's Board of Directors to further recommend to the Annual General Meeting of the Shareholders for appointment and approval.

5. Compliance with Thai laws on securities and exchange, regulations of the Stock Exchange of Thailand and/or any other applicable laws: The Audit Committee has monitored and reviewed the Company's business practices and is satisfied that it complies with laws, regulations and rules of both the Securities and Exchange Commission of Thailand and the Stock Exchange of Thailand, as well as any other relevant government entities.

6. Review and providing opinions on related party transactions: The Audit Committee has examined and reviewed the disclosure of intercompany transactions as well as transactions that might have occurred between the Company and its subsidiaries, its associated companies, its directors, its executives, and its shareholders who have controlling interest of the Company which may represent conflicts of interest according to regulatory requirements as prescribed by the Securities and Exchange Commission of Thailand and the Stock Exchange of Thailand.

7. Self - Assessment: The Audit Committee annually arranges performance evaluation on a self-assessment basis. The evaluation covers their roles & responsibilities on financial reports, risk management, internal controls, related parties transactions, compliance of laws, regulations, and code of ethics, and relations with internal and external auditors. The outcome of the evaluation revealed that the Committee has fully complied with its assigned duties and responsibilities, and has applied its skills, knowledge, and proficiency with prudent and sufficient independence in judgment.

8. Supervision on the compliance of anti-corruption policy and measures: As the Company has applied to be a member of the Thailand Private Sector Collective Action Coalition against Corruption (CAC), the Audit Committee oversees and assigns the Internal Control Department to assess the adequacy of its internal controls for its business systems and to review the operations of other business units and divisions within the Company to assure that they properly act in compliance with the Company's policies and measures on anticorruption hence mitigating or reducing the Company's risk level on the risk of corruption.

9. The Audit Committee performs their duties with prudence and independence under the scope of its authority and responsibility as prescribed in its charter, and in accordance with the tasks assigned by the Company's Board of Directors as per the principles of good corporate governance. It also regularly reviews the audit committee charter to assure its appropriateness with the business situation of the real estate development industry.

Throughout 2017, The Audit Committee believes that the Company's financial statements are prepared according to the generally accepted accounting principles, and the Company has an internal controls system, and appropriate and adequate risk management system. It also duly complies with laws and regulations, and abides by the listed company's best practices. It fully conforms to the rules prescribed by the Securities and Exchange Commission of Thailand and the Stock Exchange of Thailand on related party transactions and reports each of such findings to the Board of Directors.



(Kunodom Tharmmaphornphilas)
Chairman of the Audit Committee

SC Asset Corporation Public Company Limited
January 19, 2018

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

Dear Shareholders,

The Board of Directors of the SC Asset Corporation Public Company Limited appointed the Nomination and Remuneration Committee, which is composed of three members who are director and independent directors. The committee members are:

- | | | |
|-----------------|--------------------|--|
| 1. Mr. Prasert | Samanawong | Chairman of the Committee (Independent Director) |
| 2. Mr. Kunodom | Tharmmaphornphilas | Member (Independent Director) |
| 3. Mr. Nathpath | Oujai | Member |

The Nomination and Remuneration Committee has its duties and responsibilities as prescribed by the Charter of Nomination and Remuneration Committee. Its duties and responsibilities include all relevant human resource policies, director selection, and policies in respect to the remuneration for the Chief Executive Officer as well as top executives. It also considers the annual budget for director remuneration to be submitted to the Company's Board of Directors for consideration prior to the submission to the shareholders' meeting for approval.

In 2017 the Nomination and Remuneration Committee held two meetings with all members present to consider the selection of qualified individuals that have his/her proficiency suitable for the Company's business operation strategy, and to review senior executives' remuneration as per the prescribed policies and rules and in accordance with the Company's operational results, business competition, and its allocated budget, as well as to assure that the matters are in compliance with the principles of corporate governance.

The remuneration rate for directors and senior executives are presented as per the details appeared as prescribed in this 2017 Annual Report, the Nomination and Remuneration Committee viewed that the rate is suitable with their assigned duties and responsibilities which is also in accordance with the company's policies and rules on remuneration, as well as in view of the Company's operational results, economic environment, and business competition.



(Mr. Prasert Samanawong)
Chairman of the Nomination and Remuneration Committee
SC Asset Corporation Public Company Limited
January 19, 2018

REPORT OF THE RISK MANAGEMENT COMMITTEE

Dear Shareholders,

The Risk Management Committee was appointed by the Board of Directors to perform duties and responsibilities assigned by the Board of Directors according to the Committee's roles, duties, responsibilities, and guidelines which are in accordance with the international standard of risk management practices. The standard duties and responsibilities of the Committee involve setting the risk management policy, establishing the risk management framework, and overseeing risk governance all of which are to be in line with the Company's corporate strategies and its organizational goals. The Committee also provides suggestions and guidelines on risk management to the Board of Directors and makes regular reports to the board. The committee members are individuals who possess the necessary blend of skills, proficiency, and experience in business operations and risk management. They are:

1. Mr. Precha	Sekhararidhi	Chairman of the Risk Management Committee (Independent Director)
2. Mr. Prasert	Samanawong	Member (Independent Director)
3. Ms. Busaba	Damapong	Member
4. Mr. Nuttaphong	Kunakornwong	Member
5. Mr. Attapol	Sariddipuntawat	Member
6. Dr. Torwong	Chenvidyakarn	Member

The Committee's performances in 2017

1) Review the risk management policy to assure that the policy remains applicable and suitable for the Company's present business operations.

2) Review key risk indicators that impact the Company's business operation in 2017 - 2021, as well as assess risk factors during the year. Risk are accordingly categorized into three levels; high, medium and low, to facilitate appropriate controls and effective risk management actions for each risk category.

3) Regularly consider and review key risk indicators, risk events as well as the likelihood and impact of such risks to ensure that they are updated as appropriate.

4) Closely monitor any changes in the risk indicators to ensure that the management is properly using this information to determine the appropriate risk management measures.

5) Consider the report on corruption risk as per the prescribed policies and measures on anticorruption.

6) Continuously report each of the Risk Management Committee's performance to the Audit Committee and the Company's Board of Directors.

The above mentioned performances ensure smooth operations in the Company's risk oversight, while enabling the Company to efficiently conduct its daily operation and promote corporate confidence in achieving its targeted business goal.



(Mr. Precha Sekhararidhi)

Chairman of the Risk Management Committee
SC Asset Corporation Public Company Limited

January 19, 2018

REPORT OF THE CORPORATE GOVERNANCE AND SOCIAL & ENVIRONMENTAL RESPONSIBILITY COMMITTEE

Dear Shareholders,

The Corporate Governance and Social & Environmental Responsibility Committee of SC Asset Corporation Public Company Limited was appointed by the Company's board resolution, and composes of four directors and independent directors, The committee members are:

1. Mr. Precha	Sekhararidhi	Chairman of the Corporate Governance and Social & Environmental Responsibility Committee / Independent Director
2. Ms. Busaba	Damapong	Member / Chairman of the Executive Committee
3. Mr. Nuttaphong	Kunakornwong	Member / Chief Executive Officer
4. Mr. Songsak	Premsuk	Member / Independent Director

The Corporate Governance and Social & Environmental Responsibility Committee has a duty to support the Board of Directors in overseeing that the Company conducts its business operations according to good corporate governance policies, as well as develops and reviews that the Company's social & environmental responsibility policies have relevant processes which are well in line with international principles. In 2017, The Company undertakes the missions which are:

1. Consider and review the adaptation of the Corporate Governance Code 2017 for application to be in compliance with the Company's business context. It also considers the assessment of the compliance of each topic of such code to assure the appropriateness, and plans to make continual adjustments of such applications to suit its business operations.

2. Promote actions undertaken in relation to its policies and measures on anticorruption by notifying in writing to its trade partners and business alliances asking for collaboration in compliance with such policies and measures. It also encourages and supports its trade partners and business alliances in participating as a member of the Collective Action Coalition against Corruption.

3. Update work evaluation of its contractors to comply with principles of corporate governance by reviewing their construction quality, work period, satisfaction of related parties, human rights practices, workplace safety, health of labourers, safety and health of communities, and environment, and reviews their work as per the applicable laws and regulations governing the Company's business operations and the compliance with the Company's policies and work standards in order to assure balanced approaches in business conduct and environmental awareness, as well as business efficiency and growth.

With commitment and awareness of our missions in overseeing that the Company conducts its business with transparency and integrity for benefits of all stakeholders, in 2017, the Company was thus assessed by the Thai Institute of Directors (IOD) and the Stock Exchange of Thailand for its "excellence" corporate governance status and being one among other 110 companies out of all 620 public listed companies in the assessment which were awarded such outstanding status. The Company received an average assessment score of 96%, whereas the average score for overall public listed companies in the assessment was 80%. The Company also received a national award on sustainability development known as "Thailand Sustainability Investment 2017" for the past three continuous years and is listed in the "Sustainable Stock" category on the Thai Stock Exchange. The Company was selected as one of the "Sustainable Stock" group with a market capitalization of between Baht 10,000 million to Baht 30,000 million, and was recognized as a company with an outstanding standard in its management of "Environmental, Social and Corporate Governance". Another prize of honor is the SET Sustainability Awards 2017, under the category of "Rising Star" of which the Company was awarded for the first year on the basis of an outstanding publicly listed company that

conducts its business according to the guidelines of business sustainability. Beside the Company also received Housing Award 2017, offered by the Department of Alternative Energy Development and Efficiency, Ministry of Energy. The Company won six awards including : two awards for outstanding housing estates for energy conservation for small estates with sub-divided plots of less than 99 units, for GRANADA PINKLAO - PHETKASEM and GRAND BANGKOK BOULEVARD RATCHAPHRUEK - CHARAN, and four awards for its housing design for "ZENBI" housing type, plot number 2, VENUE RAMA 5-2, its housing design for "PAVE X" housing type, plot number 67, PAVE RANGSIT, its housing design for "RATCHAPHRUEK" housing type, plot number 42, GRAND BANGKOK BOULEVARD RATCHAPHRUEK - CHARAN, and its housing design for "ST. VINCENT" housing type, plot number J1, GRAND BANGKOK BOULEVARD SUKHUMVIT.

We, the Corporate Governance and Social & Environmental Responsibility Committee remain committed to improving the efficiency and effectiveness of the Company's corporate governance oversight and its social & environmental responsibilities for the general benefits of SC Asset Corporation Public Company Limited, its shareholders, trade partners, customers, employees, communities, society, and the nation as a whole.



(Mr. Precha Sekhararidhi)

Chairman of the Corporate Governance and
Social & Environmental Responsibility Committee
SC Asset Corporation Public Company

February 21, 2018



BUSINESS

POLICY AND BUSINESS OVERVIEW

Vision

In 2050, all homes built by SC ASSET make every morning a good morning for more than one million customers. Here, everyone feels safe and enjoys a better quality of life, for they have more time and energy to spend doing what they love and nurturing their dreams, some of which could make our world a better place.

SC ASSET is the first name on top of people's mind for high-quality and innovative homes. Our employees are proud to play a part in creating good mornings that continue to inspire a better society for all.

Mission

Make every morning a "good morning" for every customer. Every morning, life starts anew at home.

At SC ASSET, we strive to build thoughtful homes and help solve residents' pain points.

We foster a safe living environment, and provide heartwarming services, so that those who live in our homes have more time and energy to spend doing what they love.

We build homes that cater to all price points, so "good mornings" are possible for all.

And from these good beginnings, a better society can be built.

Business Sustainability Policy

1. Operate short and long term business strategies:

The Company plans its business strategies for both short and long term periods that takes into account overall internal and external risk factors, and also retains a certain flexibility for any possible adjustment of its strategic plans, if required.

2. Operate business with transparency:

It is the Company's policy to operate its business with transparency and accountability, foster ethical behavior, promote anti-fraud and anti-corruption in its entire business operation system.

3. Operate business with consideration for all stakeholder groups:

It is the Company's policy focus to operate its business with minimal direct or indirect adverse impacts, or without any adverse impacts to stakeholders, surrounding community, and the society at large. It also sincerely strives to build and share fundamental values.

4. Operate business with environmental responsibility:

It is the Company's policy to optimize its natural resource management, and to promote consciousness of environmental impacts on the environment and community, with aims to minimize or eliminate such impacts.

Sustainability Development Principles

SC ASSET operate its real estate development business with a strong belief that for its organization to achieve its sustainable growth, it shall require vision, missions, strategies and action plans that are more likely to function well in driving sound operating performances; supporting corporate social responsibility and environmental protection; fostering transparent and ethical business conducts as well as giving assistance to community and social services.

Business Ethics

The Company sets and disseminates its business ethics to its related parties, directors, executives, and all employees for acknowledgement and strict compliance. These business ethics include guidelines of best practices to shareholders, customers, employees, creditors, trade counterparties, trade competitors, community, the society, and environment; non-involvement of intellectual property rights; and training on environmental education for employees.

Business Strategies

For 2018-2020 the Company shall operate its business in pursuing its strategies in the 4 following aspects.

1. RE-INVENTION from a "Developer" toward "Living Solutions Provider" through 3Ds.

- Digitize: Transform work system from analog toward digital to incorporate data in terms of work and consumer insights to analyze and develop the Company's operations.
- Design: Use Human-Centric Approach to design products & services and solutions by starting from understanding of pain points in customers' lifestyle.
- Develop: Incorporate innovations in quality property development for every price level.

2. CO-CREATION Work with business partners in the ecosystem to develop Living Solutions (the Company residential property development & after-sales service, coupled with other services by business partners) for customers and nearby communities. The Living Solutions Platform is called "Rue Jai".

3. Quality First: The quality of the Company's products and services, both "pre-transfer and after-transfer, is the highest priority.

4. TOP-LINE GROWTH: Expand in terms of top-line both volume and value of property development projects.

The Company and its subsidiaries operate fully integrated property development activities which include:

(1) Property Development for Sales

The company is engaged in several property development projects including single detached houses, townhouses and condominiums. The Company focuses on the application of modern technologies into our construction tasks.

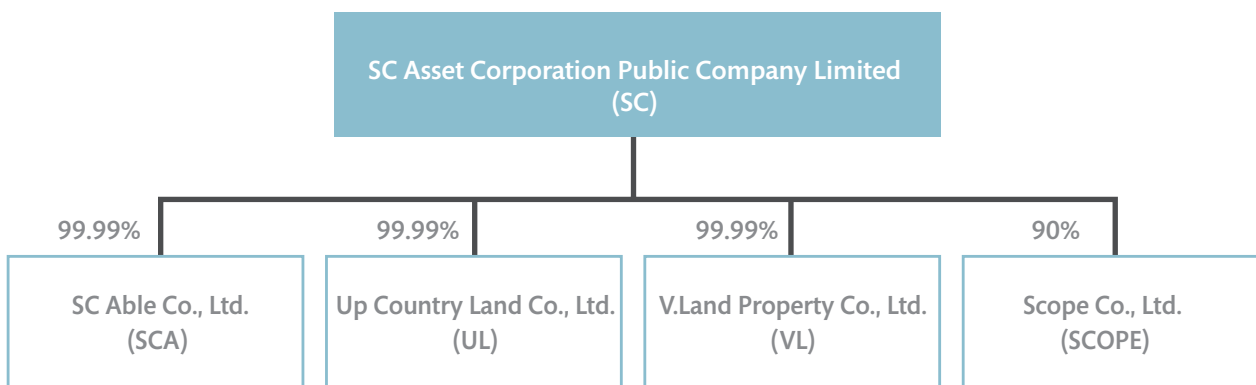
(2) Property Development for Rental and Rendering of Services

At present, the Company owns four office buildings with a total rental space of 105,012 sq.meters, two medium size office buildings with a total rental space of 14,809.75 sq.meters, and a technical building which is specifically designed and built to accommodate installations of telecommunication systems or engineering equipments for cellular phone services. This building is currently leased to a telecommunication company.

(3) Consulting and Management Services

Services which are offered to the Company's subsidiaries and associate companies include consultancy, management and administration, engineering techniques and support systems. The services cover various work scopes, namely short-term, ad hoc, long-term and after sales service such as resale property and home care services for the Company's projects.

STRUCTURE OF THE COMPANY AND ITS SUBSIDIARIES



NATURE OF BUSINESS

MILESTONE DURING THE YEAR 2017

February	<p>The Company's Board of Directors No. 2/2017 resolved the appointment of Mr. Attapol Sariddipuntawat to be a director of the Company.</p> <p>Launching of 2 Single detached house Projects and 2 Condominium Projects</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">THE GENTRY SUKHUMVIT</td> <td style="width: 40%;">with Baht 1,300 million in project value**</td> </tr> <tr> <td>HEADQUARTERS EKAMAI - LADPRAO</td> <td>with Baht 940 million in project value</td> </tr> <tr> <td>CHAMBERS CHER RATCHADA - RAMINTRA</td> <td>with Baht 780 million in project value</td> </tr> <tr> <td>28 Chidlom</td> <td>with Baht 8,000 million in project value*</td> </tr> </table>	THE GENTRY SUKHUMVIT	with Baht 1,300 million in project value**	HEADQUARTERS EKAMAI - LADPRAO	with Baht 940 million in project value	CHAMBERS CHER RATCHADA - RAMINTRA	with Baht 780 million in project value	28 Chidlom	with Baht 8,000 million in project value*
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CHAMBERS CHER RATCHADA - RAMINTRA	with Baht 780 million in project value								
28 Chidlom	with Baht 8,000 million in project value*								
February - August	The company issued 2 sets of debentures with the combined principal amount of Baht 3,400 million for private placements.								
March	OAI Asset Co., Ltd. (a subsidiary of the Company) acquired 10 percent of Fixzy Co., Ltd's registered capital.								
April	<p>Change of the Appointment of Top Four Executives</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 45%;">1. Mr. Attapol Sariddipuntawat</td> <td>appointed to Chief Corporate Officer: CCO</td> </tr> <tr> <td>2. Ms. Pradthana Patsaman</td> <td>appointed to Chief Financial Officer: CFO</td> </tr> <tr> <td>3. Mr. Vitit Visalpattanasin</td> <td>appointed to Chief Accounting Officer: CAO</td> </tr> <tr> <td>4. Mr. Somboon Kuptimanus</td> <td>appointed to Chief Legal Officer: CLO</td> </tr> </table> <p>The Annual General Meeting of Shareholders 2017</p>	1. Mr. Attapol Sariddipuntawat	appointed to Chief Corporate Officer: CCO	2. Ms. Pradthana Patsaman	appointed to Chief Financial Officer: CFO	3. Mr. Vitit Visalpattanasin	appointed to Chief Accounting Officer: CAO	4. Mr. Somboon Kuptimanus	appointed to Chief Legal Officer: CLO
1. Mr. Attapol Sariddipuntawat	appointed to Chief Corporate Officer: CCO								
2. Ms. Pradthana Patsaman	appointed to Chief Financial Officer: CFO								
3. Mr. Vitit Visalpattanasin	appointed to Chief Accounting Officer: CAO								
4. Mr. Somboon Kuptimanus	appointed to Chief Legal Officer: CLO								
May	<p>The Company increased its registered capital from Baht 4,200 million to Baht 4,379.33 million.</p> <p>Dividend payment of Baht 0.19 per share was made based on the Company's 2016 operating results.</p> <p>The Company's Board of Directors No. 3/2017 resolved the appointment of Mr. Attapol Sariddipuntawat to be an executive director of the Company.</p> <p>OAI Asset Co., Ltd changed registered name to SC Able Co., Ltd.</p> <p>Launching of 2 Single detached house Projects</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">GRAND BANGKOK BOULEVARD SRINAKARIN</td> <td style="width: 40%;">with Baht 2,400 million in project value</td> </tr> <tr> <td>VENUE RAMA 5-2</td> <td>with Baht 760 million in project value</td> </tr> </table>	GRAND BANGKOK BOULEVARD SRINAKARIN	with Baht 2,400 million in project value	VENUE RAMA 5-2	with Baht 760 million in project value				
GRAND BANGKOK BOULEVARD SRINAKARIN	with Baht 2,400 million in project value								
VENUE RAMA 5-2	with Baht 760 million in project value								
July	<p>The Company's Board of Directors No. 4/2017 resolved the incorporate of SCOPE Co., Ltd, new subsidiary of the Company, which the Company holds the shares in the ratio 90 percent.</p> <p>Launching of THE GENTRY RAMA 9 with Baht 500 million in project value</p>								
August	Launching of WORK PLACE CHAENGWATTANA with Baht 260 million in project value								

September	<p>Launching of 2 Single detached house Projects</p> <p>BANGKOK BOULEVARD RANGSIT PAVE RAMINTRA - WONGWAEN</p>	<p>with Baht 1,000 million in project value with Baht 1,500 million in project value</p>
October	<p>Upcountry Land Co., Ltd. (a subsidiary of the Company) acquired 20 percent of Fixzy Co., Ltd's registered capital.</p> <p>Launching of VERVE PHETKASEM 81</p>	<p>with Baht 685 million in project value</p>
November	<p>Launching of 2 Single detached house Projects</p> <p>BANGKOK BOULEVARD SIGNATURE RATCHAPHRUEK BANGKOK BOULEVARD CHAENGWATTANA 2 BANGKOK BOULEVARD SATHORN - PINKLAO 2 BANGKOK BOULEVARD SIGNATURE SATHRON - RATCHAPHRUEK</p>	<p>with Baht 325 million in project value with Baht 2,300 million in project value with Baht 2,300 million in project value with Baht 2,600 million in project value</p>
December	<p>Ms. Busaba Damapong resigned from her directorship, effective as of December 31, 2017.</p>	

Remarks:

- * The Company launched "28 Chidlom" soft-opening for the Company's VIP clients and guests in October 2016 and officially and publicly launched in February 2017.
- ** The Company launched "THE GENTRY SUKHUMVIT" soft-opening for the Company's VIP clients and guests in December 2016 and officially and publicly launched in February 2017.

Current Project of the Company and its subsidiaries as December 31, 2017

BUSINESS	PROJECT/LOCATION	OPERATOR	PROJECT DESCRIPTION
Property Development for Sales	GRANADA PINKLAO - PHETKASEM / Kanchanaphisek (Bangkok Western Outer Ring) Rd.	SC	Single detached house total of 37 units priced at Baht 47-82 million each, total project value is Baht 2,300 million.
	HEADQUARTERS EKAMAI - LADPRAO / Inthra Phon Rd.	SC	Single detached house total of 29 units priced at Baht 27-50 million each, total project value is Baht 940 million.
	THE GENTRY SUKHUMVIT / Sukhumvit Rd.	SC	Single detached house total of 57 units priced at Baht 19-50 million each, total project value is Baht 1,300 million
	THE GENTRY RAMA 9 / Ramkhamhaeng 9 Rd.	SC / VL	Single detached house total of 13 units priced at Baht 27-55 million each, total project value is Baht 525 million
	GRAND BANGKOK BOULEVARD SATHORN / Kanlapaphruek Rd.	SC	Single detached house total of 132 units priced at Baht 15-35 million each, total project value is Baht 2,500 million.
	GRAND BANGKOK BOULEVARD RATCHAPHRUEK - CHARAN / Phran Nok - Phutthamonthon Sai 4 Rd.	SC	Single detached house total of 92 units priced at Baht 26-64 million each, total project value is Baht 3,200 million.
	GRAND BANGKOK BOULEVARD SUKHUMVIT / Lasalle-Bearing Rd.	SC	Single detached house total of 65 units priced at Baht 31-63 million each, total project value is Baht 2,800 million.
	GRAND BANGKOK BOULEVARD RATCHAPHRUEK - RAMA 5 / Nakorn-In Rd.	SC	Single detached house total of 41 units priced at Baht 26.9-50 million each, total project value is Baht 1,500 million.
	GRAND BANGKOK BOULEVARD RAMA 9 / Krungthepkreetha Rd.	SC	Single detached house total of 52 units priced at Baht 20-40 million each, total project value is Baht 1,450 million.
	GRAND BANGKOK BOULEVARD SRINAKARIN / Srinakarini Rd.	SC	Single detached house total of 73 units priced at Baht 25-60 million each, total project value is Baht 2,400 million.
	BANGKOK BOULEVARD PINKLAO - PHETKASEM / Phutthamonthon Sai 4 Rd.	SC	Single detached house total of 124 units priced at Baht 7-17 million each, total project value is Baht 1,200 million.
	BANGKOK BOULEVARD RANGSIT / Rangsit - Nakhon Nayok Rd.	SC	Single detached house total of 132 units priced at Baht 5.9-12 million each, total project value is Baht 1,000 million.
	BANGKOK BOULEVARD SIGNATURE RATCHAPHRUEK / Ratchaphruek Rd.	UL	Single detached house total of 15 units priced at Baht 18.9-24 million each, total project value is Baht 325 million.
	BANGKOK BOULEVARD CHAENGWATTANA 2 / Chaiyaphruek Rd.	SC	Single detached house total of 279 units priced at Baht 6.9-15 million each, total project value is Baht 2,300 million.
	BANGKOK BOULEVARD SATHORN - PINKLAO 2 / Bang Kruai - Chong Thanom Rd.	SC	Single detached house total of 203 units priced at Baht 9-15 million each, total project value is Baht 2,300 million.
	BANGKOK BOULEVARD SIGNATURE SATHORN - RATCHAPHRUEK / Charunsanitwong 13 Rd.	SC	Single detached house total of 134 units priced at Baht 16-35 million each, total project value is Baht 2,600 million.
	BOULEVARD TUSCANY CHA AM - HUA HIN / Phetkasem Rd.	SC	Single detached house total of 193 units priced at Baht 6-18 million each, total project value is Baht 2,000 million.
LIFE BANGKOK BOULEVARD RATCHAPHRUEK - RATTANATHIBET / Ratchaphruek Rd.	SC	Single detached house total of 324 units priced at Baht 5.9-18.9 million each, total project value is Baht 2,300 million	

BUSINESS	PROJECT/LOCATION	OPERATOR	PROJECT DESCRIPTION
	LIFE BANGKOK BOULEVARD RANGSIT / Rangsit - Nakhon Nayok Rd.	SC	Single detached house total of 358 units priced at Baht 5-9 million each, total project value is Baht 1,970 million.
	LIFE BANGKOK BOULEVARD WONGWAEN - ONNUT 2 / Kanchanaphisek (Bangkok Eastern Outer Ring) Rd.	SC	Single detached house total of 175 units priced at Baht 5.9-12.0 million each, total project value is Baht 1,220 million.
	LIFE BANGKOK BOULEVARD RAMINTRA / Ramintra Rd.	SC	Single detached house total of 245 units priced at Baht 5.8-14.0 million each, total project value is Baht 2,175 million.
	LIFE BANGKOK BOULEVARD WONGWAEN - RAMA 9 / Kanchanaphisek (Bangkok Eastern Outer Ring) Rd.	SC	Single detached house total of 195 units priced at Baht 5-10 million each, total project value is Baht 1,315 million.
	LIFE BANGKOK BOULEVARD RATCHAPHRUEK - PINKLAO / Yothatikarn-Nonthaburi Rd.	SC	Single detached house total of 271 units priced at Baht 4.5-9.5 million each, total project value is Baht 1,495 million.
	LIFE BANGKOK BOULEVARD RAMINTRA 65 / Ramintra Rd.	SC	Single detached house total of 152 units priced at Baht 5.9-11 million each, total project value is Baht 1,100 million.
	VENUE RAMA 5 / Nakorn-In Rd.	SC	Single detached house total of 56 units priced at Baht 5-12 million each, total project value is Baht 440 million.
	VENUE RAMA 5-2 / Nakorn-In Rd.	SC	Single detached house total of 90 units priced at Baht 6-16 million each, total project value is Baht 760 million.
	WORK PLACE CHAENGWATTANA / Chaengwattana Rd.	SC	Home Office total of 26 units priced at Baht 5-14 million each, total project value is Baht 260 million.
	VISTA PARK SATHORN - PINKLAO / Ratchaphruek Rd.	SC	Townhouse total of 192 units priced at Baht 4-10 million each, total project value is Baht 950 million.
	PAVE RANGSIT / Rangsit - Nakhon Nayok Rd.	VL	Single detached house total of 320 units priced at Baht 3.8-9.3 million each, total project value is Baht 1,400 million.
	PAVE PRACHA UTHIT 90 / Pracha Uthit Rd.	VL	Single detached house total of 289 units priced at Baht 3.9-6 million each, total project value is Baht 1,260 million.
	PAVE RAMINTRA - WONGWAEN / Ramintra Rd.	VL	Single detached house total of 308 units priced at Baht 4.3-8.2 million each, total project value is Baht 1,500 million.
	VERVE PHETKASEM 81 / Phetkasem Rd.	SC	Townhouse and Home Office total of 181 units priced at Baht 2.5-12 million each, total project value is Baht 685 million.
	THE CREST SANTORA HUA HIN / Phetkasem Rd.	SC	4 Floors Condominium Buildings and Villa total of 181 units priced at Baht 3.6-25 million each, total project value is Baht 1,530 million.
	CENTRIC TIWANON STATION / Krung Thep - Nonthaburi Rd.	SC	A condominium; 2 Towers : Tower A (41 floors), Tower B (36 floors) total of 1,063 units and shophouse 17 units priced at Baht 1.6-4.7 million each, total project value is Baht 2,755 million.
	CENTRIC HUAI KHWANG STATION / Ratchadaphisek Rd.	SC	A 31-storey condominium total of 674 units and shophouse 3 units priced at Baht 3-12 million each, total project value is Baht 2,984 million.

BUSINESS	PROJECT/LOCATION	OPERATOR	PROJECT DESCRIPTION
	CENTRIC SEA PATTAYA / Pattaya Sai 2 Rd.	SC	3 Condominium Buildings : Tower A (44 floors), Tower B (32 floors) and Tower C (7 floors) total of 999 units and shophouse 2 units priced at Baht 1.8-8.9 million each, total project value is Baht 3,000 million.
	CHAMBERS CHAAN / Lat Phrao - Wang Hin Rd.	SC	2 Condominium Buildings; 3 Towers : Tower A (8 floors), Tower B1 (7 floors) and Tower B2 (8 floors) total of 317 units priced at Baht 1.8-5.1 million each, total project value is Baht 930 million.
	CHAMBERS CHER RATCHADA - RAMINTRA / Ratchada - Ramintra Rd.	SC	2 Condominium Buildings : Tower A (8 floors), and Tower B (8 floors) total of 252 units priced at Baht 2.3-4.6 million each, total project value is Baht 780 million.
	SALADAENG ONE / Rama 4 Rd.	SC	2 Condominium Buildings : Tower A (32 floors) and Tower B (2 floors) and total of 187 units priced at Baht 13-198 million each, total project value is Baht 4,700 million
	BEATNIQ / Sukhumvit Rd.	SC	A 34-storey and 1 underground storey condominium total of 197 units priced at Baht 11.7-63.3 million each, total project value is Baht 4,000 million.
	28 Chidlom / Chidlom Rd.	SC	2 Condominium Buildings : The Tower (47 floors and 1 underground floor) and The Villa (20 floors and 6 underground floors) and total of 427 units priced at Baht 10-73 million each, total project value is Baht 8,000 million
Property Development for Rental Purposes	Shinawatra Tower I / Phaholyothin Rd.	SC	A 31-storey and 1-underground storey office building with the total rental space of 22,457 sq.meters.
	Shinawatra Tower II / Phaholyothin Rd.	SC	A 20-storey and 1-underground storey office building with the total rental space of 16,220 sq.meters.
	Shinawatra Tower III / Vibhavadi Rangsit Rd.	SC	A 38-storey and 2-underground storey office building with the total rental space of 54,085 sq.meters.
	SC Tower / Phaholyothin Rd.	SC	A 24-storey and 1-underground storey office building with the total rental space of 12,250 sq.meters.
	Office Building / Pak Kred Town bypass	SC	A 4-storey office building with the total rental space of 8,322.75 sq.meters.
	Office Building / Phaholyothin Rd.	SC ABLE	A 8-storey and 1-underground storey office building with the total rental space of 6,487 sq.meters.
	Mobile Switching Center, Maintenance Center, and Branch Office	UL	Building for mobile services 109 sites around the country.

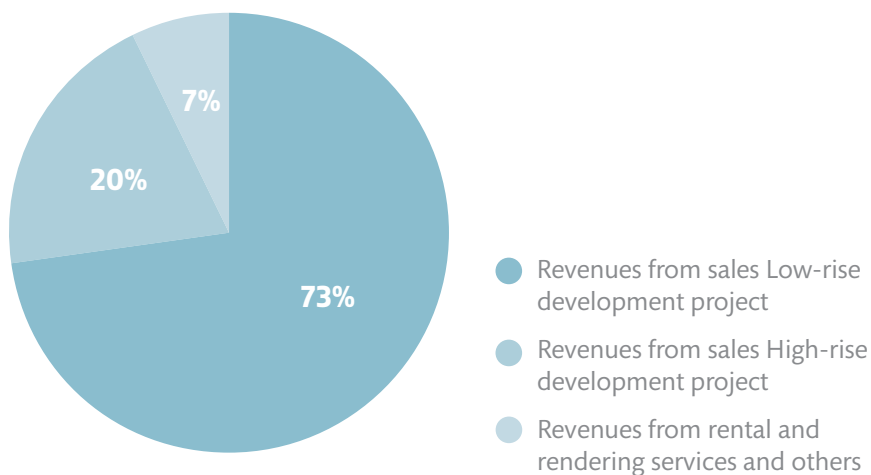
REVENUE STRUCTURE

Business	Operator**	2017		2016		2015	
		Revenues	%	Revenues	%	Revenues	%
Property Development for Sales	SC, VL, UL	11,600.35	93.00	13,677.69	94.30	13,236.30	93.32
Low Rise Project		9,092.76	72.90	7,710.27	53.16	8,055.98	56.80
High Rise Project		2,507.59	20.10	5,967.42	41.14	5,180.32	36.52
Property Development for Rental and Rendering of Services	SC, SCA, UL, VL, SCOPE	848.75	6.81	754.90	5.20	812.41	5.73
Consulting and Management Services	VL	1.09	0.01	1.09	0.01	1.09	0.01
Other Income*	SC, SCA, UL, VL, SCOPE	22.21	0.18	70.50	0.49	133.98	0.94
Total		12,472.40	100.00	14,504.18	100.00	14,183.78	100.00

Remark:

- * Other income included income from profit from fair value adjustment in investment properties, income from rental and service deposits held by the company as a security and interest income from short-term investments.
- ** The Company holds 99.99% shares in SCA, UL and VL and holds 90% shares in SCOPE.

REVENUE STRUCTURE 2017



INDUSTRY OVERVIEW

The Thai economy in 2017 continued to expand with a 2017 GDP growth that reached 3.9, showing an expansion from 3.3 in 2016. (Source: The Office of the National Economic and Social Development Board) The main driver was the accelerated growth in exports. In 2017 the export value and volumes both expanded, the export value grew by 9.7% from 2016. (Source: The Office of the National Economic and Social Development Board) Private investments grew due to stimulation efforts from the government which included implementation of many major investment projects such as sky train projects, double track railway project, motorway project, and the Thailand Eastern Economic Corridor (EEC). As these projects started their bidding process and began their construction, there have been more funds flowing into the economy. Other positive factors are improvement in tourism. Tourism revenues expanded by 8.5% from 2016 whereas the number of foreign tourists increased by 8.8% (Source: Ministry of Tourism and Sports).

While household purchasing power gradually improved, particularly for the middle and upper income range, the purchasing power for the lower income range has not recovered. Additionally, the strict credit extension decisions of financial institutions resulted in a lower number of credit applications in 2017 as compared to the prior year. Non-performed debts for residential financing showed an increasing trend.

Nevertheless, the overall situation of the real estate sector in 2017 slightly recovered from the prior year. The total residential ownership transfer from juristic person in 2017 was nearly the same as in 2016. The information provided by the Agency for Real Estate Affairs Co. Ltd. showed that in 2017, new launches of residential projects increased 5% in total units from the prior year whereas the total value of such new launches rose by 18%, caused mainly by the launching of new luxurious developments. Moreover, the sales value of residential units in the Bangkok Metropolitan Region accounted for 35% of the total market sales, of which the number is close to the prior year. The average rental rate for office spaces increased by 4.7%. In 2018, the Thai economy expects to continuously grow. Private investment continued to grow in line with the improved growth outlook, with additional support from Public Investment especially the Eastern Economic Corridor (EEC) initiative, which may improve the consumer confidence.

Housing and Condominiums

In 2017, the numbers of residential registrations in the Bangkok Metropolitan Region and Vicinity (BMR) totaled 111,032 units, showing a decrease of 12% from the previous year. Market breakdown by residential development types for 2017 showed condominiums taking the largest share of 54%, followed by single detached houses and townhouses which were 28%, and 12%, respectively, compared to the previous year breakdown of 57%, 25% and 13%, respectively. Most of the new houses built were "Developer Built", which accounted for 82%, whereas "Self Built" residences only accounted for 18% which was quite close to that of 2016

New Registered Residential Supply in Bangkok Metropolitan Region and Vicinity in 2013- 2017

(Unit : Units)

Type	2013	2014	2015	2016	2017E
Overall	132,302	133,439	123,753	126,543	111,032
Developer Built	23,285	24,446	22,375	21,915	20,407
Self Built	109,017	108,993	101,378	104,628	90,625
Single Detached House	31,465	33,593	31,428	31,892	30,635
Developer Built	17,596	20,537	19,591	19,156	18,164
Self Built	13,869	13,056	11,837	12,736	12,471

(Unit : Units)

Type	2013	2014	2015	2016	2017E
Duplex Detached House	2,601	2,906	2,461	2,014	2,494
Developer Built	131	86	95	119	142
Self Built	2,470	2,820	2,366	1,895	2,352
Townhouse	17,068	14,936	18,690	16,333	13,321
Developer Built	635	938	744	618	474
Self Built	16,433	13,998	17,946	15,715	12,847
Shophouse	9,728	6,946	3,623	3,418	4,791
Developer Built	4,923	2,885	1,945	2,022	1,627
Self Built	4,805	4,061	1,678	1,396	3,164
Condominium	71,440	75,058	67,551	72,886	59,791

Source : The Land Offices in Bangkok Areas, Municipals, and the Land Offices in Outskirt, Department of Lands

Collected and evaluated by : Real Estate Information Center

E means estimated by Real Estate Information Center

On the supply side, in 2017, residential units offered for sale in BMR totaled 297,752 units, with an estimated worth of Baht 1,152,440 million. Out of these units, 114,477 units were among new projects launched during the year (38% out of total units supplied for the year), showing a 6% increase from the previous year, with an estimated aggregate value of Baht 441,661 million (38% out of the total estimated value supplied for the year), showing a 19% increase from the previous year. The residential supply also showed continued trend which was quite similar to that of 2016. Most of the new residential developments launched during the year were condominiums, which accounted for 56% out of the total project newly launched units for the year, as compared to its 53% in 2016. Supply of single detached houses for the year accounted for 9% of the total project newly launched units, reflecting a slightly decreased from its 11% share in 2016. Supply of townhouses increased from its 27% in 2016 to 31% share in 2017.

During the year, residential projects presented a higher price per unit, increased from Baht 3.46 million in 2016 to Baht 3.86 million in 2017. The increase resulted mainly from the developers launched more luxury compared from the previous year. Thus the new supply raised the average market price of real estate.

Overall Housing Situation in Bangkok Metropolitan Region and Vicinity as of end 2017

Type		Detached	Duplex	Townhouse	Shophouse	Condominium	Total	
Units Remain End of 2016	Units	Unit	39,527	14,379	54,654	4,916	69,798	183,275
	Unit Proportion	%	21%	8%	30%	3%	38%	100%
	Project Value	MB	259,979	48,920	135,123	21,457	245,299	710,779
	Project Value Proportion	%	37%	7%	19%	3%	35%	100%
Project Launched 2017	Units	Unit	10,217	4,063	35,462	1,109	63,626	114,477
	Unit Proportion	%	9%	3%	31%	2%	56%	100%
	Project Value	MB	77,360	18,943	88,721	6,006	250,631	441,661
	Project Value Proportion	%	18%	4%	20%	1%	57%	100%
	Avg. Price / Unit	MB	7.57	4.66	2.50	5.42	3.94	3.86

Type		Detached	Duplex	Townhouse	Shophouse	Condominium	Total	
Units Sold 2017	Sold	Unit	12,773	5,468	27,545	1,024	56,634	103,444
	Sold Proportion	%	12%	5%	27%	1%	55%	100%
	% Sold / Market	%	26%	30%	31%	17%	42%	35%
	Units Remain	Unit	36,971	12,989	62,571	5,108	76,790	194,429

Source: Agency for Real Estate Affairs Co., Ltd

The information received from many market surveys and analyses showed that the single detached house projects launched in 2017 mainly targeted home buyers in the mid-market section. The single detached houses with the average price range of Baht 3 - 5 million captured the largest market share of 42%, followed by those with the average price range of Baht 5 - 10 million with 41% market share. As of the year-end 2017, there were 49,744 units of single detached house offered for sales; their total value aggregated to 29% of the overall combined value of all residential sales for the year. Among all types of available dwelling sales, single detached houses with the average price range of Baht 3 - 5 million had the highest share of 42%.

In 2017, the total number of townhouses offered for sale totaled 90,116 units and accounted for 30% of the whole residential housing segment. The figure showed an increase of 2% from the previous year. Its total value accounted for 19% of the total housing value supplied for the year. New townhouses launched in 2017 amounted to 35,462 units, representing an increase of 18% from the earlier year. The townhouses in the price range of Baht 2 - 3 million captured the highest market share with 16,418 units launched during 2017, and accounted for 46% of the total market share for townhouses.

In 2017, condominiums still captured the largest share of the residential property market with a total of 133,424 units offered for sale or 45% of the total number of residential units in the market with a combined project value of Baht 495,931 million or an increase of 3% from the previous year. The number of condominiums launched in 2017 was 63,626 units, showing a 9% increase with a total project value of Baht 250,631 million or an increase of 30% from the previous year. An average price per unit of a condominium for the year was Baht 3.94 million which increased from Baht 3.30 million in 2016. The new launches of condominiums priced of Baht 5-10 million increased to 18% in 2017 from 16% in 2016.

Real Estate Projects Launched in 2017 by Price

Total Number of Units (Units)						
Price Range	Detached	Duplex	Townhouse	Shophouse	Condominium	Total
Lower than 2 Million Baht	7	34	12,545	29	20,228	32,843
2 - 3 Million Baht	57	751	16,418	28	14,947	32,201
3 - 5 Million Baht	4,303	2,560	6,079	592	15,796	29,330
5 - 10 Million Baht	4,143	551	411	445	10,029	15,579
10 - 20 Million Baht	1,293	126	9	15	1,888	3,331
Higher than 20 Million Baht	414	41	0	0	738	1,193
Overall	10,217	4,063	35,462	1,109	63,626	114,477
Unit Proportion	9%	4%	31%	1%	56%	100%

Total Project Value (Million Baht)						
Price Range	Detached	Duplex	Townhouse	Shophouse	Condominium	Total
Lower than 2 Million Baht	13.23	52.7	21,591	57,899	34,109	55,823
2 - 3 Million Baht	167.23	2,004	40,734	71	35,968	78,944
3 - 5 Million Baht	17,827	9,157	23,043	2,387	59,279	111,693
5 - 10 Million Baht	27,014	3,432	3,188	3,196	68,134	104,964
10 - 20 Million Baht	19,479	1,956	164	293	26,580	48,473
Higher than 20 Million Baht	12,861	2,341	0	0	26,562	41,764
Overall	77,360	18,943	88,721	6,006	250,631	441,661
Project Value Proportion	18%	4%	20%	1%	57%	100%

Source: Agency for Real Estate Affairs Co., Ltd

The overall outlook of the real estate market for 2018 appears to be in good condition. The key drivers that influenced the market in 2017 remain the same in 2018. Stimulation from government spending is likely to show a stronger consequence as the relevant projects are moving and government investment budget is increasing. Property taxes will in turn reduce property speculation among developers. Nevertheless, real estate developers are to be prepared for technical competition, particularly the adaptation of new technologies to reduce development costs and speed up the construction and development process, as well as increased substitution of labour use. Joint investment with foreign partners in development projects may increase. Developers in the Bangkok Metropolitan Region will likely to develop more of the mixed use development projects.

Office Buildings

In 2017, demand for office rental continued to grow as well as supply also showed the growth. The unoccupied office rental space as of yearend 2017 was at 7.53%, a decline from 7.72% in 2016 and an overall rise in the rental rate in all districts of Bangkok. As of yearend 2017, the total supply of office rental space in Bangkok was 8.78 million sq.m., composed of a supply of office space in the CBD¹ areas and outside the CBD areas at a ratio of 51% and 49%, respectively.

Supply and Vacancy Rate of Office Building Located in Bangkok as at yearend 2017

(Unit: Million Sq.m.)

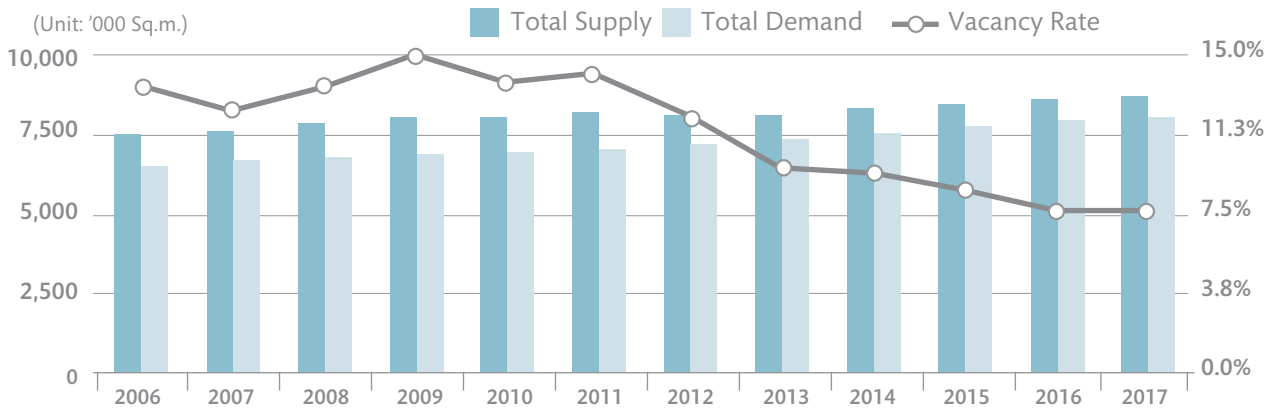
Areas	Total Supply	Vacant Space	Vacancy Rate (%)
CBD	4.43	0.35	7.99
NON - CBD	4.34	0.31	7.06
Total	8.78	0.66	7.53
CBD Grade A	1.33	0.10	7.43
NON-CBD GradeA	0.57	0.02	2.91

Source : CB Richard Ellis Research

¹ CBD : Central Business District included Silom Road, Sathorn Road, Surawongse Road, Ploenchit Road, Rama IV Road, Wireless Road, Sukhumvit Road, and Asoke Road.

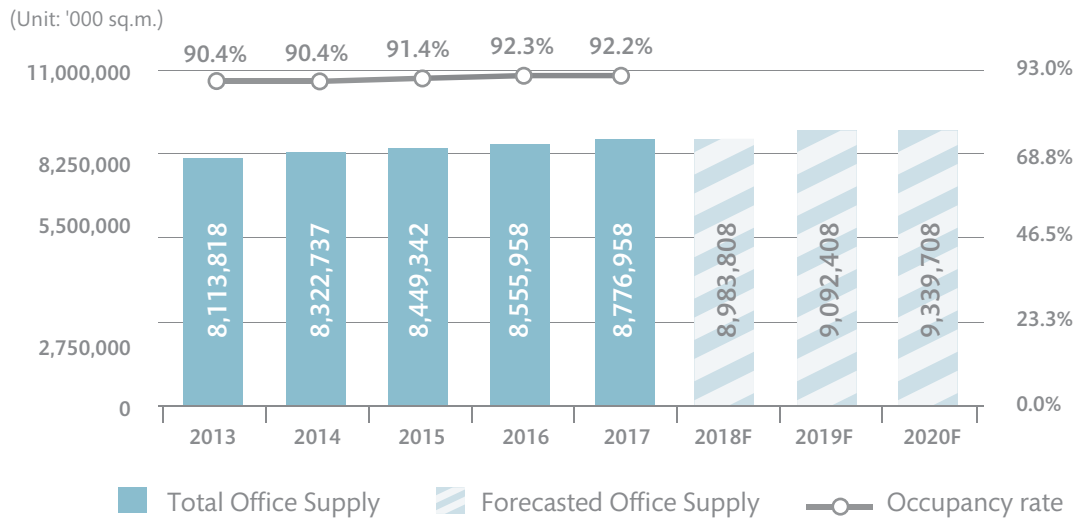
Classifications of office space in Bangkok at yearend 2017 were 1,891,876 sq.m. or 21.56% in the Grade A type and 6,885,082 sq.m. in the Grade B or the remaining 78.44%.

Bangkok Office Market 2006 - 2017



Source : CB Richard Ellis Research

Supply of Office Space in Bangkok



Source : CB Richard Ellis Research

Supply of available office space in Bangkok at year-end 2017 totaled 8,776,958 million sq.m., an increase of 221,000 sq.m.. An estimated aggregated supply for office space for the duration of 2018-2019 will likely be around 315,450 sq.m., in which 206,850 sq.m. is expected to be completed in 2018 and 108,600 sq.m. in 2019. Some of this future available space will be for the building owners' own use.

In 2017, total office rental space was 8,093,232 sq.meters, out of which 198,173 sq.m. was newly occupied space. Vacant space as at the end of the fourth quarter of 2017 was 683,726 sq.m., higher than the 660,899 sq.m. recorded for the same period of 2016.

Average Achieved Rents in CBD and NON-CBD 2014 - 2017

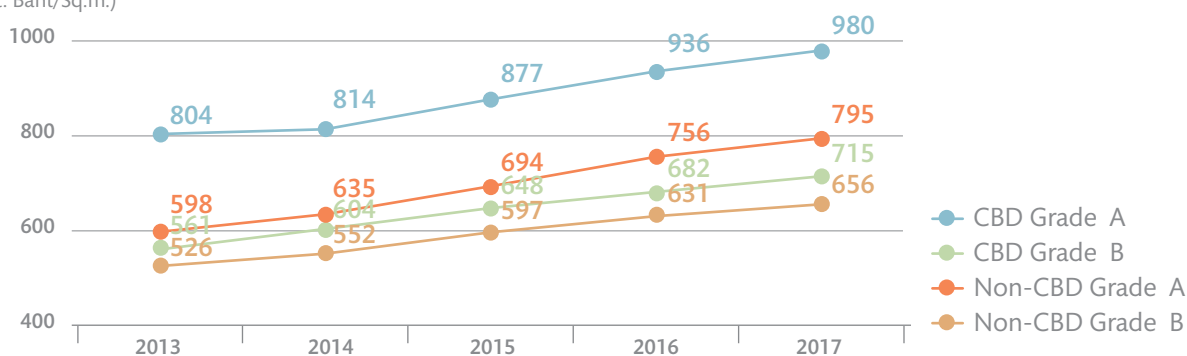
Year	CBD		NON-CBD		Average	
	A Baht / m ²	B Baht / m ²	A Baht / m ²	B Baht / m ²	A Baht / m ²	B Baht / m ²
2014	841	604	635	552	738	578
2015	877	648	694	597	785	622
2016	936	682	756	631	846	656
2017	980	715	795	656	887	686

Note: For the office rental space which lower than 300 sq.m.

Source : CB Richard Ellis Research

Average Achieved Rents for Bangkok Office Space 2013 - 2017

(Unit: Baht/Sq.m.)



In 2017, office rental rates showed a slight upward. The average rental rate for the overall Grade A type was Baht 887 per sq.m., or an increase of 4.85% from 2016. The average rental rate for the Grade A type in the CBD areas was an average price of Baht 980 per sq.m. or an increase of 4.70% from 2016, whereas the average rental rate for the Grade A type in the Non-CBD areas showed an increase of 5.16% at the average price of Baht 795 per sq.m. The average rental rate for the Grade B for the year increased by 4.57%.

In summary, the office rental building market in 2017 showed a continuous growth trend as demand for office rental spaces continues to grow. As there is a supply of new office buildings, corporate tenants of both middle to large entities who wished to rent larger office space thus had more alternatives from which to choose and were capable of relocating to new buildings as their existing buildings could not accommodate their continued growth and demand for more needed space. Office rental rates quickly rose, especially for Grade A office buildings as they are in demand by most of the corporate tenants who wish to expand their office space. This group of corporate tenants are technology companies and companies in businesses such as e-commerce, social media and online advertising.

As there is a limited supply of new office buildings. This situation has resulted in higher rates of advance bookings or preleases for new office buildings, particularly among foreign corporations who have just established their office in Bangkok and use Thailand as a connection hub for its neighboring countries. Other business sectors which demand more office rental spaces are energy, information technology, and e-commerce. These companies comprise of both newly established local entities and foreign companies which are setting up more and more new offices in Bangkok. Office space demand has pushed up office rental rates to favorable rental levels, especially in the Ratchadapisek area which has become an up and upcoming location for Grade A office building in midtown locations outside the downtown area with complete facilities and access to the Sky Train Line and rental rates which are not so high.

RISK FACTORS

Risk from Financial Institutions' Stringent Credit Risk Policy

The Thai economy in 2017 showed improvement due to recovery in its exports and continued growth in tourism as well as other contributive factors from the global economic expansion. Thus, GDP expanded by 3.9%. Nevertheless, there was no clear increase in consumer consumption as supporting factors for consumer purchasing power were not evident. Sales growth appeared only in the durable goods segment of which the targeted buyers were the middle and upper income group. The ratio of household debt as a percentage to gross domestic product (GDP) revealed an improved sign of easing despite the fact that the ratio remained on the high side. This prompted financial institutions to be cautious in their credit extension and reviews. Financial institutions strictly review credit applications of new customers and customers with potentially high liquidity constraints and weak financial position who are seeking personal loans such as lower income clienteles, small and medium size enterprises (SME's), as well as credit applications for development financing of new and small real estate developers or developers whose clientele bases are considered risky. The credit decline rate dropped from the previous year but was still in the high level. In 2018, it is expected that the Thai economy will continue to grow whereas consumer consumption may remain unchanged as strength in purchasing power may not be evenly distribute among various income groups. This may force financial institutions to continue their strict credit policy, particularly among lower income groups.

The Company develops residential projects, which includes single detached houses, townhouses, and condominiums, focusing on the midscale income niche upward. Customers in this market mostly maintain strong purchasing power and financial capability in meeting their loan repayment obligations. Most of the Company's homebuyers also represent home dwelling demand rather than speculative investment purposes; therefore the chance of credit denial for their mortgage applications is, approximated 7% in 2017, much lower than the industry average. Additionally, for the sales of its single detached houses and townhouses, the Company also reviews its buyer's basic qualifications and sets a condition which requires its homebuyers to get approval for his/her mortgage application prior to entering into a sales contract with the Company. As for the sales of condominiums, the Company will assist its customers in submitting their mortgage applications to relevant financial institutions approximately 3 months before the scheduled date of the transfer of the ownership of the unit. All of the Company's development projects receive financial support for homebuyer's mortgage loans and personal loans from various financial institutions, with good lending conditions and quick credit approval. If a client cannot obtain his or her mortgage loan for any housing purchase, the Company can quickly take the unit back for immediately resale. In 2017, around 28% of the Company's clients are homebuyers make cash settlements on the closing date for the ownership transfer. The Company has a good operational performance, while maintaining its sustainable growth and strong financial status. It maintains conservative financial management with a debt to equity ratio of no more than 2:1. It also receives continual strong support from various financial institutions. In addition, it also issues and makes public placements for its debt instruments and debentures as another source for its short and long term funding.

Risk from Land Acquisition for Development Projects

Acquisition of land for development projects is a key requirement in fulfilling the needs of its targeted clientele, and hence becomes a vital success factor for real estate development. In the recent years, Thailand has been investing in the development of public utilities and infrastructure in the Bangkok Metropolitan Region and in the provinces which include rail systems, road constructions and road expansion. These result in the growth of urban city and real estate developments, the need for land to support commercial growth and rising housing demand, and land speculations, which eventually causing an acceleration in land prices, particularly in high demand locations while promising development locations become rare and limited. This environment creates competition on land acquisitions that greatly affect land purchase prices as in the cases of the acquisitions of land in midtown Bangkok or in the CBD areas. Other factors which influence land prices and land acquisition strategies are land-use regulations, locations, and accessibility to facilities and nearby public conveniences. The Treasury Department recently announced a new official land price assessment for 2016 -2019, of which land prices showed an average increase of 27.72% for all regions,

whereas Bangkok Metropolitan areas commanded an average increase of 15.78% and 27.88% for provincial areas. The highest land price increases occurs mostly around the Sky Train routes, as well as in the CBD, touristic towns, and in the special economic zones. Even though the Cabinet resolved to approve the new Land and Buildings Tax Act of which the application of its new tax rate will impact many landowners who possess vacant land as they will be paying higher tax rates. The tax rate will also increase according to the year of possession. This may result in the incentive for such landowners to offer their land for sale. This Land and Buildings Tax Act will not come into force until 2019. Additionally, the National Legislative Assembly (NLA) also proposed a relaxing of the tax rate by giving a 40% reduction in the first two years of the enforcement of the law therefore causing no impact in 2017.

Competition in the acquisition of land and the land price surge shall make land costs becomes a significant development cost for real estate developers. The property that is full of potential opportunities such as property in the CBD areas, property along the Sky Train Lines, property located by the main roads, which are in high demand among developers, shall command very high prices that may be higher than the projected costs. This makes it more difficult for developers to develop their real estate projects and may reduce their gross margin while increasing their sales risks. In addition, small and new developers may suffer disadvantages over larger sized developers, particularly regarding land acquisition, financial status, liquidity situation, financial institution support, and relationship with real estate agents.

It is the Company's policy to pursue a continual growth and stability strategy, so it always pays attention to its land acquisition schemes with appropriate advance planning that coincides with its upcoming development goals. The Company uses real estate agents as well as makes direct contact with land owners for its land acquisition. Market survey, development planning, and feasibility studies are undertaken for each development plan. Land acquisition criteria are factors such as promising location, accessibility to public transportation network, close to major residential and commercial areas, and nearby public conveniences. All of these enable the Company's development projects to be well accepted by the market and its targeted clientele. In addition, the Company also adjusts its land acquisition strategy to suit present circumstances by selection of land choices in minor lanes in major residential areas rather than plots along the main roads of which their land prices are much higher. The Company also recognizes the importance of financial risk management by properly allocating its investment budget for land acquisition to coincide with its projected cash flow and revenue stream, as well as avoiding high levels of debt financing. The Company's financial strategies are well accepted by financial institutions that provides its financial support.

Risk of Labour Shortage

One of the key factors that support and drive the real estate development industry is the contribution from the contractors and labour workforce, especially during the economic recovery period when all business production segments including the real estate development are increasing their production capacity. The real estate development sector is experiencing an increase in new development launches whereas the public sector is also expanding its continual investment in infrastructures. This requires supplies of skilled contractors and workers.

Furthermore, part of the workforce in the construction sector is dependent on the supply of foreign workers which requires the compliance of the Foreigners' Working Management Emergency Decree, B.E. 2560, and this requirement may also effect the worker shortage. The company is a real estate developer of single detached houses, townhouses and condominiums. It contracts contractors to construct its development projects. It is the Company's policy to focus on the quality of its products and services, thus skilled contractors and workers are one of the key elements in its business operation and sustainable growth.

For low-rise developments, the Company hires more than 90 medium size construction companies who have maintained a long-term working relationship with the Company. Additionally, it also recruits new additional contractors with whom to work. Large size contractors are contracted to work for the Company's condominium projects. At present, the labour issue is still a minor problem for the Company. Additionally, the Company prescribes its policies on equitable and fair treatment towards its contractors and offers opportunities for new contractors to work with it in order to foster development on skilled work and new technologies. The Company also develops its

supply chain system to facilitate contractor payments and help increase the contractor's liquidity position. The Company holds monthly meetings with contractors and organizes an annual contractor meeting to clarify its policies and work plans to all its contractors, and allows them to raise questions or address problems that require solutions. Contractors can also make direct queries on additional guidelines to the Company's executives. The Company applies precast technologies for some of its low-rise developments with the price range below Baht 5 million to reduce construction time and workforce requirement.

Risk from changes in rules, regulations, and laws related to real estate business

The business operations of real estate development sector require compliance with relevant rules, regulations, and laws such as the Land Development Act, the Condominium Act, the Promotion and Conservation of National Environmental Quality Act, and other laws. Such laws are continually amended to comply with changes in the social and economic environment, and new laws that directly impact the real estate business are also enacted. These laws are the Foreigners' Working Management Emergency Decree, B.E. 2560, which is effective as of 1 January 2018 with a more severe penalty that may impact labour shortage and the higher wage expenses, and the draft of the Land and Building Tax Act which is expected to be promulgated in 2019 that will cause all real estate development companies to adjust their strategy to comply with this relevant law.

It is the Company's policy to operate its businesses according to relevant laws that govern the real estate development business. It prescribes that operations related to the legal compliance must at least maintain the minimum requirements thereof. Prior to any of its real estate development plans, the Company at first studies thoroughly all relevant legal aspects to mitigate potential risk of any changes and amendments in the prescribed rules, regulations, and laws. Additionally, for each of its condominium projects, the Company prepares the environmental impact assessment and submits it to the Office of Natural Resources and Environmental Policy and Planning for approval prior to the starting of its construction work.

Risks from Having Major Shareholders

The Company's major shareholders are the Shinawatra Family who, as at December 31, 2017, owned 60.40% of the Company's shares. The family therefore is considered as the major shareholder with controlling power that can influence the voting rights in the Company's shareholders' meetings, and also influence matters such as appointments of directors, or resolutions of any meeting agenda in the Company shareholders' meetings which requires majority votes, except for matters which are prescribed by laws or by the Company's Articles of Association to get three fourths of the total votes of the Company shareholders' meetings. In this respect, other shareholders cannot gather enough votes to question or counter influence matters proposed by the major shareholders.

Nevertheless the Board of Directors and the Executive Committee are entitled with legitimate authority to manage the Company. Additionally, the Audit Committee is assigned with duties to monitor and oversee possible issues which could be a conflict of interest. In addition there is the Securities and Exchange Commission of Thailand (SEC) which oversees that the public companies, which are listed on the Stock Exchange of Thailand, operate properly, transparently and duly comply with its prescribed laws and regulations to ensure investor protection.

GENERAL INFORMATION OF THE COMPANY AND ITS SUBSIDIARIES

SC ASSET CORPORATION PLC.

Registration No.	BorMorJor. 0107546000253
Head office	1010 Shinawatra Tower III, Vibhavadi Rangsit Rd., Chatuchak, Chatuchak, Bangkok 10900 Tel : 0-2949-2000 Fax : 0-2949-2220 Home Page : www.scasset.com
Nature of Business	Property Development
Type of Shares	Common
Registered Capital (Shares)	4,379,332,012
Par Value Per Share (Baht)	1
Paid up Capital (Baht)	4,179,332,012 (As of December 31, 2017)
% of Investment	-

SC ABLE CO., LTD. (Formerly known as OAI ASSET CO., LTD.)

Head office	1291/1 Phaholyothin Rd., Samsennai, Phayathai, Bangkok 10400 Tel : 0-2299-6000 Fax : 0-2299-6974
Nature of Business	Property Development and Real Estate Related Services
Type of Shares	Common
Registered Capital (Shares)	10,000,000
Par Value Per Share (Baht)	10
Paid up Capital (Baht)	100,000,000
% of Investment	99.99%

UP COUNTRY LAND CO., LTD.

Head office	414 Phaholyothin Rd., Samsennai, Phayathai, Bangkok 10400 Tel : 0-2299-5000 Fax : 0-2299-5888
Nature of Business	Property Development
Type of Shares	Common
Registered Capital (Shares)	30,000,000
Par Value Per Share (Baht)	10
Paid up Capital (Baht)	300,000,000
% of Investment	99.99%

V. LAND PROPERTY CO., LTD.

Head office	1010 Shinawatra Tower III, Vibhavadi Rangsit Rd., Chatuchak, Chatuchak, Bangkok 10900 Tel : 0-2791-1871 Fax : 0-2949-2223
Nature of Business	Property Development
Type of Shares	Common
Registered Capital (Shares)	50,000,000
Par Value Per Share (Baht)	10
Paid up Capital (Baht)	353,000,000
% of Investment	99.99%

SCOPE CO., LTD.

Head office	1010 Shinawatra Tower III, Vibhavadi Rangsit Rd., Chatuchak, Chatuchak, Bangkok 10900 Tel : 0-2136-7866 Fax : 0-2136-7865
Nature of Business	Property Development
Type of Shares	Common
Registered Capital (Shares)	10,000,000
Par Value Per Share (Baht)	10
Paid up Capital (Baht)	50,000,000
% of Investment	90%

FIRE ONE ONE CO., LTD.

Head office	999 5th Floor, Phloenchit Rd, Lumpini, Pathum Wan, Bangkok 10330 Tel : 0-2656-1722
Nature of Business	Providing Technology Consulting Services and Developing Platform System
Type of Shares	Common
Registered Capital (Shares)	7,500,000
Par Value Per Share (Baht)	5
Paid up Capital (Baht)	37,500,000
% of Investment	20% (held by UP COUNTRY LAND CO., LTD.)

FIXZY CO., LTD.

Head office	1122 Vasutha Group Building, 3rd Floor, Rama IX Rd, Suan Luang, Suan Luang, Krung Bangkok 10250 Tel : 0-2732-3638
Nature of Business	Providing Online Handyman and Home Maintenance Services
Type of Shares	Common
Registered Capital (Shares)	154,450
Par Value Per Share (Baht)	10
Paid up Capital (Baht)	1,544,450
% of Investment	10% (held by SC ABLE CO., LTD.)

REFERENCE PERSONS

The Securities Registrar	Thailand Securities Depository Company Limited 93 The Stock Exchange of Thailand Building, 14th Floor, Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400 Tel : 0-2009-2000 Fax : 0-2654-5642
Registrar	CIMB Thai Bank Public Company Limited 44 Langsuan Road, Lumpini, Patumwan, Bangkok 10330 Tel : 0-2626-7503-4, 0-2626-7218 Fax : 0-2626-7542, 0-2626-7587 Unsubordinated and Unsecured Debentures of SC Asset Corporation Public Company Limited No. 4/2015 (Series 1) due 2018 Unsubordinated and Unsecured Debentures of SC Asset Corporation Public Company Limited No. 4/2015 (Series 2) due 2019 Unsubordinated and Unsecured Debentures of SC Asset Corporation Public Company Limited No. 5/2015 due 2018 Unsubordinated and Unsecured Debentures of SC Asset Corporation Public Company Limited No. 1/2016 due 2019 Unsubordinated and Unsecured Debentures of SC Asset Corporation Public Company Limited No. 2/2016 due 2019 Unsubordinated and Unsecured Debentures of SC Asset Corporation Public Company Limited No. 3/2016 due 2018 Unsubordinated and Unsecured Debentures of SC Asset Corporation Public Company Limited No. 1/2017 (Series 1) due 2020 Unsubordinated and Unsecured Debentures of SC Asset Corporation Public Company Limited No. 1/2017 (Series 2) due 2022 Unsubordinated and Unsecured Debentures of SC Asset Corporation Public Company Limited No. 2/2017 due 2020
Auditor	Ms. Annothai Leekitwattana Certified Public Accountant (Thailand) No. 3442 PricewaterhouseCoopers ABAS Ltd. 15th Floor, Bangkok City Tower 179/74-80 South Sathorn Road, Thungmahamek , Sathorn, Bangkok, 10120 Tel : 0-2824-5000, 0-2344-1000 Fax : 0-2286-5050



MANAGEMENT AND
CORPORATE GOVERNANCE

SHAREHOLDERS

As of 31 December 2017, the Company has registered capital of Baht 4,379,332,012 with paid-up capital of 4,179,332,012 divided into 4,179,332,012 ordinary shares at a par value of Baht 1 per share.

List of 10 major shareholders per closing of the shareholder registration book as at 31 December 2017

No.	Name	Number of Shares Held	Percentage of Shares Held
1.	Shinawatra's Family	2,524,175,252	60.40
	1.1 Ms.Paetongtarn Shinawatra (1,216,149,870 shares)		
	1.2 Ms.Pintongta Shinawatra Kunakornwong (1,176,915,495 shares)		
	1.3 Khunying Potjaman Damapong (117,109,887 shares)		
	1.4 Mr.Panthongtae Shinawatra (14,000,000 shares)		
2.	Mr.Bhanapot Damapong	201,234,375	4.81
3.	Bualuang Long-Term Mutual Funds	116,493,812	2.79
4.	Thai NVDR Company Limited	58,324,097	1.40
5.	Electricity Generating Authority of Thailand Registered Provident Fund by BBL Asset Management Ltd.	57,845,362	1.38
6.	Mr.Sophon Mitrunpanich	56,395,016	1.35
7.	AIA TH-EQ1-P	43,601,800	1.04
8.	Bualuang Long-Term Equity Fund 75/25	43,074,075	1.03
9.	Bualuang Siriphol Corporate Governance	41,499,625	0.99
10.	Bualuang Infrastructure Retirement Mutual Fund	37,329,500	0.89
	Total	3,179,972,914	76.09

Shareholder Structure

It is not the Company's policy to have cross-holding of shares by two or more companies or involve itself in any practice of pyramid holding.

Other Securities

1. Bills of Exchange

As of 31 December 2017, the Company had liabilities from the issuance and sales of bills of exchange of Baht 3,095 million in total, which were offered on private placement to institutional investors and high net worth investors. The bills of exchange amount had increased by Baht 250 million from the yearend 2016. In 2017, the Company redeemed its Baht 5,690 million bills of exchange and issued Baht 5,940 million bills of exchange via private placement for sales to institutional investors and high net worth investors with a fixed maturity of 90 days to 270 days and carried interest at the prevailing money market rate.

2. Debentures

The Company issued a series of name-registered, non-subordinated, and unsecured debentures. As of 31 December 2017, the Company had liabilities from the issuance and sales of debentures of Baht 8,725 million in total, details of which were as follows:

Unsubordinated and Unsecured Debentures of SC Asset Corporation Public Company Limited					
Name of Debentures	No. 4/2015 (Series 1) due 2018	No. 4/2015 (Series 2) due 2019	No. 5/2015 due 2018	No. 1/2016 due 2019	No. 2/2016 due 2019
Type of Offer	Private Placement to institutional investors and high net worth investors	Private Placement to institutional investors and high net worth investors	Private Placement to more than 10 investors	Private Placement to more than 10 investors	Private Placement to more than 10 investors
Type of Debentures	Name-registered, unsubordinated, unsecured debentures without a debenture holders' representative	Name-registered, unsubordinated, unsecured debentures without a debenture holders' representative	Name-registered, unsubordinated, unsecured debentures without a debenture holders' representative	Name-registered, unsubordinated, unsecured debentures without a debenture holders' representative	Name-registered, unsubordinated, unsecured debentures without a debenture holders' representative
Par	Bath 1,000	Bath 1,000	Bath 1,000	Bath 1,000	Bath 1,000
Unit	1,700,000 Units	1,300,000 Units	325,000 Units	1,000,000 Units	500,000 Units
Issue Amount	Bath 1,700,000,000	Bath 1,300,000,000	Bath 325,000,000	Bath 1,000,000,000	Bath 500,000,000
Term	3 years	3 years 7 months	3 years 4 days	3 years	3 years
Issue Date	25 June 2015	25 June 2015	6 October 2015	24 March 2016	8 November 2016
Maturity Date	25 June 2018	25 January 2019	10 October 2018	24 March 2019	8 November 2019
Coupon Rate	4.00 % p.a	4.20 % p.a	3.65 % p.a	3.15 % p.a.	3.20 % p.a
Coupon Payment Frequency	Quarterly	Quarterly	Semi-annually	Semi-annually	Semi-annually
Company Rating	BBB+	BBB+	BBB+	BBB+	BBB+
Issue Rating	BBB+	BBB+	-	-	-

Unsubordinated and Unsecured Debentures of SC Asset Corporation Public Company Limited			
Name of Debentures	No. 3/2016 due 2018	No. 1/2017 (Series 1) due 2020	No. 1/2017 (Series 2) due 2022
Type of Offer	Private Placement to not more than 10 investors	Private Placement to institutional investors and high net worth investors	Private Placement to institutional investors and high net worth investors
Type of Debentures	Name-registered, unsubordinated, unsecured debentures without a debenture holders' representative	Name-registered, unsubordinated, unsecured debentures without a debenture holders' representative	Name-registered, unsubordinated, unsecured debentures without a debenture holders' representative
Par	Bath 1,000	Bath 1,000	Bath 1,000
Unit	500,000 Units	1,000,000 Units	1,900,000 Units
Issue Amount	Bath 500,000,000	Bath 1,000,000,000	Bath 1,900,000,000
Term	2 years	3 years 4 days	5 years
Issue Date	6 December 2016	24 February 2017	24 February 2017
Maturity Date	6 December 2018	24 February 2020	24 February 2022
Coupon Rate	3.10 % p.a	3.30 % p.a	3.15 % p.a.
Coupon Payment Frequency	Semi-annually	Quarterly	Quarterly
Company Rating	BBB+	BBB+	BBB+
Issue Rating	-	-	-
			Private Placement to not more than 10 investors
			Name-registered, unsubordinated, unsecured debentures without a debenture holders' representative
			Bath 1,000
			500,000 Units
			Bath 500,000,000
			2 years 11 months 28 days
			11 August 2017
			8 August 2020
			3.09 % p.a
			Semi-annually
			BBB+
			-

DIVIDEND PAYMENT POLICY

The Company has a policy to pay dividends to its shareholders at the dividend payout rate of no less than 40% of its net profit after corporate income taxes and to allocate a certain amount of the net profit thereof for legal reserve purpose. However, the dividend payment may be changed due to the Company's operational results, business expansion plan, liquidity, necessity, and other appropriateness that may arise in the future. The Company's Board of Directors shall be authorized to consider such matters and shall then submit their decisions for further approval from the shareholder meeting, except for the interim dividend payment which the Board of Directors shall be authorized to approve as per the Company's Regulations. Upon the payment of any such dividend, the Board of Directors shall report the matter to the Company's shareholders in the next shareholders meeting.

For the dividend payment in 2017, the Company received the resolution from the Annual General Shareholders Meeting held on 21 April 2017 to pay the dividend of Baht 0.19 per share from the 2016 net profit, which accounted to a payout ratio of 43.18% of the net profit after tax for the year.

The dividend payment policies of the Company's subsidiaries are under the same rules as the Company's.

Dividend Payment Information

Year	2017	2016	2015
Basic Earnings per Share (Baht)	0.3011	0.4709	0.4535
Dividend per Share (Baht)	0.12 ⁽¹⁾	0.19	0.18
Book Value per Share (Baht)	3.57	3.46	3.16
Par (Baht)	1	1	1

Remarks:

⁽¹⁾ Dividend per Share (Baht) was made at the rate approved by the Company's Board of Directors in its board meeting on February 21, 2018 and shall be submitted for the shareholders' approval during the Annual General Shareholders Meeting for 2018.

MANAGEMENT

Overview

The management structure of the Company comprises the Board of Directors and 5 sub-committees as follows:

- (1) The Executive Committee
- (2) The Audit Committee
- (3) The Nomination and Remuneration Committee
- (4) The Corporate Governance and Social & Environmental Responsibility Committee
- (5) The Risk Management Committee

The Board of Directors

As of December 31, 2017, there are 10 directors on the Company's Board of Directors consisted of:

- : 3 Executive directors
- : 6 Independent directors / Non-executive directors
- : 1 Non-executive director (Authorized Director)

- | | | | |
|-----|----------------|--------------------|---|
| 1. | Mr. Rath | Kitivejsoth | Chairman of the Board of Directors (Independent Director) |
| 2. | Ms. Busaba | Damapong | Vice-Chairman of Director/ Chairman of the Executive Committee/ Member of the Corporate Governance and Social & Environmental Responsibility Committee/ Member of the Risk Management Committee (Authorized Director) |
| 3. | Mr. Nuttaphong | Kunakornwong | Director/ Chief Executive Officer/ Member of the Executive Committee/ Member of the Corporate Governance and Social & Environmental Responsibility Committee/ Member of the Risk Management Committee (Authorized Director) |
| 4. | Mr. Nathpath | Oujai | Director/ Member of the Executive Committee/ Member of the Nomination and Remuneration Committee (Authorized Director) |
| 5. | Mr. Kunodom | Tharmmaphornphilas | Director/ Chairman of the Audit Committee/ Member of the Nomination and Remuneration Committee (Independent Director) |
| 6. | Mr. Prasert | Samanawong | Director/ Chairman of the Nomination and Remuneration Committee/ Member of the Audit Committee/ Member of the Risk Management Committee (Independent Director) |
| 7. | Mr. Precha | Sekhararidhi | Director/ Chairman of the Corporate Governance and Social & Environmental Responsibility Committee/ Chairman of the Risk Management Committee/ Member of the Audit Committee (Independent Director) |
| 8. | Mr. Songsak | Premsuk | Director/ Member of the Executive Committee/ Member of the Corporate Governance and Social & Environmental Responsibility Committee (Independent Director) |
| 9. | Ms. Vilasinee | Puddhikarant | Director/ Member of the Executive Committee (Independent Director) |
| 10. | Mr. Attapol | Sariddipuntawat | Director/ Member of the Executive Committee/ Member of the Risk Management Committee/ Chief Corporate Officer (Authorized Director) |

Remarks:

- Ms. Busaba Damapong was elected by the meeting of the Board of Directors No. 4/2011 on the July 13, 2011 to act as a director in replacement of Ms. Yingluck Shinawatra, who resigned from her directorship, and appointed to serve as Chairman of the Executive Committee, member of the Corporate Governance and Social & Environmental Responsibility Committee and Authorized Director, effective as of July 13, 2011 onwards. She was also appointed by the Meeting of the Board of Directors No. 7/2014 to serve as a member of the Risk Management Committee, effective from December 16, 2014 onwards. The Meeting also approved to extend her term in office as the Chairman of the Executive Committee for 3 years, effective from January 1, 2015 onwards after her normal retiring age of 60 years old.
- Mr. Nuttaphong Kunakornwong was elected by the meeting of the Board of Directors No. 2/2012 on February 28, 2012 to act as a director, in replacement of Mr. Chanon Chotevijit who resigned from his position, and appointed to act as member of the Executive Committee and Authorized Director, effective from March 1, 2012. In addition, he was appointed by the Meeting of the Board of Director No. 6/2012 on November 13, 2012, to act as a member of the Corporate Governance and Social & Environmental Responsibility Committee and by the Meeting of the Board of Director No. 7/2014 to act as a member of the Risk Management Committee and the Chief Executive Officer, effective from December 16, 2014 and January 1, 2015 respectively.
- Mr. Precha Sekhararidhi was appointed by the Meeting of the Board of Directors No. 7/2014 to act as the Chairman of the Risk Management Committee, effective from December 16, 2014 onwards.
- Mr. Prasert Samanawong was appointed by the Meeting of the Board of Directors No. 3/2015 to act as the Chairman of the Audit Committee/ and member of the Nomination and Remuneration Committee.
- Mr. Nathpath Ouajai has been an authorized director of the Company since March 4, 2011, so he cannot be considered as an independent director by virtue of his involvement in the management of work. In addition, he was assigned by the Meeting of the Board of Director No. 3/2015 to act as member of the Nomination and Remuneration Committee.
- Mr. Songsak Premsuk was appointed by the Annual General Meeting of Shareholders for 2015 to act as a director (Independent Director) and he was also appointed by the Meeting of the Board of Directors No.3/2015 to act as Member of the Corporate Governance and Social & Environmental Responsibility Committee.
- Ms. Vilasinee Puddhikarant was appointed by the resolution of the Board of Directors dated January 15, 2016 to be a director of the Company and member of the Executive Committee (Independent Director) in replacement of Ms. Phensom Damapong, who resigned from her directorship. She was re-elected by the resolution of the Annual General Meeting of Shareholders for 2016 to act as a director (Independent Director) for another term.
- Mr. Attapol Sariddipuntawat was appointed by the Annual General Meeting of Shareholders for 2017 act as a director and he was also appointed by the Meeting of the Board of Directors No.3/2017 to act as member of the Executive Committee.

Authorized Director: "Ms. Busaba Damapong, Mr. Nuttaphong Kunakornwong, Mr. Nathpath Ouajai, Mr. Attapol Sariddipuntawat any two of these four directors co-sign their names and affix the Company seal."

Directors' Scope of Authorities and Responsibilities:

1. Define the prime goals and objectives of the business, vision, mission, strategy, policy and direction of the Company's business operations; supervise the management in operating the business towards sustainable growth alongside value creation for the business, customers, stakeholders and society as a whole, so to meet the prescribed objectives efficiently and effectively through the adoption of innovation and technology suitable for the changing era.

2. Monitor, evaluate and oversee the business performance in accordance with the target, strategy and action plans in order to improve and develop the competitiveness over other operators and to achieve good business outcomes while preventing long-term perspective, including being prepared and studying of business environment and social for corporate resilience.

3. Determine the proper number of the Board members and review that the Board structure is at a reasonable size which must comprise at least 5 directors and not be more than 12 directors, with independent directors constituting more than half of the Board to allow for flexibility in management, appropriate and necessary to steer the Company towards its corporate goals and objectives.

4. Ensure that all directors and executives perform their responsibilities in compliance with their fiduciary duty, and that the Company operates in accordance with any relevant laws, the Company's objectives, Article of Association including the resolution of the shareholders' meetings when required by law to be approved by a resolution of the shareholders such as entering into connected transaction, purchase or sale of significant assets as defined by the regulations of the Stock Exchange of Thailand or other government organization, etc.

5. Define the criteria and process in relation to the nomination of qualified senior executives who should possess knowledge, skills, experience, and attributes necessary to drive the organization towards the defined goals; consider the compensation structure and evaluate their managerial performance and development of human resources to obtain appropriate knowledge, skill and motivation; as well as to monitor the preparation of the annual succession plan for the Executive Chairman, Chief Executive Officer, and Senior Executives.

6. Encourage innovative endeavors, appropriate and effective application of innovation or technology to create business value and sustainable value to the corporate which is attributable to the society; to develop or reduce the negative impact on the environment; as well as to monitor the management to conduct every process of the business with social and environmental responsibility.

7. To establish the Company's accounting systems, ensure reliable financial reports are created and properly audited, and monitor the evaluation procedures for the appropriateness and effectiveness of internal control systems and internal audit functions, including risk management,

8. Define the policy in relation to the allocation and management of information technology resources; monitor, review and develop the information technology to be appropriate and consistent with the risk.

9. Monitor the policy and guidelines with regards to anti-corruption via communication on www.scasset.com requiring everyone in the organization and external stakeholders to support the actual implementation, monitor possible conflict of interest among the stakeholders, i.e. the conflict of interest between the Company and the management, directors or shareholders; protect against the misuse of assets, information, and the Company's business opportunities, including improper transactions with persons connected to the Company.

10. Ensure that the financial reporting system and disclosure of material information is accurate, adequate and timely in accordance with the relevant regulations, standards, and guidelines, by means of monitoring the financial administration to efficiently maintain financial liquidity sufficient to conduct the business and to service debt payment, with the plans to secure funding from various sources so as to prevent impact from financial issues.

11. Supervise and support the shareholders to have the opportunity to participate effectively in decision-making involving significant corporate matters through the Annual General Meeting or the Extraordinary Meeting. The quarterly business result communicated to the shareholders via www.scasset.com and the agenda notified in advance in the Notice to the Annual General Meeting enables the shareholders to effectively exercise their rights on the meeting day. Besides, the resolutions and minutes of the meeting are disclosed accurately and completely.

12. Establish the Good Corporate Governance policy and Code of Conduct, and supervise the business operations to be in compliance with the established policy and Code of Conduct, as well as to consistently carry out an annual review of the governance policy and Code of Conduct.

13. Take responsibility for the business outcome and performance of the management in undertaking the business operations ethically with respect and accountability to shareholders and stakeholders.

14. To set or change the list of authorized directors.

15. To consider on significant issues such as business plans, business risk management, investment in major projects, management authority, and other matters in compliance with laws.

16. To appoint other persons to operate the Company's businesses under the control of the Board of Directors, or it may authorize other persons, to perform other duties for period of time as deemed appropriate. The Board reserves its right to change or revoke any authorities given to any such person.

Segregation of roles and duties between the Board of Directors and Management

The Company defines shared and separate roles and duties between the Board and Management for clarity in performing their respective functions.

Matters for which the Board of Directors has primary responsibility shall be as follows:

- To define objective and business model
- To develop culture of compliance and ethical conduct, and lead by example.
- To strengthen an effective board of director structure and practices conducive for achieving the company's objective.

- To nominate, develop, compensate, and evaluate the performance of the Chairman of the Executive Committee and Chief Executive Officer.
- To develop an appropriate compensation structure that support achievement of the Company's objective.

Matters involving shared responsibility of the Board of Director and management shall be as follows:

- To formulate and review the strategies, target and annual action plans.
- To ensure robust system for risk management and the internal control.
- To clearly define management's responsibility.
- To oversee appropriate policies and framework for resource allocation, development and budgeting, namely human resources policy and management plan, and information technology policy.
- To monitor and evaluate the business operations; to supervise the disclosure of financial information and ensure the reliability of the financial administration.

Matters that the Board of Director should delegate or not get involved with shall be as follows:

- Engaging in activities in accordance with the strategies, policy, and plans approved by the Board.
- Approval of matters in which a director may have vested interests.

The Board of Directors' Approval Authorities:

As for the Board of Directors' authority to act on behalf of the Company, the board is entitled to authorize and approve an unlimited amount of investment budget for investing activities in the Company's business. To successfully manage the Company's business in accordance with its planned business strategies and targets, the Executive Committee is thus empowered with authority to undertake its roles in business management and administrations, as well as to oversee the responsibilities of human resources management, according to its prescribed scope of authority and duties. The Executive Committee may empower any of its board members or any other person to act or perform any acts on its behalf. However, this empowerment shall not include the granting of a power to permit members of the Executive Committee, or person(s) appointed by the Executive Committee, to approve any transaction between them, or person that may have interest or a conflict of interests with as set forth by the Company's regulation and the regulations of the Office of the Securities and Exchange Commission (SEC), and such empowerment shall also not include transactions that are considered related parties transactions or represent conflicting interests with the Company or its subsidiaries, except for the transactions approval in accordance with the policies and criteria authorized by the Company's Board of Directors. Nonetheless, for the following matters the Company reserves the right for them to be approved only by a resolution of the Company's the Board of Directors:

1. To approve the delegation of authority regarding financial transactions and payments such as capital investment (for project), fixed assets, costs and expenses, advances. For the sake of good management, such delegation of authority and the authorization limit granted to each executive level shall be clearly stated according to the corporate hierarchical layers namely the Executive Committee / Chairman of the Executive Committee / Chief Executive Officer / Chief Corporate Officer / Chief Officer / Deputy Chief Officer / Head of / Vice President and Assistance Vice President (Please refer to further details in the topic "Authorized transactions and authorization limit per transaction").

2. To approve the Company's business objectives, business operation plans, significant policies, risk management, major investment projects, and implementation of the Company's important projects.

3. To approve or provide the opinion regarding the connected transactions of the Company and its subsidiaries as per the criteria set forth in the relevant notifications, rules, and guidelines of the Stock Exchange of Thailand.

4. To approve any individual with required qualifications and without prohibition attributes prescribed under the Public Limited Companies Act, B.E.2535, the Securities Exchange of Thailand Act, as well as the notifications, rules and/or regulations related to an appointment of the Company director in the event of any vacancy thereof due to the reasons other than the expiration of his/her term.

5. To approve the setting of the date for the Company's Annual General Meeting of Shareholders.
6. To approve other matters prescribed by laws, or set forth under rules and regulations to be the duties of the Board of Directors.

Qualifications of Directors

The Company sets the following qualification criteria for its directorship;

1. Knowledgeable and proficient in the fields related to the Company's business and willing to devote their time for their duties.
2. Its qualifications must not be prohibited by the Public Limited Company Act B.E. 2535, the Securities and Exchange Act B.E. 2535, and the Principle of Good Corporate Governance.
3. Neither being nor used to be an auditor of the Company, its subsidiary company, associate company, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its subsidiary company and associate company.
4. Holding not exceeding 2 posts of directorship in different public listed companies. In case of the Chairman of the Executive Committee or the Chief Executive Officer by virtue of his/her position, he/she is able to hold only 1 directorship in public listed company namely SC Asset Corporation Public Company Limited and cannot hold more than 5 directorships in other entities as follows:
 - 4.1 The Company's subsidiary
 - 4.2 The Company's associated company which operates business other than real estate development, and he/she shall not take the position of the Chairman of the Executive Committee or the Chief Executive Officer of such company.
 - 4.3 Charity organization/ foundation promoting public benefits and education.

Board of Directors Meeting

The Company set meeting agendas and meeting dates for the Board of Directors Meetings and Shareholders Meeting for 2017 in advance. This allowed all its directors to be informed well in advance and be able to properly allocate their time to attend all the meetings. The Company sets at least seven board meetings a year. The schedule is flexible and allows possible adjustments as necessary; additional meetings can also be added if needed. The Company Secretary shall send the meeting invitations, meeting agendas and attached information documents which are relevant and sufficient in detail for board members to consider in advance. These meeting agendas and the attachments thereof shall be sent to each board member at least seven days prior to the date of the meeting in order to allow the board members adequate time to study the matters prior to attending the meetings.

At present, the Company arranges to have the meeting documents for its Board of Directors Meetings made in electronic form and forwarded to the board members via e-mail and through smartphone applications. The actions enhance conveniences and reduce the use of paper meeting materials.

The agenda items of each board meeting are also posted on the Company's website (www.scasset.com) under the "Corporate Governance" Section.

The Number of Meeting and the Number of Attendance of each Director

The Board of Directors holds board meetings at least once every quarter and in 2016, the Board held 7 meetings. The following table shows details of the Board's meetings since 2004.

Name	Number of Meeting / Number of Attendance		
	2004-2017	2017	2017 (%)
1. Mr. Rath Kitivejsoth ⁽¹⁾	94/94	7/7	100
2. Ms. Busaba Damapong ⁽²⁾	42/42	7/7	100
3. Mr. Nuttaphong Kunakornwong ⁽³⁾	36/38	6/7	85.71
4. Mr. Nathpath Ouajai ⁽⁴⁾	79/79	7/7	100
5. Mr. Kunodom Tharmmaphornphilas ⁽⁵⁾	79/79	7/7	100
6. Mr. Prasert Samanawong ⁽⁶⁾	73/73	7/7	100
7. Mr. Precha Sekhararidhi ⁽⁷⁾	71/71	7/7	100
8. Mr. Songsak Premsuk ⁽⁸⁾	19/19	7/7	100
9. Ms. Vilasinee Puddhikarant ⁽⁹⁾	11/13	6/7	85.71
10. Mr. Attapol Sariddipuntawat ⁽¹⁰⁾	5/5	5/5	100

Remark:

- (1) Mr. Rath Kitivejsoth was appointed to be the Chairman of the Board of Directors in replacement of Dr. Chaiyawat Wibulswasdi, effective from March 1, 2007 onward.
- (2) Ms. Busaba Damapong was elected by the meeting of the Board of Director No. 4/2011 on July 12, 2011 to be the Director and the Chairman of the Executive Committee in replacement of Ms. Yingluck Shinawatra, who resigned from her directorship, effective as of 13 July, 2011 onward.
- (3) Mr. Nuttaphong Kunakornwong was elected by the meeting of the Board of Directors No. 2/2012 on February 28, 2012 to be a director of the Company in replacement of Mr. Chanon Chotevijit who resigned from his position.
- (4) Mr. Nathpath Ouajai was assigned to be the Director in replacement of Ms. Pranee Vechapruangkitak, effective from March 20, 2006 onward.
- (5) Mr. Kunodom Tharmmaphornphilas was assigned to be the Director in replacement of Mr. Sompong Nakornsri, effective from March 20, 2006 onward.
- (6) Mr. Prasert Samanawong was assigned to be the Director in replacement of Mr. Krit Umpote, effective from January 31, 2007 onward.
- (7) Mr. Precha Sekhararidhi was assigned to be the Director in replacement of Dr. Chaiyawat Wibulswasdi, effective from March 26, 2007 onward.
- (8) Mr. Songsak Premsuk was elected by the Annual General Meeting of Shareholders for 2015 held on April 23, 2015 to be the Director of the Company in replacement of Ms. Naengnoi Na Ranong, who retired by rotation.
- (9) Ms. Vilasinee Puddhikarant was appointed by the resolution of the Board of Directors No. 1/2016 on January 15, 2016 to be the Director of the Company and member of the Executive Committee (Independent Director) in replacement of Ms. Phensom Damapong, who resigned from her directorship. She was re-elected by the resolution of the 2016 Annual General Meeting of Shareholders to act as a director (Independent Director) for another term.
- (10) Mr. Attapol Sariddipuntawat was elected by the Annual General Meeting of Shareholders for 2017 to serve as a director and he was also appointed by the Meeting of the Board of Directors No.3/2017 to act as member of the Executive Committee.

The agendas for approval and acknowledgement can be summarized as follows:

Number of Board of Directors' Meetings in 2017	Agenda for Acknowledgement	Agenda for Consideration	Agenda for Approval
No. 1	3	1	9
No. 2	2	13	9
No. 3	1	4	5
No. 4	2	2	2
No. 5	1	3	1
No. 6	3	3	2
No. 7	3	5	6
Total	15	31	34

All agendas addressed in the Company's the Board of Directors Meeting are issues related to the Company's business operations. The notifications of meeting are issued and sent to the board members at least 7 days prior to all the board meetings. The meeting notifications are attached with details of the meeting agenda and relevant annex and attachments thereof completely and sufficiently to allow the Board of Directors sufficient time to study the agendas and enquire additional information from the Company Secretary.

During each of the board meetings, the Company's Secretary shall take notes and prepare the Minutes of the Meeting. The minutes shall be submitted within 14 days of the meeting date to each board member for their consideration. All directors can always request copies of any past minutes from the Company Secretary for further review.

The Chairman of each meeting allocates adequate time for management to present documents and supplementary information for review and discussion of important issues. Each director is entitled to express independent opinions and to present any concerned agenda items.

It is responsibility of the Company Secretary to determine the meeting date, prepare adequate supplementary documents and send notice of Board of Directors meeting to all directors at least 7 days prior to the date of meeting to ensure that all directors will have sufficient time to understand all matters unless there was an emergency or urgent matter. The Company Secretary shall also record all agendas of the meetings and carry out minutes of the meeting. The minute of Board of Directors Meeting which has been approved by the Board shall be kept by the Company secretary in conventional and electronic form for reference in the future.

Policy on the Limitation on the Number of Directorship Positions and the Holding of Directorship Position of the Chairman of the Executive Committee and Chief Executive Officer (CEO)

Too many directorship positions held by a board member could impair his efficiency in well conducting his position as a good member of the Board of Directors. Therefore, the Company's Board of Directors resolved to limit the number of directorship positions held by each of its board members, executive directors, independent directors, Chairman of the Executive Committee and Chief Executive Officer. (Please refer to further details in the topic "Policy on the Limitation on the Number of Directorship Positions and the Holding of Directorship Position of the Chairman of the Executive Committee and Chief Executive Officer" in the Responsibilities of the Board section.)

The Board of Directors' Performance Assessment

In order to comply with the principles of good corporate governance and to improve the performance of Directors, the Company launched a performance assessment for the Board of Directors at least once a year. The assessment was prepared by using three approaches, firstly, a performance assessment of the entire Board. Secondly performance assessment of individual Director, which was divided into 2 parts, self- assessment, and cross self-assessment by other Directors, and lastly the performance assessments for all sub-committees. The assessment procedures and scales are presented as a percentage of the total scores for each category.

The Assessment Procedures of the Board of Directors

1. The Company's Secretary will send four types of a performance appraisal form to each director as follows:
 - An assessment of collective board Form (The entire Board)
 - An assessment of individual director Form (Self- assessment)
 - An assessment of individual director Form (Cross Self- assessment by other directors)
 - An assessment of Sub-Committees Form (Each Sub-Committees)
2. After each director completes his/her performance assessment, he/she will return the performance assessment forms to the Company Secretary for collecting and analyzing the assessment data.
3. The concluded results will be reported to the Board of Directors by the Company Secretary at its first meeting of each year. The resulting report will be applied for the purpose of the Director's performance improvement.

The Board of Directors' Assessment Scales

Assessed Scores (%)	Scale
85 - 100	Very Good - Excellent
75 - 84	Good
65 - 74	Fairly Good
50 - 64	Fair
under 50	Require Improvement

- **Performance assessment for the entire Board comprises of 6 major aspects, which are:**
 - Board of Directors' composition and qualification
 - Board of Directors' role, duty and responsibility
 - Board of Directors' Meeting
 - Director's performance
 - Connection with Managerial person
 - Director's Self Improvement and Management team's improvement

Average scores received for the entire Board of Director for their 2017 performance was 99.02%, which is considered very good - excellent (in 2016, an average scores was 98.11% which is considered very good - excellent).

• **Performance assessment for each individual Directors (self-assessment) comprises of 6 major aspects, which are:**

- Accountability to their decisions and actions;
- Responsibility in performing their job with ability and efficiency;
- Accountable and equitable treatment of stakeholders;
- Transparency of actions and information disclosure;
- Visionary towards long-term creations of added corporate value;
- Business ethics and integrity

Average scores received for self-assessments of each individual director for their 2017 performance was 98.92%, which is considered very good - excellent (in 2016, an average scores was 98.80%, which is considered very good - excellent).

• **Performance assessment for each individual Director (assessments shall be made by other directors and each director shall assess other directors' performance) comprises of 9 major aspects, which are:**

- Profound knowledge of the Company's business;
- Providing opinions and recommendations which are beneficial to the Company and is not contradictory with principles of good corporate governance;
- Independent and perceptive suggestions;
- Providing information and facts which are useful for the Board of Directors' decision process;
- Responsible for stakeholder benefits by providing opinions or suggestions that lead to fair and equitable practices;
- Refrain from voting or meeting participation, if conflict of interest or self-interest in terms of stakeholder involvement is presented;
- Study provided details of meeting agenda prior to of relevant meetings;
- Regularly and promptly attending all required meetings. If absence of meeting attendance is unavoidable, duly make prior request of absence to the Chairman of the Board in advance of such meeting;
- Honors and respect the rights of other directors

Average scores received for assessments made by other Board members for performance of each individual member of the Board in 2017 was 99.44%, which is considered very good - excellent (in 2016, an average scores was 99.76%, which is considered very good - excellent).

• **Performance assessment for the Sub-Committees**

The Company's Board of Directors resolved the approval for performance assessments of all the Company's sub-committees, which include the Executive Committee, the Nomination and Remuneration Committee, the Corporate Governance and Social & Environmental Responsibility Committee, the Risk Management Committee and the Audit Committee. The assessments help the Company monitor and improve the efficiency of its governance conducts. The performance assessment for the sub-committees applies a similar evaluation process and standards as the performance assessment for the Board of Directors.

The performance assessments for all sub-committees (excluding the performance assessment of the Audit Committee) include assessments of accountability and responsibility principles which are classified into the following 5 aspects:

- Composition and qualification of the committee
- Roles, duties, and responsibility of the committee
- Compliance with good corporate governance practices
- Communication and collaboration between the committee and the Board of Directors
- Meetings of the committee

Average 2017 Performance Assessment Scores of Each Sub-committee

1) Average 2017 performance assessment score for the Executive Committee was 99.25%, which is considered very good - excellent (in 2016, an average scores was 99.25%, which is considered very good - excellent).

2) Average 2017 performance assessment score for the Nomination and Remuneration Committee was 99.07%, which is considered very good - excellent (in 2016, an average scores was 99.38%, which is considered very good - excellent).

3) Average 2017 performance assessment score for the Corporate Governance and Social & Environmental Responsibility Committee was 99.25%, which is considered very good - excellent (in 2016, an average scores was 98%, which is considered very good - excellent).

4) Average 2017 performance assessment score for the Risk Management Committee was 94%, which is considered very good - excellent (in 2016, an average scores was 93.57%, which is considered very good - excellent).

5) Average 2017 performance assessment score for the Audit Committee was 100%, which is considered very good - excellent (in 2016, an average scores was 100%, which is considered very good - excellent).

Training Courses or Relevant Seminars Attended by Directors

It is a policy of the Company and its Board of Directors to encourage directors to consistently obtain appropriate knowledge applicable for performance of their roles and duties through attendance of training courses and relevant seminars such as participation in courses offered by the Thai Institute of Director as well as courses held by other organizations. The purpose of this policy is for these participants to apply any obtained knowledge for promoting continuity of our corporate stability and sustainable growth.

Details of Directors' Training Courses Attendance

Names	Training Courses
Mr. Rath Kitivejsoth	- Director Accreditation Program (DAP) Class 30/2004, - Director Certification Program (DCP) Class 53/2005, - Improving the Quality of Financial Reporting Program Class 4/2006, and - Audit Committee Program (ACP) Class 14/2006 (Thai Institute of Directors)
Ms. Busaba Damapong	- Director Accreditation Program (DAP) Class 9/2004, - Finance for Non-Finance Director (FND) Class 12/2004, and - Risk Management Program for Corporate Leaders (RCL) Class 3/2016 (Thai Institute of Directors)
Mr. Nuttaphong Kunakornwong	- Director Certification Program (DCP) Class 157/2012, (Thai Institute of Directors)
Mr. Nathpath Ouajai	- Director Accreditation Program (DAP) Class 53/2006, - Director Certification Program (DCP) Class 91/2007, and - Seminar for Corporate Governance Report of Thai Listed Companies (Thai Institute of Directors)

Names	Training Courses
Mr. Kunodom Tharmmaphornphilas	<ul style="list-style-type: none"> - Director Accreditation Program (DAP) Class 53/2006, - Audit Committee Program (ACP) Class 13/2006, - Improving the Quality of Financial Reporting Class 4/2006, - Director Certification Program (DCP) Class 87/2007, - Accounting Standard for Director, and - Seminar for Corporate Governance Report of Thai Listed Companies (Thai Institute of Directors)
Mr. Prasert Samanawong	<ul style="list-style-type: none"> - Audit Committee Program (ACP) Class 21/2008, - Director Certification Program (DCP) Class 85/2007, - Director Accreditation Program (DAP) Class 61/2007, - Accounting Standard for Director, and - Risk Management Program for Corporate Leaders (RCL) Class 2/2015 (Thai Institute of Directors)
Mr. Precha Sekhararidhi	<ul style="list-style-type: none"> - Director Accreditation Program (DAP) Class 13/2004, - Director Certification Program (DCP) Class 97/2007, and - Risk Management Program for Corporate Leaders (RCL) Class 2/2015 (Thai Institute of Directors)
Mr. Songsak Premsuk	<ul style="list-style-type: none"> - Director Accreditation Program (DAP) Class 9/2004 (Thai Institute of Directors)
Ms. Vilasinee Puddhikarant	<ul style="list-style-type: none"> - Director Certification Program (DCP) Class 134/2010 (Thai Institute of Directors)
Mr. Attapol Sariddipuntawat	<ul style="list-style-type: none"> - Director Accreditation Program (DAP) Class 142/2017 (Thai Institute of Directors)

In 2017, with the following additional training course

Names	Training Courses
Mr. Attapol Sariddipuntawat	<ul style="list-style-type: none"> - Director Accreditation Program (DAP) Class 142/2017 (Thai Institute of Directors)

Whistleblowing Policy

The Company's Board of Directors emphasizes the importance of stakeholders' rights, and has therefore prepared and developed a "Whistleblowing Policy" so that its directors, executives, employees, and stakeholders can be informed of the proper channel and procedure for reporting of information and cases on fraud, bribery, corruption, violation of rights, wrongdoing, illegality, breaching of the Company's regulations, unethical conduct, and any other actions that may cause damage to the Company. An individual can contact the Company to make suggestions, report wrongdoing incidents, complain, and request for relevant advice. All of these are aimed towards improving or correcting the situations, as well as creating transparency and fairness. This "Whistleblowing Policy" prescribes details which all the Company's employees and stakeholders must be aware and can also be applied as essential practice guidelines for them.

1) Whistleblowing Channels

The Company's Board of Directors recognizes the importance of the stakeholders' rights; therefore, it has provided various channels for all stakeholders to be able to contact, and make suggestions or complaints to the Board of Directors, particularly on matters which may cause damage to the Company. Additionally, the Company has also provided channels and processes for staff to report illegal behaviors, corruptions and immoralities to the Board of Directors. The contacts, suggestions, and complaints can be directed to each of the board members, the Company Secretary via their following addresses and emails. Information and contact addresses of each Director are available on the Company's Website (www.scasset.com) under the "Corporate Governance" Section.

Directors	Address	E-mail Address
Mr. Rath Kitivejosoht	33, 110 Yak 3 Alley, Lat Phrao Road, Plub Pla Sub-district, Wang Thonglang District, Bangkok, 10310	rath@scasst.com
Ms. Busaba Damapong	221, Charan Sanit Wong 69 Alley, Bang Phlat Sub-district, Bang Phlat District, Bangkok, 10700	busaba@scasset.com
Mr. Nuttaphong Kunakornwong	472, Charan Sanit Wong 69 Alley, Charan Sanit Wong Road, Bang Phlat Sub-district, Bang Phlat District, Bangkok, 10700	nuttaphong@scasset.com
Mr. Nathpath Ouajai	112, Chok Chai 4, 18 Alley, Lat Phrao Sub-district, Lat Phrao District, Bangkok, 10230	nathpath@scasset.com
Mr. Kunodom Tharmmaphornphilas	179/5, Khum Sap Alley, Bang Khun Non Road, Bangkok Noi Sub-District, Bangkok Noi District, Bangkok, 10700	kunodom@scasset.com kunodom@hotmail.com
Mr. Prasert Samanawong	50, Mu Ban Seri On Nut, 1 Alley, On Nut 70/1 Road, Prawet Sub-district, Prawet District, Bangkok, 10250	praserts@scasset.com sertsam@yahoo.com
Mr. Precha Sekhararidhi	68/174, Mu Ban Pracha Niwet 4, Samakhi Alley, Pracha Chuen Road, Tha Sai Sub-district, Mueang District, Nonthaburi, 11000	precha@scasset.com prechas2555@hotmail.com
Mr. Songsak Premsuk	9 Phuttha Bucha 20 Alley, Phuttha Bucha Road, Bang Mod Sub-District, ChomThong District, Bangkok, 10150	songsak@scasset.com

Directors	Address	E-mail Address
Ms. Vilasinee Puddhikarant	519 Sri Ayudhya Road, Phayathai Sub-District, Ratchathewi District, Bangkok, 10400	vilasinee@scasset.com
Mr. Attapol Sariddipuntawat	117/75 Moo 9 Bangrakpattana Sub-District, Bangbuathong District, Nonthaburi, 11110	attapol@scasset.com

Company Secretary	Address	E-mail Address
Mr. Somboon Kuptinamus	635 Rangsit-Nakornnayok 52 Road, Prachathipat Sub-District, Thanyaburi District, Pathumthani Province, 12130	somboon@scasset.com

Internal Audit	Address	E-mail Address
Internal Audit	SC ASSET Corporation Public Company Limited (floor 10)1010 Shinawatra tower 3, Viphavadi Rangsit Road, Chatuchak Sub-District, Chatuchak District, Bangkok, 10900	Internal_Audit@scasset.com

2) Whistleblowing Procedures

The existing procedures for stakeholders and staffs to contact, make suggestion, or report illegal, dishonest or unethical behaviors or any action deemed detrimental to the Company are as follows:

1. The stakeholders and staffs may report their complaints directly to each director, the Company Secretary or Internal Audit by mailing to address or e-mail address as it appeared above.
2. After receiving a complaint, the Company will investigate the complaint initially. If a prima facie ground is found, an interrogation team will be set up to investigate the complaints competently, diligently and impartially. The team will deal with the complaints appropriately and promptly.
3. The Company will respond and report back investigating results to director(s) and appellant(s). If there is any damage to appellant(s) the Company is glad to remedy them fairly.

3) Whistleblower Protection Procedure and Guidelines

The Company set up the Whistleblower protection procedures and guidelines especially by not disclosing a name of employee(s) and appellant(s) to any third party and will keep them confidential. The Company will set up a committee to consider the complaints and provide justice to all relevant stakeholders.

In 2017, the Company received no whistleblowing cases from either its employees or other outsiders on any fraud, illegality, or any other actions that may cause damage to the Company. The Company also reviewed its operations in all aspects and found no incident that any of its directors, executives, and employees was involved in any wrongdoing, fraud, corruption, or any other actions that may cause damage to the Company.

**Authorized transactions and authorization limit per transaction of Board of Directors/
Executive Committee / Chairman of the Executive Committee / Chief Executive Officer /
Chief Corporate Officer / Chief Officer / Deputy Chief Officer / Head of /
Vice President and Assistance Vice President**

Item	Board of Director (Baht)	Executive Committee (Baht)	Chairman of the Executive Committee (Baht)	Chief Executive Officer (Baht)	Chief Corporate Officer (Baht)	Chief Officer (Baht)	Deputy Chief Officer (Baht)	Head of (Baht)	Vice President / Assistance Vice President (Baht)
1. Capital Investment (Project)									
1.1 Budget	unlimited	2,000,000,000	1,500,000,000	1,000,000,000	50,000,000	10,000,000	5,000,000	2,000,000	500,000
1.2 Over Budget	unlimited	1,000,000,000	800,000,000	500,000,000	5,000,000	500,000	200,000	100,000	20,000
1.3 Non - Budget	unlimited	1,000,000,000	800,000,000	500,000,000	5,000,000	500,000	200,000	100,000	20,000
2. Fixed Assets									
2.1 Budget	unlimited	50,000,000	30,000,000	20,000,000	2,000,000	1,000,000	500,000	200,000	50,000
2.2 Non- Budget	unlimited	50,000,000	10,000,000	5,000,000	500,000	200,000	100,000	50,000	5,000
3. Cost / Expenses									
3.1 Cost									
3.2 Marketing Expense									
3.3 Staff Expense									
Customer	unlimited	50,000,000	30,000,000	20,000,000	10,000,000	2,000,000	1,000,000	500,000	100,000
Service Expense	unlimited	50,000,000	30,000,000	20,000,000	5,000,000	2,000,000	1,000,000	500,000	200,000
Administrative Expense except Entertain	unlimited	50,000,000	30,000,000	20,000,000	5,000,000	2,000,000	1,000,000	500,000	100,000
3.4 Entertain Expense	unlimited	5,000,000	2,000,000	1,000,000	100,000	80,000	50,000	20,000	8,000
4. Advance Payment	unlimited	50,000,000	20,000,000	20,000,000	1,000,000	200,000	100,000	50,000	30,000

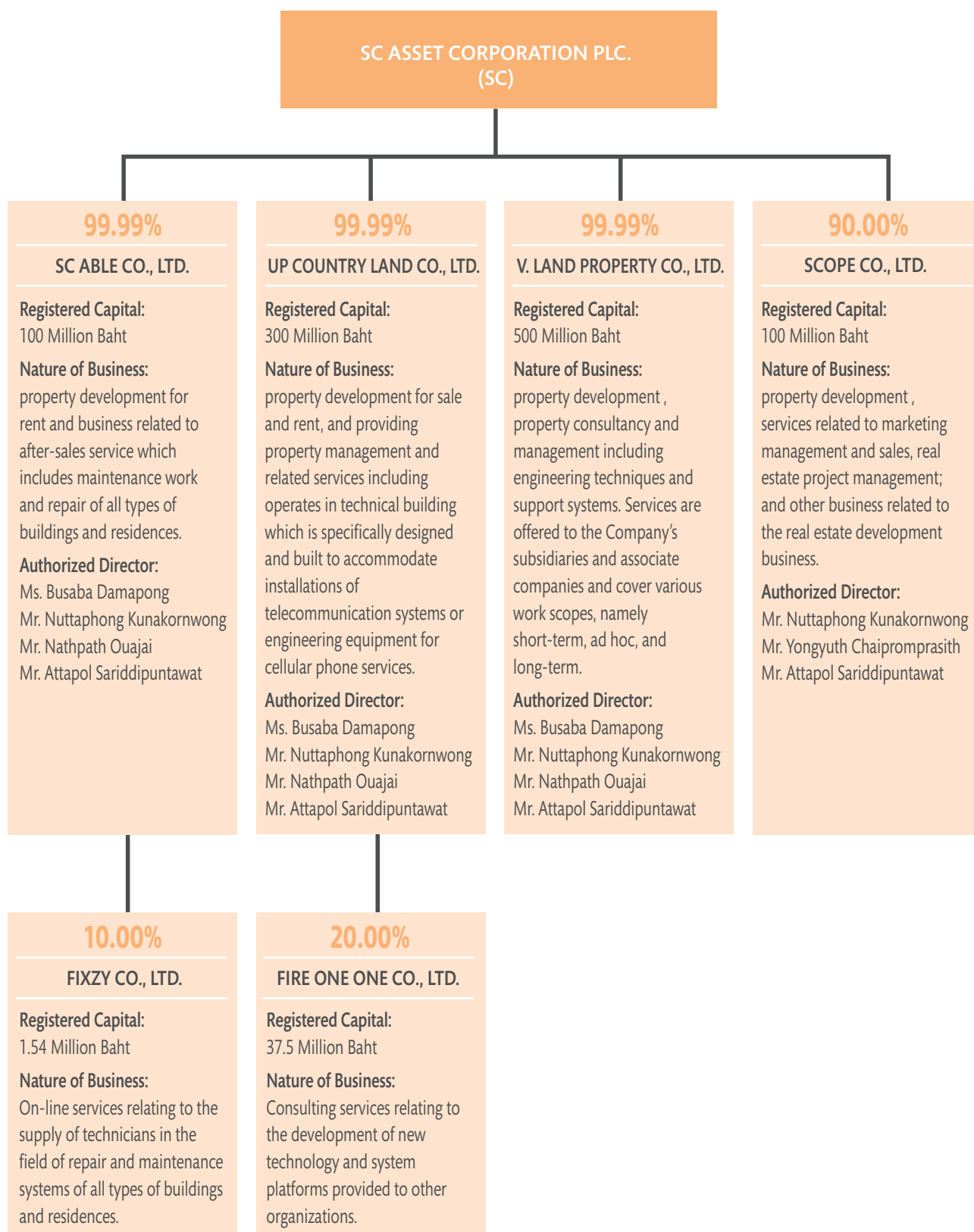
Remark: -Connected transactions are treated in accordance with measures prescribed by the Securities and Exchange Commission.

Controlling Persons

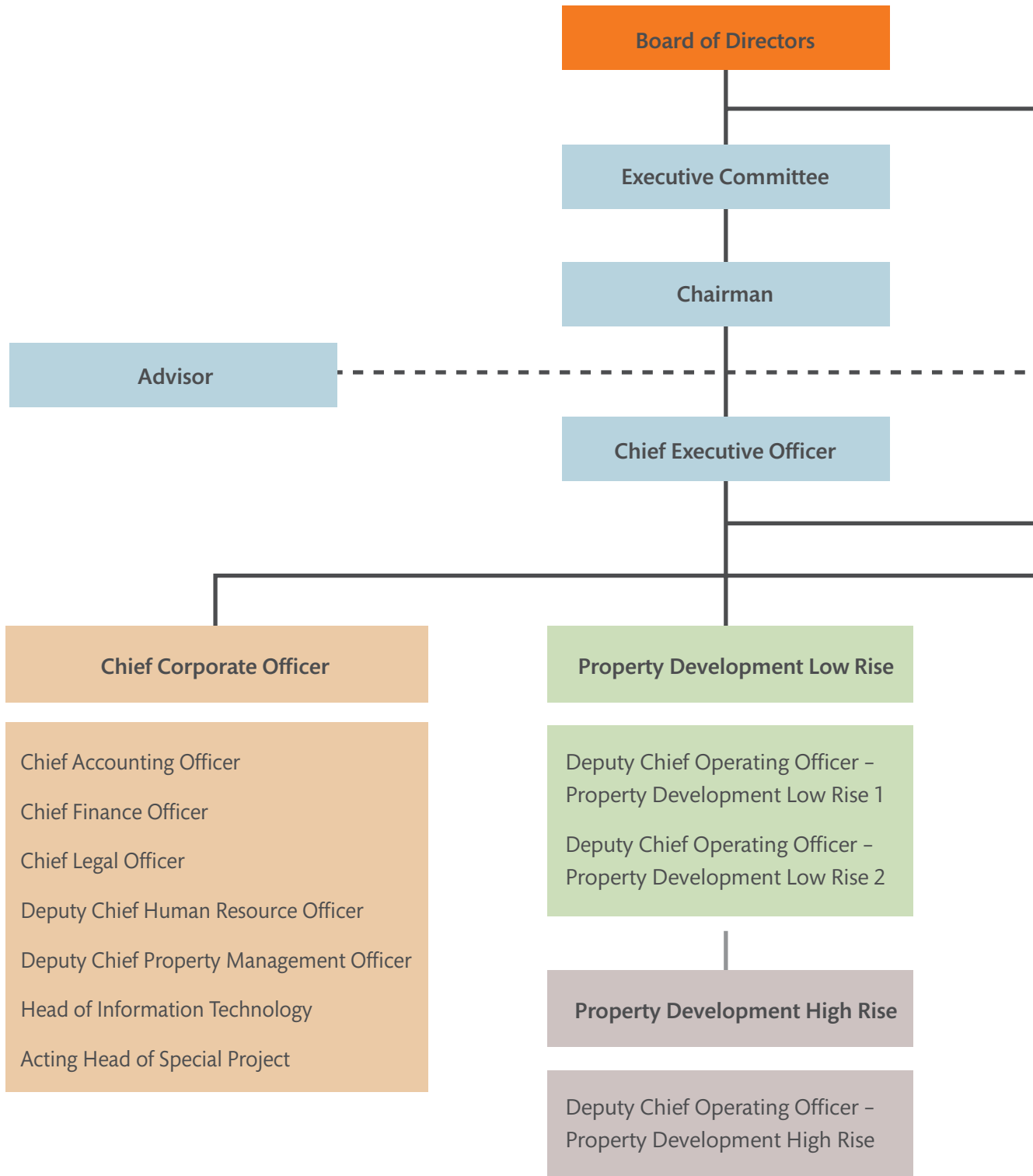
As of December 31, 2017, there were 4 controlling persons with controlling interests in the Company in accordance with the definition prescribed by the Securities and Exchange Commission which are:

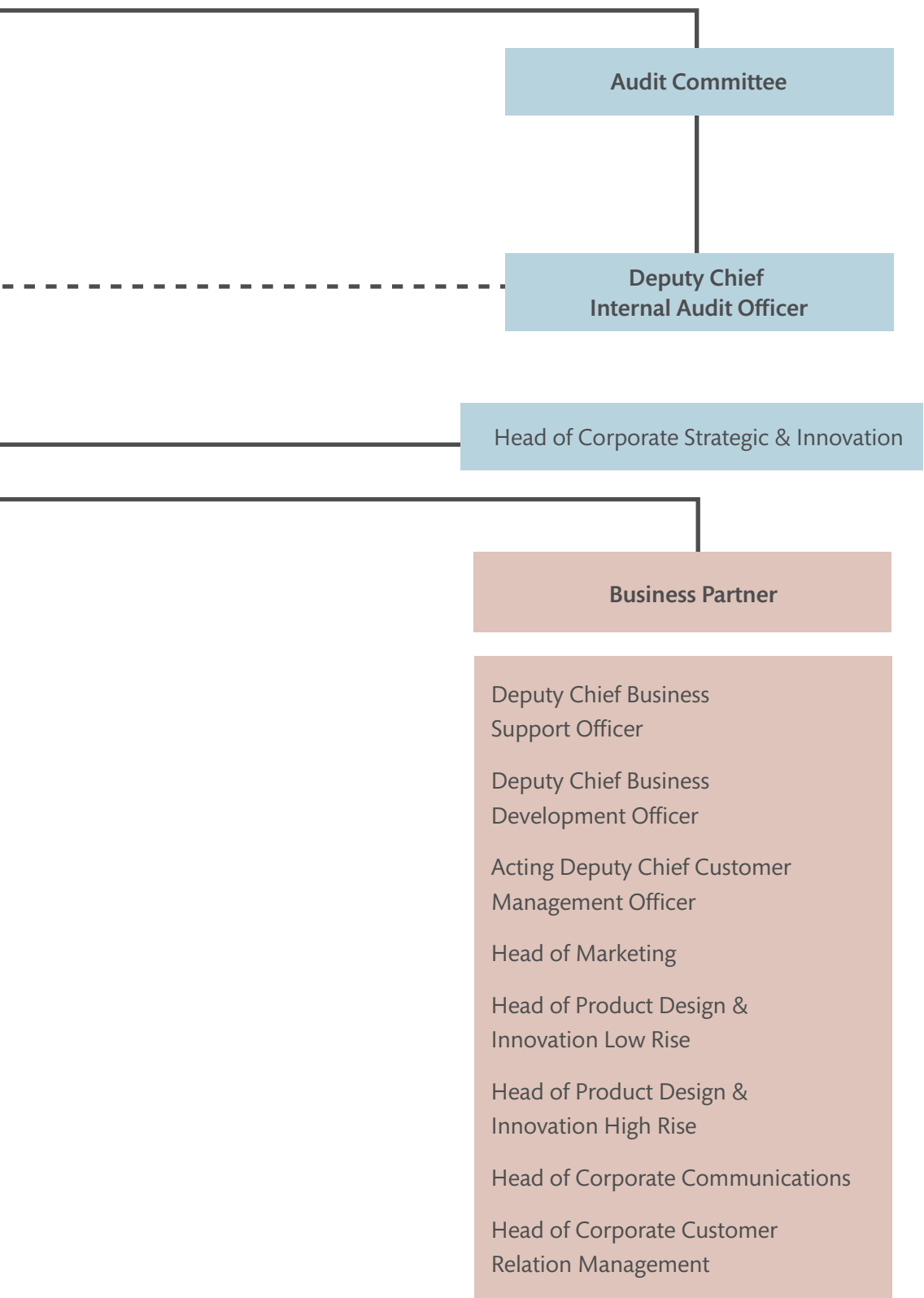
1.	Ms. Paetongtarn	Shinawatra	(1,216,149,870 shares or 29.099%)
2.	Ms. Pintongta	Shinawatra Kunakornwong	(1,176,915,495 shares or 28.160%)
3.	Khunying Potjaman	Damapong	(117,109,887 shares or 2.802%)
4.	Mr. Panthongtae	Shinawatra	(14,000,000 shares or 0.335%)

SHAREHOLDING STRUCTURE



ORGANIZATION AND MANAGEMENT STRUCTURE





Management Team

As of December 31, 2017, the Chairman of the Executive Committee (the Company's highest executive position) and the Company's first four top executives according to definitions prescribed by the Securities and Exchange Commission comprises 6 persons as follows:

- | | |
|--------------------------------|--|
| 1. Ms. Busaba Damapong | Chairman of the Executive Committee / Vice-Chairman of Director |
| 2. Mr. Nuttaphong Kunakornwong | Chief Executive Officer / Director / Member of the Executive Committee |
| 3. Mr. Attapol Sariddipuntawat | Chief Corporate Officer / Director / Member of the Executive Committee |
| 4. Mr. Vitit Visalpattanasil | Chief Accounting Officer |
| 5. Ms. Pradthana Patsaman | Chief Financial Officer |
| 6. Mr. Somboon Kuptimanus | Chief Legal Officer / Company Secretary |

(Please see the Organization and Management Structure)

The management team's scope of roles, authorities and responsibilities:

1. To operate corporate business efficiently and effectively in accordance with approved policies, directions, and strategies, as well as in compliance with prescribed core operative structure;
2. To prepare the business plan, corporate budget and administrative directives and submits them for the Executive Committee's approvals;
3. To manage corporate business honestly and cautiously as per plans and/or budgets approved by the Executive Committee for the Company and shareholders' ultimate benefits;
4. To monitor corporate business in accordance with planned policies and approved budget;
5. To report operating performance and corporate outcomes to the Executive Committee at least once a month;
6. To operate any other actions assigned by the Executive Committee;
7. To supervise general corporate activities prescribed in the Company's rules and regulations.

Advisor

As of December 31, 2017, the Company has an advisor namely Mr. Pornchai Sriprasert, who was the Chief Technical Officer of the Company and retired from the Company when he was 60 years old in 2009. Nevertheless, the Company sees that his experience, knowledge and ability are useful and beneficial for business growth and expansion of the Company; therefore, the Company has appointed him to be an advisor since January 1, 2010 until present.

The Advisor's scope of role, duty and responsibility

An advisor performs his duty in providing opinions to the Board of Directors and management team, and attending meetings of the Board of Directors but is not considered as having any control or participation in the management of the Company.

Succession Plan for Management and Top Executives

The Company has relevant plans and procedures of succession for of management and top executives, particularly in the event that any of its top executives are not able to carry out their functions due to the following reasons:

1. Chairman of the Executive Committee /Chief Executive Officer (CEO)

In the event that the positions of the Chairman of the Executive Committee/ Chief Executive Officer are vacant or the individual in such positions cannot perform their duties, the Company has an arrangement whereby executives in a closely comparable level or their deputy shall act on their behalf until the selection process for the qualified replacements is completed. The criteria for such selection shall be based upon suitable qualifications as prescribed by the Company, as well as other qualities such as business vision, knowledge, proficiency, and experience, that well suit the Company's corporate culture. The Company's Nomination and Remuneration Committee shall be responsible for the selection process and submit their most suitable qualified person to the Company's Board of Directors for approval and further appointment.

2. Management

In the event that the management positions at the level of division manager and above are vacant or the individual in such positions cannot perform their duties, the Company makes an arrangement whereby executives in a closely comparable level or their deputy shall act on their behalf until the selection process for the qualified replacements, undertaken by the Human Resource Department, is completed. Candidates for these positions can be from either existing staff or outsourced. The criteria for such selection shall be based upon suitable qualifications as prescribed by the Company, as well as other qualities such as knowledge, proficiency, and experience, that well suit the positions. Upon completion of the selection process, the Human Resource Department shall submit their most suitable qualified person to the Chief Officer, the Chief Executive Officer or the Chairman of the Executive Committee for approval and further appointment.

Performance Assessment for the Chairman of the Executive Committee

As far as the assessment of the performance of the Chairman of the Executive Committee, the Company's highest level top executive, is concerned, the Company's Board of Directors resolved the appointment of a sub-committee to assess the performance of the Chairman of the Executive Committee. The members of this sub-committee consist of:

- (1) The Chairman of the Board of Directors (An Independent Director)
- (2) The Chairman of the Audit Committee (An Independent Director)
- (3) The Chairman of the Nomination and Remuneration Committee (An Independent Director)

Performance Assessment for the Chief Executive Officer

For the performance assessment of the Chief Executive Officer, the Company's Board of Directors resolved the appointment of a sub-committee to assess the performance of the Chief Executive Officer. The members of this sub-committee comprises of:

- (1) The Chairman of the Executive Committee
- (2) The Chairman of the Audit Committee (An Independent Director)
- (3) The Chairman of the Nomination and Remuneration Committee (An Independent Director)

This sub-committee is assigned with the duties to assess his/her performance and to submit the assessment result to the Nomination and Remuneration Committee for the consideration of appropriate remuneration scheme; the outcome thereof shall then be proposed to the Board of Directors for their approval. The assessments take place twice a year; the first assessment is made upon a completion of the first half of the Company's operating year between January and June (ended at June 30), and the second assessment is made upon the completion of the second half of the Company's operating year between July and December (ended at December 31). Criteria for the assessment aspects are:

1. Business management as per corporate targets and business plan.
2. Marketing and customer service management
3. Financial management, investment performance and expenses control
4. Human resource development and creation of corporate culture toward sustainable growth
5. Good corporate governance
6. Corporate management and business operation as per policies prescribed by the shareholders and the Board of Directors

The assessment result for Ms. Busaba Damapong, who holds the position of the Chairman of the Executive Committee, was 84% or equivalent to level 4 in the CEO's Performance Assessment Rating Scale of the Stock Exchange of Thailand, which is within the "excellent" range.

The assessment result for Mr. Nuttaphong Kunakornwong, who holds the position of the Chief Executive Officer, was 84% or equivalent to level 4 in the CEO's Performance Assessment Rating Scale of the Stock Exchange of Thailand, which is within the "excellent" range.

Performance Assessment for Executives and Staff

The Company has semi-annual performance assessments for its executives and staff; the first assessment is made upon the completion of the first half of the Company's operating year between January and June (ended at June 30), and the second assessment is made upon a completion of the second half of the Company's operating year between July and December (ended at December 31). Criteria for the assessment aspects are:

- Every January, the Board of Directors shall consider the corporate business plan and set the yearly achievement targets for business operations, while prescribing the targeted Key Performance Indicator (KPI) to apply as the guideline for the year-end remuneration calculations for executives and staff.
- At the end of the first half of the Company's operation year (i.e. January - June), the Company shall review and adjust its corporate business plan and make operational performance assessments. Each year-end, on December 31, the direct supervisors in each business lines shall undertake an annual performance assessment of its executives and staff; the results of which shall be subsequently presented to the Nomination and Remuneration Committee, the Executive Committee, and the Board of Directors, respectively, for their consideration of appropriate remuneration schemes in accordance with the achieved KPI of the executives and staff.
- The direct supervisors in each business lines shall assess the management proficiency of their executives and staff for promotion and allocation purposes, and then propose the performance assessment to the Chairman of the Executive Committee for consideration.

Company Secretary

The Meeting of the Board of Directors No.5/2008, dated August 13, 2008, appointed Mr. Somboon Kuptimanus, the Company's Chief Legal Officer and Head of Compliance Unit, to act as the Company Secretary with effective from September 1, 2008. At present, he has been defined as the Company's first four top executives since April 1, 2017 owing to a reform of structure of the Company.

Please refer to further details in the topic "Details of Directors, Management Team, Advisor Controlling Persons and Company Secretary" and contact Company Secretary via E-mail address: somboon@scasset.com.

Qualifications of Company Secretary

1. Having basic knowledge and understanding concerning legal matters, the Company's Articles of association, the regulations governing public limited company, the securities and exchange law, regulations of the Stock Exchange of Thailand and having attended training courses concerning company secretarial practices.

2. Having knowledge and understanding concerning corporate governance principles and best practices.
3. Having working experiences on the Company Secretary namely the secretarial function, and the board of directors' meeting and annual general meeting of shareholders arrangement.

Company Secretary's scope of role, duties and responsibilities:

1. To provide and keep record of Directors, notice of Board of Directors meeting, minutes of Board of Directors meeting, notices and minutes of all shareholders' meetings and the Company's annual report.
2. To organize shareholders' meetings and Board of Directors' meetings in compliance with laws, the Company's Articles of Association and other relevant regulations.
3. To keep all interest or conflicts of interest report reported by directors or any members of management team and submit such report to the Chairman of the Board of Directors and Chairman of the Audit Committee within 7 days upon the receipt of such report.
4. To perform any other actions as determined by Capital Market Supervisory Board.
5. To act with full responsibility, duty of care and duty of loyalty and comply with relevant laws, the Company's objectives, regulations, resolutions of Board of Directors' meeting and resolutions of annual general meeting of shareholders.

Remuneration Criteria for Directors and Executives

1. Remuneration Determination for Company's Directors

The reasonable and fair remuneration which is considered from the Board of Directors' duties and responsibilities has been designed to the Company's directors at the similar level to the industry compensation of Thai listed companies. It is believed that such remuneration could attract, retain and motivate the directors to perform their roles and carry out their responsibilities to accomplish the Company's goals efficiently and transparently. (Please refer to further details in the topic "Policy on Remuneration for Directors" section)

2. Remuneration Criteria for the Company's Directors and Executives

2.1 Remuneration Criteria for Directors

The Company has set clear and transparent remuneration criteria for directors in accordance with the industry norm for companies with a similar status and at an amount high enough to adequately reward, motivate, and retain its directors who possess the relevant and required qualifications, and being approved by the Shareholders' meeting in accordance with the process prescribed by policy Remuneration for the Executive Chairman/Chief Executive Officer (CEO) and Top Executives. Moreover, the directors who are additionally assigned in the Board's Sub-Committees will be compensated for additional duties and responsibilities. (Please refer to further details in the topic "Remuneration for Directors" and "Policy on Remuneration for Director" sections)

2.2 Remuneration Criteria for Executives

Remuneration policy for Chairman of the Executive Committee, Chief Executive Officer (CEO), and top executives set details on monetary remuneration and other non-monetary incentives, and prescribed in the form of short-term and long-term incentives. Short-term monetary incentives are set to be in line with the Company's annual performance and in accordance with each individual's achievements, assessed by applying Key Performance Indicator (KPI) to evaluate. The determination of remuneration will be in accordance with the process prescribed by the Company's policy in term of remuneration for Chairman of the Executive Committee / Chief executive officer (CEO) and top executives. (Please refer to further details in the topic "Policy on Remuneration for Chairman of the Executive Committee / Chief Executive Officer (CEO) and Top Executives", Performance Assessment for Chairman of the Executive Committee" and "Performance Assessment for Chief Executive Officer" sections)

3. Remuneration for Directors

The 2017 Annual General Meeting of Shareholders resolved to determine the remuneration of the Company's Directors, in the total amount of not more than 10 Million Baht details are as follows:

Remuneration for Directors	2017		
Monthly meeting allowance	Chairman of Board of Directors	150,000	Baht/Month
	Directors	None	
Meeting allowance (Only Directors who attend the meeting)	Directors	25,000	Baht/Person/Meeting
	Chairman of Board of Directors	None	
	Directors who holds an executive position	None	
Bonus (Excluding Director who holds an executive position)	Chairman of Board of Directors	600,000	Baht
	Chairman of the Sub-Committees/Authorized Directors	550,000	Baht/Person
	Directors	500,000	Baht/Person
Other Remuneration		None	

Remuneration for Members of Sub-Committees	2017		
Meeting allowance (Only Directors who attend the meeting)	Chairman of Sub-Committees	30,000	Baht/Person/Meeting
	Member of Sub-Committees	25,000	Baht/Person/Meeting
	Directors who holds an executive position	None	
Other Remuneration		None	

The remuneration paid to directors for the year ended December 31, 2017 was 8.675 Million Baht, details are as follows:

(Unit : Baht thousand)

Name	Board of Directors and Committees					
	Board of Directors	Executive Committee	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Social & Environmental Committee	Risk Management Committee
1. Mr. Rath Kitivejsoth	2,400	-	-	-	-	-
2. Mr. Kunodom Tharmmaphornphilas	725	-	240	50	-	-
3. Mr. Precha Sekhararidhi	725	-	200	-	60	90
4. Mr. Prasert Samanawong	725	-	200	60	-	75
5. Mr. Nathpath Ouajai	725	325	-	50	-	-
6. Mr. Songsak Premasuk	675	325	-	-	50	-
7. Ms. Vilasinee Puddhikarant	675	325	-	-	-	-
Total	6,650	975	640	160	110	165

Remark:

The above remuneration comprises salary, bonus and meeting allowance (the above remuneration excludes the remuneration for 3 directors who hold an executive position namely Ms. Busaba Damapong (Chairman of the Executive Committee), Mr. Nuttaphong Kunakornwong (Chief Executive Officer) and Mr. Attapol Sariddipuntawat (Chief Corporate Officer)).

4. Remuneration for Executive

The total remuneration, comprising salary, bonus, provident fund and other remuneration, paid to 9 members of the top management and the first four executives for the year 2017 was 65.92 Million Baht, details are as follows:

(Unit : Baht Million)

Remuneration for Executive	2017	
	Person	Amount
Salary and Bonus	6	63.94
Provident Fund	6	1.97

5. Other Remuneration

5.1 The Company issued its stock options and offered them to its executives and employees under the Employee Stock Option Plan (ESOP) with the purpose to motivate and compensate the executives and employees for their contributions, as well as to retain them for a long-term career to maximize the benefits for the Company.

In the year 2017, the Annual General Meeting held on April 21, 2017 gave approval to the Company to issue stock options to directors and employees to purchase its ordinary shares as per following details (as at 31 December 2017 the stock options vesting date to directors, executives and employees was not fixed):

Total Number of Warrants to be Offered	Not exceeding 40,000,000 Units
Offering Price per Unit	Baht 0 (zero Baht)
Offering Period	The offering shall be completed within one year from the date on which the issuance and offer of the Warrants under the Program is approved by the 2017 Annual General Meeting of Shareholders (the due date will be on April 20, 2018, currently the warrant has not been yet offered)
Terms	Not exceeding 5 years from the date of issuance and offering
Number of Reserved Shares	Not exceeding 40,000,000 shares (at the par value of Baht 1) or 0.96 percent of the total paid-up shares.
Exercise Ratio	One warrant per one ordinary share.
Exercise Price	The weight average closing of the Company's shares trade on the Stock Exchange of Thailand during the period of 15 consecutive working days prior of the day Shareholders' Meeting, (no discount from the market price), which the calculated exercise price is 3.71 Baht per shares

Below were the name of directors and employees entitled to receive warrants to purchase the ordinary shares of more than 5 percent of the total warrants issued:

Directors/Employees	Number of Allocated Warrants (Units)	Percent of Total Allocated Warrants
Ms. Busaba Damapong	3,000,000	7.5%
Mr. Nuttaphong Kunakornwong	5,000,000	12.5%
Mr. Attapol Sariddipuntawat	3,000,000	7.5%

5.2 The Company has the policy to provide an opportunity to executives and employees of the Company who have worked with the Company not less than 3 years to have the welfare benefit to buy the Company's residential property, namely land and house or condominium at the discount price, in order to motivate them to fully perform their duties to drive the Company forward and achieve the Company's goal and also to work for the Company on a long-term basis.

Executives and employees who receive this welfare benefit include first four executives, in total 6 persons, provided that their benefits under this welfare are limited to 250 Million Baht and shall comply with the following terms and conditions.

Working years	Percent of cash discount at the exercise date for first four executives
3 years up	13%
7 years up	15%

The first four executives are entitled to exercise the right once within five years from the approval date and this right is an exclusive right solely reserved for the first four executives. They cannot transfer an ownership of purchased property to anyone within 1 year from the date of transfer of ownership unless a transferee is their spouse or descendants.

This welfare for the first four executives might be considered as a connected transaction; therefore, to provide this welfare benefit to them, the Company followed and complied with Notifications of the Securities and Exchange Commission and Notifications of the Stock Exchange of Thailand Exchange Commission.

Employee

Number of Employee

(Unit: Person)

Business Segment	December 31, 2017
Operation	670
Finance and Support	213
Total	883

Remark: Including executives

Remuneration for Employee

The total remuneration, comprising salary, bonus, provident fund and other remuneration, paid to the Company's and its subsidiaries' employee for the year 2017 was 175.17 Million Baht, details are as follows:

Remuneration for employee	2017	
	Person (Persons)	Amount (Baht Million)
Salary and Bonus	883	173.15
Provident Fund	776	2.02

Remark: Excluding executives

Employee Engagement and Human Resource Development Policy

The Company has set a policy reflecting a 3-year strategic plan (2017-2019). In addition to maintaining the lead in the high-end market share, the Company has expanded to mass market through integrating the innovations that respond to living style in the 4.0 era under SC ASSET quality and service standards; increasing work efficiency through digitization to improve the work process and various operating systems in line with the strategic goals.

Employees, being the essential resources, are instrumental in implementing the said policy to achieve the target. Thus, the Company has prescribed the policy on employee engagement and development as follows:

Human Development

The Company develops its human resources in accordance with SC 4.0 policy. It also defines a suitable and sustainable "Competency Based Development" path that applies to each level of its employees and each stage of its internal operation process assist its employees to fully excel in their work proficiency and achieve their career success, as well as to drive its organization towards sustainable growth in the real estate development business. Its human development programs are categorized into three development scopes as follows:

1. Corporate Knowledge Development

The Company enhances continued knowledge in business practices, management structure, rules and regulations, the Company's culture which is known as the "SC Culture". The SC Culture includes values, principles and business practices that guide the business conduct of the Company. The Company also provides suitable knowledge development on basic skills required for effective work results that well-comply with its corporate policies, and applicable rules and regulations. The training and guidance courses, including relevant Corporate Competency courses are as follows:

- Orientations for New Employee: The new employees are given a warm greeting in a receptive workplace atmosphere that makes them feel like part of the team and the organization. The company also provides overview information on its business operations, organization culture, corporate rules and regulations, welfare benefit plans and fringe benefits, work process, and business conduct, to equip these new recruits with qualified understanding and knowledge to efficiently perform their tasks

- SC Product Knowledge: This training course, together with a self-preparation course for new recruits, is designed for the Company's staff and new recruits from all professional backgrounds to gain crucial knowledge in both theory and practical applications which are essential for the company's staff to successfully complete their work assignments. The staff also learns communication skills and coordination in a business organization in aspects such as brand awareness, product development and design, fundamental knowledge about construction materials,

construction standards, basic knowledge on real estate rules, regulations and laws, marketing policies, sales, after sales services, and customer service.

- **Be Proactive: The Power to Success** This course is designed for operational staff to encourage self-improvement and proactive thinking. Such qualities are important and essential for operational tasks, and can enable efficiency in their work performance, afford prompt responses to customer needs, as well as be a driving power behind the Company's business success.

- **One Page Summary: (one page to get to the point) Program:** the "Less is More" policy to create value in every activity was designed to develop the skills and presentation pattern as well as to standardize the documentation work process for clear communication and understanding across the organization. As a result, the trainees are able to manage 'one page space' and communicate the points to the readers for decision making within a short period of time and enhance quick job learning.

- **Lean Concept Program:** designed to create awareness of the work concept and perform the job in line with the Company's policy while detecting the waste and improving the process for a better result. After the training, each unit came up with various proposals to improve the work process to attain efficiency, accuracy, speediness and cost reduction, for the Company's consideration and implementation accordingly.

2. Career Development

The Company enhances supporting career development and regularly organizes trainings in competency enhancement for its employees at all levels to strengthen the standards of its work quality and staff professionalism, the courses include the training in computer literacy and the understanding of support operation system. Provided training courses include:

Functional Competency Development

2.1 Career Development according to Engineering Profession

- **Total Quality Management Program:** designed for project engineers and quality control engineers with an emphasis on the application of the principles of quality control and management tools in the construction work process to ensure the total quality in every step and work process to build confidence in the image and products under SC ASSET standards.

- **Construction Quality Control Program:** to review and update knowledge for the engineers supervising the construction of both flat and high-rise buildings, improve understanding in the tools, equipment, materials, process, modern standards and techniques, including also the techniques to communicate with the contractors under their supervision. The participants learned from case studies and sharing of experience in different projects to develop work standards and update their knowledge base, with the knowledge content to be reviewed and transferred to the next generations to follow the work standards and accurate problem-solving methods.

2.2 Career Development according to Sales

- **Professional Personality and Service Standards for Sales Programs:** to elevate the service standards for sales representing the SC brand to impress the customers with a professional personality.

- **Selling with Heart Program:** to develop the potentials of professional salespersons from within, enabling them to present products and services with the principles of valued sales; develop psychological sales skills; create passion in their sales career; adopt the unified sales target; and develop communication skills to attain excellent sales results.

- **Negotiation Strategies for Win Win Program:** for sales supervisors and managers to learn more about the principles, skills and new negotiation techniques, in order to apply a psychological approach to the negotiation through self-analysis, analysis of negotiating partners and situations, to set or adapt the professional sales strategies.

- Refresh Banking Consultant Program: to provide updated knowledge about the banking credit policy to enable the salespersons to develop sales plans and processes to properly, efficiently and speedily service the customers.

- Language Proficiency Development for Sales Staff Program: designed jointly with a language institute to support the high-rise projects teams using the English language to communicate with high-end customers and foreigners, with an emphasis on the learning process through actual practice. The contents covered real estate business, sales presentation skills, hybrid learning by means of on-line and class room training. Proficiency tests before, during, and after the training were provided by expatriate teachers who possess particular qualifications and experience in language teaching.

2.3 Career Development according to Customer Service

In order to highlight the service standard and corporate brand, the Company has placed a strong emphasis on after-sales service by providing a course namely “Communicate to Differentiate Program” to the after-sales service staff including service psychology, dress code and manners to reflect professionalism in attention to service, attending to and analyzing problems to offer the best solution, communicating to enhance and elevate customers’ satisfaction to impress, so to manage the sustainable relationship and customer base. Particularly, for the contact center staff who handled the customer relationship via phone contact, the Company emphasized the improvement of their listening skills to ‘listen with the heart’, practice to capture the customers’ real needs, apply the psychological approach in communication and learn communication techniques applicable to the emotional state, so to attend to customers with understanding and coordinate with the parties concerned to respond appropriately to the customers’ needs while gaining enjoyment from performing their duties.

SC System Training Program

SC System, Customer Care System and Application Home Care training was provided to equip the new employees with basic skills in the Company’s operating systems. These courses intend for all employee to understand relevant work systems that relate to their career responsibility so that the Company can assure its work standard by offering quality products and services to its customers in a complete and timely manner.

In addition, the Company has set the policy to support the development of the employees’ potentials through learning and attending external training relevant to their roles and duties, especially the technical knowledge and skills in the fields required for the job or in compliance with the laws, such as accounting and finance, law, internal auditing, computer and information technology, marketing, human resources, to ensure that the employees efficiently deliver as committed to the customers.

3. Leadership Management Development

Leadership Development Program

- To develop inner potential by emphasizing talent development by providing a course on “Managing Self on Strength Development Program” for AVPs and above to reinforce individual distinctive potentials and qualities and integrate their strengths to bring about the best results for the organization.

- Presentation Skill Development for Executives Program: to prepare the executives to confidently present new projects in a larger arena; to develop their skills to create different and unique points of sales, provide impressive information and be prepared to respond to the queries. Such skill development was to enhance the image of trustworthiness of the executives and organization alongside team management skill.

Management Skill Development Program

The Company has set a direction to prepare the newly promoted or recruited managers for the job function as well as to regularly develop their team management skills.

- **Smart Supervisor & Smart Manager:** This course is designed for managers and supervisors to have a deeper awareness and understanding of the importance of their roles, duties and responsibilities in administration, supervisory capacity, and work assignments, as well as to focus on personality and teamwork behavior analysis, self-reflection, and leadership development. The course aims to enhance capabilities in effective team management, budget management, risk management, and promote awareness in protective measures, effective and responsible roles, and professionalism.

- **Leading and Managing Effectively:** This course is designed for managers to effectively maximize their people management skills, unlock teamwork potential, create motivation and positive thinking, and builds confidence in their team members and inspires them to work hard. The managers are guided to see the importance of all their assigned duties and the efficiency required to achieving the organizational goals.

- In order to continually implement the policy on safety, occupational health and work environment, the Company has arranged training sessions for safety managers and supervisors to enable them to plan, manage, support and supervise the effective implementation of the policy.

In addition to competency-based development, the training content and approach in response to SC 4.0 policy included the following:

Innovation and Technology Development Program

1. Innovation for Leader Workshop Program: to provide basic knowledge for advanced innovations to the managerial and supervisory levels to enhance the working environment, stimulate and drive the team towards SC 4.0 innovations. The Company also provided 'Inspiration Innovation Workshop' to the employees in general to develop their innovative skills. The knowledge and techniques through their learning the 'Systematic Innovative Thinking' were applied to develop the innovative prototype and carry out experiments based on the assumption, learn to understand the customers' real needs, manage risks incurred from developing the prototype, plan the utilization of resources and apply to their respective work operations to create value to new SC products.

2. Support the Innovation from Within: in driving towards SC 4.0 innovation in response to the changing world, the Company has placed emphasis on building a corporate culture of innovation. Considering that the employees were exposed to the real needs and pain points of the customers, the Company opened a forum to display the innovation challenge via teaming up to explore the innovative prototype using the Hackathon concept, under the knowing the customer's mind' proposition. More than 50 participants attending the activity contributed to the development of new products and services in the year 2018. The Company has accordingly planned to extend support to such an innovative project in years to come.

3. Learning through an E-Learning Website: in addition to providing training and seminars to its employees, the Company has also placed a focus on developing their learning process and methods to be fast and modern while reducing the learning limitations, yet opening an opportunity for them to learn and develop their potentials conveniently. The Company introduced the E-learning method to form part of potential development as well as systematic storage of Knowledge Content. Such a learning project offered a wide range of activities, such as SC-Fans quiz for publicity on the website; knowing and learning the application of the "Microsoft outlook program" for internal communication; storage of knowledge content in the form of VDO training, to enable the employees to study and review by themselves as well as post- test on anti-corruption practices, etc.

E-learning benefitted the employees in the way that it provided an interesting and concise learning session; provision of more learning media; post- test; tacit explicit knowledge transfer leading to knowledge management to prevent errors /mistakes to occur during the course of work and reduce defects. Employees could have access to learning and reviewing anytime anywhere without limitation.

Participation in local and overseas trainings and seminars

The Company supported the development of the potential of employees through joint cooperation with external organizations including study trips, both domestic and abroad, relevant to innovation and technology to further develop the real estate business, i.e. sponsoring the SC Innovation winner to join Innovation Japan Trip 2017; participating in the technology and innovation seminars such as IoT Asia 2017 in Singapore, Prop Tech 2017 in England; organizing the Trends & Innovation study trip to Japan, as well as a number of topics of interest which reflected the Company's focus on technology and innovation and its committed efforts to develop the potentials of employees to respond to the changing world.

Knowledge Sharing: Co-Creation

1. Exclusive Sharing Activity

In order to promote a "Knowledge Sharing" culture where its employees shared and exchanged knowledge to build Lifelong Learning in the organization, in 2017 the Company arranged for its executives and employees who attended the seminars and joined the study trips both local and overseas, to meet with the external lecturers to share knowledge and experience, build up inspiration to creatively develop the work process, products and services. Such people-connected activities attended by employees from various units enhanced good relations in working together.

2. SC New Project Internal Launch Activity

Promotion of Activity-Based Learning: in addition to their obtaining the information relevant to the new system and products to work in the same direction according to respective core competency prior to launching the project, such activity enhanced coordination among work units and pre-sales preparation. Executives assigned with project presentation were trained to develop their integrated skills in briefing, communication, sales and marketing during the activity-based learning.

Besides, the Company supported its directors and executives to attend the development courses held by external leading institutes coupled with overseas study trips in order to exchange work experience with leaders and top executives of other organizations while opening up for new ideas to continually develop the company, i.e., participation in "5th Seminar on Strategic CFO in the Capital Markets" with a purpose to improve professionalism of the directors, enhance knowledge and understanding in establishing the strategies appropriate for business undertakings, exchange knowledge and experience with the lecturers, directors and executives of other organizations to apply to SC ASSET accordingly.

Employee Engagement

SC Human Centric

Realizing that being "Human Centric", the Company has to place focus on its employees as well as to customers by building the awareness, developing communication and implementing corporate-wide employees' opinion survey to be assured of the employees' satisfaction and commitment; working cooperatively towards the same goal; reflecting the innovative ideas and the quality of products and services under the standards of SC ASSET; learning for self and team development as well as creating innovations for the Company. The employees' satisfaction survey included topics such as:

1. Perception of the Company's Goal and Strategy: through town hall meetings to communicate the policies, goals and strategies to its executives, managers and supervisors of all business units coupled with an “outing activity” to jointly set a work plan and strategy, define goals and performance indicators at the unit level in support of the corporate goal, and work out the ways to improve the work process and upgrade the quality of work in the unit.

The 2nd 4 DX Project was continued as a result of the successful implementation of the preceding project which indicated the importance of creating a “Goal Alignment”, a powerful way to a set target goal and steer the corresponding missions towards the prime corporate goal. In addition to achieving the target, employees learned and understood the approaches in setting the target at a corporate level and unit level, setting the performance indicators, action plans and guidelines to achieve the target, building up work discipline and supporting a spirit contributable to mutual success, compassion and unity.

2. People Champion Project: with an understanding that one of the ways to create people engagement in the organization was ‘team passion and commitment’, the Company initiated “SC PPCP” project where employees representing each unit took on a role as a change agent to support the central policy, and communicated within their respective units for mutual understanding. The essential qualifications of “People Champion Project” comprised: having a positive attitude towards the organization, volunteer spirit, being a promoter of good relationships with positive communication ability. As a result from implementing the PPCP project, notifications and publicity were widely and thoroughly communicated across the organization, i.e, news and information, invitation to participate in the activities, explanation relating to adjustment or change in the organization, and opinion surveys beneficial to the employees. Becoming acquainted with employees from various units in order to improve the relationship between units so they can work together under the project defined the cross-team, cross- function work pattern as well as close bonding between the employees and Company, better work efficiency resulting from effective internal communication. Moreover, the “opinion - hearing” culture benefited the organization with regards to improving administrative work or solving problems, thus enabling the employees to work with satisfaction, and develop products and services to meet the customers’ needs.

3. Post-activity / training Satisfaction Survey”: the Company developed success indicators through a post-activity/training survey and took suggestions from the participants into consideration for further improvement of the activity/training to be in line with the objectives as well as the needs of the participants , i.e. activity/training period, media or supplementary papers, location, etc. Besides, the employees were availed with the ample opportunity to express their views in various matters to be passed on to parties concerned for further action.

4. Internal Communication Development Survey: the Company provided an internal communication channel via official releases and social media including Facebook and Group Line to widely, thoroughly and timely deliver the news and publicity messages. In order to utilize publicity media efficiently to distribute news and information relating to the Company’s activities, the publicity media survey was circulated to SC Asset employees, the results of which were analyzed to improve the efficiency of internal communication. The Company selected the communication channels, improved the quality of the tools and equipment while supporting the employees to learn more about the application for clear and timely access to the information via interesting media.

SC Co-creation: to strengthen the relationship within organization and between the work units.

1. Health and Relationship Promotion: as a healthy body was gained through regular care, the Company adjusted its annual sports event to promote regular exercise and scheduled every Thursday evening to be “exercise day” by inviting the employees to join group exercise comprising aerobic dance, aero-boxing held at the headquarters, jogging in the public park nearby, i.e. railway botanical garden, and supporting the employees stationed at project sites to exercise at their own leisure.

2. New Year Activity: to provide the occasion for the executives and employees to join an entertaining event after working hard throughout the year as well as to celebrate the coming new year. The event was organized in line with SC 4.0 by adopting Digitization and Lean Concept to design activities aimed at reducing processes, procedures and unnecessary resources. Digital technology was used to support the arrangement, and create a modern and entertaining but cozy atmosphere.

3. Culture and Tradition Conservation Activity: on religious and traditional days, the Company arranged for its executives and employees to give alms to the monks and attend the preaching; supported them to jointly make donations to less fortunate people on a regular basis. The Company observed the Thai New Year tradition by arranging a water-sprinkling ceremony for the executives reflecting Thainess; developed the relationship of SC Asset family members whereby the junior members expressed gratitude to their seniors, as well as annual blessings for a prosperous life.

4. Tue's Talk Activity: Activities to Build Relationships among Management Teams: the Company arranged for all executives to prepare information and experience, and take turns presenting relevant topics on the updated trends, technology, innovations, sharing the inspiration in working and living together. Such activities take place bi-weekly on Tuesday mornings providing a brief period during the week for the executives to have breakfast in an amicable atmosphere, exchange views and ideas, make queries, enhance closeness, display kindness and support in both work and personal matters which led to enhancing the relationship among the management teams which contributed to improving the organization-wide operational efficiency.

Employer of Choices

1. Scholarships for Employees: the Company continued to award scholarships to its executives and employees to support the development of professional knowledge and skills to be applied to team management and improve work efficiency. In the year 2017, the Company awarded 2 scholarships to its executives for graduate study in business administration.

2. Distinguished Lecturer Award: the Company supported good and capable personnel, and encouraged internal knowledge transfer. Thus, the Company provided a lecturer-to-be training course for its employees to enable them to transfer their organizational knowledge to the new recruits enabling them to work confidently and efficiently in compliance with the standards. The employees assigned to take the role of "internal lecturer" were appraised for their quality of teaching and transfer of knowledge accordingly. In order to boost their morale and express appreciation on their committed and devoted efforts to perform duties in addition to their routine responsibilities, the Company awarded a Certificate of Appreciation to internal lecturers for contributing good work to the organization and shaping the quality of people of the next generations.

3. Alternative Career Opportunities for Potential Students Project: the project was initiated to provide an opportunity to talented students to join SC Asset. Moreover, the Company opened a forum for its employees to display their professional behavior to external parties to join their projects which was comprised of the students, their parents, educational institutes and other persons concerned, to learn of and take pride in the Company's professionalism. Such projects enhanced the knowledge and understanding as well as recognition on the part of the participants and employees alike, through the following activities:

SC Trainee Study Program: intended for the students to learn about SC Asset and its real estate business, corporate philosophy, image and management team as well as basic knowledge from "SC Product Knowledge" that was provided to the new recruits, to understand the concept and practices related to real estate business processes and procedures. Engineering student trainees attended the lecture provided by the executives also obtained practical experience coupled with observation of actual work at the project sites. Additionally, the Company introduced 'One page to Get to the Point' as a study topic to enable the students to summarize the learning points during their 2-month training as well as their comments, in order to improve work process, products and services. During the presentation

of the post-training results and comments in the 'Proud to be SC Trainee' activity, the student trainees expressed their gratitude to the Company, its executives and employees for the opportunity, attention, professional knowledge and preparation for career life. Seeing that the Company paid attention to every work detail to offer the quality products and services enhancing the sustainable customer engagement, the student trainees were confident and interested in joining SC Asset.

4. Promotion of Employees' Involvement in Community Activities: the Company sponsored, allocated space, and publicized the joint activities arranged for its employees and families, employees of the tenant companies, neighboring shops and the general public, i.e., giving alms to the monks on religious days, attending Dhamma and meditation sessions every Tuesday evening, making funeral flowers (daffodils), and arranging a fitness activity on Thursday evening. In so doing, the Company built the common ground for people in the community to exchange points of view and learn to live together in society.

CORPORATE GOVERNANCE

1

Corporate Governance Policy

Good governance is a foundation for effective supervision and inspection of corporate administration, and a key element, which enhances long-term growth, as well as sustainable development. Hence, The Company's Board of Directors recognizes the importance of good corporate governance principles, and therefore continually fosters such practices as the key corporate policy as it views that good governance is an essential element for reliability transparency and long-term business prosperity and sustainability as well as support for the corporate resilience which will result the establishment of sustainable growth and value creation. Moreover, such practices ensure the confidence of its shareholders and all stakeholders in the Company while conveniently, promptly, equitably, and efficiently allowing them and the public to be sufficiently informed about the Company's business operations and be able to monitor its corporate accountability. It is also the Company's policy to emphasize the compliance of the prescribed Principles of Good Corporate Governance for Publicly Listed Companies. In the Meeting of Company's Board of Directors No. 1/2554, held on January 12, 2011, the Board of Directors resolved the appointment of the Corporate Governance and Social & Environmental Responsibility Committee (Please refer to further details in the topic "Corporate Governance and Social & Environmental Responsibility Committee" Section of this annual report). The main focuses of this Committee's concerns are shareholders' rights, equitable treatment towards all shareholders, stakeholder's roles, corporate social & environmental responsibilities, information disclosure, transparency, directors' responsibility, and compliance to the good corporate governance policy. The Committee arranged to have a printed version of the Good Corporate Governance Policy, of which its contents and material details are useful and relevant for elevating the Company's conducts to be of an international standard. This policy is also in compliance with practice guidance and recommendations of its governing authority and other related official agencies. This printed policy has been disseminated to the Company's directors, executives, and all its employees for acknowledgement and compliance. The policy is also distributed to the Company's shareholders and the public via the Company's website. In addition, the Company also prescribes its Corporate Philosophy and Code of Conduct and distributes them to the Company's directors, executives, and all its employees as practice guidelines for them to follow and adhere to. The Company establishes its "Corporate Governance Policy" according to the Principles Of Good Corporate Governance For Publicly Listed Companies as prescribed by the Stock Exchange of Thailand and posts these guidelines on the company's website (www.scasset.com) for its shareholders, investors and all stakeholders to review and be aware of. Furthermore, as a part of its internal corporate management process, the Company also publishes its printed guidelines on its good corporate governance policy, corporate philosophy and code of conducts and informs all its management and staff so that they understand and adhere to these practice guidelines. The Company also regularly disseminates information to its staff via the intra office email to continually inform and communicate internally with them regarding these guidelines, new announcements and releases.

In order to ensure effective compliance of the Company's Good Corporate Governance Policy, the Company's Board of Directors and its Corporate Governance and Social & Environmental Responsibility Committee regularly review and periodically update this policy and its implementation on an annual basis to ensure that they are up-to-date, in accordance with its current corporate goals and business strategies, and adhere to the international standards of good practice. In 2017, the Company not only continues to apply the principles of good corporate governance for publicly listed companies for the year 2012 as prescribed by the Stock Exchange of Thailand and the practice guidelines of relevant official agencies for its observance and the principles of ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard), which use international best practice as a benchmark but also adopting the Corporate Governance Code for listed companies 2017 by means that are suitable for the Company's business. The Company also applied such guidelines to improve its Good Governance Policy and its Code of Conduct in order that they offer clear compliance direction to its directors, executives, and employees, aiming to promote ultimate benefits to its shareholders and stakeholders, as well as achieve its business accomplishment.

Due to the Company's continued recognition of the importance of its compliances with good corporate governance practices, in 2017, it scored best in various corporate governance assessments and was awarded the following honors:

1. The full assessment score of 100 for the quality assessment for the arrangement of its 2017 Annual General Meeting of the Shareholders from the Thai Investors Association. It has enjoyed this "excellence" status with full score of 100% consecutively from 2008 to 2017,

2. The "excellence" status with a score of "90 or higher" for its 2017 corporate governance assessment, reviewed by the Thai Institute of Directors (IOD), out of 620 Thai publicly listed companies under assessment. The Company's average assessment score was 96 out of the total marks of 100,

3. Thailand Sustainability Investment 2017 (THSI) or "Sustainable Share", organized by the Stock Exchange of Thailand: This award represents acknowledgement of publicly listed companies in their business sustainability efforts and their consideration towards balanced growth in economical, social, and environmental aspects. The Company has achieved this award for the past three continuous years.

4. SET Sustainability Award 2017, under the category of "Rising Star, offered" by the Stock Exchange of Thailand: This award represents the recognition of publicly listed companies which have outstanding performance in their business sustainability efforts.

5. Outstanding Real Estate Projects for 2017, under the low-rise developments category: The Company received this award for its luxurious single-detached houses in GRAND BANGKOK BOULEVARD SRINAKARIN. The award was granted by the Agency for Real Estate Affairs (AREA) Company Limited.

6. Housing Award 2017, offered by the Department of Alternative Energy Development and Efficiency, Ministry of Energy: The Company won six awards including : two awards for outstanding housing estates for energy conservation for small estates with sub-divided plots of less than 99 units, for its GRANADA PINKLAO - PHETKASEM and GRAND BANGKOK BOULEVARD RATCHAPHRUEK - CHARAN, and four awards for its housing design for "ZENBI" housing type, plot number 2, in its VENUE RAMA 5-2, its housing design for "PAVE X" housing type, plot number 67, in its PAVE RANGSIT, its housing design for "RATCHAPHRUEK" housing type, plot number 42, in its GRAND BANGKOK BOULEVARD RATCHAPHRUEK - CHARAN, and its housing design for "ST. VINCENT" housing type, plot number J1, in its GRAND BANGKOK BOULEVARD SUKHUMVIT.

The Company believes that a good management system, responsive directors and executives with vision, well-functioning control mechanisms, suitable check and balance measures, and corporate governance processes are important and essential components for sustainable business operations, which shall enable an organization to achieve its corporate mission, planned visions and eventual success goals. Such belief inspires effectiveness and efficiency in its operational conducts that highlight the following principles:

1. For good corporate governance practice, the Board of Directors placed emphasis on leadership, vision, Board of Director's appointment composition, independence, which are implemented through appropriate prescription of qualifications, scope of work, authority, duties, and responsibilities of board members.

2. Equitable treatment of shareholders and stakeholders.

3. Full, adequate, credible, and prompt disclosure of information to all relevant parties.

4. Promotion of appropriate internal controls, internal audit and risk management systems for the purpose of mitigation of potential risks.

In the previous year, the Company continues to implement and abide by the principles of good corporate governance for publicly listed companies as prescribed by the Stock Exchange of Thailand. The principles are grouped into five categories as follows:

Shareholders' Rights

The Company recognizes the rights of its shareholders in supervising its business activities. Its shareholders maintain important roles in the company investments as well as taking part in jointly making decisions on the

Company's business direction. The shareholders elected directors to oversee the business management on their behalf as follows:

1. Fundamental Rights of Shareholders

The Company's Board of Directors recognizes its duty to promote and protect the fundamental rights of all shareholders so as to ensure them of their complete basic rights under the prescribed laws such as:

1.1 Shareholders' Rights

The Company's shares are common stock, which are named shares. It does not have any preferred shares. The Company applied to be a publicly listed company in the Stock Exchange of Thailand in the category of real estate development industry, and its shares were publicly traded on November 13, 2003. Its shareholders can hold two types of shares which are

- (1) scrip shares, or
- (2) scripless shares which are held in a securities account accordingly with the Thailand Securities Depository Co., Ltd. and managed via the actions of the securities companies of which the shareholders are customers.

1.2 Rights to buy, sell, transfer, and be transferred of shares and the rights to receive share certificates.

Every shareholder has the right to freely buy, sell, transfer, and be transferred of shares as well as maintain his/her rights to receive share certificates as per the conditions prescribed by applicable laws and under the Company's Articles of Association. The Company authorizes the Thailand Securities Depository Co., Ltd. (TSD) to act as the Registrar of the Company's shares and to facilitate its shareholders in the matters relating to the Company's share and security registration.

1.3 Right to Obtain Accurate Information

Each shareholder, regardless of how many shares they hold, has their right to receive accurate information on the Company from the Company's Board of Directors without any concealment. In addition, the shareholders are to be provided with dissemination of information on its financial position, business and financial performance, registration information or documents, financial statements, minutes of the shareholders' meetings or minutes of the board of directors' meetings which are compiled accordingly with the Company's regulations.

1.4 Rights to vote on items in the agenda presented in the meetings of shareholders.

Every shareholder has the right to participate in the shareholders' meetings, and to exercise his/her right to vote on an equitable basis according to the number of shares that he/she holds. The Company's Articles of Association prescribe the "one share-one vote" principle, and allow its shareholders to freely cast their vote without any restriction, whether or not such shareholders attend the shareholder meetings in person, or via proxy voting by assigning their voting rights to the proxy holders such as a designated independent director of the Company, or any other person, for proxy voting purposes. Shareholders can also exercise their pre-cast votes as prescribed in the proxy forms (Form B.) in each meeting agenda and decide on each matter in the agenda as to "affirm", "oppose", or "abstain" from voting. In the event that its shareholder exercises his/her voting rights via proxy voting as prescribed in the proxy forms (Form B.), the Company shall respect his/her voting decisions. The proxy-holders must vote according to the proxy voting instructions made by the appointed shareholder in the proxy, and not otherwise.

The Company prepares ballot forms for vote casting to be distributed to its shareholders who participate in the shareholders' meetings at the meeting registration desk. It also applies a barcode system for the shareholder registration process and vote counting (Please refer to further details in the topic "Facilitating Participation in Shareholders' Meetings and Procedure Prior to Convening Shareholders' Meetings" Section of this annual report).

The Company also invites its legal advisors who are independent outsiders with neither direct nor indirect interest in the Company to be its shareholders' representatives to monitor the vote casting process during

shareholder's meeting. The Company shall promptly announce the voting results for each meeting agenda immediately after each vote casting.

1.5 Rights to participate in shareholders' meetings or to appoint another person as his/her proxy to attend a meeting and vote on his/her behalf. (Please refer to further details in the topic "Right to attend shareholders' meetings and the Company's 2017 Annual General Meeting" Section of this annual report).

1.6 Equal rights to dividends and other proportionate distributions of profits

Every shareholder is entitled to his/her proportionately receive of profits in terms of dividends. The Company shall make dividend payments according to the proportionate shareholding position of each shareholder (Please refer to further details in the topic "Dividend Payment Policy" Section of this annual report).

1.7 Rights to equitable treatment for share repurchase

The Company's Articles of Association prohibit it from owning its own shares or to take them in pledge, except in the following circumstances:

- A) For protection of the rights of shareholders who cast disapproval votes against the resolution of any meeting of shareholders to amend the Company's Articles of Association relating to the rights to vote and the rights to dividend payment which in the view of such shareholders is deemed as unfair treatment. The Company may thus repurchase its shares from such shareholders, or
- B) For the purpose of financial management, in the event that the Company has an accumulated profit and surplus liquidity. The Company may thus repurchase its shares given that such share repurchase shall not be a cause of any financial difficulty or problem to the Company.

Nevertheless, the repurchased shares held by the Company shall not be counted towards forming a quorum for a shareholders' meeting and shall carry neither voting rights nor rights to dividend payment. The Company shall dispose of the shares repurchase within the time prescribed under its authorized share repurchase scheme. In the event that the Company fails to complete the disposition of such shares repurchase within the prescribed timeframe, it shall make a reduction of its paid-up capital and decrease its shareholder equity through cancellations of the unsold portion of such repurchased shares.

1.8 Right to review directors' remuneration

Shareholders have the right to consider and determine all type of Directors' remuneration, whether in cash or in kind other than cash, such as meeting allowances, bonus, pensions, and other types of benefits. The Company shall annually make proposals to the shareholders' meeting to consider and determine its Directors' remuneration. It maintains clearly prescribed policies and rules that govern the decision and approval process for the Directors' remuneration; such policies and rules are also presented to shareholders together with the proposed remuneration details and amounts for consideration of shareholders during the said shareholders' meeting. (Please refer to further details in the topic "Director and Executive Remuneration" Section of this annual report).

1.9 Right to appoint and remove directors

The Company's Articles of Association prescribe that at every annual general meeting of shareholders, one-third (1/3) of the present directors must be retired from office, and an election of a new directors is carried out to replace them. Retiring directors are eligible for re-election by the shareholders at the annual general meeting of the Company.

Shareholders have the right to remove any director from office before the expiration of his/her period of office via the resolution of the shareholder's meeting by having votes of not less than three-fourths (3/4) of the number of shareholders attending the meeting and having the right to vote and holding no less than one-half of the shares held by all the shareholders attending the meeting and having the right to vote.

1.10 Right to approve the appointment of the Company's auditors and to determine the audit fee

The Company submits its proposal for appointment of auditors and their proposed audit fee, together with completed attached details thereof, to the annual general meeting of shareholders for consideration and authorization. In selecting the candidates for the auditor appointment proposal, the Company looks into their independency and also ensures that there are no conflicts of interest in performing their roles as the Company's auditors.

1.11 Rights to set or amend the Company's Articles of Association and/or Memorandum of Association

Shareholders have the right to set or amend the Company's Articles of Association and/or Memorandum of Association as per the conditions prescribed by the Company's Articles of Association. Such amendment requires the resolution of the shareholders' meeting by having votes of not less than three-fourths (3/4) of the number of shareholders attending the meeting and having their rights to vote.

1.12 Right to authorize specific transactions, connected transactions, or transactions related to acquisition or disposal of assets in the size as prescribed by laws or related regulations or to make decisions and grant approval to any other matters that may materially impact the Company.

In addition, the Company provides its shareholders with more rights than legally prescribed and at a higher standard than the basic structure for direction and the control of corporate good governance. These include the facilitation of shareholder participation in the Company's annual general meeting of shareholders (Please refer to further details in the topic "Right to Attend Shareholders' Meetings and the 2017 Annual General Meeting of Shareholders" Section of this annual report). The Company also recognizes the importance of full disclosure and proper dissemination of information to its shareholders in a prompt, timely, and adequate manner via shareholder notifications, dissemination of information on the Company's Website (www.scasset.com), publishing and distributing of the Company's newsletter, arrangement of company and development site visits, and reporting of the Company's operating performances.

2. Right of Business Owners

Each shareholder has his or her right of business owner equitably in proportion to their ownership of the Company's shares. The shareholders exercise their controls and oversight rights via the appointment of the members of the Board of Directors to act on their behalf. The shareholders have their rights and freedom in making decisions on significant changes of the company as follows:

2.1 Right to Sell or to Transfer Business

the Board of Directors has a role and duty to manage the Company's business and its growth in accordance with shareholders' policies, without the right to sell or to transfer, a part or all of the Company's business, or an important portion thereof, to other individuals. In the event of a sale or a transfer of business to another individual, the said action needs to be approved by the shareholders' meeting which shall require a majority vote of no less than three-quarters of the total votes of shareholders attending the meeting who have the right to vote.

2.2 Right to Buy or to Accept Business Transfers

In the event that the Company intends to buy or accept any business transfer from another company or other private company to be its own, this action is deemed as a significant change in its investment plan and its risk is far beyond the authority of the Board of Directors, therefore, any buying or any acceptance of business transfer from another company by the Company shall require the approval of the shareholders' meeting.

2.3 Right to Make, Amend or Terminate Contracts Related to the Renting of a Business

The Board of Directors has no authority to make, amend, or cancel any contracts related to the renting of any part or all of the business, or an important portion thereof, including assigning another individual to manage the business of the Company or to merge the business with another with the intention of sharing the profit or loss. All of the aforementioned actions represent a decision to make a significant change in the business objectives of the Company.

2.4 Right to increase or reduce registered Capital

The increase or the reduction of the registered capital which impacts the business of the Company, and every shareholder, whether positively or negatively must be decided by the Company's shareholders as per the recommendations proposed by the Board of Directors on the matter. In the event of capital increase or reduction, the action requires approval from the shareholders' meeting of not less than three-fourths of the total number of votes of the shareholders attending the meeting and having the right vote.

2.5 Right to a Merger

The Board of Directors has no authority to merge the Company's business with any other company or with another private company. The merger or amalgamation requires approval from the shareholders of both companies involved, of not less than three-fourths of the total number of votes of the shareholders attending the meeting and having the right vote.

2.6 Right to Dissolve

Upon the decision of the shareholders that the Company's business under the management of the Board of Directors is no longer valid, the dissolution of the Company needs the approval of the shareholder's meeting which shall require a majority vote of no less than three-quarters of the total votes of shareholders attending the meeting and who have the right to vote.

3. Right to attend shareholders' meetings and the Company's 2017 Annual General Meeting of Shareholders.

It is the Company's policy to support and facilitate its shareholders as well as its institutional shareholders to fully exercise their rights in shareholder meetings so that every shareholder can participate in the decision-making of issues which may impact or relate to their own interests and rights as shareholders. For the Annual General Meeting of Shareholders for the year 2017, the Company maintains its policy to facilitate and encourage the attendance of its shareholder meetings by all shareholders, including those of the institutional shareholders. The Company assigns the duties to the Compliance Unit to oversee that shareholders' meetings are conducted according to applicable laws and relevant practice guidelines. In attending a shareholders' meeting, shareholders are ensured of the following rights and treatments:

3.1 Procedure Prior to Convening Shareholders' Meetings

Prior the date of Annual General Meeting of Shareholders for the year 2017, the Company offers its shareholders the chances to propose any additional meeting agenda and nominate names of qualified candidates for the Company's available director positions during the period between September 15, 2016 and January 31, 2017. The Company also posted the information on process, procedure, and guideline on its website (www.scasset.com) and disseminated such informed to its shareholders via the electronic communication network of the Stock Exchange of Thailand. As for the election of its new directors, the Company's shareholders shall be requested to cast their votes on each individual nomination on a one to one basis in order to ensure that shareholders can elect the candidate that they actually want. In 2017, no shareholders proposed any additional meeting agenda, or nominated names of qualified candidates for the Company's available director positions prior to the meeting date.

In addition, the Company provides opportunities for shareholders to submit their enquiries regarding details of the meeting agenda or other material information of the Company during the period of September 16, 2016 – March 31, 2017. The Company clearly prescribed the rules for the submission of questions in advance of the shareholders' meeting date and posted them on its Website (www.scasset.com). No shareholders submitted their enquiries prior to the meeting date.

The Company set the Record Date for the precise determination of shareholders' right to participate in the shareholders' meeting of the Company and to receive dividend distribution. In order to allow its shareholders to have additional time to study the Company's information in advance of the meeting dates, the Company set different dates for the "date of record" to determine which shareholders would be able to participate in the annual general meeting; and the "ex-dividend date" to determine which shareholders have their rights to dividend payment.

After the Company's Board of Directors resolved to set the date of the annual general meeting, the record dates for annual general meeting attendance and of dividend payment rights, as well as the book closure dates for share transfers and dividend payment, the Company shall promptly reported such board resolution to the Stock Exchange of Thailand for timely dissemination to its shareholders.

For Annual General Meeting of Shareholders for the year 2017 held on April 21, 2017, the Company had set its Record Date on March 13, 2017 and prescribed the closing of the share register book for suspension of share transfer to be on March 15, 2017 so as to collect the list of shareholders' names in accordance with Section 225 of the Securities and Exchange Act, B.E. 2535 (and its amendments). It also set the Record Date to determine the names of shareholders who were eligible to receive dividend distribution on May 3, 2017 and prescribed the closing of the share register book for suspension of share transfer for this regard to be on May 4, 2017 so as to gather the list of shareholders' names in accordance with Section 225 of the Securities and Exchange Act, B.E. 2535 (and its amendments). The determination of the relevant list of shareholders who eligible to receive dividend payment were made at least 5 days following the resolution of the annual general meeting authorizing the dividend payment; this practice has always been observed by the Company to best ensure the efficient exercise of shareholder rights.

3.2 Facilitating Participation in Shareholders' Meetings

The Company recognizes the importance of the rights and equitability of all shareholders, whether Thai or a foreigner, a minority shareholder or an institutional investor. Thus, to promote the opportunities for all shareholders to exercise their rights and to fully participate in the decision on governance direction of the Company's business, the Company determines to facilitate and encourage the participation of its shareholders in the shareholders' meeting under the following guidelines:

It is the Company's policy to set date, time, and venue for the convening of its shareholders' meetings to be convenient for its shareholders' participation. Therefore, the Company shall not arrange a shareholder meeting on any holiday or any commercial bank holiday and non-business day for more than 3 consecutive days, and shall convene meetings during normal working hours in the Bangkok Metropolitan area or in the district where the Company's head office is located. The Company's Board of Directors resolved to have an annual general shareholders' meeting within four months after the Company's financial year-end and any other subsequent shareholders' meeting shall be called an extraordinary general meeting of the shareholders which can be convened in the case of necessity.

In 2017, the Company held its Annual General Meeting of Shareholders on April 21, 2017 from 2.00 p.m. to 5.30 p.m. at Sky Park room, 14th Floor, Shinnawatra Tower III, Viphavadi Rangsit Road, Bangkok Metropolitan, where the Company's Head Office is located, and its shareholders are able to conveniently travel to participate as the building is easily accessible by public transportation systems such as the BTS (Mor Chit station), and the MRT (Chatuchak station and Paholyothin station). The Company also attached a location map with travel information and contact numbers together with the meeting notification which was distributed to its shareholders. The notifications of shareholders' meeting distributed to all shareholders clearly stating the proposed meeting agenda for each relevant shareholder's meeting. Sufficient information concerning the proposed meeting agenda is also attached to the meeting's notifications that are forwarded to shareholders prior to the meeting date.

In order to facilitate participation of institutional investors who are its shareholders in the shareholders' meeting, the Company informs them to prepare in advance their proxy form and coordinates with them in reviewing its correctness and completeness prior to the meeting date.

The Company also provides without cost the duty stamp required for the voting right proxy for the authorized representative to its shareholders who participate in the shareholders' meetings at the meeting registration desk. These acts not only ease the shareholders from any unnecessary inconvenience from the duty stamp burden but also reflect the Company's attempts to well facilitate its shareholders with an effort of good- in all other aspects. The meetings are convened by reducing any unnecessary meeting procedures or reducing any limitations that precludes a shareholder from reviewing the Company's information, as well as not undertaking any actions that prevent or obstruct communications among shareholders.

The Company applies the barcode system to facilitate its shareholders in the shareholders' meetings in respect of registration, voting, and counting of votes. The system speeds up the processing time and enables the Company to promptly display the number of meeting participants, and the voting results for each agenda item.

3.3 Evidence of Identity of Shareholders for the Shareholder's Meeting

In order to facilitate its shareholders, the Company has prescribed guidelines governing documents or evidence of identity of shareholders that are required to be presented for the attendance of the shareholders' meeting. In the event of a proxy, a proxy holder can present a copy of the identification card or passport or any copy of documents that can serve as evidence of identity of the shareholder who has assigned the proxy. There is no requirement for the use of an original identification card or passport. This practice is intended to ease the shareholders' burden in granting a proxy.

3.4 Do Not Promote Gift-Giving to Encourage Engagement in Shareholders' Meetings

The Company recognizes the importance of shareholders' meetings, of which its primary objective is for its shareholders to participate in key corporate decisions, other than granting oversight and management authority to the Board of Directors. Thus, in order to pursue this ultimate objective of the shareholders' meetings, the Company has prescribed its policy prohibiting the giving of corporate gifts during any of its shareholders' meetings. This attempt aims to lessen any motivation other than the said ultimate objective for engagement in the meetings, as well as to avoid any possibility of inducing improper conduct. In addition this policy reduces irrelevant expenses related to this gift-giving which in turn will be of benefit to the shareholders. This attempt also helps promote ethical conduct and a culture of good compliance for a publicly listed company.

Thus, since 2016 the Company ceased its corporate gift-giving during the Annual General Meeting of Shareholders. The decision was stated in the invitation letter for its shareholders' meetings.

3.5 The Invitation Letter of the Shareholders' Meeting

The Company prescribes that the Company Secretary is responsible for making the meeting appointment, preparing the invitation letter of the meeting, meeting documents, and relevant attachments, as well as to ensure that all these relevant materials and its attachments are complete and adequate. The Thailand Securities Depository Company Limited, who acts as the registrar of the Company's shares, shall distribute the notices of meeting invitations along with their attachments to all shareholders prior to every meeting date and earlier than the time frame prescribed by law, allowing shareholders to have sufficient time to review the agenda information before participating in the meetings.

For Annual General Meeting of Shareholders for the year 2017, the Company distributed the letter of invitation calling for the shareholders' meeting together with relevant attachments in Portable Document Format (PDF) both Thai and English for easy access by foreign shareholders, which can also be downloaded from the Company's Website (www.scasset.com) on March 21, 2017 onward, which was 31 days before the meeting date. The Company also distributed a printed letter of invitation calling for the shareholders' meeting and relevant attachments, of which the content of the printed document and the PDF file are similar, to all shareholders at least 14 days in advance of any meeting dates, or on April 5, 2017.

The Company clearly specifies its shareholders in detail guidelines, procedures and suggestion in the Notice to the Annual General Shareholders' Meeting to facilitate the shareholders, attending the meeting in person or appointing proxies to attend on their behalf in order to allow shareholders to fully prepare to vote via proxy and avoid problems at the Meeting, as well as information and details on each agenda item which were sufficiently provided for shareholders for reviews and decision-making. The invitation letter and its attachments also specified purposes and reasons of such agenda items, as well as opinions of the sub-committees and the Board of Directors in order that shareholders had sufficient and clear information to support their decisions on each agenda item. Shareholders were also informed on the rules for vote casting on each agenda item i.e. how many votes were required, and in such a case specifically prescribed by law as to what is the minimum numbers of votes that were required in such a circumstance,

or what was the maximum numbers of disapproval votes required to object to an agenda item, or for the quorum to approve such agenda item.

In any invitation letter calling for the shareholders' meeting, the Company shall also inform shareholders regarding their voting rights under applicable laws, without any hidden agenda, and clearly list the meeting agenda items. No additional agenda item shall be proposed to the meeting for consideration if has not been listed as a set agenda item therein. On the meeting date, the Company shall avoid adding any other agenda items which have not been previously set therein as such action may be considered as being inequitable treatment to other shareholders who did not attend such meeting. However, the Company also informs the shareholders in its invitation letter calling for the shareholders' meeting that, according to Section 105, Paragraph 2 of the Public Limited Companies Act, B.E.2535 the shareholders may propose to the shareholders' meeting to consider matters other than those proposed in the invitation letter calling for the meeting if such matters are proposed by the shareholders holding the total number of shares no less than one-third of the Company's total issued shares.

In addition, in the agenda covering the appointment of the Company's directors, which the shareholders are provided an opportunity to consider and elect each board member individually, the Company provides the names of the director-nominee together with their relevant résumés for shareholders' consideration. In the agenda covering the appointment of the external auditors, the Company shall also provide comprehensive details of the names of the proposed auditors, their audit office, experience, proficiencies, independency, and their work period as the Company's external auditors, as well as auditor fees. As for the request for approval of dividend payment, the Company shall provide details of its dividend policy, proposed dividend rate, as well as payment reasons and their supporting information to the shareholders for their decision-making. (Please refer to further details in the topic "Dividend Payment Policy" Section of this annual report).

In addition, on the agenda concerning the directors' remuneration, the Company has advised of the clear policy and criteria for remunerating the directors holding positions on the Board of Directors and on sub-committees. The remuneration in the form of financial benefits pertaining to meeting fees, bonuses and any other form (if any) are proposed to the shareholders for approval.

In each shareholders' meeting, the Company shall inform shareholders in an invitation letter calling for the shareholders' meeting the names of 2 of its Independent Directors so that shareholders who are not able to attend any shareholders' meetings, can select whether to appoint any of these two directors as their authorized representative, or to appoint any person of their own choice as their authorized representative, via relevant proxy, to vote on their behalf. Shareholders, who are not able to attend any shareholders' meetings, are allowed to vote in advance by stating their decisions in the signed proxy or by transferring their voting rights to their authorized representative to attend the shareholders' meetings and to vote during such meetings. However, for proxy voting, the Company encourages its shareholders to use Proxy Form B, which clearly specifies voting decisions and authority to be delegated to the proxy.

3.6 The 2017 Annual General Meeting of Shareholders.

In the previous Annual General Meeting of Shareholders for the year 2017, 8 out of 9 directors accounting for 88.88% attended the meeting, the Chairman of the Board of Directors, the Chairman of the Audit Committee, the Chairman of the Nomination and Remuneration Committee, the Chairman of the Corporate Governance and Social & Environmental Responsibility Committee, the Chairman of the Risk Management Committee, as well as the Company's four top executives, and the Company's certified independent auditors and independent legal advisors jointly attended the meeting from the start. The Company's Board of Directors and its four top executives were introduced to the meeting to answer shareholders' questions. On the date of each meeting, the names and titles of the Company's directors, who participated in the meeting, were recorded in the minutes of such shareholder's meeting in order that its shareholders could monitor the directors' participation in each of the shareholders' meetings. Prior to the beginning of the meeting, the Company clearly informed its shareholders about their voting rights, as well as the rules for vote casting and vote counting. It also provided qualified staff to facilitate the meeting arrangements and to explain to shareholders, who may have any questions or doubts on the vote casting procedure.

The agenda covered during the meeting followed the sequence, which was prescribed in the invitation letter calling for the shareholders' meeting, and did not instantly distribute any additional important information, add any insertion of any additional agenda in excess of those which had already been informed, or alter any important information without prior notification to its shareholders. The Company did not limit any participation rights of the shareholders who arrived late, and allowed those shareholders who came after the meeting had started to exercise their voting right or cast their vote ballots on the agenda item then under consideration, but was not yet voted on.

The Chairman of the meeting allocated sufficient deliberation time for each agenda and oversee that the meeting was properly and transparently convened as per the agenda sequence prescribed in the invitation letter calling for the shareholders' meeting. The Company also provided the opportunity for shareholders to conveniently exercise their rights and equality by expressing their opinions and questioning the board members on matters relating to the Company's operations in order to fully ensure accountability in governance, which all opinion and question raised by shareholders are recorded in the minute of shareholders' meeting.

During the meeting, the Company provided every shareholder with rights and equality to obtain information, express opinions, and post questions to its board members on corporate matters relating to the prescribed meeting agenda items or on any proposed issue in the meeting. The Chairman of the meeting also performed his duty of encouraging shareholders to exchange opinions and raise questions during the meeting. The Company arranged to have live broadcasting of the meeting on its website (www.scasset.com) to air the event for shareholders and investors who were interested in but unable to physically attend the meeting.

For transparency in the voting count at the shareholders' meeting and to ensure that it was transparent and legal, based on the law and also complied with the Company's Articles of Association, the Company invited Mr. Sumethi Inn-Nu, an independent legal advisor with no interest in the Company, to represent shareholders to verify the voting and vote counting of each agenda item in the meeting. In addition, the Company invited its external auditor, Mr. Anothai Leekitwattana, representatives from PricewaterhouseCoopers ABAS Company Limited, the certified external auditor of the Company to participate in the shareholders' meeting to answer any inquiries and questions regarding financial statements and financial information.

In 2017, the Company's Board of Directors called one Annual General Meeting of Shareholders on the April 21, 2017 at Shinawatra Tower III, Viphavadee Rangsit Road. The following table shows details of the accumulated records of attendance to the shareholders' meeting by the Company's Board members since 2004 as follows:

Name	Number of Meeting / Number of Attendance	
	Shareholder Meeting 2004 - 2017	Shareholder Meeting 2017
1. Mr. Rath Kitivejsoth ⁽¹⁾	14/14	1/1
2. Ms. Busaba Damapong ⁽²⁾	6/6	1/1
3. Mr. Nuttaphong Kunakornwong ⁽³⁾	6/6	1/1
4. Mr. Nathpath Ouajai ⁽⁴⁾	12/12	1/1
5. Mr. Kunodom Tharmmaphornphilas ⁽⁵⁾	12/12	1/1
6. Mr. Prasert Samanawong ⁽⁶⁾	11/11	1/1
7. Mr. Precha Sekhararidhi ⁽⁷⁾	11/11	1/1
8. Mr. Songsak Premasuk ⁽⁸⁾	2/2	1/1
9. Ms. Vilasinee Puddhikarant ⁽⁹⁾	1/2	0/1
10. Mr. Attapol Sariddipuntawat ⁽¹⁰⁾	1/1	1/1

Remarks:

- (1) Mr. Rath Kitivejosoth was appointed to be the Chairman of the Board of Directors in lieu of Dr. Chaiyawat Wibulswasdi since March 1, 2007.
- (2) Ms. Busaba Damapong was assigned to be the Director in replacement of Ms. Yingluck Shinawatra since July 13, 2011.
- (3) Mr. Nuttaphong Kunakornwong was assigned to be the Director in replacement of Mr. Chanon Chotevijit since March 1, 2012.
- (4) Mr. Nathpath Ouajai was assigned to be the Director in replacement of Ms. Pranee Vechapruetkitak since March 20, 2006.
- (5) Mr. Kunodom Thammaphornphilas was assigned to be the Director in replacement of Mr. Sompong Nakornsri since March 20, 2006.
- (6) Mr. Prasert Samanawong was assigned to be the Director in replacement of Mr. Krit Umpote since January 31, 2007.
- (7) Mr. Precha Sekhararidhi was assigned to be the Director in replacement of Dr. Chaiyawat Wibulswasdi since March 26, 2007.
- (8) Mr. Songsak Premasuk was appointed by 2015 Annual General Meeting of Shareholders to serve as a director (independent director) and he was also appointed by the meeting of the Board of Directors No.3/2015 to act as Member of the Corporate Governance and Social & Environmental Responsibility Committee.
- (9) Ms. Vilasinee Puddhikarant was appointed by the resolution of the Board of Directors dated January 15, 2016 to be a director of the Company and member of the Executive Committee (independent director) in replacement of Ms. Phensom Damapong, who resigned from her directorship. She was re-elected by the resolution of the 2016 annual general meeting of shareholders to serve as a director (independent director) for another term.
- (10) Mr. Attapol Sariddipuntawat was elected by the Annual General Meeting of Shareholders for 2017 act as a director and he was thereafter appointed by the Meeting of the Board of Directors No.3/2017 to act as member of the Executive Committee.

3.7 The Minutes of Shareholders' Meeting

After the Annual General Shareholders' Meeting was adjourned, the Company recorded and prepared the minutes of the meeting, both Thai and English versions, recording the number and proportion of the shareholders attending the meeting in person and those appointing proxies to attend on their behalf. Clarification on voting and vote counting guidelines were given to the shareholders before the meeting was conducted according to the agenda. In addition, the minutes also report the ballot casting, shareholders' enquiries, opinions and important comments, and completed answers to those enquiries, during each meeting, for the benefit of the shareholders, who did not attend the meeting. For each meeting resolution, the Company also arranges a vote casting and properly records the meeting resolution in the minutes, together with voting details for each meeting agenda item such as the total number of votes, number of approval votes, number of disapproval votes, and abstention.

After the closing of each of the shareholder's meetings, the Company shall disclose, at latest by 9.00 a.m. of the next working day, relevant resolutions for each agenda item and voting results on such resolutions via its news release to the Stock Exchange of Thailand and post such resolutions and voting results on the Company's website (www.scasset.com). As for the recent 2017 Annual General Meeting of Shareholders, the Company released the meeting resolutions as well as the vote count results on April 21, 2017, and posted the video clip of such meeting on the Company's Website (www.scasset.com) in order that any shareholders, who did not participate in any such shareholders' meeting and other interested investors could be informed about the meetings. Within 14 days after that meeting date, the Company also supplied the minutes of such shareholder's meeting to the Stock Exchange of Thailand and other relevant authorities, as well as disseminated such minutes to its shareholders on May 5, 2017.

Equitable Treatment of Shareholders

The Company respects the equal treatment of all shareholders and implements policies that equally and fairly treat the shareholders. The policies are to entirely disclose all the Company's information and to protect the rights of shareholders in every group including majority shareholders, minority shareholders, institutional shareholders, as well as foreign shareholders. In addition, the shareholders' interest is also looked after justly and is protected from being exploited from any person who has controlling power. The Company undertakes to equitably treat the shareholders as follows:

1. Type of Shares and Voting Rights

The Company has determined that there shall be one type of share, i.e. common share with the owner's name specified on the certificate, with an equal voting right, i.e. "one share, one vote."

2. Proposal for Additional Meeting Agenda and Nomination for Qualified Person of Being Appointed as Director before the Shareholders' Meeting

To promote good corporate governance, the Company assigns the Company Secretary to notify shareholders via the electronic communication network of the Stock Exchange of Thailand and the Company's Website at least 3 months in advance prior to the end of the fiscal year to encourage all shareholders, including the minority shareholders, a single shareholder or many shareholders, whose total shares account for not less than 50,000 shares (or 0.001% of the current number of shares) of the Company's total outstanding shares, to exercise their rights to propose any additional meeting agenda in the shareholders' meetings and to nominate names of qualified candidates, who have no prohibited character under the rules determined by the law and the Company's Articles of Association, for the Company's available director positions in advance of the Annual General Meeting of Shareholders. The Company announces the rules to shareholders regarding the right and nomination method via the electronic communication network of the Stock Exchange of Thailand and the Company's Website. Shareholders can propose to the Company any additional meeting agenda and nominate names of qualified candidates for directorship in advance of the Annual General Meeting of Shareholders (AGM) via the Proposal of the Additional Meeting Agenda for AGM (Form A) and the Proposal for the Nomination of Qualified Candidate(s) for a Director Position in Advance of the AGM (Form B) which can both be downloaded from the Company's Website (www.scasset.com) in the "Investors Relation" section under the heading of "Shareholders' information" / Shareholders' Meeting", and the consideration result shall be notified to shareholders at the AGM.

In 2017, the Company gave the opportunity to shareholders to propose additional agenda and to nominate persons to be appointed as directors at the 2017 Annual General Meeting of Shareholders between September 15, 2016 - January 31, 2017; however, no shareholders proposed any additional meeting agenda, nor nominated names of qualified candidates for the Company's available director positions prior to the meeting date.

3. Submitting Question before the Shareholders' Meeting

The Company takes into account the right and equality of shareholder according to the principle of good governance. Therefore, the Company encourages shareholder to submit question in advance to the Company at least 3 months before the end of the fiscal year to ask for information relating to the Annual General Meeting of Shareholders in each agenda, or other important information of the Company. The Company presents details of the procedures for submitting question in advance on the Company's Website at www.scasset.com. The shareholders are required to use the Form to propose question(s) for Annual General Meeting of Shareholders in advance (Form C) to submit their question(s). The Form C is available for download on the Company's Website at www.scasset.com in Investors Relation section under the heading of "Shareholder Information" / "Shareholders Meeting" and they can send their question(s) to the Company Secretary via post, email or fax (0-2949-2221).

In 2017, the Company gave the opportunity to shareholders to submit their question(s) in advance prior to the 2016 Annual General Meeting of Shareholders between September 16, 2016 and March 31, 2017.

4. Shareholders Meeting Agenda

At each meeting of shareholders, the Company would determine clear agenda item and the meeting will proceed in the order of the agendas notified in the meeting's invitation letter, and there will not be other agendas to be added to the meeting without notifying shareholders in advance. However, the shareholders who attend the meeting and have shares that are totaled to at least one-third of total outstanding shares sold may request the meeting to consider other matters other than the matter determined in the meeting's invitation letter.

From the year 2003 to 2017, no other agenda or issues or change in the material information were proposed for consideration in the meeting in addition to the agenda mentioned in the Notice to the Meeting

5. Shareholders' Meeting Invitation Letter and Meeting's Supporting Document

The Company treats each shareholder equally regardless whether they are majority shareholders, minority shareholders, or foreign shareholders. At Annual General Meeting of Shareholders for the year 2017, all shareholders received information on the agendas in advance. Besides, although most shareholders are Thai, the Company also prepared the meeting's invitation letter and meeting's relevant supporting documents in 2 languages, i.e. Thai and English, to facilitate both Thai and foreign shareholders. The Company also published complete meeting notices in both Thai and English on the Company's Website (www.scasset.com), at least 30 days in advance before the Annual General Meeting of Shareholders, which is the same information that the Company sent to shareholders in a form of document. The Company sent the invitation letter as well as sufficient agenda documents to shareholders at least 14 days in advance. The English version of the invitation letter was published at the same time at the Thai version. Information in the invitation letter consisted of rule and method of attending the meeting, and there was sufficient information of each agenda for decision making.

In 2017, the Company published Invitation Letter for shareholder' meeting and relevant supporting document both Thai and English languages version 30 days in advance, i.e. March 21, 2017, and the Invitation Letter of the 2017 Annual General Meeting of Shareholders was distributed to shareholders 16 days in advance, i.e. April 5, 2017. The Annual General Meeting of Shareholders for the year 2017 was held on April 21, 2017.

6. Explanation for Procedure and Rule Used in the Meeting

The Company has a policy for holding the shareholders' meeting to ensure that the procedure is simple and easy to understand, unsophisticated, and allow shareholders to be aware of the information and attending the meeting. Every time before the meeting discusses the agenda to be considered, the Company Secretary would introduce directors, executives, as well as certified public accountants of the Company to shareholders for enquiry. The Company, additionally, informs the number and proportion of the shareholders attending the meeting in person and those appointing proxies to attend on their behalf as well as explain procedure of exercising the right of shareholders at every shareholder's meeting to allow questions to be enquired, and comment to be made to directors, explanation from directors in each agenda, as well as procedure for voting, voting count, and presenting voting result before the meeting.

In 2017, the Company provided the meeting guidelines and details of shareholding evidence necessary for attending the meeting in the Notice to facilitate the shareholders, attending the meeting in person or appointing proxies to attend on their behalf, to prepare the correct documentation in order to avoid any problems relating to meeting attendance.

The Company has recorded the pre-meeting clarification procedures in all the minutes of the Annual General Meeting of Shareholders.

7. Inquiries Made to the Directors at the Shareholders' Meeting

The Company has set the policy that the shareholders' right to ask questions and give comments shall not be limited by the number of shares held, whether they are Thai nationals or foreigners. At the end of each agenda item, the Chairman of the Meeting will open the floor to all shareholders to raise hands, give their names and number of shares held prior to giving comments or asking questions within an adequate time frame as may be required. Directors will reply to all inquiries relating to the Company's operations relating to such agenda item and record it in the minutes. In case of foreign shareholders, the Company has provided staff to translate the ask-answer session into Thai for the benefit of the Thai shareholders.

In the 2017 Annual General Meeting of Shareholders, the Company recorded the names, family names of 4 shareholders, their inquiries and comments in the minutes of meeting.

8. Director's Conflict of Interest Relating to Agenda Item under Consideration

The Board of Directors has set a practice requiring that all directors report any conflict of interest relating to the agenda item under consideration to the Board in advance of the meetings of the Board and shareholders.

Directors with a conflict of interest must provide the relevant information to the Board prior to the session and excuse themselves from participating in the discussion and voting thereafter, in order that such session is carried out in a just and transparent manner. The Company Secretary shall record such related information in the minutes of every board meeting.

In case of the shareholders' meeting, a director with any conflict of interest is required to report the information to the Board and Company Secretary at the time of preparing the agenda for the Annual General Shareholders' Meeting. The Company Secretary shall provide the relevant information in the Notice to the Meeting and request the Director with a conflict of interest to leave before the session starts in order to enable the shareholders to freely ask questions and give comments prior to voting, details of which shall be recorded in the minutes, both in the Thai and English versions.

9. Voting, Voting Count and Voting Verification at the Shareholders' Meeting

Apart from notifying all shareholders of the procedure and the method for voting in each agenda before every meeting, the Company provides ballots for every agenda voting, and voting count. Barcode is applied at the shareholders' meeting to make voting and voting count quicker. The Company would immediately present result of shareholders' votes for every agenda that requires voting. For transparency in the voting and voting count at every shareholders' meeting, the Company always invites an independent legal advisor, who is independent and has no interest in the Company, to represent shareholders to verify the voting at the meeting, as well as overseeing the shareholders' meeting to ensure that it is transparent and legal in accordance with relevant laws and the Company's Articles of Association.

10. Voting Result Presentation

The Company shall immediately present the results of voting on each meeting agenda after the voting. After the meeting, the Company shall report all voting results via the Electronic Communication Network of the Stock Exchange of Thailand and the Company's Website (www.scasset.com) on the same day as the shareholders' meeting date, or no later than 9.00 A.M. on the next working day.

In 2017, the Company disseminated the Annual General Meeting of Shareholders' resolution together with the results of votes cast after such meeting convened on April 21, 2017 for all shareholders to review.

11. Auditor's Participation at the Shareholders' Meeting

The Company will invite the Company's certified public accountant to attend every shareholder's meeting to answer queries and questions relating to the Company's financial statement, which shareholders may enquire the question directly. Furthermore, during the meeting, all shareholders may comment and ask any question relating to the agenda or important information of the Company and the Company will document important question and matter comment in the minutes of meeting.

12. Broadcasting of the Annual General Meeting of Shareholders

The Company normally supplies its shareholders with the video clip of such meeting on the Company's website (www.scasset.com) in order that its shareholders who are interested but do not participate in any of such shareholders' meetings can be fully informed about the meetings.

13. Proxy

The Company publicized to shareholders that in the case of shareholder cannot attend the meeting in person, a proxy Form B which allowed shareholders to direct their vote cast in each meeting agenda, i.e. Approve, Disapprove, or Abstain, sent together with the meeting's invitation letter, or download from the Company's Website (www.scasset.com) in Investors Relations section, under the heading of "Shareholder Information / Notice", authorize representative or name any one of the two selected Company's Independent Directors appointed particularly for this assignment to attend the shareholders' meeting on their behalf. Furthermore, for validity and to avoid any difficulty in attending the meeting by the proxy, the Company presents procedure, document, and evidence required for the proxy in the notice, and on the Company's Website without determining condition or rule that require document certification by government authority or other rules that cause difficulty to shareholder in the proxy, as well as the Company facilitates stamp duty service in the proxy letter for the proxy to attend the meeting, and photocopy service required as attachment without any service fee at the point of registration to reduce the burden of having to procure stamp duty and photocopy of shareholders.

In the 2017 Annual General Meeting of Shareholders, 519 shareholders attended the meeting in person, 284 shareholders appointed other persons to attend the meeting by proxy, and 28 shareholders appointed the assigned independent directors to attend the meeting by proxy.

14. Preparing and Publishing the Minutes of Shareholders' Meeting

For shareholders to be aware and verify detail of the shareholders' meeting within appropriate time, and to ensure that information provision to Thai and foreign shareholders to be equal, the Company has a policy to completely publish the minutes of shareholders' meeting, which consists of important information such as subject matter of the agendas, meeting resolutions, voting result; Approve, Disapprove, and Abstain, enquiries, explanations, and comments at the meeting both in Thai and English on the Company's Website, (www.scasset.com), within 14 days after the date of such meeting held to be the channel for shareholder to verify validity of the information without having to wait for the next meeting, as well as submitting it to Ministry of Commerce within the period determined by the law.

In 2017, the Company published its minutes of Annual General Meeting of Shareholders both in Thai and in English via the Company's Website www.scasset.com on May 5, 2017.

15. Information Accessibility and Communication to the Company

The Company allows all shareholders to access the Company's information, as well as provides distinct and various channels to communicate to the Company equally through the Company's Website, or through other channels such as telephone, facsimile, post, or email. The "Investors Relations" unit is established as the central unit to communicate with shareholders, investors, regulatory authority, as well as providing general information to persons, who are interested, and stakeholders. Interested parties can directly contact the Company's Investor Relations Unit for required information at SC Asset Corporation Public Company Limited located at 1010 Shinawatra Tower III, 10th Floor, Viphavadi Rangsit Road, Chatuchak Sub-District, Chatuchak District, Bangkok 10900, Telephone no., 0-2949-2344 or by email address: ir@scasset.com or at the Company's Website: www.scasset.com for further information search.

16. Policy on Safeguarding and Monitoring of inside Information Usage

The Company is committed to conducting business with integrity, transparency and fairness, as well as with corporate social responsibility, responsibility to the environment and all stakeholders and in particular exhibiting fair and equitable treatment with regard to the shareholders' rights and their access to company information. The Company recognizes the importance of proper storage, management, fair and transparent dissemination of inside information, in particular transaction data not yet disclosed to the Stock Exchange of Thailand (SET), and the Securities and Exchange Commission (SEC) that may affect the price of securities trading and cause unfairness on the part of the shareholders owing to inefficient and inadequate control. The company thus has established a policy on safeguarding and monitoring of inside information in the Company's Code of Conduct, announced and posted on the Company's website (www.scasset.com) as well as through the internal communication channel (intranet.scasset.com) to ensure that the Company's directors, executives, and employees are aware of and observe the regulations accordingly. The Company regularly monitors such compliance and considers any breach as a serious offence subject to disciplinary action according to the rules and regulations set forth by the Human Resources Department. This is to ensure that the Company information is well safeguarded and can be used when required. Besides, the company has set strict requirements to properly use inside or confidential information and abide by the prevailing laws with due care to minimize any impact on the stakeholders. Directors, executives, or employees alike are prohibited from making use of inside or confidential information acquired from their respective positions for personal interests or for other persons, or businesses that compete with the Company, or other related undertakings, even though the Company may not lose any benefits therefrom, by defining the following guidelines:

16.1 Guidelines for Safeguarding and Protection against the Leakage of Confidential or Inside Information

1. Establishing a written policy on the safeguarding and monitoring of inside information usage in the Company's Code of Conduct and posting it on the Company's website for all employees to follow, and to be periodically reviewed to keep pace with technological changes;
2. Storing all types of information in the information technology central system, whereby the responsible units must check the completeness, accuracy and rapid access to the information;
3. Identifying the level of confidentiality and priority to set up an access code for each type of information, forbidding those persons or units not in charge to access inside or confidential information;
4. Limiting the number of persons entitled to access inside or confidential information, allowing only persons directly responsible for such information; whereas other executives must obtain permission from the Company on an individual or case-by-case basis, so to control the usage and check the information leakage;
5. Requiring the executives and staff in charge of keeping the information to have direct responsibility to control and safeguard inside or confidential information against leakage. A further step is undertaken by the internal audit office who audit the procedures and report to the Audit Committee in case of covert usage of inside or confidential information against the policy;
6. Cultivating honesty as the corporate culture through the website at www.scasset.com and through regular training to ensure that all employees are obligated to safeguard confidential information as well as to monitor the policy breach;
7. Prohibiting all employees from communicating with the media and other outside parties in connection with inside information of the Company, except for the corporate communication unit directly in charge. In case of disclosure of the business results, the Stock Exchange of Thailand will be notified prior to releasing to the media;
8. Whenever the Company is aware of the public leakage of any information, be it true or false, which may have a material impact on the price or value of the company's securities, the company will promptly notify or provide an explanation via the system of the Stock Exchange of Thailand;
9. Prohibiting all employees to access electronic mail of other employees by setting passwords for all electronic devices and installing the system software to control and supervise the operation of all employees;

10. Requiring the directors, executives and employees to refrain from trading land or investing in the business adjacent to the land acquired for company's project to avoid a conflict of interest;

11. Establishing safety protections for its computer and information systems and prescribes practice guidelines for its directors, executives and staff of all levels to comply with. This procedure is intended to protect any unapproved disclosure of important information and data or unauthorized access to the information source. Severe penalty is set for unauthorized disclosure of internal information and wrongful use of such information for personal benefits or for the benefits of others or actions which may be the cause of any conflicts of interest. All these actions are regarded as serious offenses and are subject to punishment;

12. The Information Technology Office must periodically review the control measures to keep pace with the changing information technology system and ensure that the storage and control of information is updated and safe at all times.

16.2 Guidelines on Market Sensitive Information

1. The Company arranges to have an adequate internal control system that classifies and monitors confidential information and market sensitive information aiming to protect against any possible leak of confidential and internal information. It also organizes relevant training and communicates with the staff on such guidelines via internal communication channels. The efforts intend to foster confidentiality awareness and impacts of any breach of confidentiality among its directors, executives and employees. Any violation of such guidelines shall receive disciplinary action;

2. The Company prescribes confidentiality as a condition in its employment contract which includes a confidentiality agreement, prohibition for disclosure of confidential information or use of market sensitive information for trading of the shares of the Company and its related companies, non-disclosure of corporate confidential information to any outside party even after the termination of employment as directors, executives or employees. The Company also prescribes the employer's right to access employee's information and communication records for efficient monitoring of the use of the Company's confidential information;

3. In the event of the use of outside consultants by the Company, the Company prescribes that these consultants must enter into the confidentiality agreement to assure that its internal and confidential information will not be disclosed or misused or made use of, for any benefits;

4. The Company generally notifies that its directors, executives, and employees who are in positions or in business lines which are responsible for such internal information, or who have access to such material internal information that may cause any impact to its share price, must be prohibited from engaging in any trading of the Company's securities for a period of 1 month before public disclosure of such internal information and other material information such as the Company's business performance and financial statements, and within 24 hours after such disclosure. The Company's Secretary shall inform those directors, executives and employees who are in the positions or in the business lines which are responsible for such internal information or who have access to such internal information, not to engage in any trading of the Company's securities during such mentioned period. Such prohibition includes the security trading activities of their spouses or cohabiting spouses and minor children, or any entities in which they own over 30% of the shares;

5. In order to assure the compliance to the above-mentioned guidelines on the prohibition of share trading on market sensitive information, the Company thus prescribes that its top four directors and executives must report

- Holding of the Company's securities for the first time and report the change in securities holding according to the Securities and Exchange Act;

- Each trading of the Company's securities thereafter, which also includes the security trading activities of their marriage or cohabiting spouses and minor children, or entities and persons with whom they are associated which are considered related parties under the Securities and Exchange Act;

- Prepare and disclose report of holding of the Company's securities, as well as report the change of securities holding every time securities is bought, sold, transferred, or accepted within 3 days of the date securities is bought, sold, transferred, or accepted to the Securities and Exchange Commission of Thailand (SEC);
- Report holding of the Company's securities of directors, executives, as well as their marriage or cohabiting spouse and minor as well as entities and person to the Company Secretary every time there is Board of Directors' Meeting.

The Company notifies its related directors, executives and employees, who are in positions or in business lines which are in charge of such internal information, or who have access to such internal information, to acknowledge their roles, obligations, duties in reporting securities holding according to the notification of the Securities and Exchange Commission of Thailand (SEC), and regulation of the Stock Exchange of Thailand (SET) since accepting the position.

In 2017 the Board of Directors reviewed the Company's policies on keeping and protecting of internal information as well as applied measures on managing market sensitive information. These policies and measures are listed in the Company's Code of Conduct and also disseminated via the Company's public website and internal website for acknowledgment and compliance by all its executives and employees. No directors, executives nor employees, who are in positions or in business lines which are responsible for such internal information, had case of violation or non-compliance with the security trading regulations by using internal information stipulated by the Securities and Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET).

17. Policy of Connected Transaction and Information Disclosure

For transparency in business operation and to avoid exploitation either directly or indirectly from director, executive, and shareholders who have controlling power and without conflict of interest, as well as protecting the right of minority shareholders for equality for the best interest of the company and all interested parties, the Company has a policy of connected transaction, as well as disclosure of information as follows;

17.1 In case the Company wishes to make transaction with related person, it must be done mainly for the Company's business interest, which may be verified whether it is fair transaction based on market price and according to fair and at arm's length under the rule and regulation determined by of the Securities and the Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET), such as disclosure of information relating to name and relationship of related person, price setting and transaction value policy, including the comment of the Audit Committee and the Board of Directors relating to such transaction, which price and condition must be as if the transaction is done with third party, and avoid transaction between each other in the manner of providing financial support. To consider and approve for each connected transaction, such transaction must be reported to the Audit Committee for consideration of its appropriateness and then submitted to the Company's Board of Directors for approval and/or for further submission to the shareholders' meeting for approval, as the case may be. The Company will disclose information according to the rule determined by the Securities and Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET). To ensure that such connected transaction has no conflict of interest, the Company will present the connected transaction in the annual report which is certified by the certified public accountant.

17.2 If market price is not available for comparison, the Company will provide at least 3 independent appraisers approved by the Securities and Exchange Commission of Thailand (SEC) to evaluate market price to obtain suitable price and condition not exceeding the average of all independent appraisers for the best interest of the Company and shareholders. The Company will present to Audit Committee for comment regarding validity of the transaction and suitability of the price in approving transaction between each other before presenting for approval form the Board of Directors or shareholders as the case may be.

17.3 For all connected transactions, the Company will comply with the law and notification prescribed by SET and all types of notification of Capital Market Supervisory Board, as well as disclosing information to all shareholders

via publication system of the Stock Exchange of Thailand (SET) and the Company's Website (www.scasset.com) in the annual report.

18. Connected Transaction in 2017

The Company had a connected transaction. The transaction involved the approval of financial assistance from the Company's directors and its top four executives, as well as their related individuals and close relatives. The detail is as follow;

As the Company was authorized by the resolution of the Annual General Meeting of Shareholders for 2016 dated April 22, 2016 to issue, at any time, its debentures for a total amount not exceeding Baht 10,000,000,000, and upon which the Company later wished to issue an unsubordinated and uncollateralized debenture No.1/2017 with (a) the first tranche being the debentures with three year maturity redeemable in 2020, and (b) the second tranche being the debentures with five year maturity redeemable in 2022. The interest rates thereof ranged between 3.30 % per annum to 4.25% per annum (subjected to prevailing market conditions). The total amount of these issues was set not to exceed Baht 3,000,000,000. The Company's directors and its top four executives, as well as their related individuals and close relatives then would like to purchase these debentures in a combined amount not exceeding Baht 300,000,000. As these individuals are considered as related parties to the Company, their actions are thus considered as related party transaction and required to comply with the Securities and Exchange Act as well as other related notifications. The returns from this transaction calculated from the principle amount of the debentures which is in the combined amount not exceeding Baht 300,000,000 and their interest rate of not more than 4.25% per annum for the period not exceeding 5 years, resulted in an amount not exceeding Baht 63,750,000. This amount accounted for 0.47% of the Company's consolidated net tangible assets as of September 30, 2016. As the amount is larger than 0.03% and less than 3% of its consolidated net tangible assets, it is considered within the authorization of the Company's Board of Directors to approve the transaction. The resolution of the Board of Directors Meeting No. 2/2017 dated February 22, 2017 approved the acceptance of financial assistance from the Company's directors and its top four executives, as well as their related individuals and close relatives. These individuals and parties can then exercise their rights to purchase the said debentures on the same basis as the general public, and their actions were lawful without violation to any prescribed regulations.

In addition, this connected transaction is deemed as financial assistance considered beneficial to the Company and such its interest rate was in compliance with the market condition and fairly made and followed general business practices. Since the Company has become a listed company, from 2003 - 2017, the Company had no case of violation or non-compliance with the rules of connected transactions or sales and purchases of assets of the Securities and Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET). The values of connected transactions in each year compared with the total income and expense of the Company in each fiscal year have always been less than 25 percent of the net profit, or net loss.

19. Policy of preventing interested director and executive from having conflict of interest

The Company has the policy as follows;

19.1 Directors, executives, and employees shall not use the opportunity of being director, executive, or employee of the Company to exploit personal interest or intimate person, either in terms of finance or other aspects of business (please refer to further details in the topic "Policy of Guideline Relating to Conflict of Interests").

19.2 Discourage all its employees against making any connected transactions, except in such cases which can necessarily benefit the Company and only if they are duly allowed under the rules and regulations prescribed by the Securities and Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET); namely disclosure of information on name and relationship of related individuals, policies on pricing and valuation and the board opinions on transactions related to such policies. In addition, the Company also discourages interrelated transactions which could be deemed as actions of offering financial assistance such as lending and providing credit guarantee to companies other than its own subsidiaries.

19.3 Prevents all its employees from undertaking any personal business that impacts corporate working-time and duties, and avoid any business transactions with the Company on a personal behalf, family behalf or transacting any business with the Company for any juristic entity which such employees having interest therein or conducting any business which competes with the Company's activities.

19.4 The Company also requires its directors, executives, and employees, who are in positions or in business lines which are in charge of such internal information, or who have access to such internal information to avoid from trading any of the Company's securities during the 1 month period prior to the public disclosure of its financial statements or its internal information thereof and within 24 hours after such disclosure in order to bar any possible insider trading actions. The requirement is set in accordance with its prescribed good governance policy. In the event that there any occurrences of any incidents which could be regarded as a conflict of interest and connected transactions, the Company's Board of Directors shall review each such incident with caution, and fully abide with the rules and regulations prescribed by the Securities and Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET). The pricing as well as the terms and conditions relating to any of the Company's connected transactions shall be made on an arm's length basis and details such as value, transaction party, reason and necessity of such transaction shall be disclosed in the Company's annual report. The Internal Auditor Office and the Audit Committee are also assigned to oversee and manage any possible problems relating to any conflict of interests. The Company has established its policy guidelines on protective measures for the use of the Company's internal information and to make certain that the measures are acknowledged and practiced. (Please refer to further details in the topic "Rules for proper use of inside information" Section of this annual report).

19.5 In case any director or executive has any interest in any agenda, the Company determines that the director or executive shall refrain from attending the meeting in that particular agenda to allow other directors or executives, who have no interest in the agenda, to consider the agenda.

In 2017, there was no connected transaction between the Company and its directors, executives and employees. There was also no assets trade that did not comply/or did not violate the rules of the Securities Exchange of Thailand and the Office of the Securities and Exchange Commission (SEC).

20. Shareholding Structure Disclosure

The Company follows policies and implementations on disclosure of shareholdings structure including the list of major shareholders, the list of shareholders with controlling interests, as well as the list of shareholders who are institutional investors. The Company only discloses the names of its top 10 largest shareholders and the free float of its shares. The Company maintains its free float ratio according to the rules prescribed by the Stock Exchange of Thailand (SET). At present, the Company has its free float ratio at not less than 15%. As of December 31, 2017, its free float ratio was 34.25% approximately, which is higher than the prescribed standard of the Stock Exchange of Thailand (SET). The Company reports its shareholding structure in its annual report, its disclosure report concerning additional information (Form 56-1), on its website (www.scasset.com) and on the website of the Stock Exchange of Thailand (SET).

In addition, the Company also discloses its business structure and its shareholding positions in its subsidiaries to ensure shareholders' confidence and the Company's accountability. Shareholders can review the transparency and accountability of the Company's business operations. The Company has no complex ownership and capital structure, no cross holding, and no pyramid scheme in shareholding.

21. Shareholding by Members of the Board of Directors

In order to encourage its board members to freely perform their duties, minimize potential conflicts of interest, and enhance segregation of duties between management and business ownership, the members of the Board of Directors are required to perform their duties as reliable representatives of the shareholders in the oversee of business management and operations. They are also responsible for the setting of corporate strategies, plans, and policies. In ensuring the duty to maximize shareholder value and the Company's value, avoiding conflict of interests, protecting rights and equality of every shareholder, the Company requests all its board members to maintain all their

combined shareholding at a level of not more than 25% of the Company's outstanding shares. It also communicates with the board members on the emphasis of understanding the Company's goals and policies, as well as abiding with good corporate governance.

In 2017, the members of the Company's Board of Directors did not jointly hold more than 25% of the Company's issued shares, which the details on the shareholding ratio held by each board member and the first top four executives are reported in the topic "Details on directors, executives, advisors, controlling persons, and the Company Secretary" section of this annual report.

Role of Stakeholders

In every business stakeholders whether shareholders, employees, customers, creditors, business partners, competitors, investors, external auditors, society, environment, etc. are the major factors that contribute to the success and sustainability of its business. The Company's Board of Directors thus recognizes the importance of its stakeholders' roles and assures that their rights are protected according to their related contractual terms and conditions, as well as the relevant laws and regulations. It also promotes collaboration between the Company and its stakeholders to enable business and financial strength and sustainability.

The Company has policy messages from the Chairman of the Board of Directors and business commitments from the Chairman of the Executive Committee that places emphasis on the importance of the Company's Corporate Social Responsibility (CSR) as a key part of its business policy, and the continuity of its policy doctrine that focuses on "Good Business Conducts, and Social & Environmental Awareness". In 2017, the Company published its Sustainability Report in accordance with the framework of the Global Reporting Initiative (GRI), as a separate report from its annual report (Please refer to further details in the topic "Sustainability Report 2017" which is a separate report that the Company publishes and disseminates to its shareholders). The Company believes that business must be conducted according to the principles of transparency, honesty, and trustworthiness as per the Code of Conduct and good corporate governance. The Board of Directors applies the Corporate Governance Code 2017 for publicly listed companies for compliance and observance in order to perform its business conduct with responsibility to all its stakeholders, not only its shareholders but also includes its employees, customers, trade partners, communities, environment, and society, with aims to create sustainable added-value to its business. This is deemed as promoting benefits among business, stakeholders, society, and environment.

The Company strongly believes that for an organization to be successful and achieve its sustainable growth, it must grow hand in hand with the surrounding society. Therefore, the Company recognizes and pays attention to the rights of all its stakeholders, both the internal and external parties such as shareholders, customer, employee, executive, business partner, creditor, trade competitor including public and society. The Company monitors to ensure that all stakeholders' rights are protected and equitably treated as well as generating awareness and consciousness within its organization and to further advocate to its business alliances.

Additionally, in order to promote the development of Society together with the growth of the Company, the Board of Directors prescribes its policies on innovation development intending to create joint value between the Company and its stakeholders. Other prescribed policies are prohibition of breach of intellectual property rights, which includes copyrights as well as other intellectual properties related to computer programs. Other policies include the governance and management of information technologies, human rights violations, and anti-corruption policy and measures, which prohibits facilitation payments for the granting of the Company's potential business benefits and all forms of bribery. These policies are strictly observed.

To ensure that all stakeholders' rights are protected, the Company provides a communication channel through which stakeholders can communicate their suggestions and complaints by directly contacting to the Company's Board of Directors, Company Secretary or Internal Audit Department and make their suggestions or voice their complaints especially on issues which may cause damage to the Company to each of the board members including the Company Secretary and Internal Audit via their address or emails (Please refer to further details in the topic

“Whistleblowing Policy” Section of this annual report), or contact the Investor Relation Department (Please refer to the further details in the topic “Disclosure & Transparency” Section of this annual report).

The Company also recognizes the support provided by various stakeholder groups in performing their roles and duties that help enrich the soundness and prosperity of the Company’s business. It also intends to offer fair remuneration and equitable interests to all parties concerned. The disclosure of the Company’s policies and practices in relation to its shareholders, customers, employees, trade partners, creditor, trade competitors, and public and society can be summarized as follows:

1. Shareholders

Guidelines of Policy and Practice towards Shareholders

The Company intends to be a good representative of its shareholders in conducting its activities with honesty and good professional ethics. It manages its business with the ultimate objective of driving for a long-term sustainable growth in the Company’s value and complying with its promised corporate mission. It also aims to maximize shareholders’ economic satisfaction and to create a continued flow of good earnings to its shareholders, and respects its disclosure obligations in reporting accurate and transparent information to its shareholders whilst complying with following conduct:

1. Undertakes its duty with honesty and for the purpose of achieving maximized benefits to all shareholders, makes any decisions with integrity, prudence and fairness, as well as evenhandedly treating all shareholders the same; regardless of the fact that they are major or minor shareholders,
2. Oversees that the Company’s assets are in place, not misappropriated, or not improperly impaired in value.
3. Report the Company’s position, operating performance and financial status to all shareholders; consistently, equitably, and completely as per factual conditions of the present and its outlook, both on the positive and negative points, and offer opportunities for its shareholders to add additional meeting agenda items, or nominate qualified candidates for any available director position, prior to the shareholders’ meeting date, while allowing its shareholders to submit their questions to the Company in advance of the shareholders’ meeting date via the Company’s Website www.scasset.com (Please refer to further details in the topic “Shareholders’ Rights” Section of this annual report). The Company also regularly makes public release on its website encouraging its shareholders to visit its development projects
4. Manage the Company so that it can achieve its maximized operational capability, while effectively and efficiently fulfilling its corporate objectives, both short-term and long-term, as well as being competitive in its business performance with targets set to provide intended shareholder returns and annual dividend payout goals
5. Oversee that the Company’s executive, directors and staff, or their families, or related persons do not abuse the Company by exploiting any inside information for their own benefit, and/or acting in a manner that may lead to any possible conflicts of interests against the Company

In 2017, there were no complaints from shareholders on any matters.

2. Customers

Guidelines of Policy and Practice towards Customers

It is the Company’s policy to establish and publicly express a clearly defined and applicable policy on its equitable treatment and accountability towards customers including customers’ health and safety, and particularly on its intention to attain customer satisfaction and trust, both of which are one of the most important success factors for its business. Therefore, the Company consistently searches for efficient and effective methods to satisfy its customer’s needs. In order to assure good long-term relationships with its customers, the Company set up the following business guide lines:

1. Products and services

(1) Hire standardized and accountable contractors to construct the Company's buildings.

(2) Deliver quality products and services that are in line with or beyond the customers' expectations, at a fair price and safety for customers' health.

(3) Supply its customers with adequate, accurate, and updated information to protect them from any possible misunderstandings on quality, quantity and conditions of such products and services without misrepresentation of the relevant facts.

(4) Contact customers in a courteous, proficient and trustworthy manner. Establish proper systems and processes to manage customers' complaints, quickly respond to customers' needs, and be committed towards customers' ultimate satisfaction.

2. Confidentiality of customer's information

Directors, executives and employees of all levels will duly keep customer's confidential information and will not illegally use such information for their benefit or for the benefit of any related parties. They will not disclose such information prior to the receipt of any proper consent from the customers or from the authorized personnel of the Company, except for information which is required for disclosure by law or under the relevant legal process.

3. After-Sales Services

With commitment to create customer satisfaction and trust that in order to enhance the Company's business sustainability, the Company also recognize that customers are important and should be treated with sincerity, the Company thus provides the following after-sales services to build a better customer relationship:

(1) After property ownership transfer, the Company provides an information brochure that introduces its service team to customers.

(2) Follow-up and monitor customer's satisfaction. Promote good relationship with homebuyers by providing the installations of CCTV (closed-circuit television) systems at the projects' entrance and exit points, to ensure quality of life and safety of homebuyers even after the transfer of the Company's responsibility as the developer of such projects to relevant juristic persons that oversee the projects.

(3) Develop a maximum security system for residences by designing and installing full-scale integrated security systems in the common and residential areas of the projects such as home alarm systems, automatic light control systems etc.

(4) Review and properly correct problems and flaws during the warranty period.

(5) Monitor customer's satisfaction after any maintenances and repairs.

(6) Organize social and environmental awareness activities to enhance closer relationships between the Company and its customers.

(7) Provide contact channels for customers to suggest, complain on matters, or request for help or advice on matters concerning the Company; either directly to the Company's address or to contact its 24-Hour Call Center at 1749, or to the Company's Website (www.scasset.com).

(8) The "SC MINE" online services, the service aims to further raise its service quality to a new level that can well-accommodating its customers' lifestyle and provide "convenience around the clock" to its clientele. For example, the online services enable its customers to directly check payment records, make payments, make a request for repairmen and maintenance work, and participate in the Company's events/ promotion programs.

(9) The "SC Service on Delivery", the service aims to take care of homebuyers' needs after the home ownership transfer, which includes the electrical system and home security system check by a well-trained team of professionals.

(10) Apply Net Promoter Score (NPS) System, this system is to assess customer satisfaction and customer brand loyalty and use the assessment and information outcome to continually improve its work process, aiming to fulfill customer needs for products and services.

(11) The Company presently operates a Customer Relation Management (CRM) system that helps provide necessary information and solutions that best serve customers' needs. It regularly organizes free customer events and family gatherings that encourage building of a "quality" community. These events and gatherings include:

- Organize the "SC Asset Green Market" fair for the Company's office building tenants to encourage green and healthy living under its promoted "Lively Neighbourhood" concept which promotes direct sales of community products to consumers. The Company's customers as its building tenants and employees are inspired to be health conscious and are introduced to health products. The Company also organizes educational activities, waste sorting programs, and "Rak Loak, Ruam Jai Recycle" program which encourages the selling of recyclable items etc.
- Social charity organized in collaboration with the Company's employees and its office building tenants such as performing morning merit by making and giving alms to monks in the morning, the annual "Religious Bathing" rite for the Buddha Image on Songkran Day, and blood donation campaigns.

3. Employees

Guidelines of Policy and Practice towards Employees

The Company regards its employee as the most valuable economic resource that greatly contributes to the Company's successful achievement. Therefore, it strongly promotes a good corporate culture and a supportive working environment. Team work, unity, and good working relationships are also encouraged. The Company treats its employees ethically and morally, and abides by its manifest prescribed practice guidelines on workplace safety & hygiene procedures, staff remuneration, benefits, and provident fund. It also adheres to the following guidelines:

1. Treat employees with respect by being polite and respecting their individuality as well as their human rights.
2. Offer staff remunerations which are higher than the legal requirement.
3. Provide fair opportunity and compensation to employees, based on the Company's short and long term performances. Other than regular monthly salaries, annual bonus is allocated according with the assessment results of relevant Key Performance Indicators (KPI) set as agreed targets between the Company and its employee every beginning of each year. To encourage a continual development of its employees' operational competency, the Company appropriately adjusts their salary levels to be in line with the Company's business targets and growth direction, as well as its individual work achievements based on its prescribed balance scorecard approach. The Company also offers proper fringe benefits and organizes appropriate activity programs for its employees and their family such as a New Year Party with many special door prizes, and Scholarship Programs for the Children of Employees.
4. Appoint, transfer, reward and punishment are made on fair justifications and based on employee's capability, knowledge and suitability under the provisions of the Company's established rules and regulations.
5. Pay attention to employee's proficient opinions and recommendations.
6. Establish a complaint process to assure fair treatment among employees and to protect them against any possible unfair treatment.
7. Arrange to have a supervisory committee to handle any employee's misconduct or any complaint against a wrongful act of an employee. In order to assure fairness and justice for all involved, the Company also provides a whistleblower protection program and anti-retaliation protections for complainants.
8. Emphasize the importance of the employee's knowledge development and skill improvement, by consistently providing them with equal opportunities, and providing continuity of internal and external training; for example. proficiency training in fields of work skills, technology, law, and staff fringe benefits. The Company also provides its employees with the chance to have training with external agencies, both domestically and overseas, to enhance their work efficiency. The Company aims to encourage its employees to apply their acquired knowledge to their daily task or to improve their work performance, and intends to stimulate workplace collaboration and teamwork, create a bonding relationship among employees, as well as between supervisors and subordinates by organizing in-house training and interoffice activities.

9. Assure a work environment that supports the protection of life and property of the employees, and ensure the health and safety of the workplace, by clearly stating the importance of the employee's security and well-being in the employee's manual. The Company prescribes as its policy and implementation actions to take care of employee work conditions and security, as well as employee benefits and rewards; such as provident fund, medical benefits, dental care, special living allowances for low income employees, an annual medical check-up, money wedding gift, monetary contributions for funerals, disaster relief money, life insurance, accident assurance etc. The Company also encourages its employees to continue making use of their entitled benefits to maintain a healthy and good quality style of living (Details of which appear in the "Guidelines of Policy and Practice towards Safety and Hygiene Policy" and "Guidelines of Policy and Practice towards Employee Remuneration and Benefits" Section of this annual report). Employees can access the relevant information via the Company's intranet. The Company also continues to support staff interests by forming various activity clubs for staff with appropriate common interests in sports and other hobbies such as a badminton club, a table tennis club, a soccer club, a photographic club, and a yoga club. From 2011 until present, the Company also organized sessions for meditation practice every Tuesday after working hours in order to promote good ethics and morale for the staff.

10. Lawfully abide to governing rules and regulations on employee.

Indeed, the Company maintains policies and practice guidelines on knowledge development and competency enhancement of employees on other aspects as well. The Company intends to focus on skills and ideas for continual work improvement in all aspects. It also supports creativity and innovative development that provides added value.

The Company has always believed that employees are the most valuable resources of an organization, and therefore it commits to consistently and systematically look after and develop its employees to broadly enhance employee value and their self- motivation.

In 2017, it remained the Company's key policy to unceasingly pay good attention and take care of its Employees by;

1. Promote its employees' efficiency and good corporate performance together with encouraging the Company's philosophy of "Work Life Balance" which emphasized the well-balance life style of each employee that requires three basic elements; namely work, family, and health. The Company thus procures the exercise room and indoor stadium without charge such as badminton court, table tennis court and exercise equipment including recreation room, karaoke room in order to help its employees to release their tension.

2. The Company's employees had total training hours, both internal and external trainings of 28,118.50 hours. As of December 31, 2017, the total number of the Company's employee was 889, an average training hour of 31.63 hours per person.

Human Resource Management Policies

1. Screening and selecting employees who are knowledgeable and skilled to work for the Company. In this regard, the Company takes into account that the human resource shall be efficiently exploited to achieve the maximum interest.

2. Supporting employees' career advancement by evidently setting its employee development path and assuring that all levels of its employees are entitled to have systematic and continual career development path as planned so that they can efficiently perform their current work duties and well-prepared for the challenges of their future responsibilities and promotions.

3. Equitably managing its employees' wages, salaries and fringe benefits and offering comparable remunerations as other leading companies in the same business.

4. Applying a merit promotion system for salary increment and promotion, basing assessment on an individual employee's knowledge, performance, and competency.

5. Employment consideration for any job vacancies shall begin with internal selection of existing employees that are knowledgeable, skilled, and basically qualified for the positions before recruiting any candidates from the outside.

6. Promoting teamwork spirit among employees and encouraging team collaboration in the office as if all employees are from the same family.

The Company deems that supervisors of all levels have their responsibilities to oversee their subordinates, motivate their team, and encourage knowledge and skill development of their staff so that they can work efficiently. Supervisors should also be role models for their people.

Policy and practice guidelines on Safety and Hygiene

The Company recognizes the importance of safety, health and wellness, and work environment in the workplace that may impact the work performance of its employees. Therefore, the Company prescribes its "safety, health, and environmental management in accordance with the legal enforcement of the Occupational Safety, Health and Environment Act B.E. 2554 or according to international standards as well as other regulations. Additionally, the Company also prescribes measures to prevent workplace accidents and promotes workplace safety guidelines. It also monitors and evaluates the outcomes of such prescribed measures and guidelines as per its safety, health, and environmental policies, and encourages their due compliance to achieve the highest effectiveness at work. In addition, the Company deems that workplace safety is the duty and responsibility of each and every employee. The Company promotes and encourages its employees to know, understand and be aware of the importance of workplace safety, and considers that supervisors are to be good examples for their subordinates in promoting and encouraging employees' awareness regarding workplace safety.

The Company also provides employees with fringe benefits that support good health and safety by implementing the following policies:

1. Work Safety Measures

To encourage all levels of supervisors to fully understand and thus be capable of acting as good mentors to their subordinates in promoting workplace safety awareness as well as to continuously comply with the rules and regulations of the Occupational Safety, Health and Environment Act B.E. 2554, the Company arranges to have suitable training for staff of all levels on the role, duty and responsibility regarding workplace safety of employees, supervisors, executives, and staff of all levels. The training includes:

- Orientation for new recruits: The Company informs and communicates to its new recruits on its policies and guidelines on workplace safety, health, and the environment. This subject is listed as an important agenda issue in the said orientation. Policy guidelines on fundamental workplace safety are discussed, together with relevant work directions for new recruits who are office staff as well as on site staff.

- Workplace Safety Programs for Supervisors: This training course is a compulsory course for employees who are managers and senior managers to learn how to properly control and monitor workplace safety, health, and environment, and to act as good examples to their subordinates. The Company recognizes that the good understanding on workplace safety of these supervisory staff will largely benefit the safety and health of all employees.

- Workplace Safety Programs for Executives: This training course is a compulsory course for staff holding positions of Assistant Director and higher. The course is intended to equip these executives with useful management knowledge on workplace safety, health, and environment, as well as to support them with their planning on workplace safety as per the Company's annual workplace safety plan.

With suitable and continuous actions taken as per the Company's guidelines and regulations on workplace safety and health, the 2017 statistics for accidental rate, workplace absence rate, and workplace sickness and injury rate are provided as follows:

(1) Work-related injuries statistics

There was no case of work-related injury.

(2) Work absence rate

2.1 Sick leave 409 persons; Number of leave days 1,745 days:

Average days of sick leave per person 4.27 day/person.

- 2.2 Personal Leave 470 persons; Number of leave days 1,523 days:
Average days of personal leave per person 3.24 day/person.
- 2.3 Annual leave 648 persons; Number of leave days 5,000 days:
Average days of annual leave per person 7.70 day/person. (The figures account only for employees who were entitled to annual leave; newly recruited employees are not included.)

(3) Work-related illness

There was no employee who suffered from any work-related illness

2. Training

The Company continually provides various training courses to meet the legal requirements to equip the employees with proper knowledge and understanding of respective job functions; to protect them against harm from fire and damage to any person or the workplace, as well as to prevent any cause of fire that will affect the public. The Company provides training for volunteers to lead an evacuation at the same time as the annual fire drills for employees, partners, and customers located in the office buildings and high-rise tower / condominium construction projects.

3. Medical Care Benefits

Employees are provided with a health insurance card from the health insurance company prescribed by the Company, and are entitled to the relevant benefit plan which covers medical and treatments costs in the participating hospitals under such plan for the amount not more than the prescribed limits, which vary according to work levels. Employees also receive dental care benefits in addition to their general health care package.

4. Health Care Benefits

In order to keep its employees healthy, the Company arranges an annual health checkup which is planned according to each employee's age bracket. It also provides employees a nursing room at the workplace, whereas employees who work at development sites can request for basic medicine at the site office of such sites.

Moreover, the Company opened a new fitness and leisure facility for its employees named "SC Social Club" which occupies a total space of 1,143 Square Meters. The employees can use this facility for exercise, relaxation, leisure, and after-work socializing. The decision was made following the Company "Work Life Balance" concept which emphasizes the well-balanced life style of its employees.

Policy and practice guidelines on Employee Remuneration and Benefits

It is the Company's objective to create quality of life for its employees to motivate them to commit to their work and focus on working together to bring their organization to success and to keep on developing their work proficiency. The Company equitably prescribes its policy on employee benefits and compensation based on individual work performance, whilst also considering the Company's operating performance. In addition, the Company provides training to equip the employees with knowledge and understanding in financial management appropriate and consistent with their age range and risk levels. Investment experts are invited to give lectures on investment in the capital market, the mutual funds registered in the Stock Exchange of Thailand, give advice on the returns, investment risks, appropriate age range in support of their decision to invest in any funds to generate sufficient income throughout their work life as well as savings adequate for their living after retirement. The Company also provides the following additional benefits to its staff:

1. Provident Funds

The funds are intended to create savings and security for employees and their families. Employees also receive tax credit, whereas the employee's contribution amount is subject to their choice and their years of work. The rates of compulsory employee and the Company contributions to the scheme are between 3% - 7%.

2. Loans

The Company coordinates with financial institutions and has agreements with some of them for employee loans under the following conditions:

(1) These loans are available for full-time employees who have worked with the Company for no less than one year.

(2) Borrowers must have a qualified income amount at the level as specified by the lending banks, and the banks shall lend at the amount of no more than 90-100% the pledged collateral appraised by the Bank.

(3) Repayments shall be made from the borrowers' payroll account, as per the lending bank's approval.

(4) Loan amount shall be finalized by the lending bank, and subject to changes in accordance with the bank's lending rules.

3. Social Security Fund

It is available in the event of illness and accident not related to work. The contributions to the fund are compulsory and made by employees, the Company, and the government.

4. Workmen's compensation fund

In the event of work-related illness/injuries the contribution to the workmen's compensation fund shall be paid entirely by the Company.

5. Gifts for hospital visits

For hospitalization or childbirth of employees or employee's spouse

6. Monetary Assistance

It is available for events such as marriage, disaster relief money, payment for funeral flowers and wreaths and sponsoring money for funeral ceremony. This monetary assistance is available for employees and their parents, spouses, and children etc.

7. Training in investment

The Company provides training in investment where experts from the securities company or related agencies, such as Bangkok Bank Public Company Limited to give knowledge relevant to the benefits of the provident fund and investment in the funds appropriate for the employees of all levels to assure returns to support their spending throughout their work life and after retirement.

In 2017, there were 825 executives and employees who participated as members in the Company's provident fund, from a total of 829 persons entitled to join the fund.

4. Creditors

Guidelines of Policy and Practice towards Creditors

It is the Company's policy to recognize the importance of its creditors, and its obligated duties; whether to its trade partners or financial institutions. It always preserves its excellent credit worthiness by duly honoring prompt payment schedules to its lenders and trade creditors, and fully complying with all prescribed loan covenants. It also treats all creditors with equitability and fairness by observing the following practices:

1. Provide correct, relevant, and adequate information about the Company to creditors for their accurate credit reviews.

2. Utilize the loan and credit facilities obtained from the creditors or financial institutions in accordance with their prescribed lending purposes.

3. Promptly repay its debt obligations according to their prescribed repayment conditions.

4. Maintain its Interest Bearing Debt ratio at the level not to exceed 2 times which is the required level prescribed by its financial institution creditors. As of year-end 2017, the Company's Interest Bearing Debt ratio was at 1.27.

5. In the event of any occurrences of any material adverse situations that might impair the Company's repayment capability, the Company shall promptly inform its lenders and shall jointly work out potential solutions with them to protect all parties against any possible damages. The Company shall strictly comply with the requirements regarding disclosure of information. In a case where the Company meets with the financial problems or significant issues that may have a material impact on the financial status, or ability to repay debts, the Company will set a plan to resolve such financial problems, taking into consideration the fairness towards debtors and stakeholders. The Company's management team is required to report the remedial actions to the Board of Directors on a continual basis.

6. Strictly comply with obligated term and conditions set by creditors or financial institutions. This includes the terms and conditions relating to guarantee and the maintenance of collateral quality to be in line with the conditions stipulated by the creditor or financial institutions.

In 2017 there were no issues related to financial liquidation and ability to repay debts, and according to the review of the Company's accounting and financial information revealed no defaulted or late payments to any creditors; both financial institutions and trade creditors, no breach of covenants on misrepresentations or inappropriate disclosure of information, no violation on any terms and conditions of any financial agreements, and no breach of any collateral contracts.

5. Trade Partners

Guidelines of Policy and Practice towards Trade Partners

The Company set policies and practice guidelines for trade selection processes and commercial transactions that are based on fair and productive treatment towards all its trade partners, with emphasis on good conduct, rightfulness, legitimacy, and duly complying with governing trade conditions. Its policies and practices include:

1. For the selection of its trade partners, who are construction contractors, the Company shall set a committee to oversee the selection based on submission of work proposals. Candidates will be measured against the same criteria in order for them to be treated in a fair and equal manner. The criteria include:

- Business size (Registered Capital)
- Financial position
- Availability of workforce
- Availability of machinery
- Availability of materials sources for construction or production
- Experiences and track records
- Ability to complete and deliver work assignment
- Performance warranty
- After-sale services
- Credibility of the trade partners

2. Offer the opportunity for new trade partners to work with the Company and develop their technical skills and new skills.

3. Provide correct and accurate information and reports.

4. Refrain from demanding, receiving or paying deceitful benefits to its trading counterparts.

5. Encourage trade partners to become aware of the need to adopt an anti-corruption stance and cooperate with trade partners to prevent and combat fraud and corruption by not giving bribe in all forms to government officials or the Company's employees.

6. Strictly comply with conditions prescribed in its agreements.

7. In the event that the Company cannot abide by any of its obliged conditions, it will promptly notify its trade partners about the situation and try to jointly search for remedies on the grounds of a good business relationship.

8. Meet with trade partners who are the Company's contractors on a monthly basis and annually basis to assure proper understanding of the work process to ensure benefits to all parties.

9. Clearly establish proper payment schedules for costs of goods, wages and service expenses, and promptly make payments in accordance with such prescribed schedules. The Company developed its supply chain system that allows its trade partners to quickly issue trade documents, settle the payments, and verify the accuracy and correctness of such transactions via the system. This allows its trade partners to receive quick and correct payment amounts, which help improve their liquidity positions.

10. Oversee and assist trade partners in their working for the sustainable growth purpose along with the Company and assure them of the Company's fair treatment.

11. Provide contact channels for trade partners to voice any potential unfair treatment that may arise during the working relationship with the Company by directly submit the matter to each of the board members, the Company Secretary or report to the Company's Internal Auditor Department via its email address of Internal_Audit@scasset.com (Please refer to further details in the "Corporate Governance" Section on the topic of "Whistleblowing Channel" of this annual report).

12. Support and control trade partners to treat their employees fairly regarding work remuneration and respect of human rights including child labor prohibition.

13. Consistently organize annual social activities to promote a good working relationship with trade partners, and to jointly be involved in charity acts that benefit the society. (Please refer to further details in the topic "Sustainability Report 2017" which is a separate report that the Company publishes and disseminates to its shareholders).

In 2017, the Company organized an annual contractors' meeting on December 14, 2017 to provide information on its policies and plans to all participated contractors, and offer a forum for them to ask questions or raise problems and concerns which needed to be clarified and rectified by the Company. The meeting also provided an opportunity for these contractors to directly question the Company's executives on any queries that may require additional explanation on technical and operational aspects.

In addition, the Company provides whistleblowing channels for its trading partner to submit complaints, or report concerns on any infringements of the Company's policy and practice guidelines on trade rules with trade partner, unfair selection of trade counterparts, breach of counterpart selection standards, fair business dealing with trade partner, benefits demand or benefits provided for receiving of any favorable treatments or improper gains from trade counterparts, as well as any other similar issues. Indeed, in 2017, there were no complaints from the company's trade counterparties or contractors.

6. Trade Competitors

Guidelines of Policy and Practice towards Trade Competitors

Fair trading practices are the Company's focal policy and an important code of conduct by which the company abides. The Company commits to promoting fair competition, transparency, non-discrimination, and also to abide to legally prescribed trade agreements and conventions, principles of best practice, and internationally accepted trade rules and regulations. The Company practice guidelines are as follows:

1. Abide by generally accepted business framework.
2. Support and promote free and fair trade, refrain from any monopolistic attempts or from any restrictive efforts that might obligate its counterparts to solely trade with the Company.
3. Do not breach any confidentiality obligations or unlawfully and unethically obtain competitor's trade secrets.
4. Do not damage competitors' reputation by spreading harmful rumors.
5. Avoid entering into any trade agreement or action which may cause unethical competition, or trade monopoly.
6. Avoid competition by using unscrupulous methods such as spreading rumors, distorted information, or false information about competitors.

In 2017, there were no complaints from the Company's trade competitors on unfair competition or unfair trade practice against trade competitors.

7. Investors

Guidelines of Policy and Practice towards Investors

Investors are one of the sources of funding with lower borrowing costs than the financial institutions to support the company's business growth and ability to compete with other operators. The Company thus places importance on the investors by defining the following practices:

1. Oversee the business undertakings to achieve the annual target.
2. Report the quarterly business and financial results with accurate and transparent information in order that the investors are updated and understand the changing financial status and operational results in each quarter.
3. Facilitate the investors to communicate with the Company's Investor Relations Office via the Company's website at www.scasset.com and by telephone as well as through other information technology communication channels.
4. Maintain the Company's financial balance and reliability for stable business undertakings.

8. Independent Auditors

Guidelines of Policy and Practice towards Independent Auditors

Independent auditors are deemed as stakeholders in auditing the Company's financial statements to reflect the true and accurate operational results and financial status to report quarterly to all stakeholders. The Company thus defines the following practices:

1. Certified independent auditor(s) shall not be engaged in the company as executives, employees, or consultants, so to assure all stakeholders in obtaining the accurate information presented in the quarterly financial statements.
2. Facilitate the certified auditors to independently examine and have access to all kinds of relevant data from the units concerned.
3. In the case where certified independent auditors give dissenting points or make remarks in the financial statements requiring correction from the Company, the Audit Committee shall oversee that the corrective actions are taken by the management accordingly.

9. Government Agencies

Guidelines of Policy and Practice towards Government Agencies

The Company's business is real estate development so there is the need to maintain business relationships with various government agencies, such as the Land Office, District Office, Department of Public Works, The Bangkok Metropolitan Administration etc., to apply for land allocation permits, building construction permits, as well as other relevant permits. In order to prohibit and protect against any corruption, the Company thus prescribes its policies and measures against corruption which is published on its website (www.scasst.com) for dissemination of such policies and measures to all its employees and stakeholders for acknowledgement. (Please refer to "Policies and Measures against Corruption" on the Company's website: www.scasset.com, Section: "Corporate Governance" and details on internal controls for protection against corruption under the topic of "Internal Controls and Risk Management") The provided guidelines are as follows:

1. The Company's employees and business units that require contact with government agencies must strictly observe the Company's policies and guidelines against corruption.
2. The Company's employees and business units must be cooperative with government agencies and abide by all their prescribed rules and regulations.
3. The Company's Internal Control Office shall review and inspect the internal controls to assure that there is no violation on the Company's policies.

10. Social and Environment

Fair Practices and Social Responsibility Policy

By observing the doctrine of fairness in its business practices, and committing not to be lured by any illicit gains from wrongful business conducts, the Company creates business confidence and assures its stakeholders of its social consciousness. This best practice shall enhance its lasting business prosperity. It is the Company's philosophy to pursue a sustainable growth path, and therefore well-realizes that long run business survival requires quality products, professional integrity, public awareness and social contribution. The Company therefore adopts the following practice guidelines:

1. Avoid any actions which may result in any conflict of interest, or upon any occurrence of any conflict of interest shall apply the appropriate mediation process and fair dispute resolution, whereby proper disclosure shall consequently be made thereafter.
2. Promote competitiveness in free trade while avoiding any attempts at nepotism.
3. Do not support or encourage any misappropriation of intellectual property rights. (Please refer to further details in the topic "No Infringement of Intellectual Property Rights Policy and Practice" Section of this annual report.)
4. Set up management systems to assure the protection against bribery and fraud or instigate processes which can promptly detect any bribery and corrupt practices.
5. Inspire its employees to recognize the importance of avoiding acts of deception, intimidation, and all types of corruption.
6. Explore and comprehend governing laws and relevant regulations, prior to the undertaking of any business act or transaction, to avoid any possible business engagement that might impact on the existing community pattern or social way of life.
7. The Company consistently fosters moral and ethical behavior, social responsibility, and environmental awareness in all levels of its employees. It also gives significant weight to trade partners who are fair-minded and have a good sense of social responsibility. (Please refer to further details in the topic "Guidelines of Policy and Practice towards Staff Training on Environmental Issues" Section of this annual report)
8. The Company places emphasis on compliance with government stipulated policies as well as actively participating in a social governance network. Its actions include complying with the new worker's compensation scheme stipulated by the government and offer no less than minimum wage to its workers, allowing the National Electronics and Computer Technology Center to install a closed-circuit television system (CCTV) in front of the Shinawatra Tower III to monitor traffic conditions on Viphavadi-Rangsit Road and Uthumphak Elevated Tollway.
9. In the event of any situations or news that is linked and related to the Company, it will promptly communicate to the public by disclosing facts and updating ongoing circumstances without any cover-up or distortion of truth, in order to make the public fully and promptly aware of the Company's position.
10. The Company pledges and commits to create residential products which support the environmentally friendly or "Green" concept, makes the best use of natural resources utilization, by selecting construction design, materials, equipment, and technology which are of an energy saving nature for its development projects. It consistently supports various research works, developed both in-house and through cooperation with external efforts, to produce environmentally friendly or "Green" concept housings. Furthermore, its project designs are based on key elements of energy saving, global warming reduction, and waste treatment efficiency. In its development projects, water and waste treatment systems are installed in accordance with the required standard to treat waste water prior to its release into any public drainage system (Please refer to further details in the topic "Sustainability Report 2017" which is a separate report that the Company publishes and disseminates to its shareholders).

Policy to Promote and Develop Innovations

In the current global situation, advancement of technology and speediness of the digital world has placed dramatic change on the people's way of living as well as business operations. In response to dynamic changes of the

modern days, the Company has established a policy to promote and develop innovations with an emphasis on research, development and innovations to enhance the quality and market value of the products that will elevate the Company's competitive edge in accordance with the goal and strategy. The innovative development nonetheless, is not to create only economic value of the organization, but to upgrade the potential of the employees so they also keep up with the changes, taking human needs as the initial focus point and then turning that focus onto customers or concerned stakeholders with emphasis on social and environmental responsibility to create shared value for all sectors of society for the purpose of sustainable growth.

In 2017, the Company set up a research, development and innovation working group with the objective to research, develop, promote, and organize various activities to stimulate the use of knowledge and creativity towards innovation, application and adaptation of existing works contributable to the Company as well as the overall economy and society.

Social and Community Development Policy

The Company considers that a well-built community with ongoing development is an important foundation for a good and pleasant society. Therefore, it is the Company's policy to support social activities and/or participate in community events which are supportive to community strength, and develop residential products that bring no potential adverse impacts to the surrounding community, while also avoiding being the cause of any source of possible pollution emission. It also actively engages in health and environmental improvement activities in the communities which surround its development sites and supports their social development to enforce the concept of amicable cohabitation and cooperation for mutual benefits among society members (Please refer to further details in the "Sustainability Report 2017" which is a separate report that the Company publishes and disseminates to its shareholders). The Company pursues the following practice guidelines:

1. Survey and inspect any communities close by and far from its development estates in order to assess the possibility of any adverse impacts caused by the Company's current and future operations, and apply such assessment to rectify/improve its operations in order to protect the community and society against any direct or indirect damage and adverse conditions.
2. Support volunteer work that relates to the community and social development.
3. Help protect the community and social surroundings and make them cleaner and safer for peaceful cohabitation, and support the community sanitary condition.
4. Support the basic infrastructure requirements of the surrounding community and society such as schools, health care centers, roads etc.
5. Support and participate in charity work such as organization of activities which promote righteous acts, and reduce unethical activities in order to maintain a virtuous lifestyle under the sufficiency economy doctrines.

The Company carried out many internal measures and procedures that indicate the assurance of its proper business conducts, which are beneficial to both the economy and society. The Company also allows a site visit to outsiders such as the media & press, security analysts, domestic and foreign institutional investors, financial institutions, university faculties & students, etc., as well as providing overview presentations on the real estate industry and orientations on the "Management Technology and Product Concept" for development projects of the Company and its subsidiaries. It also emphasized the importance of safeguarding of public interests and a better quality of life in the Thai society by participating in community development programs and charitable attempts in order to give something back to society (Please refer to the further details in the "Sustainability Report 2017" which is a separate report that the Company publishes and disseminates to its shareholders).

In 2017, the Company carried on the activities to develop the social and community as details provided in the Sustainability Report 2017, which the Company separately publishes and disseminates to its shareholders.

Policy and practice guidelines on Business Operation under Environmental Standard

The Company realizes that the global population increase and economic growth has not only caused excessive consumption of natural resources, but has also increased water, air, waste, and toxic pollution. In addition, global warming also impacts human beings and the ecology system. The Company set its policies on environmental protection which prescribes that the Company shall conduct its business according to the general legal compliance and shall abide by the real estate development laws such as the Enhancement and Conservation of National Environmental Quality Act, the Land Allocation Act, the Condominium Act, and any other applicable laws. It is also the Company's policy to conduct its business according to the prescribed environmental rules and standards, and to support and promote efficient and sustainable use of resources, as well as to improve quality of human life by tackling environmental problems. The Company believes that environmental protection is everyone's responsibility and should be carried out jointly. (Please refer to further details in the topic "Employee training on environmental issues and utilization of natural resources Policy and Practice"). The practice guidelines are as follows:

1. Arrange to have an appropriate environmental management system while undertaking construction management for residential projects and regularly monitoring the outcome, provided that operations related to the company's high-rise building construction are compliant with applicable laws and regulations. The Company also additionally studies and learns on environmental aspects such as the ecology system, global warming, pollution etc.
2. Apply technology and production processes, which are qualified under the environmental standards, and pay attention to the reduction and pollution treatment prior to its release back to nature.
3. No support the use of materials affecting environment.
4. Develop products/services without impact on environment and for safety use.
5. Provide its employees and the public information regarding any environmental impact, safety, and health care issues.
6. Encourage customers to be aware of any environmental concerns on the utilization of the Company's products and services.
7. Provide knowledge and training for staff on environmental impact, safety, and health care.
8. Have an emergency plan that can respond to potential environmental problems, with prompt reporting procedures to concerned governing authorities in the event of such emergency.
9. Promote and encourage all stakeholders including customers, trade partners, employees, and communities which surround the Company's office premises and development sites to be concerned and aware of the importance of the environment and induce them to assist the Company in its environmental conservation efforts and to promote all aspects of sustainable development.
10. Arrange to have operation measures that encourage eco-friendly conduct by abiding to the practices of minimizing stakeholder impacts such as consistent monitoring and inspection of construction works, installment of water gates and waste treatment controls, assess and monitor quality of water emission from the Company's development projects to protect water glut and water pollution. These measures are for the benefits of the residents in the Company's projects as well as their nearby communities and the surrounding environment.
11. Arrange to have a special task force to oversee workplace safety in order to have a safe workplace.

The Company establishes internal measures and practice guidelines that cover environmental responsibilities, while fostering business conducts that emphasize protection of the environment, protection and reducing the use of natural resources.

In 2017, the Company operated its business in due compliance with all the policies and practice measures on environmental conservation, particularly on the environmental management of construction work, electricity conservation, optimizing the use of water resources, and waste treatment measures. (Please refer to further details in the "Sustainability Report 2017" which is a separate report that the Company publishes and disseminates to its shareholders).

Policy and practice guidelines on efficient use of resources

The Company is committed to conducting business with accountability towards all groups of stakeholders, as well as society, community and the environment. The Company also recognizes the importance of optimum and effective use of resources while minimizing any impact on society and the environment. The Company believes that the efficient and effective management and allocation of resources will lead to achieving the objective of creating sustainable value and growth. The Company thus set up a policy on the efficient use of resources, covering all aspects of the resources necessary for business undertakings including financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital, as well as natural resource capital. To achieve these objectives, the Company stipulates the duty of its executives and employees to control and reduce the use of natural resources, while promoting awareness of the value of natural resources and its effective uses, efficient uses of recycled materials, and wastes reduction as measures to protect and reduce impacts on the environment. To achieve its policy success, the Company also implements practice guidelines as follow:

1. Guidelines on Financial Capital Utilization

Financial capital is a key factor in enhancing sustainable business growth. The Company thus pays attention to the importance of balancing all dimensions of financial resource management, which includes:

(1) Diversified methods of fund raising: The Company considers various types of financial instruments for its financing and fund raising. It also utilizes such instruments in an appropriate proportion and mix. The main financing methods applied by the Company to fund its business operations are issuance of common shares to be sold to shareholders and investors, borrowings from financial institutions, and the issuance of debt instruments such as bills of exchange and debentures.

(2) Maximizing fund utilization: The Company maximizes its fund utilization in an efficient way with the target set at a level not to exceed that of the industry average as a means to control and minimize financial cost and expenses.

(3) Controlling financial risk: The Company controls its financial risk by utilizing an appropriate mix of financial instruments at a suitable timing. It also considers the long-term impacts of each of the financial instruments, their maturity, and obligations and prudently applies them to support its business growth.

(4) Maintain good financial credibility: The Company always maintains its good financial credibility in its obligations to others whether they are financial institutions or trade creditors and duly respect their payment terms as prescribed in the relevant agreements or documents.

2. Guidelines on Promoting Manufactured Capital Utilization

(1) The Company encourages the primary selection of locally made construction materials and the use of materials which are environmentally friendly ("Green Procurement"), aiming to promote domestic economy and avoid negative impacts on the environment.

(2) The Company prescribes the use of "Total Quality Management" to improve its construction process. In addition, it makes surveys and collects information on its construction problems to improve efficiency in its construction process and produce quality products that satisfy consumer needs. It also encourages the efficient use of production resources.

(3) The Company established the "SC LAB" to be its research center for material quality and to test construction equipment. This laboratory also works on improving the production process in order to perfect each construction step so as to avoid errors during the actual construction. "SC Lab" promotes and fosters learning which improves the quality of the work process while testing construction materials to assure the superior quality of the Company's final products and services.

3. Guidelines on Promoting Intellectual Capital Utilization

(1) The Company encourages the wider recognition of intellectual resources to catch up with growing social changes. It organizes training course such as “Innovative Workshop”, which supports knowledge improvement, for its executives and employees. Startup professionals are invited to be the workshop facilitators and to share their experiences and knowledge with the Company’s staff. The training provides new thinking dimensions and different analytical approach as well as creative methods in finding work solutions. It is the Company’s intention to improve its business operation by applying new innovations and state of the art technologies to its products and projects.

(2) Since 2009, the Company has organized activities which promote creative thinking among its executives and employees. Each employee from every business unit and division are encouraged to express their opinions or creative thinking in developing the Company’s products and projects. This attempt helps in promoting and inspiring new thinking, improvement, and adaptation of innovative ideas and technologies for new products, services, and projects. In 2017, the Company hosted a program called “Hackathon 2017” to inspire its employee to collaborate with each other in learning new techniques and ideas and to apply them for their work. This represents the introducing of staff innovative ideas and applying them into work and action. It also helps in creating added value to the Company’s goods and services.

(3) The Company fosters new foreign technologies and knowledge for its executives and employees by arranging overseas business visits for them to learn about new product designs and updated services. The Company’s staff learns new techniques and is exposed to new experiences which can inspire new innovative ideas that can be adapted into products that are beneficial to consumers. These new ideas are applied to develop new styles of housings and condominiums in the Company’s developments and new services that are offered to their clients.

4. Guidelines on Promoting Human Capital

The Company recognizes that human resources are the most important capital because it is the main driver that influences success in a corporate’s sustainable business growth. Thus the Company focuses on knowledge management of its staff and intends to the enhance business potential of its executives and employees, together with its promotion of business ethics and morals. The guidelines are established as follows:

(1) Set to have proficiency and creative thinking training frequently during the year for executives and employees to enable its staff to have adequate professional knowledge, business acumen, and understanding of relevant rules and regulations that allow them to work efficiently under the guidelines prescribed by the Company. The training which includes required proficiency knowledge, are aimed to guide the staff and give them potential for career advancement, and to encourage team work and leadership among executives, senior officers, and employees. Additionally, specific training on leadership and management is also offered to promote and improve staff leadership and management skills for their future career development. (Please refer to more details of these training courses in the “Human Resource Policy”)

(2) Build organizational culture via activities and campaigns. The Company organizes staff activities that maximize employee engagement to encourage their proficiency, potential, and work commitment. This enables the staff to make best use of their personal potential for the benefits of the organization. These activities and campaigns include cultural activities, “2C2A” campaigns – which foster the staff’s organizational values, and other festive activities.

(3) Promote exercise consciousness among executives and staff to keep them healthy. As most of the Company’s executives and staff spend long hours at their desks increasing the risk of office syndrome, the Company thus established its in-house gym for staff to exercise during their free time. The Company also makes campaigns to encourage its executives and employees to jointly walk and jog at the nearby Vachirabenjatas Park (Rot Fai Park) every Thursday.

(4) The Company takes good care of its staff and their family. It offers scholarships for staff and their family members to assist and inspire them to develop their skills, knowledge, competency, and experiences, enabling their work potential and responsibility that are required for both their career advancement and corporate business growth.

(5) Every Tuesday the Company organizes group chanting, and meditation. Learned monks are invited to preach. These activities intend to create value in ethics and morals for the staff.

(Please refer to more details in “Employee Engagement and Human Resource Development Policy”)

5. Guidelines on Promoting of Social and Relationship Capital

(1) The Company develops all its housing and condominium products to satisfy individual needs, and emphasizes on the idea of making human needs the initial focus point, rendering real life benefits to consumers, and offering quality products and services.

(2) Establishing consumer confidence in the Company's products by offering quality goods and services that consumers can experience. This is a focal positive factor that induces good word-of-mouth among consumers which reinforce the "SC Asset" branding, enhance its corporate recognition, and expand its consumer base, all of which shall support the Company's sustainable business growth.

(3) Creating good relationship with trade partners and all stakeholders, and exercise equitable treatments towards them.

(4) Monitoring its construction and development to assure that they do not cause negative impacts to the society and environment. The Company is also committed to generating benefits to the society and the environment.

6. Guidelines on Promoting Natural Capital

(1) Promote measures and activities which encourage its staff to use natural resources efficiently and reduce energy consumption through the 3Rs policy; reduce, re-use and recycle. These measures and activities include substituting the printed copies of staff salary payment slips with an electronic version, using energy saving light bulbs in the Company's office buildings, reusing paper by printing or writing on the reverse side of paper that has been used already, and applying the use of garbage separation rules. The Company also gave the research fund to Shinawatra University and also sent its staff to join the Shinawatra University's research team to study and research green home building such as residential planning, green home design and selection of material.

(2) Promote a reduction in paper use for meetings under the "Green Meeting" concepts that substitute paper documents with an electronic version thereof that can conveniently be downloaded and/or open for viewing via wireless devices. At present, these Green Meeting concepts are applied in all of the Company's Board of Directors Meetings and all other meetings of its sub-committees. The action is intended as a tool to set a good example and a best practice guide for the Company's staff.

(3) Establish the use of "E-Document" as a practice guide in the work process to enhance convenience, speed, as well as reduction of irrelevant work steps, uses of paper and supplies in the organization via the application of green technology. The Company invested in its centralized electronic document and records management system that gather and store digital information for all work units on its online network. These e-records can be retrieved for viewing via the same system.

(4) Establish its own e-procurement system named "Supply Chain" to be used between the Company and its trade partners. This integrated procure-to-pay process is a standardized online automated system, implemented to ensure the trade partners of the Company's accountability and credibility in its procurement process. It also reduces steps in the procurement cycle and shortens operation time for the parties involved.

(5) Establish the electricity and energy conservation program by applying the Building Automation System (BAS) to manage energy saving for its building. The system controls and plans energy uses via its software and also takes into account the "Peopleware" planning aspect to set an energy conservation plan and time schedule for equipment with high electricity consumption. The Company also participates in the "energy conservation building" project organized by the Metropolitan Electricity Authority and launched a campaign on electricity saving by means of an internal public relations channel such as dissemination of information via tenants' emails to promote energy saving. A 5% monthly electricity saving target is also set.

(6) Develop suitable technology for its work services by investing in the "Virtual Machine System (VMS)" project. VMS is a computer operating system that can support the Company's operational process and run various application systems under the same process server. This provides safety and efficiency to the work systems of the Company's goods and service, and promptly processes its responses to all its various stakeholder groups. Other benefits of the VMS also include electricity saving, and increased work efficiency.

The efficient uses of resources as per the details prescribed in the "Sustainability Report 2017" under the "Environmental Actions" Section. This report shall be made as a separate report that the Company publishes and disseminates to its shareholders.

Policy and practice guidelines on employee training regarding environmental issues and utilization of natural resources

The Company pays attention to the importance of environmental protection and regards this issue as a key element in its business conducts. It places emphasis on two focal aspects which are (1) being environmentally friendly and (2) workplace safety, these concepts are well-applied to cover its corporate, employees, customers and trade partners and all other stakeholders of the Company.

On the employee level, the Company expects to create and encourage staff self-awareness, knowledge, and understanding, as well as motivate them to realize the benefits of nature and environmental conservation. Therefore, in order to achieve its expected pledge for environmental protection, the Company consistently arranges appropriate skill enhancement programs for its staff, in-house and externally, to develop their ecological knowledge and environmental awareness, (Please refer to further details in the "Sustainability Report 2017" which is a separate report that the Company publishes and disseminates to its shareholders), as well as undertaking the following activities:

1. Arrange employees training, directly and indirectly, on energy and environmental knowledge which consists of energy saving technologies, energy conservation, choices of green energy. The Company arranges to have training and activities that cover knowledge on the environment and utilization of natural resources. This training is aimed at equipping the Company's staff with proper skills and knowledge concerning environmental management and sustainable ways for utilization of natural resources. The training courses offered included the "Persons Responsible for Energy (PRE) - General, Refresh PRE, Reporting on Wastewater Treatment System of Pollution Sources (as per Ministerial Regulations B.E. 2555), Insight on Technology Updates on Energy Conservation, Standard Course on Wastewater Effluent from Allotted Land" held by the Pollution Control Department and Legal Courses on Laws on Environmental Impact Analysis Report for Building, Land Allotment and Public Services" held by Office of Natural Resources and Environmental Policy and Planning.
2. Disseminate academic information on energy conservation to the Company's employees and homebuyers via its newsletter. The information includes the best ways to save electricity, and how to save battery life of smartphone and tablet.
3. Promote innovation of energy saving techniques and apply them in the Company's pilot project such as installing roof-top solar panels on the clubhouse roof to produce renewable solar energy during the daytime.
4. Provide personnel who are specialists in environmental safety in the office to create a safer working environment.

Policy and practice guidelines on the Prohibition of Intellectual Property Rights and Computer Program Infringement

It is the Company's policy to support recommendations from the Corporate Governance and Social & Environmental Responsibility Committee, as well as suggestions from management and employees on practice guidelines on corporate social responsibility, by applying the concept of corporate social responsibility and adopting the ethical moral of equality in doing business. These conducts brings confidence to the Company's stakeholders and support its long-term business path. The Company shall not be tempted by benefits from engaging in any unethical activities. The first principle in its Code of Ethics underlines the respect for intellectual property rights which rule out its support for any violation of intellectual property rights of others, whether they are infringements of copyright, trademark, trade secrets, and other aspects of intellectual property entitlements. Regarding the compliance of its respect for intellectual property rights, the Company undertakes the actions as follows:

1. Supports and promotes innovative creation of new products including architectural work, housing patterns, and condominium designs, with no infringement of copyright rights of others.
2. Reviews information, data, press release, and printed materials utilized for its business purpose are not in infringement of the copyright work of others. If so it will respectively comply with their terms and conditions of use.
3. Not wrongfully use information, data, press release, printed materials, and trade secrets, or make use of them without the proper lawful authorization of their owners. If the Company utilizes information, data, press release, and printed material which belong to others, it will refer to their sources or make known of their owner's names, or provide the links to the original thereof.
4. Not disclose information of its trade partners, customers, and stakeholders, without being authorized by their respective owners, unless according to its due compliance with laws, rules, and regulations of the relevant authority, or directives of a government agency, or court orders.
5. Prohibit and discourage any illegal use of unlicensed computer software applications by the Company's executives and employees.
6. Legally install duly licensed software applications on all the Company's employees' workstations. If there is any need to install any additional software applications on any employee workstation, the license software will be installed and monitored by Information Technology Department.
7. Stipulated the prohibition of intellectual property's right infringement as a conditions in the contract standard made and enter between the Company and other trade partners in order to prohibit the Company's trade partner not to infringe other's intellectual property right.

In 2017, the Company reviewed its business operations for the year on any possible infringement of intellectual property rights, and found no incidents thereof.

Policies and Guidelines on Governance and Management of Information Technology

Presently, with the growing competition among businesses, it is the Company's belief that administrative and management efficiency can render faster responses to social and information needs of the society as well as excelling corporate competitive advantages. Thus, the application of proper information technology for the administrative and management process can induce productivity, business potential, added value, and business sustainability. The Company also takes into account risks related to information technology in business such as information access risk, integrity risk, and availability risk etc. The Company has assigned its Information Technology Department to monitor and suggest review and control measures against possible IT risks, and prescribes such approved measures to be its supervision and management policy on information technology. Such measures and policies are in line with its corporate strategy and in accordance with the Company's visions and objectives. They are also prescribed as required framework for operations for employees at all levels and related outsiders, with the intention of providing clear and precise planning and actions. The Policies on Governance and Management of Information Technology also cover IT risk management, allocation of IT resources for business operations, and IT security that governs confidentiality, integrity, availability, as well as relevant guidelines and measures that include:

1. For security of the Company's IT and data system, all levels of employees are not authorized to have access to data and information which is outside their scope of job responsibility or is information which they are not authorized to use or access. Each employee is required to use only his/her username and password when accessing the Company's IT system.
2. The Company prescribes the use of software on employee's computers which require that only standard software programs are allowed. Any employee who wants to use additional software program for his/her work must have their business unit or division apply for procurement of relevant licensed software programs that are needed. The application must also be submitted in writing to the Information Technology Department for arrangement. If there is any need to install any hard disk formatting, the Information Technology Department must be informed of any hard disk formatting request, and shall be the party in charge of such formatting. None of employee is allowed to install new computer software, format hard disks, or upgrade any software application by themselves, as the action may incur software license problems and computer security threats.

3. Prohibited to install any hacking & tracking tools or any decryption software. Proper monitoring of data protection system is encouraged.

4. Prohibited its employees of all levels to make any configuration to its computer network and to not install or alter any IP address, computer names, and domain names of their computers without approval from the Information Technology Department. It also forbids the sending, transmitting, watching, and possessing of any electronic information which is inappropriate and illegal, as well as undertaking any online actions or uploading of information which are not related to the Company's business to any outside computer network or internet by using the Company's computer network.

5. Ensure the protection of errors or disruption of its business operational process or organizational work resulting from the failure or disruption of the information system and to be able to recover the information system within the appropriate period of time, the Company thus prescribes the information backup system to assure the continuity of work. The Company regularly saves information on backup tapes stored outside its computer centre or its server room. It also has a regular information retrieval practice to assure that information is safely backed up and can be perfectly and completely retrieved.

Guidelines of Policy and Practice on Anti-Corruption

The Board of Directors has dedicated to operate the Company's business within integrity, transparency and anti-corruption, so the Board has formulated the Company's anti- corruption policy to prevent and counter corruption (both internally and externally).

1. Guidelines of Policy and Practice for Prevention of Internal Corruption

The Company conducted its business with fairness, transparent and does not engage bribery and corruption, the clear policy is therefore prescribed to prohibit its directors, executives and employees to exploit their positions for self or family benefits, or for benefits of others, whether such benefits are in monetary terms or in any other form. The guidelines are as follows:

(1) Prohibit its directors, executives and employees of all levels to demand or receive any monetary or personal rewards offered by the Company's customers, trade partners, or any other individuals for the work they perform on behalf of the Company.

(2) Prohibit its directors, executives and employees of all levels to borrow or raise funds from the Company's customers and trade partners, except that when such borrowings represent loans from their banks or financial institutions of which they are customers.

(3) Prohibit its directors, executives and staff of all levels to receive any gifts from trade partners or any other outside individuals as a result of their work position or for the work they perform, except for those traditionally given on typical gift giving occasions and under generally accepted practices accordingly prescribed rules and regulations of the Company.

(4) Directors, executives and employees of all levels have duties and responsibilities to safeguard and make best use of the Company's assets for its corporate benefits and shall not exploit the use such assets for their own benefit, or for the benefit of others.

(5) Prohibit its directors, executives and employees of all levels to participate in unfair treatment or to extend preferential treatment to the Company's trade partners.

(6) In the event that any of the Company's transactions or business which its directors, executives and employees have any personal interest or are personally involved in, their involvement must be reported to the Company and they must also withdraw themselves from such transactions or business.

(7) Provide training courses on anti-corruption for employees aiming to promote honesty and accountability in work, and to provide knowledge on various types of corruption, their relevant impact and consequential damage, ways to avoid and limit corruptions, as well as punitive measures prescribed for the failure of employees to observe the Company's anti-corruption rules.

2. Guidelines of Policy and Practice for Prevention of External Corruption

In addition to the practice guidelines stipulated by the Company against internal fraud and bribery, it also prescribes the practice guidelines for its directors, executives and employees of all levels which prohibit them from participating in any act of corruption outside the organization. To adhere to its transparency, business integrity, and fair treatment, the Company will not participate in all forms of bribery or undertake in any illegal acts to achieve its business goals. The guidelines are as follows:

(1) Prohibits its employees from using the Company's reputation, assets or work time to support any activities that generate personal benefits.

(2) In seeking support from other organizations, particularly from any government agencies, the Company shall comply with its normal applicable rules and procedures, and shall not be involved in or support any bribery.

(3) In maintaining a relationship with outsiders by providing entertainment and reception, or offering of company's products, the actions shall be taken in a reasonable manner and in accordance with generally acceptable practices for such occasion and tradition, and the value thereof shall not be too lavish and can be accounted for.

3. Policy against the Bribery of Government Officials

Corruption is a major problem which erodes economic and social stability. Therefore, combined efforts from all economic and social sectors are required for its reduction and elimination. In the course of the Company's business, it is normal to contact relevant government agencies which administer real estate development. In the process of obtaining various official construction approvals, the Company prescribed its policy against corruption by not supporting bribery to government officials and promoting ethical values and an anti-corruption spirit within its organization. It also encourages its executives and employees to respect fair trade, honesty, and integrity. The Company, in collaboration with other economic and social sectors, supports actions or activities against corruption aiming to get rid of corruptive endeavors through the following practices:

(1) Prohibit any direct or indirect payment of bribery to government officials for obtaining its business targets.

(2) Fully co-operate with trade partners to prevent and combat fraud and corruption by not giving bribe in all forms to government officials or the Company's employees.

(3) In order to avoid the opportunity for any bribery request, the Company shall duly operate its business in compliance with rules and regulations of laws.

(4) In the event of any business mistakes, the Company shall lawfully rectify its mistakes in accordance with rules and regulations of the law, and avoid bribing its way out.

(5) The Company willingly complies with rules and conditions prescribed by government agencies aiming to fight against corruption and wrongful acts of government officials. For instance, in the event of it becoming a counterparty of any government agencies, it shall make proper disclosures to the Revenue Department of its payment accounts for the projects in which it participates as a counterparty in accordance with the prescribed conditions of the National Anti-Corruption Commission in order that its accountability and tax calculation and filing can be reviewed.

(6) The Company's prescribed policy towards offering of presents and entertainment to government officials states that the actions must be taken in a reasonable manner and in accordance with generally acceptable practices for such occasions and traditions, in compliance with the Company's rules and regulations, adhering to proper business integrity or cultural appropriation on typical gift giving occasions such as New Year Greetings, and well-within the framework of good corporate governance.

(7) The Company promotes ethical and professional values among executives and staff in its organization, and makes known that bribery is an abusive act of social exploitation that cannot be a cause of sustainable business achievement.

(8) Provide adequate and efficient internal control to prevent the inappropriate performance of employees.

(9) Provide a review of the Policy against the Bribery of Government Officials and improve it to be in accordance with the changes of business and law.

4. Policy on Ethical Awareness of Executives and Employee against Corrupt Practices

The Company realizes that corruptive acts can harm the organization and society as a whole. Therefore, in order to induce ethical awareness against fraud while promoting operational efficiency, quality work, and integrity, the Company prescribes the following practice guidelines:

(1) Provided knowledge training for its employees on its anti-corruption policy and measures as well as any relevant laws, rules, and regulations thereof to foster employees' understanding on various forms of corruption, their impact, the damage caused by corruption, ways to avoid and curb corruption, punishment on conduct in violation of the Company's anti-corruption policy and regulations, as well as notifying, reporting, and whistleblowing suspicions of corruption. This training also fosters and facilitates employee engagement in the Company's organizational culture.

(2) Disseminate knowledge about the harm of fraud and corruptive acts and their impact on themselves, family and society.

(3) Organize activities that congratulate and praise executives and staff who are conduct themselves well, and are hardworking, and honest.

(4) Arrange activities such as group meditation and religious teachings for executives and employees to participate and encourage them through these activities to pursue ethical conduct and avoid dishonest acts.

In 2017, the Company prepared e-learning modules on its anti-corruption policy and measures, with the intention to provide understanding to its executives and employees on the subject. It also arranged to have relevant knowledge assessment on this subject via its intranet.

5. Policy on supervision, controls and monitoring of corruption risk

In order to ensure the efficiency of its anti-corruption measures, the Company delegates to its internal business units to be in charge of supervision, controls and monitoring of any situation that entails corruption risk within the organization falls within their area of duties and responsibility. It also set the practice guidelines for tracking and monitoring corruption risks as follows:

(1) The Company appointed the Internal Audit, which directly reports to the Audit Committee of which its committee members are independent directors, to audit and review the Company's internal controls and its operations to ensure their business efficiency and effectiveness, as well as their compliance with the Company's prescribed rules, regulations, and policies. The internal controls cover important business operations such as sales and marketing, procurements, contract procedures, accounting and financial reporting, and other relevant processes or situations that may entail corruption risk.

(2) The Company requires that the Audit Committee shall inform the Chairman of the Executive Committee and directly report to the Company's Board of Directors on any event which may entail corruption risks, or any relevant urgent issue to be discussed to find appropriate solutions.

(3) All executives are required to supervise and monitor the subordinates on the compliance to the Company's anti-corruption policy and measures. In the event that corruption is detected, it shall be reported immediately to the Internal Audit.

(4) The Company provides its employees and its stakeholders with various communication channels to monitor corruption risks and to inform, report, and notify suspicions of corruption or actions that may damage the Company. These channels include direct communication to the address or email address of the Company's Directors and the Company Secretary, or via the e-mail address of the Internal Audit. The Company's corporate communication channels also appear on the Company's Website (www.scasset.com) on the "Corporate Governance" Section.

The Company also prescribes measures for informant and whistleblower protection to ensure the fair and equitable treatment of such informants and whistleblowers. In 2017, there no situations were found or reported through any of the communication channels on corruption, within and outside the organization.

6. Policy on monitoring and assessment on the compliance of Anti-Corruption Policy

The Company prescribed guidance on monitoring and assessment on the compliance of anti-corruption policy to ensure that its anti-corruption policy and measures are updated, modified and improved to suit changes in the current situation, economic conditions, and social environment, as well as to assure that its directors, executives and all employees act in compliance with its policy, business ethics, rules, and regulations that relate to anti-corruption. The guidance is as follows:

(1) The Company appointed the Audit Committee to review and supervise on anti-corruption compliance to be in accordance with the prescribed policy and measures, particularly with regards to the effectiveness of relevant internal control systems; whilst also reviewing that the Company's risk assessment sufficiently covers corruption risk, and its risk management is appropriate and adequate.

(2) The Company appointed the Audit Committee to be responsible for the audit, review, and control of its operation processes to ensure its accountability, accuracy, and appropriateness, as well as regularly assess, review, and reconsider its anti-corruption policy and measures at least once a year to reflect on changes in the risk landscape, and to adjust its applicable practice guidelines to be in line with its policies, principles, rules, regulations, notifications, laws, and changes in business circumstances, as well as to find measures to mitigate the risk.

In 2017, the Audit Committee Meeting No. 8/2017 on December 12, 2017, the Audit Committee considered and reviewed the sufficiency of the Company's internal controls system as per the evaluation form on the assessment of sufficiency of the internal controls system prescribed by the Securities and Exchange Commission (SEC). The review covered the risk assessment process on the Company's operations and also included the corruption risk. The review outcome showed that the Company has a risk assessment process that covers all risk aspects.

7. Risk assessment on the corruption risk

The Company annually undertakes to assess its risks regarding the corruption. Information on its past business operations are compiled and submitted to the Company's Risk Management Committee for review and approval on risk management guidelines and measures, as well as the appropriate action plans for comprehensive risk management to eliminate or mitigate risks to be in low or acceptable levels.

In 2017, the Risk Management Committee assessed the corruption risk within the organization and found that this risk incident had never occurred in the Company so that remaining as a low level risk that required no corrective measures, but the Company shall continue to monitor its relevant risk signal on a regular basis.

8. Participation of Activities Related to Anti- Corruptions

With awareness and recognition of the importance of good governance, transparency and anticorruption practices, the Company fosters preventive measures against fraud and corruption in its organization. It encourages ethical conduct of good governance among its directors, executives and employees, and inspires them to strictly abide by anti-corruption practices. In 2017, the Company arranged its self-evaluation tool for countering bribery, together with other reference documentations which were approved by the resolution of the Company's Board of Directors' Meeting. These documents are submitted to the Thailand's Private Sector Collective Action Coalition against Corruption (CAC) for endorsement, and also submitted to its sub-committee for review and approval for the endorsement of the Company to be a certified company under the guidelines set by CAC on May 17, 2017. At present, the CAC sub-committee is in the process of reviewing and certifying the Company to be a member of CAC certified companies.

In addition, it is the Company's operational commitment to observe anti-money laundering policy and practices, and not to encourage any purchase of its products by the use of illegally obtained money. Even though the

Company is not in a business which is required to legally report its transactions to the Anti-Money Laundering Office (AMLO), the Company still gives importance to all aspects of anti-corruption practices, and thus requires its home buyers to duly identify themselves by providing copies of their identity documents such as personal identification and house registration. As for the payments of its goods and services, if there is any doubt of irregularities, the company shall then examine and promptly send such information to relevant authorities for due investigation.

9. Actions Performed in Relation to the Anti-corruption Policy

In 2017, the Company campaigned against corruption both within and outside its organization, and continually followed up as well as evaluated the outcome of the compliance with its anti-corruption policy. During the year, no case in which such noncompliance by any of the Company's directors, executives, and employees was so found, and no corruption case occurred either within or outside its organization.

No Violation of Human Rights Policy

The Company puts emphasis on human dignity and fundamental human rights. These beliefs are the Company's key pillars in its human resource development that results in equitable treatment of its employees and stakeholders. This fair treatment creates a better workplace environment, as well as enhances ethical spirit and cooperative efforts among individuals within and outside the organization, which in turn helps support staff creativity and a service minded attitude.

Human resource development adds value to business and is a crucial element of value creation and productive enhancement. The Company therefore consistently improves the workplace environment and provides better work conditions for its employees, as well as opportunities to express their competency and prospects of quality life, and chances for skill training. The practice guidelines for human rights are as follows:

1. Reinforce and respect human rights protection by regularly monitoring that the Company does not engage in business conducts which violate any human rights, such as the use of forced labor and any illegal foreign workforce, child labor, and sexual harassment etc.

2. Encourage its executives and employees of all levels to freely express their opinions and views to directors or top management.

3. Arrange workplace hygiene and occupational safety such as the implementation of pollution controls in the work process, promotion of health standards in the workplace, and the proper application of safety measures against accidents and diseases.

4. Promote skill and proficiency training to staff and offer them learning opportunity and appropriate career advancement.

5. Provide fair and appropriate employment conditions for employees and offer suitable remuneration that match their competency.

6. Provide access to appeal process against any unfair treatment. A disciplinary committee shall be formed to investigate any misconduct case, in accordance with the Company's prescribed process prior to any imposition of any disciplinary punishment.

7. Provide welfare benefits to the employees, of at least no less than the minimum legal requirement, such as annual leave, a suitable overtime schedule, and a relevant medical care scheme.

8. Encourage employees to maintain a good balance between their career and personal life, to be ethical, to follow the good philosophy of sufficiency economy, while motivating them to participate in social volunteer activities, and promote staff's religious practices, on an unbiased basis.

9. Provide whistleblower protection procedure for employees who honestly report inappropriate actions in the workplace to the Company's management or relevant government agencies.

10. Provide the employee and the employee's representatives with accurate operational results and business status of the Company.

11. Support a two-way dialog and cooperation between employer and employee, and the employee's representatives in order to improve the quality of the workplace.

12. Treat the employee's personal information confidentially, and refrain from disclosing, disseminating, or using this information without the employee's prior permission, except when such disclosure is made due to enforcement of laws, court orders, official directives, or when such disclosure is for the benefit of human resource management.

13. Offer fair opportunity to all employee and not discriminate against race, religion, sex, skin color, nationality, disability in making employment decisions, or job evaluation.

14. Prescribe as a normal practice guideline that work instructions, administrative orders, and job interviews shall not be made by using improper words, or inappropriate gestures that pose a threat or incite others.

15. Reinforce its employee to respect another person's rights and when communicating with others, refrain from speaking, writing or making gestures by using aggressive, abusive, improper, threatening, accusing or negative words and expressions.

Additionally, the Company always recognizes that if it is to promote the society without violation of human rights, it must initially set its own protective guidelines not to involve in any business operation that engages in human rights abuses.

From 2014 to 2017, the Company prescribed in its hire of work contract the compliance requirement with applicable labor laws which demand its trade partners to comply with all applicable labor laws and regulations, including remunerations, health and safety in the workplace. Such contract provision also requires payment of at least legal minimum wages and prompt payment of wages to workers, and in the event that contractors or contract counterparties do not comply with such requirements, the Company acting as their hirer can deduct any payment that shall be made under such contracts to relevant contractors or contract counterparties and make direct payments to their workers in order to preserve and restore the workers' rights. The workers of the Company's contractors or contract counterparties are required to be trained on health and safety in the workplace and to wear proper personal protective equipment at work. The Company's contractors or contract counterparties are to refrain from using illegal workers, namely child labor or illegal immigrants. These requirements and compliance which are set by the Company to be carried out by its contractors or contract counterparties aim to ensure that these contractors or contract counterparties respect the human rights of all human beings without any distinction, the principles of anti-human trafficking, and the commitments not to engage in any violations of human rights.

Information Disclosure and Transparency

The Company recognizes the importance of providing investors and concerned parties convenient, thorough, and equitable access to the Company's information. It also makes correct, complete, transparent, thorough, equitable, and timely disclosure of information which includes financial information, operational results, and any other information that investors and concerned parties can use in making their investment decisions. It disseminates the information through the Stock Exchange of Thailand (SET) various distribution channels and information services, press releases, analyst meetings, overseas road shows, annual report, as well as on the Company's web site in Thai and English versions. The information includes nature of business, financial statements, public relation news, shareholders' structure, organization structure, committee and subcommittee profiles, management profiles, investor relations information, annual report, and meeting notifications.

In 2017, the Company had no record of late submission of financial report for both quarterly and annually to relevant regulatory authority.

Policy on Dissemination of Information to the Public

The Company's Board of Directors prescribed a policy on dissemination of information to the public aimed to equitably provide accurate, correct, complete, and transparent information to all stakeholders. The policy includes the following:

1. Upon approval from the Company's Board of Directors, the Company shall report, on a quarterly basis, its operational performance together with its financial statements to the Securities and Exchange Commission and the Stock Exchange of Thailand in order that its shareholders, investors and other stakeholders are informed.

2. The Company shall disseminate its operational performance, financial statements, and other relevant information on its business operations via the information channel of the Stock Exchange of Thailand and on the Company's website, www.scasset.com, as well as organize press conferences and analyst meeting.

3. All publicly disseminated information must be accurate, complete, and transparent to all stakeholders and related parties. It must not be released with the aim to manipulate share trading prices or mislead the public from the actual facts on its operational performance.

4. The Company established an Investor Relation Division to communicate with outside parties namely its shareholders, institutional investors, other investors, analysts and related government agencies. Information disseminated to these parties shall be made on equitable and fair basis, and is information that is already made public. They are also allowed to meet with the Company's management as appropriate under the condition that the information has already been made public.

Guidelines of Practice on Communications of Corporate Information via Various Media Channels

The Company clearly prescribed its practice on dissemination of information by its executives and employees via various media channels as follows:

1. The Chief Executive Officer shall be the person who releases the information regarding policies, business overview, vision, management, branding and corporate public relations.

2. The Chief Corporate Officer and/or The Chief Financial Officer shall be the person who releases the information to press and media on assets for sales, assets for rent, financial and investment information, new projects, development concepts for each proposed projects, market movement, related industry, customer relationship management, and corporate social responsibility.

The Chief Executive Officer or The Chief Corporate Officer or the Chief Financial Officer of the Company reports its operational results to the public on a quarterly basis via press conference and press release. Provision of corporate information to the public is undertaken with due care particularly on information which can be misinterpreted or possibly induce material impact on its share prices.

Shareholders and stakeholders can contact the Company's Investor Relations Unit for information as well as obtain a disclosure of corporate information from the Company's Website (www.scasset.com), which is accurate, complete and transparent. (Please refer to further detail in the topic "Disclosure and Transparency" Section of this annual report).

The Disclosure and Transparency of the Company can be summarized as follows:

1. Information on the Meeting Attendance of Individual Director of the Board of Directors and Sub-Committees

The Board of Directors and its 5 Sub-Committees, namely the Executive Committee, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance and Environmental & Social Responsibility Committee, and the Risk Management Committee held the meetings in 2017, the attendance records of each Sub-Committee thereof as well as the accumulated attendance records of the Board of Directors as from the year 2004, are presented as follows:

Name	Number of Meetings Attended/ Total Meetings Held						
	Board of Director		Executive Committee 2017	Audit Committee 2017	Nominating and Remuneration Committee 2017	Corporate Governance and Social & Environmental Responsibility Committee 2017	Risk Management Committee 2017
	2004-2017	2017					
1. Mr. Rath Kitivejsoth ⁽¹⁾	87/87	7/7					
2. Ms. Busaba Damapong ⁽²⁾	35/35	7/7	11/13			2/2	3/3
3. Mr. Nuttaphong Kunakornwong ⁽³⁾	29/31	6/7	11/13			1/2	3/3
4. Mr. Nathpath Ouajai ⁽⁴⁾	72/72	7/7	11/13		2/2		
5. Mr. Kunodom Tharmmaphornphilas ⁽⁵⁾	72/72	7/7		9/9	2/2		
6. Mr. Prasert Samanawong ⁽⁶⁾	66/66	7/7		9/9	2/2		3/3
7. Mr. Precha Sekhararidhi ⁽⁷⁾	64/64	7/7		9/9		2/2	3/3
8. Mr. Songsak Preamsuk ⁽⁸⁾	19/19	5/5	13/13			2/2	
9. Ms. Vilasinee Puddhikarant ⁽⁹⁾	11/13	6/7	13/13				
10. Mr. Attapol Sariddipuntawat ⁽¹⁰⁾	5/5	5/5	7/7				3/3

Remark:

- (1) Mr. Rath Kitivejsoth was appointed to be the Chairman of the Board of Directors in replacement of Dr. Chaiyawat Wibulwasdi, effective from March 1, 2007.
- (2) Ms. Busaba Damapong was elected by the meeting of the Board of Directors No. 4/2011 on July 13, 2011 to be the Director and the Chairman of the Executive Committee in replacement of Ms. Yingluck Shinawatra who resigned from her directorship.
- (3) Mr. Nuttaphong Kunakornwong was elected by the meeting of the Board of Directors No. 2/2012 on February 28, 2012 to be a new director of the Company in replacement of Mr. Chanon Chotevijit who resigned from his directorship.
- (4) Mr. Nathpath Ouajai was assigned to be the Director in replacement of Ms. Pranee Vechapruangkit, effective from March 20, 2006.
- (5) Mr. Kunodom Tharmmaphornphilas was assigned to be the Director in replacement of Mr. Sompong Nakornsri, effective from March 20, 2006.
- (6) Mr. Prasert Samanawong was assigned to be the Director in replacement of Mr. Krit Umpote, effective from January 31, 2007.
- (7) Mr. Precha Sekhararidhi was assigned to be the Director in replacement of Dr. Chaiyawat Wibulwasdi, effective from March 26, 2007.
- (8) Mr. Songsak Preamsuk was elected by the Annual General Meeting of Shareholders for 2015 held on April 23, 2015 to be the director in replacement of Ms. Naengnoi Na Ranong who retired from her directorship by rotation.
- (9) Ms. Vilasinee Puddhikarant was appointed by the resolution of the Board of Directors dated January 15, 2016 to be a director of the Company and member of the Executive Committee (independent director) in replacement of Ms. Phensom Damapong, who resigned from her directorship. She was re-elected by the resolution of the 2016 annual general meeting of shareholders to serve as a director (independent director) for another term.
- (10) Mr. Attapol Sariddipuntawat was elected by the Annual General Meeting of Shareholders for 2017 act as a director and he was also appointed by the Meeting of the Board of Directors No.3/2017 to act as member of the Executive Committee.

2. Report on the Acquisition and Disposal of Company's Security (SC) by Directors and First Four Top Executives

The Board of Directors determined that, in compliance with the Securities and Exchange Commission's regulations, all directors and first 4 top executives of the Company have to report every transaction of their acquisition and disposal of Company's security including their spouse or cohabiting spouses and minor children, or entities who holds more than 30 percent of shares according to the Securities and Exchange Act B.E.2535 (the amendment B.E. 2559) to the Board of Directors and submit the said report to Company Secretary unit for reference and submission to the Securities and Exchange Commission of Thailand (SEC) accordingly. It is the Company's policy that every director and executive must report change in Company's security holding within 3 working days counting from the day of acquisition / disposal, details thereof are presented below:

Report of acquisition or disposition of Company's security (SC) of directors and first 4 top executives in the Year 2017.

Name	2016	2017		
	Number of Shares on December 31, 2016*	Acquired	Disposed	Number of Shares on December 31, 2017
1. Mr. Rath Kitivejsoth	-	-	-	-
2. Ms. Busaba Damapong ⁽¹⁾	201,234,387	-	-	201,234,387
3. Mr. Nuttaphong Kunakornwong ⁽²⁾	1,176,915,495	-	-	1,176,915,495
4. Mr. Nathpath Ouajai	-	-	-	-
5. Mr. Kunodom Tharmmaphornphilas	-	-	-	-
6. Mr. Prasert Samanawong	-	-	-	-
7. Mr. Precha Sekhararidhi	37,968	-	-	37,968
8. Mr. Songsak Premsuk	-	-	-	-
9. Ms. Vilasinee Puddhikarant	-	-	-	-
10. Mr. Attapol Sariddipuntawat	8,289,843	-	-	8,289,843
11. Mr. Vitit Visalpattanasil	3,839,906	-	-	3,839,906
12. Ms. Pradthana Patsaman	4,796,718	-	-	4,796,718
13. Mr. Somboon Kuptimanus	5,000,012	-	-	5,000,012

Remarks:

- * The shareholdings of directors and first 4 top executives stated above included shares held by their spouses/ cohabiting spouses and minor.
- ⁽¹⁾ 201,234,375 shares belong to Mr. Bhanapot Damapong, Ms. Busaba Damapong's husband, and 12 shares belong to Ms. Busaba Damapong. All shares have been held before Ms. Busaba Damapong was appointed as a company's director on July 13, 2011.
- ⁽²⁾ 1,176,915,495 shares belong to Miss Pintongta Shinawatra Kunakornwong, Mr. Nuttaphong Kunakornwong's wife. All shares have been held before Mr. Nuttaphong Kunakornwong was elected to be the Company's director on March 1, 2012
- ** The Company and top executive was reorganized on April 1, 2017

3. Report of Interest of Directors, Executives, and Related Persons

The Board of Directors set guidelines for the company's directors, executives, and related persons to disclose information regarding their own interests and any interests of their related persons to the Company's Secretary. This information will enable the company to duly prepare its disclosure report on related parties' transactions, which could cause conflict of interest and even lead to improper transfers of benefits from the Company or its subsidiaries. In a given circumstance, this information may also prevent such directors, executives, and related persons from participating in any decision-making process that might produce a potential conflict of interest. The Board of Directors require that the Company's directors, executives, and related persons file a report with the company on the interest of directors, executives, and related persons, under the format originally set by the Thai Listed Companies Association which will later be adjusted to be applicable to the company's business activities, and to the requirements of relevant governing authorities.

In the event of changes in the information provided in the Report of Interests of Directors and Executives, the Company's Board of Directors requires that its directors and executives shall duly submit their relevant amendments of such report to the Company Secretary within 3 working days from the date of such changes. The

Company Secretary shall then submit a copy of such amendments to the Chairman of the Board of Directors and the Chairman of the Audit Committee within 7 working days from the date that the Company has received such amendment reports.

In 2017, the Company once disclosed and submitted a report on “Directors and Management’s Conflict of Interest to the Chairman of the Board of Directors and the Chairman of the Audit Committee. The report, submitted by the Company’s Secretary to the Chairman of the Board of Directors and the Chairman of the Audit Committee on that date, was on Mr. Attapol Sariddipuntawat who was elected by the Annual General Meeting of Shareholder for the year 2017 dated April 21, 2017 to be a director of the Company and appoint by the Meeting of the Board of Directors No. 3/2017 to as member of the Executive Committee. The report revealed no conflict of interest against the Company on the part of Mr. Attapol Sariddipuntawat.

4. Disclosure of the External Auditors and the External Auditor’s Certified Audit Statements

For the appointment of the Company’s external auditors, the Company shall consider the hiring of certified auditors to properly, completely, and independently perform the auditing process, without any conflict of interest with the Company, its subsidiaries, affiliates, executives, major shareholders, or any other connected parties thereof, and with approval from the Securities and Exchange Commission of Thailand (SEC) in order to assure auditor independence in auditing, expressing of opinions, and certifying of the Company’s financial statements.

The auditor remunerations including the audit fee and other related service charges are disclosed in the topic of “Auditors’ Fee” and in the past the Company’s financial statements have been audited and certified with “unqualified auditor’s opinion”.

5. Providing Diversified Communication Channels

To ensure effective communications with shareholders and allow them easy, open, and equitable access to the Company’s information, the Company arranges to provide information disclosure via various and diversified ways such as annual reports, annual registration statement (56-1), quarterly reports of the Company operating results, the Company’s Website (www.scasset.com), analyst information meetings, press conferences, press releases, as well as newsletters presenting the Company’s financial positions.

6. Annual Registration Statement (Form 56-1) and Annual Report

The Board of Directors prepared the Company’s Annual Registration Statement (Form 56-1) and disseminate within 3 months after the end of fiscal year. The Board of Directors also prepared the Company’s Annual Report in compliance with the regulations of the Securities and Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET) and disseminate within 120 days after the end of fiscal year, as one of the disclosure channels for precise, accurate and complete information relating to the Company’s business operation and annual operating result ,to provide the shareholders, stakeholders, investors or general public with the information for their consideration and decision-making. The disclosure included the information on shareholder structure, securities held by the directors and executives, policy and practice of good corporate governance, vision and short-term & long-term business goals, financial positions and business performance, Board of Directors’ responsibility for financial reporting, nature of business operation and competition, business group structure, key risk factors, policy on dividend payment, policy on whistle blowing, details of directors and independent directors, policy on remuneration for directors and top executives and criteria for monetary and non- cash remuneration, the meetings and attendance records of the Board of Directors and Sub-Committees, information on directors’ development and training, policy on disclosure of individual director’s acquisition and disposal of / or Company’s security holding, policy on related transactions, internal control and risk management, reports from the Board of Directors and Sub-Committees on their performing the duties, report on interested directors, report on environmental and social responsibility, and information relating to investor relations.

In 2017, the Company publicly disseminated its Annual Registration Statement ended as December 31, 2016 (Form 56-1) on March 30, 2017 and its 2016 Annual Report on April 4, 2017.

7. Information Disclosure via SET Community Portal -SCP and Website www.set.or.th

In addition to information disclosure through Company's diversified channels in compliance with the Stock Exchange of Thailand's regulations relating to the disclosure of information, the Company also disclosed the material information and news in Thai and in English via SET Community Portal and website www.set.or.th to allow the shareholders, stakeholders, investors, and general public an easy, thorough and equitable access to such material information.

8. Company's Website www.scasset.com

The Company maintains its website both in Thai and in English to release and present its information to the shareholders or investors to assure that they are timely informed of the situations, such as nature of business operation, quarterly and yearend financial statements, newsletters, shareholding structure, organizational structure, subsidiary company structure, information relating to directors and executives, information relating to investor relations, the Company's Articles of Association, objectives of incorporation, updated Company's affidavit and Memorandum of Association, and annual reports.

9. Investor Relations Unit

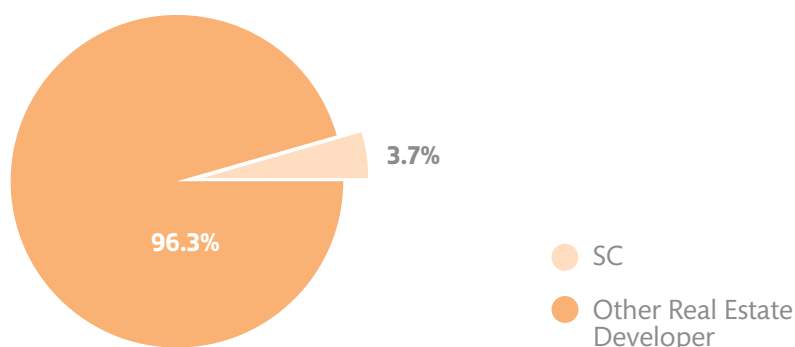
The Investor Relations Unit is also set up to provide assistance and convenience to shareholders. The unit arranges investor relation plans in advance to make useful information, news, and public relation release available for investors, shareholders, analysts, and the general public. It also arranges quarterly presentations of corporate results and operational performance to analysts, institutional investors and financial institutions, media, and press conferences, as well as supplying relevant disclosure of information to the Stock Exchange of Thailand (SET). All the actions are undertaken to assure that the Company has fully complied with rules, regulations, and applicable laws.

Interested parties can directly contact the Company's Investor Relations Unit for required information at SC Asset Corporation Public Company Limited 1010 Shinawatra Tower III, 10th Floor, Viphavadi Rangsit Road, Chatuchak, Chatuchak, Bangkok 10900, telephone no. 0-2949-2344 or via e-mail at ir@scasset.com or at the Company's Website: www.scasset.com for further information search.

10. Policy on Disclosure of the Company's Non-monetary Performance

In 2017, the aggregate market sales of the real estate sector for types of single detached house, townhouse and condominium in Bangkok Metropolitan Region was 400,000 Million Baht, divided into the aggregate sales for single detached house was 25%, the aggregate sales for townhouse was 18%, and the aggregate sales for condominium was 57%. With regards to the overall market sales of real estate sector for single detached house, townhouse and condominium, the Company was able to capture 3.7% of this market, accounting for 14,745 Million Baht. The Company earned 9,921 Million Baht for single detached house field, 585 Million Baht for townhouse and 4,249 Million Baht for condominium field.

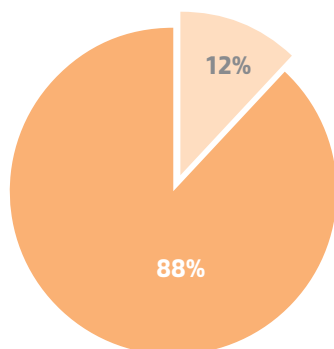
Aggregate Sales of Real Estate Sector
(single detached house, Townhouse and Condominium in Bangkok Metropolitan Region)



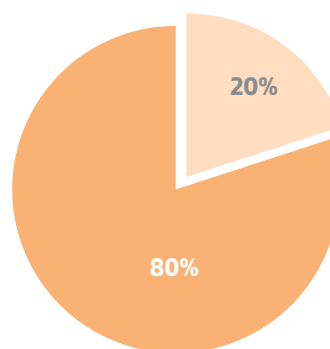
Source: Agency for Real Estate Affairs (AREA) and the Company's Information

In the previous year, the Company maintained 12% of its market shares for single detached house in Bangkok Metropolitan Region at a price range of over Baht 5-8 Million Baht, whilst maintained 20% of its market shares for single detached house in Bangkok Metropolitan Region at a price range of over Baht 20 Million Baht.

**Sale of single detached house
for the price range of over 5-8 Million Baht
(in the Bangkok Metropolitan Region)**



**Sale of single detached house
for the price range of over 20 Million Baht
(in the Bangkok Metropolitan Region)**



Source: Agency for Real Estate Affairs (AREA) and the Company's Information

● SC
● Other Real Estate Developer

11. Financial Reporting

The Company prepared the quarterly and year-end financial reports, financial statements, management discussion and financial analysis (MD&A) and released via SET Community Portal (SCP). The quarterly financial reports, financial statements, management discussion and financial analysis (MD&A) were also posted on Company's website www.scasset.com. In addition, such information was disclosed in the Annual Information Disclosure (Form 56-1) and Annual Report after the Board of Directors endorsed the financial statements according to the conditions and timeframe specified by the Securities and Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET) to facilitate the shareholders, stakeholders and interested public to access, investigate and update Company's financial information at all times.

Since its registration as SET listed company in 2003 to 2017, the Company has been neither recorded for late submission of the quarterly and yearend financial reports and financial statements, nor instructed by the Securities and Exchange Commission of Thailand (SEC) to rectify the financial statements.

12. Site Visit

To promote transparency and confidence in the Company's business operation, the Board of Directors initiated site visit program for the shareholders and investors as well as financial institutions to observe the Company's project development process to understand the actual work process based on good governance alongside environmental and social responsibility.

13. Other Disclosures

Other than all aforesaid mentioned disclosure, the Company also discloses the Company's substantial information as follows:

13.1 The structure of shareholders (Please refer to further details in the topic "Structure of

Shareholders" Section).

13.2 The Shareholding of directors and executives including their spouses or cohabiting spouses and minors. (Please refer to further details in the topic "Details of Directors, Executives, Advisor, Controlling Persons and Company Secretary" Section).

13.3 The good corporate governance policy (Please refer to further details in the topic "Corporate Governance Policy" Section).

13.4 The Company's objectives/ targeted plans (Please refer to further details in the topic "Nature of Business" Section).

13.5 The financial status and results of operations (Please refer to further details in the topic "Financial Status and Results of Operations" Section).

13.6 The business nature and competition (Please refer to further details in the topic "Nature of Business" Section).

13.7 The business structure (Please refer to further details in the topic "Structure of the Company and its Subsidiaries" Section).

13.8 The key operational risks (Please refer to further details in the topic "Risk Factors" Section.)

13.9 The dividend payment policy (Please refer to further details in the topic "Dividend Payment Policy" Section).

13.10 The whistleblowing policy (Please refer to further details in the topic "The whistleblowing policy" Sections).

13.11 The profile of directors (Please refer to further details in the topic "Details of Directors, Executives, Advisor, Controlling Persons and Company Secretary" Section).

13.12 The Independent Directors (Please refer to further details in the topic "The Board of Directors" and "Independent Directors" Sections).

13.13 The disclosure of directors' remuneration criteria (Please refer to further details in the topic "Remuneration for Directors and Executive" Section.)

13.14 The disclosure of executive's remuneration criteria (Please refer to further details in the topic "Remuneration for Directors and Executive" Section.)

13.15 The disclosure of number of meeting attendance of the Board of Directors and the number of meeting attendance of individual director (Please refer to further details in the topic "Board of Directors' Meeting" and "Information on the Meeting Attendance of Individual Director of the Board of Directors and each Sub-Committees" section.)

13.16 The disclosure of directors' seminars and training courses attendance (Please see the "Additional Training Courses or Relevant Seminars Attended by Directors" section.)

13.17 The disclosure of acquisition or disposition of Company's security (Please see the "Report of acquisition or disposition of Company's security" and "Details of Directors, Executives, Advisor, Controlling Persons and Company Secretary" sections.)

13.18 The disclosure of connected transaction policy which states that every connected transaction is required the Board of Directors' consideration and approval (Please see the "Policy of Connected Transaction and Information Disclosure" and "Connected Transaction" section.)

Responsibility of the Board of Directors

The Company emphasizes equitable, prompt, fair and transparent disclosure of sufficient information to shareholders, investors and related parties. It is the Company's policy to appoint an independent director to hold the position of the Chairman of the Board of Directors with qualifications as prescribed by the Stock Exchange of Thailand (SET). This position cannot be held by the same person as the Chairman of the Executive Committee for the purpose of check and balance. The Chairman of the Board of Directors shall also have no relationship with the management.

In order to assure efficiency, transparency, and lawfulness, as well as full compliance of the corporate activities and its good governance, all board members are encouraged to freely express their opinions regarding the Company's business operations. Additionally, there is a clear segregation of duties and responsibilities among the board members and the management team (details of which appear in the "Board of Director and Management Team" Section of this annual report). In the past year, the Company has lawfully conducted its business activities and did not perform any acts of seriously breaching any regulatory compliance. The Company focuses on Board of Directors' responsibility policies as follows;

1. Responsibility of Organizational Leaders

Each member of the Company's Board of Directors fully understands their roles, duties and responsibilities as an organizational leader who must oversee that the Company has good management and governance. Directors and executives are also expected to be a good management example of which their roles and duties include:

1.1 Determining business objectives and primary corporate targets upon reviewing and analyzing economic and social environment, changes in circumstances that impact humans, and fast changes in technologies. All of these situations may impact the business and all stakeholders, and thus need to be clearly addressed so that all the relevant business units and divisions in the Company and its employees are informed and can efficiently react accordingly, and in accordance with the set business objectives and targets.

1.2 Determining annual and medium-term (3-5 years) corporate strategy with written policies on operations and key resource allocations both on human resources and financial resources. For human resources, finding knowledgeable personnel who are suitable to work with the Company, together with sourcing sufficient funding for financial resources allocation and for carry on credible business operation.

1.3 Governing and monitoring that each director and executive is performing his/her duty of care and loyalty, as well as administering the Company's business according to the prescribed policies, laws, regulations, board resolutions, and resolutions of the shareholders' meetings.

1.4 Determining the scope of duty assignment and responsibility of the Chief Executive Officer and clearly informing the management about the Company's annual business targets.

1.5 Following up on the Company's business performance and evaluating operational results so as to be aware of its strength and weakness, as well as oversee that operational results are correctly reported.

2. Good Corporate Governance Policy and Code of Conduct

2.1 The Board of Directors takes into account and adheres to Good Corporate Governance Principles as well as role and duty of good governance. Therefore, the Board of Directors participates in the preparation of the Company's Good Corporate Governance Policy by initiating, determining practices, and monitoring the audit, as well as approving Good Corporate Governance Policy in writing and publishing it on the Company's website under the category "Corporate/Corporate Governance". The content of Good Corporate Governance Principles will cover at least 5 matters; viz, shareholders' rights, equitable treatment of shareholders, role of stakeholders, disclosure and transparency, and responsibilities of the board and will be reviewed regularly without delay when there is significant change.

2.2 In addition to the preparation of the corporate governance policy, the Board of Directors has prescribed the Code of Conduct to be the Company's business operational framework, aiming to guide the Company's business conducts so they are disclosable, transparent, accountable, moral, ethical, and responsible to all stakeholders. All these virtues shall enhance sustainable value to the organization. The prescribed Code of Conduct is regarded as a practice guideline for directors, executives, and employee of the Company as well as determined a guideline to promote directors, executives, and employees to comply with, and has continuously monitored such compliance. Executives and supervisors have also been instructed to monitor proper employees conduct and ethics through encouragement, guidance and role model examples. Penalties are also prescribed for those who fail to abide with them.

In addition, the Company regularly communicates with its directors, executives and employees and oversees that these conduct guidelines for their understanding to adhere and being implanted as working habits on the daily basis, and becoming culture and corporate value, which would help reflect transparency, integrity, respect in the company, and responsibility towards the duties, towards all interested parties for the interest of shareholders and other interested parties. The Board of Directors has prescribed that there shall be an annual review of the Code of Conduct to be in line with changes in situations and circumstances

In 2017, the Company's Board of Directors reviewed and approved the implementation of the Company's Corporate Governance Policy and the Code of Conduct. The present volume is acceptable and comparable to internationally accepted standards. Both the policy and the code are published on the Company's website (www.scasset.com) under the topic "Corporate Profile"/ "Corporate Governance" and in the Company's annual report. Additionally, the Board of Directors has prescribed and supervised the guidelines which can be applied to support and promote understandings of this code, as well as evaluation and follow-up methods for compliance of such code. The guidelines are as follows:

Support and Enhancing the Understanding of Good Corporate Governance and Code of Conduct

To support and enhance the provision of the sufficient knowledge and understanding of good corporate governance and business ethics to the directors, executives, and employees to adhere to in performing their respective duties with proper understanding in order to elevate the effectiveness of the corporate governance and business ethics, achieve the business goal, and build up transparency and integrity as the good corporate culture, the Board of Directors laid down the policy on good corporate governance and business ethics as follows:

(1) That Good Corporate Governance Policy and Code of Conduct are included as one of the orientation topics prepared for the new directors, executives and employees, whereby such policies were communicated to them from the first day in office.

In 2017, the Company organized the orientation sessions for the director, executives and employers who newly join working with the Company, details as 1 session for the new director; 2 sessions for the executives, and 22 sessions for the employees.

(2) That the internal and external courses to expand the knowledge and understanding of the good corporate governance and business ethics be provided to the directors, executives and employees on a continual basis such as Risk Management Program for Corporate Leaders (RCL), SD Awareness & SD Strategic, CSR strategic management and Creating SD Initiatives Workshop.

Assessment and Monitoring of Corporate Governance Policy and Code of Conduct Compliance

The Company believes that if its directors, executives and employees comply with its prescribed business ethics, this will benefit its growth and development path towards business sustainability, and will enable a wider public acceptance of its products which will cause a sound and further increase in its annual revenues. Therefore the Company pays attention to various key indicators that can be used to assess and monitor business ethics compliance of its staff both internally and externally as follows:

(1) Assessment and Monitoring of Business Ethics Compliance within the Organization

The Company prescribes that all its business units that work together or in collaboration with each other must make a satisfactory assessment of each other and provide suggestions for work improvement that could benefit the Company's business operations.

(2) Assessment and Monitoring of Business Ethics Compliance outside the Organization

The Company monitors and assesses customer satisfaction on its products and its employees' services. The assessment results are used to improve its products and services and to provide highest customer satisfaction. It

monitors and assesses its business ethics compliance with trade partners to assure that they receive good cooperation while working with the Company, as well as monitors and assesses its business ethics compliance with its shareholders to assure that they are satisfied with provided information and the shareholders' meetings.

3. Policy on Vision and Mission

The Board of Directors has established the Company's vision and mission with both short-term 1 year and long-term 5 years in order to steer the executives and employee towards a common goal, and has it posted on the Company's website. Such vision and mission will be annually reviewed to be consistent with current circumstances and economic conditions. The Board of Directors consistently follows up with the Management on their yearly business operation in accordance with the vision, business direction and strategy. Furthermore, the Board of Directors also took part in the setting of the annual business strategy, objectives and budgeting, to ensure that the annual investment and business operation was undertaken with prudence and maximized the value to the Company and its shareholders.

Thus, the Board of Directors has monitored the compliance of strategies by prescribing the Key Performance Indicator (KPI) to monitor the various aspects of business performance against the annual goal setting. The business risks were also defined annually so as to prepare preventive and remedial measures to timely handle any possible obstacles that might affect the business operation in order to achieve its business sustainability target of continually being a quality corporate in the Thai property development segment.

In 2017, the Company's Board of Directors has reviewed the Company's corporate visions and missions during the past fiscal year by incorporating the prevailing situation and business context therein. It approved such corporate visions and missions on the ground that these visions and missions are set in accordance with the current social situation and market competition. The primary corporate objectives of the Company are to create sustainable business value and to operate its business according to its 3 year strategic plan (2017-2019). The Board also approved the corporate strategic plan, budget, manpower, and performance indicators for measuring organizational success for 2017 that are aligned with the Company's corporate visions and missions, and its primary business objectives as prescribed in the framework of its 3 year strategic plan. The Board of Directors also set a target plan for its long-term business growth for 2015-2019 which earmarks its targeted sales of 20,000 Million Baht whereas the economic conditions prevailing in the country as for the period are also taken into account.

4. Sustainable Business Value

The Company's Board of Directors understands its roles, duties, and responsibilities as the organization leaders which oversees that the Company maintains good corporate governance, as well as its duties to determine corporate objectives, goals, business strategies, operational policies, and monitoring of accurate reporting of operational results. All of these are to enhance sustainable business value. The Board of Directors oversees that the Company shall achieve its goal of business sustainability by:

4.1 Developing its products and services to always retain its high quality and remain in demand by analyzing human needs as the initial focus point and then turning that focus onto customers;

4.2 Creating a competitive advantage and being competitive vis-à-vis other developers, having good operational performance, and being aware that its production process shall not cause any long-term adverse impacts;

4.3 Operating its business with ethical conduct to customers and trade partners, and be responsible to all its shareholders and stakeholders by enabling them to have equitable benefits;

4.4 Operating its business with concern regarding social benefits while its development process shall be developed toward further reduction of any adverse impacts on environment;

4.5 Capable of adjusting to current and future changes, whether it is the changes in consumer behavior or in technologies.

5. Policy on the Diversity Structure of the Board of Directors

The Board of Directors structure is consistent with article 18 of the Company's Articles of Association; i.e., the Company shall have at least five (5) directors but no more than fifteen (15). At least half of the directors must have domicile in the kingdom, and must be qualified according to the law. The Company also takes into consideration of the diversity of structure on the Board of Directors. Therefore, for efficient management, flexibility and for the interest of the Company and achieve the Company's objective and goals, structural policy is determined as follows;

5.1. The Company's Board of Directors should comprise the members who possess the knowledge, professional experience and expertise in various fields contributable to the business operation and corresponding to both short-term and long-term business strategies, without prejudice to their genders, nationalities, religions, proficiency or other specialized skills.

In 2017 The Company's Board of Directors structure comprises the members who possess the knowledge, professional experience and expertise as follows:

knowledge, professional experience and expertise of Directors										
Name	Type of Director	Administration and Management	Real Estate Development	Engineering	Architecture	Finance	Accounting	Marketing	Legal	Information Technology
Mr. Rath Kitivejsoth	Independent Director	x				x			x	
Ms. Busaba Damapong	Executive Director	x				x	x			
Mr. Nuttaphong Kunakornwong	Executive Director	x	x		x					
Mr. Nathpath Ouajai	Director	x	x	x						
Mr. Kunodom Tharmmaphornphilas	Independent Director	x		x						
Mr. Prasert Samanawong	Independent Director	x					x			
Mr. Precha Sekhararidhi	Independent Director	x		x						
Mr. Songsak Premsuk	Independent Director	x			x			x		
Ms. Vilasinee Puddhikarant	Independent Director	x				x		x		x
Mr. Attapol Sariddipuntawat	Executive Director	x				x	x			

5.2. The Company has taken into account the suitable number of directors in the Board for the benefit of flexibility in management. Thus, it is the Company's policy to limit the Board composition to not exceed 12 directors.

5.3. At least one of the non-executive directors must possess the professional experience relevant to the Company's business. Currently, there are 7 non-executive directors, namely Mr. Rath Kitivejsoth, whose knowledge and professional experience in the field of legal and finance, Mr. Precha Sekhararidhi and Mr. Kunodom Tharmmaphornphilas, whose knowledge and professional experience in the field of engineering, Mr. Prasert Samanawong, whose knowledge and professional experience in the field of accounting, Mr. Nathapath Ouajai has knowledge and work experience in engineering, real estate development, and advertisement. (He is not an executive of the Company but is a director and an authorized signatory, who can sign and act on behalf of the Company.

Therefore, he is not qualified to be an independent director.), Mr. Songsak Premsuk, whose knowledge and professional experience in the field of marketing, and Ms. Vilasinee Puddhikarant has knowledge and experiences in economics. She also has work experience in customer management and services. Those knowledge and experiences of those 7 non-executive directors are directly relate to and support the Company's business operation.

5.4. The Company promotes at least 1 female independent director. As of December 31, 2017, the female independent director is Ms. Vilasinee Puddhikarant.

5.5 The Company supports and promotes the Board structure to compose more than 50% of independent directors. As of December 31, 2017 there were 6 independent directors, which was equivalent to 60% and there was 7 members of non-executive directors, which was equivalent to 70% in the Board. With this structure, the shareholders and stakeholders are confident that the Board of Directors could perform the duties on their behalf independently with an appropriate check-balance system (details of which appear in the "The Board of Directors and Executives" section of this annual report.

In 2017, the details of Board of Directors structure and its working experiences is appeared in the topic "Details of Directors, Management Team".

6. Policy of Separating Chairman of the Board of Directors, Chairman of the Executive Committee and Chief Executive Officer (CEO) Positions

The Company determines a policy that the Chairman of the Board of Directors must be an independent director according to the definition of the Stock Exchange of Thailand (SET) and must not be the same person as the Chairman of the Executive Committee and/or Chief Executive Officer in order to reciprocally balance the power, as well as must not have any relationship with the management. There is a clear segregation of duty and responsibility in determining policy, monitoring, and governing of the business operation and management. The Chairman of the Company's Board of Directors has an important role and duty in determining policy, and monitoring and governing of the business operation to be in line with the prescribed policy. The Chairman of the Company's Board of Directors also supports and provides suggestions on the work of the management without interfering in the work scope which is under the management's responsibility. Furthermore, in any connected transaction relating to the Chairman of the Board of Directors, the Chairman of the Executive Committee and/or Chief Executive Officer, there is a policy prohibiting interested party to take part in the approval, which other independent director will perform the duty in place of the Chairman in that transaction. The Company also clearly prescribes and segregates the duty and responsibility of the Chairman of the Board of Directors and the Chairman of the Executive Committee/ Chief Executive Officer as follows:

Position	Duty and Responsibility
Chairman of the Board of Directors	<ul style="list-style-type: none"> Oversee the Board of Directors' Meeting and Shareholders' Meeting and perform the duty of chairman of such meetings to ensure that the meetings are efficient and legal and comply with corporate governance principals as well as clear voting in each agenda, especially the agenda that is significant necessary including allocating sufficient time and promote each director to debate important matter thoroughly and exercise independent judgment. Oversee, monitor, and ensure that the Board of Directors efficiently carries out its duties to achieve the Company's objective and goals. Oversee and ensure that all directors contribute to the Company's ethical culture and good corporate governance. Set the Board of Directors' Meeting agenda by discussing with the Chairman of the Executive Committee and Chief Executive Officer which important matter should be included. Promote a culture of openness and debate through ensuring constructive relations between Executive Director and Non-Executive Directors, and between the Board of Directors and Management.

Position	Duty and Responsibility
Chairman of the Executive Committee	<ul style="list-style-type: none"> • Execute the policies laid down by the Board of Directors and Shareholders through setting the business administration framework • Preside over the Executive Committee's meetings
Chief Executive Officer	<ul style="list-style-type: none"> • The Company's Chief Executive Officer (CEO) is responsible for the management and business operation as per the direction and supervision assigned by the Board of Directors and the Executive Board. He is also committed to manage the Company according to its corporate plan and/or corporate budget approved by the Board of Directors and the Executive Board, for the best achievable benefits of the Company and its shareholders according to prescribed objective and goal of corporate plan. • Oversee that the Company's executives and employees are performing their work as per the prescribed policies, with efficiency maximization, and achieve the Company's prescribed goals. • Consider applications of new technologies in business management and operations in order to enhance competitive potential and safety

7. Policy on Nomination of Company's Directors

The Company has set the policy on nomination of its directors, whereby the nomination criteria and conditions including the qualifications and new director appointment process are clearly and transparently defined. The Board of Directors would take into account the appropriateness of Board structure and composition in accordance with the policy and corresponding to the Company's business strategies. Furthermore, the necessary professional skills and specialization to fulfill the Board proficiency as defined in the Board Skill Matrix, as well as the qualifications and professional experience which relate to and support both short-term and long-term business strategies, without prejudice to gender, nationality and religion are also taken into account. In certain cases, information from the Director Pool is used to screen the candidates in the selection and nomination process (Please refer to further details in the topic "The Board of Directors" and "Nomination of the Company's Director" Sections of this annual report).

In 2017 the Nomination and Remuneration Committee reviewed and selected a new member of the Company's Board of Directors by applying the Board Skill Matrix to search for a new member who possesses financial knowledge, skills, and experience in order to support the business direction of the Company. The Company thus has a new board member, Mr. Attapol Sariddipuntawat.

8. Policy on the Limitation on the Number of Directorship Positions and the Holding of Directorship Position of the Chairman of the Executive Committee and Chief Executive Officer (CEO)

Too many directorship positions held by a board member could impair his efficiency in well conducting his position as a good member of the Board of Directors. Therefore, the Company's Board of Directors in their meeting No. 1/2554 held on January 12, 2011 resolved to limit the number of directorship positions held by each of its board members in other public listed companies to two companies as follows;

8.1 Director may hold director position in maximum of 2 companies, and may hold position in subsidiary that is unlisted company and other organization, which must combine to no more than 5 companies as follows;

- (1) The Company's subsidiary
- (2) The Company's associated company which operates business other than real estate development, and he/she shall not take the position of the Chairman of the Executive Committee or the Chief Executive Officer of such company
- (3) Charity organization/foundation promoting public benefits and education

From 2003 to 2017, there is no director (executive director and independent director) holds director position in more than 2 other listed companies.

8.2 The Company's Chairman of the Executive Committee or its Chief Executive Officer shall not maintain any other similar position in any other public listed entity except for his/her position in the SC Asset Corporation Public Company Limited; furthermore, he/she shall hold no more than five other positions in the following entities:

- (1) The Company's subsidiary
- (2) The Company's associated company which operates business other than real estate development, and he/she shall not take the position of the Chairman of the Executive Committee or the Chief Executive Officer of such company.
- (3) Charity organization/foundation promoting public benefits and education.

From 2003 to 2017, the Chairman of the Executive Committee and the Chief Executive Officer (CEO) of the Company hold a position in only 1 listed company, i.e. SC Asset Corporation Public Company Limited only.

9. Policy for Director's Term

The Company determines director's term according to the Public Company Act, B.E. 2535, and the Company's Articles of Association; that is, at every Annual General Meeting of shareholders, one-third of the Directors, or, if their number is not a multiple of three, the number nearest to one-third shall retire from office. Director's retirement in the first and second year after the registration of the Company shall be drawn by lots. In every subsequent year, the Directors who have served the longest in office shall retire. A retiring director is eligible to be re-elected. The Nominating and Remuneration Committee is mainly responsible for seeking candidate(s) with qualifications appropriate and having efficient performance to propose him or her to the Board of Directors for consideration in order to be proposed to AGM for approval further.

The Company indicated the starting date of each director position, as well as independent director, and has revealed which director is independent director in the Details of Directors section. In case of nominating an independent director who has been in the position for longer than 9 years to continue to be the independent director, the Board of Directors will present the rationale for the necessity at the Annual General Meeting of Shareholders for further approval.

(Please refer to the further details in the topic "Board of Directors" and "Details of Directors, Management Team, Advisor and Controlling Persons" Sections.) In 2017, there was no director resigning from position due to the reason of corporate governance issue in the last year.

10. Directors' and Executives' Qualification Policy

The Company has a policy in terms of qualification of directors and executives, who at least must have the following qualifications;

10.1 The Chairman must be an independent director according to the definition of the Stock Exchange of Thailand (SET), and must not be the same person as the Chairman of the Executive Committee in order to reciprocally balance the power, and prevent any person from having exclusive power, as well as have no relationship with the management. All directors have freedom to comment on the Company's performance to supervise operation of the management to ensure efficiency, transparency, legality, and compliance with various rules, which role and responsibility of the Board of Directors and executives are clearly divided.

10.2 Directors and executives must not be or have never been auditors of the Company, its subsidiary and associated company, and must not be shareholder who has controlling power or partner of auditing firm that auditors of the Company, its subsidiary and associated company are working with (Please refer to further details in the topic "Board of Directors and Management" and "Segregation of the role and duty of the Board of Directors from the Management Team" Sections of this annual report.).

11. Non-compliance with the Rules of the Securities and Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET)

The Company has a resolution and commitment as business practice that the Company's business operation must be compliant with the relevant laws, rules, procedures, and regulations, as well as consistent with general social accepted ethical benchmarks, which is supervised by the Board of Directors. In every the Board of Directors' meeting, the management must report performance, as well as other subject matters, including the case of warning letter and accusation from the Securities and Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET) (if any) of the Company to the Board of Directors for acknowledgement to ensure that the Company's business operation is effective and difficulties are remediable in time.

In 2017, the Company had no violation against the rules of the Securities and Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET).

12. Compliance Unit

The Board of Directors has set up the Compliance Unit to support the Board in monitoring the performance of the management, employees as well as other units in the organization to ensure compliance with the relevant laws, rules and regulations of the Securities and Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET); and to coordinate with the governing authorities to update the relevant laws, rules and regulations governing the Company's business operation. The Board of Directors would set a monitoring work plan and assessment system, review and adjust the work plan, on a yearly basis, to align with the changing situations and regulations.

In 2017, Mr. Somboon Kuptimanus, Chief Legal Officer and Company Secretary is acting Head of the Compliance Unit and there was no illegal act nor violation of any laws, rules and regulations of the Securities and Exchange Commission of Thailand, the Stock Exchange of Thailand, and any other government agencies (Please refer to further details concerning the duty and scope of work of the Company Secretary appear in the "Company Secretary" Section of this annual report).

13. Information Technology Department

The Company has an Information Technology Department which manages information technology (IT), in particular. The department provides IT support to other functions in the Company's business operations and enhances their work potential. The department is responsible for setting and developing the IT system for internal use of the Company, and ensuring that such system can best serve its user. The department helps in solving IT problems related to malfunction, disruption, or other reasons. This department is also staffed with skilled experts who are capable of overseeing and solving problems in the Company's IT system within a reasonable amount of time. The Company also maintains an IT back up system which is always available for use. This backup information is stored outside its computer center or its server room. Internal information can thus always be replaceable and retrieved, enabling no disruption in the Company's business operation. This department also monitors any intellectual property breach vis-à-vis IT programs.

Additionally, the Company prescribes its policies and guidelines on the governance and management of its information technology system to maximize the efficiency and benefits. (Please refer to more details of this subject in the "Policies and Guidelines on the Governing and Management of Information Technology")

14. Independence of the Board of Directors from the Management

Each member of the Board of Directors is free to express his/her opinions on the business operation of the Company. There is a clear segregation of duties and responsibilities of the Board of Directors, as well as a clear delegation of management authority set in writing for the management. The intention is to allow the Board of Directors to freely perform its duties independently from the management. The Board of Directors has its duties to prescribe the Company's policies, visions, missions, objectives, primary business goals, business directions, and business strategies,

for the management to implement. The Board of Directors is acting as a role model and promotes organizational culture that supports ethical conducts. It oversees the structure and the Board of Directors' performance, nomination, development, assessment, remuneration as well as sets policies on the remuneration structure for the Company's personnel to assure that it is appropriately allocated. It also oversees the work performance of the management by determining auditing method to oversight performance of the management efficiently, transparently, legally, and in compliance with various rules to enable the Company's operation to be appropriate and for the best interest of the Company and shareholders

Additionally, the Company's Board of Directors prescribes its work scope in relation to its work collaboration with the management by reviewing business directions, business strategies, goals and targets, annual business plans, and the sufficiency and appropriateness of the risk management system and internal control system, as well as determines resource allocation, the development path, operational budgets, information disclosures, both financial and non-financial information, to assure that such information disclosure is accurate, timely, and credible.

15. Orientation of New Directors

The Company always arranges a compulsory orientation for a new director that includes background preparation and presentation on the Company's business, operational plan, target, vision and mission, organization structure, shareholding structure, management, duties and responsibility of the Board of Directors, corporate philosophy and business ethics, compliance of good corporate governance, current and past projects, and current performance. The Company also arranges site visit for a new director.

In 2017, Mr. Attapol Sariddipuntawat joined the board as a director. Before he assumed the directorship, the Company arranged for him to take part in an orientation for directors. The arrangements aimed to properly inform him of the corporate expectations for his role, duty, and responsibility as a director, as well as to provide him with the business details of the Company so that he can be well-prepared for the director's tasks and be well-informed of the Company's policies and practice guidelines on good corporate governance.

16. Director Knowledge Development

The Board of Directors encourages all directors, executives and the Company Secretary to attend training courses or participate in knowledge enhancement seminars both internal and external that support their work duties such as training courses offered by the Thai Institute of Directors (IOD), as well as courses arranged by other agencies so that they can bring the obtained knowledge to apply for the sound progress of their organization. (Please refer to further details in the topic "Additional Training Courses or Relevant Seminars Attended by Directors" and "Details of Directors, Management Team, Advisor and Controlling Persons" Section of this Annual Report.)

17. Policy relating to Board of Directors Meeting

To determine policy that benefits the Company and ensures the Board of Directors can monitor the Company's performance continuously and efficiently, the Company specifies its policy for the meeting of the Board of Directors as follows;

17.1 The Board of Directors Meeting shall be set at least 7 times a year (at least once in each quarter).

17.2 Agenda and date of the board's and shareholders' meetings for the forthcoming year shall be set in advance and notified to all directors since the last year to allow all directors to manage their time to attend the meeting together. The meeting schedule will be published on the Company's Website. Such schedule and agenda may change as appropriate and additional meeting may be held if necessary Please refer to further details at the Company's Website www.scasset.com, Corporate Profile Menu, Corporate Governance Section and Schedules of the Meeting of Board of Directors and the Annual General Meeting.

17.3 Determine policy by requesting for co-operation from all directors to focus on meeting attendance every time, except there is necessity. In 2017, there were 7 Board of Directors meetings and the ratio of the Board of Directors' Meeting attendance by the members of the Board of Directors was at 97.05%. (Please refer to further details

in the topic “Information on Meeting Attendance by the Members of the Board of Directors and the Members of the Sub-Committees”).

17.4 For good corporate governance, the Company prescribed a policy of setting the minimum quorum for the voting of at least two-third of total directors.

17.5 The agenda items of the Board of Directors is prescribed after the discussion between the Chairman of the Board of Directors and the Chairman of the Executive Board to assure that important issues are covered in the meeting agenda.

17.6 The members of the Board of Directors can submit, through the Company Secretary, additional agenda items to be approved by the board meetings and added as additional agenda items for the Board of Director’s meetings.

17.7 Determine that it is responsibility of the Company Secretary to determine the meeting date, prepare adequate supplementary documents and send notice of Board of Directors meeting to all directors at least 7 days prior to the date of meeting both in the form of normal document and electronic form to ensure that all directors will have sufficient time to understand all matters unless there was an emergency or urgent matter. The Company Secretary shall also record all agendas of the meetings and carry out minutes of the meeting. The minute of Board of Directors Meeting which has been approved by the Board shall be kept by the Company Secretary in form of paper and electronic record for reference in the future.

17.8 The Chairman of the Board of Directors allocates adequate time for management to present documents and supplementary information for review and discussion of important issues. Each director is entitled to express independent opinions, to present any concerned agenda items, and scrutinize each agenda before voting. The Company Secretary performs duty of supporting the information documents and recording minutes of meeting in writing and then submitting the minute to the next Board’s meeting for approval.

17.9 The members of the Board of Directors who may have any interest in any agenda must temporarily leave the meeting and refrain from voting in that agenda in order to allow the meeting to freely consider the agenda.

17.10 The members of the Board of Directors can request for relevant information needed for their decision making from the Company Secretary or the management prior to making their decision on the relevant resolution.

17.11 In the Board of Directors meeting, executive or related person may be invited to attend the meeting to provide information and answer question. The Board of Directors may require the Company Secretary to follow up on the question or inquiry from relevant department and notify the Board of Directors within the determined period or in the next meeting.

17.12 Independent directors who are non-executive directors can organize their own meetings without the presence of the management to discuss issues related to the agenda issues in the Notice to the Board of Directors Meeting prior to each relevant meeting.

17.13 The Company Secretary has his duty to record and prepare the Minutes of the Board of Directors, and ensure that they contain all material information, and then submit such minutes to the Board of Directors for their approval. The Company Secretary also has his duty to keep these minutes and their attachments in a safe and orderly manner, both in paper form and in electronic form.

In 2017, the Company held 7 Board of Directors’ Meeting and 1 Annual General Meetings of Shareholders.

18. Policy relating to Non-executive Directors’ Meeting (Independent Directors)

The Board of Directors supports non-executive directors (independent directors) to hold meeting amongst themselves as necessary to discuss issues or proposals or recommendations relating to the Board of Directors meeting agendas, as well as the matters of management which come to their attention without an executive director or management team such as strategic plan and connected transaction etc. After the meeting, report, summary, and recommendation will be prepared and presented to the Board of Directors or the management team for acknowledgement, as the case may be, in order to be implemented to improve management system and operation

of the Company. These enhance benefits to the Company and all its stakeholders since opinions can be freely expressed and perspective thinking is encouraged. The Chairman of the Board of Directors as an independent director will be the chairman of the non-executive directors meeting and call the meeting of Non-Executive Directors prior to Board of Directors Meeting.

As of December 31, 2017, there are 6 Non-Executive Directors and Independent Directors consisted of:

- | | |
|-----------------------------------|--|
| 1. Mr. Rath Kitivejosoht | Chairman of the Non-executive Director |
| 2. Mr. Kunodom Tharmmaphornphilas | Non-executive Director (engineering background and having knowledge and experience relating to the Company's business) |
| 3. Mr. Prasert Samanawong | Non-executive Director (accounting and financial knowledge and experience relating to the Company's business) |
| 4. Mr. Precha Sekhararidhi | Non-executive Director (engineering background and having knowledge and experience relating to the Company's business) |
| 5. Mr. Songsak Premsuk | Non-executive Director (Marketing knowledge and having experience relating to the Company's business) |
| 6. Ms. Vilasinee Puddhikarant | Non-executive Director (Economic knowledge and having experience relating to the Company's business) |

The Secretary of the Non-executive Directors' Meeting is Mr. Prasert Samanawong.

In 2017, there were 7 meetings periodically held among only the Company's Non-Executive Directors (Independent Directors) before the meeting of the Board of Directors. The details of the meeting attendance by each of the non-executive directors are as follows:

Name	Number of Meetings Attended / Total Meeting Held Non-Executive Director (Independent Director)	
	2009-2017	2017
1. Mr. Rath Kitivejosoht	49/49	7/7
2. Mr. Kunodom Tharmmaphornphilas	49/49	7/7
3. Mr. Prasert Samanawong	49/49	7/7
4. Mr. Precha Sekhararidhi	49/49	7/7
5. Mr. Songsak Premsuk ⁽¹⁾	19/19	7/7
6. Mrs. Vilasinee Puddhikarant ⁽²⁾	11/13	6/7

Remark:

⁽¹⁾ Mr. Songsak Premsuk was appointed by General Shareholders Meeting for 2015 held on April 23, 2015.

⁽²⁾ Ms. Vilasinee Puddhikarant was appointed by the resolution of the Board of Directors dated January 15, 2016 to be a director of the Company and member of the Executive Committee (independent director) in replacement of Ms. Phensom Damapong, who resigned from her directorship. She was re-elected by the resolution of the 2016 Annual General Meeting of Shareholders to serve as a director (Independent Director) for another term.

19. Policy on Performance Assessment for the Board of Directors and Highest Level Executive

To abide by the good corporate governance policies, the self-assessment of the Company's board members, and the solution finding plans, The Company's Board of Directors arranges to have performance assessments for the Board of Directors, the Sub-Committees, and executives at least once a year. These include the performance assessment of the entire Board, the performance assessment of individual director which was divided into 2 parts, self-assessment, and cross self-assessment by other directors, the performance assessments for all sub-committees, the performance assessment for the Chairman of the Executive Committee and the performance assessment for the Chief Executive Officer. It also prescribes relevant processes and procedures for such performance assessments, which involve the self-participations of board members, sub-committee members, and executives in such assessments as well as in solution findings for potential problems. All of these will lead to proper work improvement and remuneration planning.

In 2017, the details concerning the performance assessment for the Board of Directors and Highest Level Executive are appeared in the topic "The Board of Directors' Performance Assessment" and "Performance Assessment for the Chairman of the Executive Committee and Performance Assessment for the Chief Executive Officer" Sections of this Annual Report.

20. Policy relating to Preparation of Successor Plan for Management and Top Executives

To prepare personnel with suitable qualification, knowledge, and sufficient capacity as a replacement for Management and Top Executives in case of resignation, retirement, end of term, or not being able to perform duty due to any reason, and to allow continuous and smooth performance, efficiency, and reduce the risk of not having successor as a replacement, the Board of Directors determines the following policy;

20.1 Determine successor plan for management and top executives.

20.2 Determine management and top executives positions that requires successor plan.

20.3 Determine that Human Resource Department shall organize training course and prepare staff, young executive, and middle executive to become young executive, middle executive, and senior executive further.

20.4 Determine and look after remuneration and interest for personnel appropriately and fairly to maintain personnel and prepare for growth of the company in the long run. (Please refer to further details in the topic "Preparation of Successor Plan for Management and Top Executives" Section of this Annual Report).

21. Policy on the Independence of the Internal Audit Unit

The Board of Directors, since the incorporation of the Company, has established Internal Audit Unit. At present, Miss Pannee Tharaphat, Senior Vice President, Internal Audit, is the Head of the Internal Audit Unit, and in order that the Internal Audit Office be independent from the Management to enable the Board of Directors to efficiently monitor the performance of the Company, the Board of Directors has set the reporting line of the Internal Audit Office to come under the Audit Committee which reports its performing of duties, the results or opinions in various issues, such as the number of meetings, assessment and review of the internal control system, connected transactions, proposed appointment of the external auditors, review of the financial statements, review of the compliance issues related to the policy and regulations, as well as opinions on those reviews. To ensure independence of the Internal Audit Office, the Audit Committee is authorized to appoint, transfer, dispose, and assess the performance of the Senior Vice President, Internal Audit Office (Please refer to further details in the topic "Attendance Record of Individual Members of the Board of Directors and Sub-Committees" and "Report of the Audit Committee" Sections of this Annual Report).

22. Internal Control and Risk Management Policy

The Board of Directors prescribes internal control policy and appoints the risk management committee to oversee the risk management and to have risk management measures which govern management activities. It also has responsibility of approving proposed operational plans, budgets and targets. The Board also emphasizes to the

management the importance of efficient and appropriate internal control systems, the internal audit system, and risk management procedures for the operation, including the internal control to manage corruption risk in organization, government agencies business partner and all stakeholders. (Please refer to further details in the topic "Internal Control and Risk Management" Section of this Annual Report).

23. Guidelines of Policy and Practice towards the Conflict of Interests

The Board of Directors always adheres and complies with the policy that the Company's business operation will be performed fairly, honestly, transparently, and verifiably; thus, it prohibits its directors, executives and staff to exploit their positions for self- benefits or family benefits, or for benefits of those close to them, whether such benefits are of monetary nature or of any other nature whatsoever, as forbidden by the rules and regulations of the Stock Exchange of Thailand. The Company prescribes the following practice guidelines for its directors, executives and staff to abide by:

23.1 Receipt of money or rewards

Directors, executives and employees who may come into contact with any conceivable benefits or favors that may obstruct their independent judgment and action required in performing their duties, and hence may impact the interests of the Company and its customers shall comply with the following guidance:

(1) Directors, executives and employees of all levels shall not receive any money or personal rewards offered by the Company's customers, trade partners, or any other individuals for the work they perform on behalf of the Company.

(2) Directors, executives and employees of all levels shall not borrow or raise funds from the Company's customers and counterparties, except that such borrowings represent lending from their banks or financial institutions of which they are customers.

(3) Directors, executives and employees of all levels shall not accept any presents with a value exceeding that of the generally acceptable practices and shall be subject to any other rules and regulations relating the receipt of presents stipulated by the Company.

23.2 Conducting any other business activities outside the Company

Personal business activities of directors, executives and staff shall not impact their commitments to the Company's duties and work schedule. They are also required to disclose, in the formula as prescribed by with the Company, their business participations, whether it be for their own behalf, on behalf of their family, and/or in the name of any juristic party in which they hold any interests. Directors, executives and staff of all levels are forbidden from any participation in any commercial activities which are competitive to those of the Company's business, regardless of whether they direct or indirectly benefit from such participations. The Company prohibits its directors, or the companies of which its directors are related to or hold shares in, to be the Company's counterpart in any trade, except for the transactions which are disclosed and fully comply with applicable laws and the prescribed regulations of the Securities and Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET).

23.3 Transaction with Conflict of Interest

To prevent and create transparency in approving transaction that may have conflict of interest, the Company determines rule and procedure for approving connected transaction according to the rule of the Securities and Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET), which the price and condition must be as if it is transaction with third party and shall be according to general trading condition. Information of transaction that may have conflict of interest or connected transaction shall be disclosed. In addition, director who has interest must leave the meeting room temporary and refrain from voting in that agenda, which is the custom that the Board of Directors has always done.

23.4 Verifying Transaction with Conflict of Interest

In transaction that may have conflict of interest, the Company determines that the Audit Committee shall play an important role by determining that all transactions must be filtered by the Audit Committee first to determine whether such transaction is compliant with the rule of the Securities and Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET), and whether it is appropriate, fair, compliant with general trading condition, and is the best interest for the Company or not in order to be presented for further approval.

In 2017, the audit showed no case of any conflict of interest on their part against the Company.

24. Policy for Director and Top Executive Remuneration

24.1 Policy on Remuneration for Directors

The Company established a clear and transparent remuneration policy for its directors, both in terms of monetary and other non-monetary aspects such as meeting allowances, bonus, pension, and other benefits. The remuneration is considered from the Board of Directors' duties and responsibilities, and has been designed to the Company's Directors at the similar level to the industry compensation of Thai listed companies. It's believed that such remuneration could attract, retain and motivate the directors to perform their roles and carry out their responsibilities to accomplish the Company's goals efficiently and transparently.

Director remunerations determination process is reviewed and proposed by the Nominating and Remuneration Committee for approval by shareholders' resolution. (Details of which appear in the "Shareholders' Rights" and "Director and Executive Remuneration" section of this annual report).

24.2 Policy on Remuneration for the Executive Chairman/Chief Executive Officer (CEO) and Top Executives

The Company has established a remuneration policy for the Executive Chairman/Chief Executive Officer (CEO), and top executives both in terms of monetary remuneration i.e., salary, Bonus (no meeting allowance provided) and other non-monetary benefits such as the housing welfare program for executives whose years of service exceed 3 years offers the rights for them to purchase houses or condominiums developed by the Company at a special discount, whereby the special discount scheme is clearly and transparently defined. The remuneration policy is clear and transparent formulated based on relevant considerations such as experiences, duties, roles, and responsibilities of the executives, as well as their performances or anticipated serviceable outcomes. All of these incentives are given in a level suitable for the company to retain their qualified executive chairman, chief executive officer (CEO) and executives, and in the range comparable to its industry peers who are also Thai public listed companies in the same industry sector.

The Remuneration policy for the Executive Chairman/Chief Executive Officer (CEO) and top executives is prescribed in detail for both monetary remuneration and other non-monetary benefits and in both forms of short-term and long-term incentives:

Short Term Incentives

The short-term incentives aim to motivate and inspire directors and executives' work performances. High-performance executives are a key element that creates good corporate results. The short-term incentives consist of both monetary incentives and other non-monetary incentives which are:

(1) Short-term monetary incentives include salary and an annual bonus payable according to individual performance and actual company performance, salary increase for the Executive Chairman/Chief Executive Officer (CEO), and top executives based on demonstrated individual achievement evaluated under the Balanced Scorecard (BSC) approach according to Key Performance Indicator (KPI) Evaluation Process.

(2) Other short-term non-monetary incentives include various benefits provided to the Executive Chairman/Chief Executive Officer (CEO), and top executives such as the above mentioned housing welfare program.

Long Term Incentives

The long-term incentives aim to reward directors and executives for their dedicated work performance and to create motivation for them to make long-term accomplishments. Retaining qualified employees to work for the Company for the long-term is its key strategy for corporate productivity and value maximization. In 2017, the Company provided its long-term incentives and the Annual General Meeting of Shareholder for the year 2017 has resolved to approve the issuance and offering the warrant to purchase the ordinary shares of the Company (ESOP) for 1 program.

Total Number of Warrants to be Offered	Not exceeding 40,000,000 Units
Offering Price per Unit	Baht 0 (zero Baht)
Offering Period	The offering shall be completed within one year from the date on which the issuance and offer of the Warrants under the Program is approved by the 2017 Annual General Meeting of Shareholders (the due date will be on April 20, 2018, currently the warrant has not been yet offered)
Terms	Not exceeding 5 years from the date of issuance and offering
Number of Reserved Shares	Not exceeding 40,000,000 shares (at the par value of Baht 1) or 0.96 percent of the total paid-up shares.
Exercise Ratio	One warrant per one ordinary share.
Exercise Price	The weight average closing of the Company's shares trade on the Stock Exchange of Thailand during the period of 15 consecutive working days prior of the day Shareholders' Meeting, (no discount from the market price), which the calculated exercise price is 3.71 Baht per shares

The Employee Stock Option Program helps create an ownership culture and motivate the Executive Chairman/Chief Executive Officer (CEO), and top executives to work with dedication and efficiently. The stock option plans also effectively support the retaining of qualified employees, motivate corporate productivity, enhance long-term value maximization to stakeholders, and ensure growth as well as business sustainability.

In addition to the above mentioned remunerations and incentives, the Company also clearly prescribed a remuneration process for the Executive Chairman/Chief Executive Officer (CEO), and top executives according to their roles and positions, as follows:

(1) The Executive Chairman: The process in remunerating for the Executive Chairman based on the consideration of the performance assessment assessed by the Executive Chairman's Performance Assessment Sub-Committee, which consists of the Chairman of the Board of Directors (Independent Director), the Chairman of Audit Committee (Independent Director) and the Chairman of Nomination and Remuneration Committee (Independent Director). The Executive Chairman's performance assessment results will be reported to the Nomination and Remuneration Committee for determining the monetary remuneration as well as and other non-monetary and in both short-term incentives and long-term incentives forms for further proposing to the Board of Directors for approval.

(2) The Chief Executive Officer (CEO): The process in remunerating for the Chief Executive Officer (CEO) based on the consideration of the performance assessment assessed by the Chief Executive Officer's Performance Assessment Sub-Committee, which consists of the Executive Chairman, the Chairman of Audit Committee (Independent Director) and the Chairman of Nomination and Remuneration Committee (Independent Director). The Chief Executive Officer's performance assessment results will be reported to the Nomination and Remuneration Committee for determining the monetary remuneration as well as and other non-monetary and in both short-term incentives and long-term incentives forms for further proposing to the Board of Directors for approval.

(3) The Top Executives: the Nomination and Remuneration Committee has been assigned to determine the reasonable and appropriate remuneration for top executives. The remuneration is considered from the individual executive's performance as well as the Company's

In the year 2017, the Company determined the remuneration both monetary remuneration and other non-monetary benefits and in both short-term and long-term incentives forms for the Directors, the Executive Chairman, the Chief Executive Officer (CEO) and the top executives in accordance with the policy prescribed by the Company. (Please refer to further details in the topic "Shareholders' Rights" and "Director and Executive Remuneration" sections of this annual report.)

25. Policy related to the Company Secretary

The Board of Directors determines that the Company shall have the Company Secretary, which the appointment shall take into account and compliant to the rule determined by the law and good corporate governance principles. The Secretary must completed a degree in law or accounting, and has been trained in course relating to performing secretary's duty to perform the duty of giving legal advice and recommendation relating to various rules to the Board of Directors. The duties included the supervising activities of the Board of Directors, making appointment and preparing meeting invitation letter together with meeting documents completely and sufficiently, as well as coordinating to ensure compliance with the resolution of the Board of Directors. Information and role of the Company Secretary has already been disclosed. (Please refer to further details in the topic "Company Secretary" section.)

26. Offence on Corruption, Corporate Governance, and Negative Reputation

In 2017, the Company and all directors, including executives had no offence or violation against the rule of the Securities and Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET). There was no offence in terms of corruption or ethics, and there was no executive resigning due to the issue of corporate governance, as well as the Company had no bad reputation due to failure of performing monitoring duty of the Board of Directors. The Company realizes the importance of anti-corruption. Therefore, the Company's representative was sent to attend the meeting with organization and authority that publish knowledge relating to preventing and verifying corruption in the organization such as international conference on anti-money laundering, etc.

27. Policy Prohibiting the Company's Directors, Executives and Employees to Borrow Money from the Company

To ensure trust and reliability in the managerial transparency and to protect against conflict of interest, it is the Company's policy to prohibit its directors, executives and employees to directly and indirectly apply for a

Company loan in all cases, except if such borrowing is made in accordance with laws on commercial banks, insurance, or rules on employee benefits. This prohibition governing the borrowing of the Company's money by its directors, executives and employee as well as the guaranteeing of the Company includes:

27.1 The borrowing of the money by spouses or minor children of the Company's directors, executives, and employees.

27.2 The borrowing of the money by any ordinary partnership that the Company's directors, executives, and employees, or their spouses and minor children are partners.

27.3. The borrowing of the money by any limited partnership that the Company's directors, executives, and employees, or their spouses and minor children are general partners.

27.4. The borrowing of the money by any company that the Company's directors, executives, and employees, or their spouses and minor children are shareholders of which their combined shareholdings is more than half of the total shares of the company.

Up to the present, there are no such cases where the directors, executives and employees have applied for a Company loan neither directly nor indirectly.

28. Policy on Change of Status and Responsibility of the Directors

In case any director changes status or responsibility which may have a material impact on the qualifications or his performing his duty as director: for example, his taking office in another juristic person with a similar nature of business, or conflicting or competing with the Company's business, or changing his duty and responsibility which result in his being disqualified as the Company's director, or his having a conflict of interest, or not being able to devote time and effort in performing the duty as director; the Company has established the practice guidelines that such director must notify such change in writing together with a resignation note to Chairman of the Board of Directors or Company Secretary.

29. Rules on Financial Creditability

The Company's Board of Directors prescribes rules on financial credibility and fund management to assure that the Company has sufficient funding to support its operation, and to maintain the Company's credibility among outsiders and financial institutions. The prescribed rules are as follows:

29.1 Manage the Company's liquidity and assure that the Company's liquidity is sufficient for its operational needs and investments. The Company utilizes its cash flow from operation, borrowings from financial institutions, issuance of debentures and bill of exchange as its funding source.

29.2 Have appropriate financial risk management and suitable financial structure, with regular monitoring on financial ratios with debt to equity ratio at a level no more than 2:1 which is the level required by the covenants of the Company's loan agreements by which the Company needs to strictly abide. Additionally, the Company also controls the ratios of its short-term and long-term debts, and ensures that the application of such fund is in accordance with their relevant borrowing purposes. The Company has its average cost of fund at a rate below MLR -2%.

29.3 Strictly maintains its good financial credibility with respect to its repayment obligations for debts and borrowed funds by repaying accurate amounts on time as prescribed in the repayment and amortization schedules stated in the loan agreements or in the contracts and agreements with trade partners, trade creditors, financial creditors, and shareholders.

29.4 Disclose accurate, timely, adequate and equitable financial information according to the prescribed rules and regulations of the Securities and Exchange Commission of Thailand, the Stock Exchange of Thailand, and in accordance with generally accepted accounting principles.

29.5 Maintain financial discipline and a good financial management system with efficient internal controls.

29.6 Maintain its credit rating assigned by acceptable credit rating agencies at a level not lower than BBB+.

29.7 Have the management monitor and evaluate the Company's financial position regularly and report it to the Board of Directors every quarter. In the event that there is any warning sign on the Company's liquidity the Board of Directors and the management shall jointly find measures to promptly solve it and closely monitor it by prescribing a suitable financial solution plan that is mindful of the rights of the stakeholders and creditors.

29.8. Disclose the Company's operational results together with relevant financial statements in the Company's Annual Report and in the Form 56-1. The information provided should sufficiently reflect the Company's financial position and its operational performance and allow all stakeholders to acknowledge it accurately, completely and transparently.

30. Prohibition of Directors' Involvement in Businesses that are a Business Competitor

In order to avoid conflict of interests, and the use of internal information in a way that is not suitable with its objectives, the Company thus prohibits its directors from any involvement in businesses which are in the same line of business as the Company's business and is in competition with the Company. It also forbids its directors from being a partner in any ordinary partnership or as general partner in any limited partnership or to act as a director in any company that is involved in any business similar to that of the Company's, and deemed to be in competition with the Company, whether such action is for the self-benefit of the director or for the benefits of others.

31. Directors have a Duty to Notify the Company on Important Events

The Company's directors are required to promptly notify the Company through its Company Secretary as soon as there is an event or when aware of the occurrence of important events where:

31.1 Any director directly or indirectly becomes an interested party in any contract that the Company has made or shall make within the year. The said director shall provide the facts relating to the nature of such contract, the name of the contract's counter party, and the interest of the director in such case.

31.2 Any director buys or holds shares or debentures of the Company and its affiliates. He/she must promptly inform the Company Secretary about the said shares and debentures and provides details of their amount, method of acquiring, total number of the increase or decrease of such shares and debentures. The director also has the duty to notify the stock exchange of Thailand about the acquisition or disposal of such shares and debentures within 3 business days of such acquisition or disposal.

32. Responsibility of the Directors to Shareholders

Directors are responsible for any damage caused to the Company's shareholders and other related persons under the following circumstances:

32.1 Notification of false information or concealment of the Company's financial position and operational results in the event of that the Company is offering debentures or other financial instruments for sales;

32.2 State or fill in false information in documents submitted to the registrar, or state or fill in information which is contrary to that of the Company's registration information or the Company's actual documentation;

32.3 Prepare false balance sheets and income statements, minutes of the shareholders' meetings, or minutes of the Board of Directors.

33. Policy on Guarding the Classified Business Information

As the Company's directors are among those who could access the classified internal information, the Company has set the policy on guarding the business information confidentiality whereby the active or retired directors are prohibited from disseminating or taking any acts that benefit others with classified business information, or to make use of the information for their own benefit or benefit of others, or to violate the laws governing the use of internal information; with the exception that such disclosure is legally required or by court order. The directors must act with due consideration not to disclose or to prevent disclosure of the classified information including

dialogues among directors or between directors and management team during the meeting sessions of the Board of Directors or Sub-Committees.

In 2017 the audit showed no case of violating any of the Company's policies made by Directors.

34. Promoting Innovation and Corporate Responsibility

The Board of Directors recognizes the importance of encouraging creativity among executives and employees of all levels by inspiring them to create new innovations, and allowing them to participate in creative thinking that shall bring added value to the Company's business. Additionally, it simultaneously promotes ethical conduct in creation of benefits to society, customers, and related parties, as well as fosters awareness in social and environmental responsibility. These include:

34.1 Organizing annual creative thinking activities for the Company's executives and employees to participate in and encouraging them to present their ideas which can contribute to new innovations and promoting value to the Company's developments. In addition, the Company also forms business alliances with those with expertise in innovation development. The actions include:

(1) Organized "Hackathon 2017" Program aimed to promote creativity and inspire employee's analytical minds. Employees are encouraged to present new ideas for creating or improving the Company's services by applying new technologies. This intends to increase the Company's competitiveness in responding to the needs of the society and its clients.

(2) Participated in a joint investment with Fixzy Company Limited under SC Able Company Limited to form an innovation startup business with the objective to design user applications whereby customers can contact repairers online. The decision helps enhance the Company's after-sales services and supports the needs and the new life style of modern consumers, as well as bringing benefits to the Company's business operations.

(3) Participated in a joint investment with Fire One One Company Limited which provides technological consultancy to organizations and develops a platform for those organizations intending to enter the "Digital Economy" by applying technologies as a key factor in driving its business. The decision aims to jointly support the development of "Digital Living Solution Platform" that may bring improvement to the Company's products and services to be up-to-date and convenient.

34.2 Managing the internal affairs of the Company and its activities. At present, the Company encourages its executives and employees to apply information technology for management of the company's business activities, aiming to create quick responses, become modernized, and increase business opportunities while providing improvements in risk management. These actions aim to bring achievement to the Company's prescribed business objectives and primary goals.

34.3 Oversee that the management manages its business activities and human resources efficiently and allocates sufficient manpower for the administration of the Company's real estate development projects. Additionally, it also includes the management of a sound financial position that enhances the Company's financial and operational credibility, and monitors proper repayments of the Company's obligations, as well as oversees that there is no adverse impact to the Company's value chain while trying to achieve its business sustainability.

34.4 Oversee and monitor that the Chairman of the Executive Board and the Management operate the Company's business with responsibility vis-à-vis consumers, society, and environment. Every development project that the Company undertakes must include a plan regarding care and awareness of society and environment to assure that there is no additional impact caused by the Company's operation. Indeed, the Company intends to minimize any possible impacts that existed prior to the starting of its development. Furthermore, it is also concerned with the safety and health of the surrounding communities.

Compliance with Good Corporate Governance

Throughout the year 2017, the Company has thoroughly and continually adhered to and emphasized good corporate governance practice. The policy including the practices and procedures related to good corporate governance have been reviewed and developed to comply with the generally accepted principles by adopting the new principles to apply to the Company's strategies and direction, in order that the Company's business operation could be developed and prosper transparently, open to investigation, and protecting the equitable rights of every shareholder including all other stakeholders. The following practices were developed during the year in review: Nonetheless, the Company has undertaken other different approaches than those specified in good corporate governance principles as mentioned below:

(1) The Company has not set the maximum term for independent directors on the grounds that the Company has considered as essential factors the knowledge, competency and professional experience of each independent director, contributable to the benefits of all stakeholders and the Company's business growth, as well as the individual performance assessment throughout the term of directorship. Each independent director has proved that his independence is maintained without any conflict of interest and /or material interest with the Company. Over the past years there were no objections or allegation made by the stakeholders or governing authorities concerning the qualification of the Company's independent directors. Nevertheless, while not failing to observe the good corporate governance practice, the Company regularly developed and reviewed the internal control system, the audit system and the stakeholders' petition process to improve the efficiency of the audit system and to assure that all Company's independent directors will not be disqualified from independent directorship as specified by the Securities and Exchange Commission (SEC). It is also the policy of the Board of Directors that the Nomination and Remuneration Committee should review the term and years in office of the independent directors on a yearly basis.

(2) The Company has not yet prescribed cumulative voting as a voting method for its Board of Directors election as the practice of cumulative voting is perceived by the Company to have certain flaws, which facilitate minority shareholders to concentrate their votes on candidates who are not nominated by the Company, and not selected via the Nomination Committee's selection process. The Nomination Committee knows what qualifications are suitable to corporate strategy and required to help the Company achieve its development and business suitability targets, and thus mostly required for a director to have. Therefore, a director candidate who is not reviewed and selected via the Nomination Committee's selection process may not be acceptable to work with other board members, which could then result in a non-cohesive corporate administrative and governance direction that could further cause damage to the Company's business operation.

(3) The Company has not yet prescribed a policy which requires its directors and top executives to report to the Board of Directors about any of their security trading transactions at least 1 day in advance of such trading; because the Company already has prescribed in place an insider trading prohibition policy, which particularly governs against the use of non-public information and undisclosed information of the Company. Provided that, at the time of public release of the Company's financial statements, or the Company's financial position and status, as well as other important details which are the Company's internal information, it is the Company's policy to prohibit its directors, executives and employees who are in positions or in business lines which are responsible for such internal information, or who have access to such internal information, from engaging in any trading of the Company's securities for a period of 1 month before public disclosure thereof and within 24 hours after such disclosure. Nonetheless, the company has not yet formulated a policy which requires its directors and top executives to report to the Board of Directors about any of their security trading transactions at least 1 day in advance of such trading is because trading decision is also connected to personal satisfaction over a desired range of trading prices. Thus the formulation of such reporting policy may cause a restriction on fundamental individual rights.

2

Sub-committees

The Company's Board of Directors has appointed directors appropriately equipped with knowledge and professional proficiency in the various sub-committees to help oversee corporate governance by a performing detailed study and screening of the issues within the scope of their respective responsibilities, with an aim to increasing the effectiveness of Board of Directors' performance. In this way, the sub-committees could more specifically consider and discuss the related issues and reported the result of their meetings to the Board of Directors on a regular basis, as well as their annual performance to the Company's shareholders in the Annual Information Disclosure (56-1Form) and the Annual Report respectively. Currently, 5 sub-committees have been appointed as follows:

1. The Executive Committee
2. The Audit Committee
3. The Nomination and Remuneration Committee
4. The Corporate Governance and Social & Environmental Responsibility Committee
5. The Risk Management Committee

The Executive Committee

As of December 31, 2017, all members of the Executive Committee did not hold any directorship in other listed companies. The Executive Committee consisted of:

- | | |
|--------------------------------|-------------------------------------|
| 1. Ms. Busaba Damapong | Chairman of the Executive Committee |
| 2. Mr. Nuttaphong Kunakornwong | Member |
| 3. Mr. Nathpath Ouajai | Member |
| 4. Mr. Songsak Premsuk | Member |
| 5. Ms. Vilasinee Puddhikarant | Member |
| 6. Mr. Attapol Sariddipuntawat | Member |

The Secretary of the Executive Committee is Mr. Vitit Visalpattanasil, Chief Accounting Officer

In 2017, the Executive Committee held 13 meetings to follow up and manage the operation of the Company's business, of which the attendance details were disclosed under the topic "Attendance Record of an Individual Member of the Board of Directors and Sub-Committees"

Scope of Authorities and Responsibilities:

1. To formulate the policies, business direction, strategies and the construction business management of the Company by reviewing the current, and future economic trends and competitive situation as previously outlined to shareholders and submit to the Board of Directors for their approval.
2. To set business plan, annual budget, and management guideline of the Company and submit to the Board of Directors for their approval.
3. To monitor and follow up operations to ensure compliance with policies and other management directions of the Company for its operational efficiency.
4. To monitor and follow up the performance of the Company as set forth in the approved business plans.
5. To consider all major project investments.

6. To carry out financial transactions with financial institutions in respect of the opening of bank accounts, loans, pledge, mortgage, guaranty, and any other transactions including sales and purchases, and the registration of any land title as laid down in the objectives of the Company for the benefit of the Company's operations under the determined budget.

7. To operate any other activities specifically assigned by the Board of Directors.

The Audit Committee

As of December 31, 2017, the members of the Audit Committee (serving period 3 years) consisted of 3 independent directors who have knowledge and understanding or experiences concerning accounting or finance, details are as follows:

- | | |
|-----------------------------------|---|
| 1. Mr. Kunodom Tharmmaphornphilas | Chairman of the Audit Committee (Being an independent director and having his professional background in structural engineering and financial accounting). He has competence and experience to review the Company's financial statements. |
| 2. Mr. Prasert Samanawong | Member (Being an independent director and having his professional background in financial accounting). He has competence and experience to review the Company's financial statements. |
| 3. Mr. Precha Sekhararidhi | Member (Being an independent director and having his professional background in engineering, management and financial accounting). He has competence and experience to review the Company's financial statements. |

The Secretary of the Audit Committee is Ms. Pannee Tharaphat, Deputy Chief Internal Audit Officer.

The Audit Committee was formed on September 1, 2003, with committee composition, member qualifications, prescribed scope of duties and responsibilities, period of directorship, as well as meeting rules set in accordance with the Audit Committee Charter. The current version, which was approved by the Board of Directors at its meeting No. 7/2017 held on December 13, 2017, is prepared in accordance with the regulatory requirements prescribed by the Securities and Exchange Commission of Thailand (SEC) and conforms to notifications issued by the Stock Exchange of Thailand (SET). The Audit Committee Charter covers roles and responsibilities, qualifications, constitution, and quorum of the Audit Committee. Interested parties are encouraged to visit our website: www.scasset.com for more information in the "Corporate"/ "Corporate Governance"/ "Audit Committee Charter" Section.

The Audit Committee regularly convenes and holds at least 8 meetings annually. In 2017, the Committee held 9 meetings including 4 meetings in connection with the audit results, the performance of the Audit Department and the compliance audit; and 1 exclusive meeting with the external auditors without the presence of the Management. The Audit Committee submits its report to the Board of Directors consistently without delay. The quarterly meetings were held with the certified auditors and Chief Accounting Officer to review the Company's financial statements. The attendance details were disclosed under the topic "Attendance Record of an Individual Member of the Board of Directors and Sub-Committees.

Scope of Authorities and Responsibilities:

1. To review the Company's financial statements to ensure they are accurate, reliable and have sufficient disclosure with the generally accepted accounting principles.

2. To review the efficiency and appropriateness of the Company's internal controls and internal audit systems. Oversee the independency of the Internal Audit Department. Give accord for considerations made regarding appointment, transfer, and cancellation of employment of the Chief of the Internal Audit Office, as well as review his/her performance and remuneration.

3. To review practices to ensure compliance with rules and regulations of the Stock Exchange of Thailand (SET), and other related authorities.

4. Consider, select, nominate, and appoint, individuals who are independent and are auditors approved by the Securities and Exchange Commission of Thailand (SEC) to be the Company's external auditors, as well as to re-nominate the external auditors who are finishing their term for reappointment for another term, to propose the termination of the predecessor auditors' service as well as to propose remuneration of such external auditors. The Committee shall, at least once a year, arrange to have a meeting with the auditors the presence of the management therein.

5. To oversee that connected transactions or transactions which may represent conflict of interest are reviewed according to applicable laws and regulations of the Stock Exchange of Thailand (SET) in order to ensure their rationality and for the benefit of the Company.

6. To review the efficiency and effectiveness of the Company's risk management systems.

7. To review and submit an opinion on Internal Audit plans, practices of the Internal Audit Department.

8. To prepare the Audit Committee Report and disclose it in the Company's annual report. The Audit Committee Report must be signed by the Chairman of the Audit Committee and should at least include the following information:

(1) Opinions on the accuracy and accountability of the Company's financial statements.

(2) Provide Opinions on the Company's risk management and the adequacy of its internal controls System.

(3) Opinions on the Company's compliance with laws governing securities and exchange, rules and regulations of the Securities Exchange of Thailand (SET), or other relevant laws which govern business activities of the Company.

(4) Opinions on the suitability of the Company's auditor.

(5) Opinions on the transactions which may represent conflict of interest.

(6) Number of the Audit Committee Meetings and the attendance record of each committee member.

(7) Opinions or general remarks obtained by the Audit Committee in performing its duties in accordance with the Audit Committee Charter.

(8) Other transactions of which the general shareholders and investors should be aware under the scope of duties and responsibilities assigned by the Board of Directors to the Committee.

9. In performing the duties assigned to the audit Committee, if there is any finding of or doubts on any item or action which may have any material impacts to the Company's financial positions and operation results, the committee shall report to the Company's Board of Director for acknowledgement and consideration, the said item or action as follow:

(1) Conflict of interest transactions

(2) Fraud, Corruption or irregularity or deficiency in material respects, in the internal control system

(3) Violation of laws on securities and stock exchange and/or the notifications of the Securities and Exchange Commission of Thailand and/or the regulations of the Stock Exchange of Thailand and/or other laws relating to the business of the Company.

10. To report the performance of Audit Committee to the Board of Directors at least 4 times a year.

11. Having authority to invite management, executives or relevant employees of the Company to give opinions or participate in meetings or submit any necessary information required within the scope of duties and responsibilities assigned to the Audit Committee.

12. Having authority to hire external advisors or outsiders, under the Company's prescribed rules to give opinions or advise, if necessary.

13. Review and oversee the compliance of the Company's Anti-Corruption Policy and Measure, as well as regularly review such policies and measures at least on an annual basis to assure that such policy and measures are in line with changes in the Company's risk factors.

14. Review the accuracy of the reference documents and self-evaluation forms relating to the Company's anticorruption measures as per the requirement of the Thailand's Private Sector Collective Action Coalition against Corruption (CAC).

15. To carries out actions assigned by the Board of Directors which is agreed upon by the Audit Committee.

Qualification and Composition of the Audit Committee

1. The Audit Committee must comprise of independent directors appointed by the resolution of the General Meeting of Shareholders or the Company's Board of Directors. A member of the Audit Committee shall be appointed as the Chairman of the Audit Committee.

2. Members of the Audit Committee must not be a director who is assigned by the Board of Directors to make any business decision for the Company, its parent company, its subsidiaries, its affiliates, fellow subsidiaries, major shareholders or controlling persons.

3. Members of the Audit Committee must not be a director of the Company's parent company, its subsidiaries, its affiliates, and fellow subsidiaries which are listed companies.

4. The Audit Committee must comprise of three directors as a minimum. At least one of the directors among the members of the Audit Committee must have adequate experience to make an assessment review on the accountability of the financial statements.

5. Members of the Audit Committee must possess qualifications prescribed by the Securities and Exchange Commission of Thailand (SEC).

In addition to the above required qualification and specific composition of the Audit Committee, members of the Audit Committee also maintain qualification and specific composition as independent directors (Please refer to further details in the topic "The Board of Directors"/ "Qualifications of Audit Committee")

The Nomination and Remuneration Committee

As of December 31, 2017, the Nomination and Remuneration Committee (serving period 3 years) consisted of:

- | | |
|-----------------------------------|--|
| 1. Mr. Prasert Samanawong | Chairman of the Nomination and Remuneration Committee,
Independent Director (non-executive) |
| 2. Mr. Kunodom Tharmmaphornphilas | Member, Independent Director (non-executive) |
| 3. Mr. Nathpath Ouajai | Member |

The Secretary of the Nomination and Remuneration Committee is Ms. Charanya Tangbunjerdsook, the Deputy Chief Human Resources and Administration Officer.

The Nomination and Remuneration Committee was appointed on September 1, 2003 which, at first, was separately divided in 2 sub-committees, the Nomination Subcommittee and Remuneration Subcommittee. Its scope of authorities, responsibilities serving period were both prescribed in the charter of Nomination Subcommittee and Remuneration Subcommittee. Since the members of both Subcommittees were the same and worked together, the Board of Directors has designed to combine two sub-committees in to one committee and adjusted new the charter of Nomination and Remuneration Committee. Its scope of authorities, responsibilities, qualified, element, serving period and meeting. Thus interested person is encouraged to visit our website: www.scasset.com, in "Corporate"/ "Charter" section.

In 2017, the Nomination and Remuneration Committee held 2 meetings, of which the attendance details were disclosed under the topic “Attendance Record of an Individual Member of the Board of Directors and Sub- Committees”.

The Nomination and Remuneration Committee has authorities and responsibilities as follows:

1. To set principles and policies relating to nominations of directors and sub-committee members for the Company's Board of Directors and other committees and subcommittees;
2. To consider and nominate suitable candidates for the director posts and submit their names to the Company's Board of Directors for approval and/or for further submission to the shareholders' meeting for approval, on a case by case basis;
3. To consider and nominate suitable candidates for the Chairman of the Executive Committee position, in case of a vacancy, and stipulate selection criteria for top executives;
4. To annually set an appropriate and relevant remuneration scale, both monetary and non-monetary, to attract and retain the Board members, sub-committee members and top executives;
5. To prepare remuneration principles and policies for the Board members and top executives and submit them to the Company's Board of Directors for approval and/or for further submission to the shareholders' meeting for approval, as the case may be;
6. To provide explanations and answers to questions relating to remuneration of the Board members and top executives, which are raised in the shareholders' meeting.

The Corporate Governance and Social & Environmental Responsibility Committee

As of December 31, 2017, the Corporate Governance and Social & Environmental Responsibility Committee (serving period 3 years) consisted of:

- | | |
|--------------------------------|--|
| 1. Mr. Precha Sekhararidhi | Chairman of the Corporate Governance and Social & Environmental Responsibility Committee, (Independent Director) |
| 2. Ms. Busaba Damapong | Member (Chairman of the Executive Committee) |
| 3. Mr. Nuttaphong Kunakornwong | Member (Chief Executive Officer, Executive Director) |
| 4. Mr. Songsak Premasuk | Member (Executive Director, Independent Director) |

The Secretary of the Corporate Governance and Social & Environmental Responsibility Committee is Mr. Somboon Kuptimanus, the Company Secretary, Chief Legal Officer and the Head of Compliance Unit.

The Corporate Governance and Social & Environmental Responsibility Committee was appointed as per the resolution of the Meeting of the Board of Directors No.1/2011 on January 12, 2011, to take responsibility on the formulation the policy and establishment the working plan regarding the good corporate governance as well as corporate Social Responsibility. In addition, there was a working group on environmental & social responsibility or CSR, which was formed to be directly responsible for undertaking the CSR activities.

Such CSR working group comprises of 8 members as follows;

- | | |
|-----------------------------------|-------------------------------|
| 1. Mr. Suriya Pleansi | Chairman of CSR working group |
| 2. Mr. Paphandech Pacharachanant | Member |
| 3. Mr. Kriengsak Hiamto | Member |
| 4. Mr. Prayongyut Itthiratchai | Member |
| 5. Mr. Somchai Lorhaburanakit | Member |
| 6. Miss Paima Akaratawee | Member |
| 7. Ms. ChomChada Kaldiloke | Member |
| 8. Ms. Sudarat Charoengatemongkol | Member and Secretary |

The working group was entrusted with the duty to formulate the strategies and implement the CSR activities in compliance with the policy laid down by the Corporate Governance and Environmental & Social Responsibility Committee, and to follow up the CSR activities of the Company to be in line with the approved strategies and work plans.

In 2017, the Corporate Governance and Environmental & Social Responsibility Committee held 2 meetings, of which the attendance details were disclosed under the topic "Attendance Record of an Individual Member of the Board of Directors and Sub-Committees".

Roles, Duties and Responsibilities of the Corporate Governance and Social & Environmental Responsibility Committee

1. Propose good practices and recommendations regarding corporate governance and social & environmental responsibility to the Company's Board of Directors. The practices should be appropriate and in line with the Company's business activities.

2. Encourage the Company's directors, executives, and staff to always expand their knowledge on corporate governance and social & environmental responsibility for appropriate work application and uplift the standards of practice to those of international status and in accordance with recommendations from the relevant governing authority and agency.

3. Monitor the application by the management on good corporate governance and social & environmental responsibility in corporate development and in project development for the sustainable growth of the Company.

4. Consider and review the Company's policies on good corporate governance, the Code of Conduct, as well as other policies and guidelines which support the Company's business operations as per its corporate governance and its social and environmental responsibility to assure transparency, equitability, and business sustainability, as well as keeping in line with international standard guidelines. The consideration and review is made prior to the submission of such items to the Board of Directors for approval, and to assure that these documents are always updated and suited to prevailing circumstances.

5. Assess the Company's performances on issues relating to good corporate governance.

6. Monitor and review work systems within the organization to assure that they are in compliance with the Code of Conduct and the prescribed guidelines for good corporate governance, and make suggestions on practice guidelines to the Board of Directors on matters relating to corporate governance, as well as social and environmental responsibilities.

The Risk Management Committee

As of December 31, 2017, the Risk Management Committee (serving period 3 years) comprised of 6 persons, which 2 of them are independent directors, details are as follows:

- | | |
|--------------------------------|---|
| 1. Mr. Precha Sekhararidhi | Chairman of the Risk Management Committee
(Independent Director and Non-executive Officer) |
| 2. Mr. Prasert Samanawong | Member (Independent Director and Non-executive Officer) |
| 3. Ms. Busaba Damapong | Member (Chairman of the Executive Committee) |
| 4. Mr. Nuttaphong Kunakornwong | Member (Executive Director and Chief Executive Officer) |
| 5. Mr. Attapol Sariddipuntawat | Member ((Executive Director and Chief Corporate Officer) |
| 6. Dr. Torwong Chenvidyakarn | Member (Head of Corporate Strategic and Innovation) |

The Secretary of the Risk Management Committee is Ms. Pannee Tharaphat, Deputy Chief Internal Audit Officer.

The Risk Management Committee has authorities and responsibilities as follows:

1. Consider and provide opinions on the drafts of risk management policies and framework, as well as determine the Company's risk appetite and risk tolerance prior to their submission to the Company's Board of Directors for consideration and approval.
2. Acknowledge, consider and approve the risk assessment report, directors, risk management measures, as well as relevant action plans on residual risks to assure that the Company maintains sufficient and appropriate risk management procedures.
3. Oversee and support the Company's risk management system to ensure that it achieve the prescribed objectives and targets, as well as suggest protection and mitigation methods to keep the risk levels within their acceptable range. It also follows-up on the operational plan to continuously mitigate relevant risks and to ensure that the plan is suited to the business environment, and ensure that risks are adequately and appropriately managed.
4. Oversee and support the review and evaluation of risk management policy and framework at least once a year to assure that the ongoing policy and framework are suitable for and applicable to the current circumstances of the Company's business operations.
5. Communicate and exchange information as well as coordinate on matters related to risks and internal controls with the Audit Committee.
6. Continually report its performances and actions to the Audit Committee and the Company's Board of Directors on.
7. Provide opinions and recommendations on outsourcing of work in the event that the Company needs to hire any outsiders for work due to insufficient internal manpower and/or lack of specific knowledge or expertise required to complete any targeted work plan. Nevertheless, such hiring shall only be temporary.

In 2017, the Risk Management Committee reviewed the Company's Risk Management Policy and in the Meeting of the Risk Management Committee No. 7/2017 on Tuesday December 13, 2017, the Risk Management Committee resolved to improve such policy to be in line with the Company's Risk Management Committee Charter and its relevant enforcement guidelines, as well as other applicable regulations.

In 2017, The Risk Management Committee held 5 meetings, details of which are as follows:

Name	Number of Meetings Attended / Total Meetings Held Risk Management Committee	
	2007-2017	2017
1. Mr. Precha Sekhararidhi ⁽¹⁾	14/14	3/3
2. Mr. Prasert Samanawong ⁽²⁾	14/14	3/3
3. Ms. Busaba Damapong ⁽³⁾	14/14	3/3
4. Mr. Nuttaphong Kunakornwong ⁽⁴⁾	17/19	3/3
5. Mr. Attapol Sariddipuntawat ⁽⁵⁾	47/49	3/3
6. Mr. Torwong Chenvidyakarn ⁽⁶⁾	18/18	3/3

Remarks:

The Board of Directors, at its meeting no.7/2017 held on December 13, 2017, passed a resolution appointing the new Risk Management Committee

- (1) Mr. Precha Sekhararidhi, Independent Director, has been assigned to be the Chairman of the Risk Management Committee since December 16, 2014.
- (2) Mr. Prasert Samanawong, Independent Director, has been assigned to be the member of the Risk Management Committee since December 16, 2014.
- (3) Ms. Busaba Damapong, Director and the Chairman of Executive Committee, has been assigned to be the member of the Risk Management Committee since December 16, 2014.
- (4) Mr. Nuttaphong Kunakornwong, Director and Chief Executive Officer, has been assigned to be the member of the Risk Management Committee since November 15, 2013.
- (5) Mr. Attapol Sariddipuntawat, Director and Chief Corporate Officer, has been assigned to be the member of the Risk Management Committee since March 9, 2004.
- (6) Dr. Torwong Chenvidyakarn, Head of Corporate Strategic and Innovation, has been assigned to be the member of Risk Management Committee since January 31, 2014.

Independent Director

Independent Directors means any director who is independent from major shareholder and management and is able to express their opinions and report any suggestion independently as assigned, such as being the Chairman of the Board of Directors, member of the Audit Committee, member of the Nominating and Remuneration Committee and the Chairman of Corporate Governance and Social & Environmental Responsibility Committee without any concern over possible remuneration benefits or perceivable rewarded titles and not acting under of any control or influence by any individual or group that might force them not to express their independent opinions.

Thus, the person who shall be qualified to be independent director must be in fully compliance with the following qualifications and independent criteria as prescribed by the Notification of Capital Market Supervisory Board. However, the Company has defined its independent director more intensive than the minimum requirements in accordance with the Notification of the Capital Market Supervisory Board which are:

Roles and Duties of Independent Directors

While the roles and duties of independent directors are the same as executive directors, they also play crucial roles and duties to act independently to protect the interests of all stakeholders without dominance from any group of person(s).

Since 2009, the Company has encouraged the independent directors to hold their own meeting. As of December 31, 2017, comprising 6 independent directors including Mr.Rath Kitivejoso, the Chairman of the Board of Directors, to hold their own meeting, without any participation from executives or individuals who could be deemed as company-related person or individual who may cause partiality in the meeting, before each meeting date of the Board of Directors to consider on each Board of Directors agenda item, and mutually make recommendations to the Board of Directors with respect to an improvement of the development and efficiency of the Company's management and operation for benefit to all stakeholders. Presently, all 6 independent directors hold a directorship position in a listed company not exceeding 5 companies.

Qualifications of Independent Directors

1. holding shares not exceeding 0.5 percent of the total number of shares with voting rights of the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such independent director;
2. neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the applicant, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person;
3. not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the applicant or its subsidiary company;
4. neither having nor used to have a business relationship with the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgment, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person;
5. neither being nor used to be an auditor of the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of an audit firm which employs auditors of the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person;

6. neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from the applicant, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services;

7. not being a director appointed as representative of directors of the applicant, major shareholder or shareholder who is related to major shareholder;

8. not undertaking any business in the same nature and in competition to the business of the applicant or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one percent of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the applicant or its subsidiary company;

9. not having any other characteristics which cause the inability to express independent opinions with regard to the applicant's business operation.

Business Relationship or professional Advisor

There was neither business relationship transaction nor professional advisor transaction between independent director (and director) and its parent company, subsidiary, or juristic person who may have conflicts of interest having the amount more than prescribed in Notification of the Capital Market Supervisory Board No. Tor Chor. 28/2551 Re: Application for an Approval of Offer for Sale of Newly Issued Shares Which is Defined Significantly and is not Independent, which are:

1. A normal business relationship transaction with the amount of three percent or more of the net tangible assets or twenty million Baht or more, whichever is lower. It shall include the transaction taking place during the course of six months prior to a date of transaction. The amount of such indebtedness shall include indebtedness taking place during the course of one year prior to the date on which the business relationship commences.

2. Being an auditor or professional advisor of the company such as legal advisor, financial advisor or asset appraisal.

4

Nomination of Directors and Top Executives

Nomination of Company's Directors

The selection and nomination of the directors was made through a transparent process by which the Nomination and Remuneration Committee considered the candidates equipped with sufficient breadth of knowledge and professional proficiency relating to the Company's business, as well as the necessary skills required to fulfill the Board proficiency as defined in the Board Skill Matrix. Candidates must possess qualifications and experiences, without prejudice to gender, nationality, religion, in the fields contributable to the accomplishment of short-term and long-term business strategies; devoting their time and efforts in performing the duties; not possessing the prohibited characteristics stipulated in the law and the good governance of the listed companies; and has never been an employee or partner of the external audit office appointed by the Company within the past 3 years. In certain cases, information from the Director Pool was used to screen the candidates in the selection and nomination process to propose to the Board of Directors and/or Shareholders' Meeting for approval, whichever the case may be.

Transparent Selection Process for Directors

(1) In the event that a director resigns from his/her position or the Company reviews the structure of its Board of Directors and concludes that it requires an additional board member with specific expertise to fill its Board Skills

Competency Matrix, the Board of Directors shall resolve in the board meeting to assign the Nomination and Remuneration Committee to select a director with the necessary qualifications and experience in order to match the requirement of such board structure.

(2) The Company's Nomination and Remuneration Committee comprises of a chairman who is an independent director and does not have any executive director as a member of the committee. Therefore it is free to select candidates who are accordingly qualified as per the requirements of the skill competency and propose them to the Company's Board of Directors for their consideration.

(3) In the selection process for a new director, the Nomination and Remuneration Committee uses various selection channels and uses the information in the "Director Pool", which is a data base of the Stock Exchange of Thailand, as a comparative reference. The process is intended for selection of knowledgeable persons with qualifications that best matching the requirements.

(4) The Company's Board of Directors offers opportunities for every shareholder to nominate his/her candidate for the directorship position, and can submit the candidate's profile to the Nomination and Remuneration Committee for consideration via the Company's website at www.scasset.com.

(5) Upon selection of the suitable person for the new directorship, the Nomination and Remuneration Committee shall submit the selected candidate to the Company's Board of Directors for consideration and appointment as a new director in replacement of the director who just resigned. The Board's resolution on the appointment of the new director together with the new director's profile will then be promptly submitted to the Stock Exchange of Thailand for acknowledgement.

(6) In the event that the selection of the new director results from a need to add a new member into the existing board's structure, the Company shall submit the matter to the shareholders' meeting for consideration and appointment of the new director. The detailed profile of the proposed new director as well as the opinions of the Nomination and Remuneration Committee and the Company's Board of Directors will also be submitted, together with the Notice of the Shareholder's Meeting, to the shareholders for their consideration at least 7 days before the date of the shareholders' meeting.

Appointment of New Directors Procedure

In the event that there is a vacancy in any board position due to any reason as prescribed in the Company's Articles of Association or in the event that the Company wishes to increase the number of its board members due to its requirement of specific business qualifications and its strategic necessity, the Company shall follow the following appointment procedure:

1. The Board of Directors shall resolve to have the Nomination and Remuneration Committee to identify qualified candidates to be nominated to the Board.
2. Upon the nomination of such candidates to the Board of Directors for consideration, the Board shall:
 - consider the appointment of a suitable candidate for the vacancy on the board,
 - propose candidate and recommend to the Board of Directors for further presentation to the shareholders' meeting for consideration and approval for the appointment of a new director as per the Company's Articles of Association and applicable laws, in the event of the increase in the number of the board members.

Nomination of Chairman of the Executive Committee and Chief Executive Officer

1. Having qualifications according to the requirements of the Company.
2. Both directorship positions will be selected and appointed from qualified persons who are able to hold only 1 directorship in public listed company i.e. SC Asset Corporation Public Company Limited and cannot hold more than 5 directorships in other entities as follows:

2.1 The Company's subsidiary

2.2 The Company's associated company which operates business other than real estate development, and he/she shall not take the position of the Chairman of the Executive Committee or the Chief Executive Officer of such company

2.3 Charity organization/ foundation promoting public benefits and education

The Board of Directors shall be responsible for selecting any new qualified and experienced director. Such new director(s) must also have sufficient time to devote their knowledge and capabilities for the benefit of the Company. The Nominating and Remuneration Committee has the authority and responsibility to select new director for approval by the Board of Directors and/or approval at the Annual General Meetings of Shareholders in accordance with the following criteria and procedures as set forth in the regulations of the Company:

1. At every Annual General Meeting of shareholders, one-third of the Directors, or, if their number is not a multiple of three, the number nearest to one-third shall retire from office. Director's retirement in the first and second year after the registration of the Company shall be drawn by lots. In every subsequent year, the Directors who have served the longest in office shall retire. A retiring director is eligible to be re-elected.

2. In the event of positions vacated due to causes other than expiry by their terms, the Board of Directors must elect someone to be the Board members to replace such vacant positions, in the subsequent meeting of the Board of Directors. This election must be by resolution with the vote of not less than three-fourths of the remaining Board members, and the person must be qualified and not prohibited by Section 68 of the Public Limited Company Act B.E. 2535. In the case of any director having less than two months remaining on his/her term, the replacing director must be nominated as a director only for the remaining period of time of the previous director.

3. At the Annual General Meeting of shareholders, the following rules and procedures shall apply to the election of a director:

3.1 Each shareholder has a voting right equal to the number of shares owned.

3.2 Each shareholder can exercise all votes applicable under 3.1 in voting for one or more persons as one or more directors. In the event of exercising voting rights for more than one director, such voting rights can be allocated by given fewer or more votes to any particular candidate.

3.3 The candidate who acquires the highest number of votes shall be elected as the Company's director for that particular selection. In the event that there is more than one candidate with equal votes, the Chairman will be granted one casting vote to allow a final decision.

Nomination of Executive(s)

The Human Resources and Administration Department is responsible for seeking internal candidate(s) with qualifications appropriate, possessing knowledge, ability and experience from each particular line of activities to be appointed as executive of the company. If the Company cannot seek appropriate qualified candidate(s) from the internal staff(s), the Company will seek and recruit appropriate qualified candidate(s) with knowledge, proven capability, vision and positive attitude to the Company and then propose him/her to the Chief Officer of each particular line of activities or the Chairman of the Executive Committee for appointment.

Development Programs for the Chairman of the Executive Board and Senior Executives

The Company's Board of Directors encourages the Chairman of the Executive Board and senior executives to seek new knowledge which is updated and relevant for the modern times as technology quickly changes in the new digital age. They are thus encouraged to increase their skills and experience that are required as relevant attributes in driving the Company to achieve its goals. The process includes;

1. To periodically attending training courses organized by the Thai Institute of Directors (IOD) to expand their management knowledge.

2. To periodically attending oversea training courses to learn new skills and technologies that can be adapt for the Company's business.

3. To develop creative thinking by making annual visits to companies in foreign countries to learn of new designs and techniques for the construction of houses and high rise buildings that can be adapted for use in the Company's developments.

4. To encourage the Chairman of the Executive Board and senior executives to read books written by experts in marketing, strategy, management, technology, and others aspects of business to promote their self-learning and then share this knowledge with other executives and subordinates.

5

Corporate Subsidiary Governance

The Company has a policy of investing in subsidiary and associated company by considering that business of subsidiary and associated company must support the Company's business, and the Company will receive investment return and benefit from the investment. In regulating performance of subsidiary and associated company, the Company has the following policy;

Policy on Governance of Subsidiaries

The Company's Board of Directors prescribes the management and supervisory policy for the Company's subsidiaries as follows:

1. Each subsidiary of the Company shall operate its business according to the Policy of its parent company which is SC Asset Corporation Public Company Limited.

2. The appointment of an individual to be a director or controller of the subsidiaries shall be prescribed in writing as per the resolution of the Board of Directors which shall be in accordance with the authorized directors of the parent company, except in the case that such subsidiaries are small companies which act as operating arms for their parent companies, then the Board of Directors shall assign the appointment authority to the Company's Chief Executive Officer.

3. The management of subsidiaries shall be under a similar internal control system as the parent company, aiming to ensure prudence, legality, and compliance of relevant rules for their transactions.

4. The Company prescribes that its subsidiaries shall have the same external auditor as its parent while disclosing its operational results, financial position of the company and consolidated financial position, related party transaction, acquisition and disposal of assets, and other material transactions as prescribed by law.

Policy on Investment and Governance of Joint Ventures

1. The companies in which it shall invest must be in the business that support its primary business targets and enhance its competitive potential.

2. The terms and conditions prescribed in the shareholders' agreement for such investment must be clear and precise on the investment amount and management ratio in order to clearly state the management authority and the decision making power on material issues of the joint venture.

3. The company shall prescribe the role and duty of the joint venture to assure united business support between the joint venture and the Company aimed at achieving maximized potential towards sustainable growth.

Rules and Guidelines on Subsidiaries and Affiliates

1. The Company as the major shareholder, with the approval from the Board of Directors, appoints the Company's executive director who has qualification and experience appropriate for that business to be director of subsidiary and associated company according to the proportion of shareholding to perform management duty

according to the scope of authority as assigned by the Board of Directors, which performance must be reported on quarterly and annual basis to the Board of Directors to be able to monitor compliance of the Company in the subsidiary. In case of important matter, approval from the Board of Directors is required such as the approval to increase or decrease capital, dissolution of subsidiary and associated company etc., unless for the urgent case which the delay would affect business of subsidiary and associated company, the Company's representative may perform action as appropriate to prevent such cause. However, such event must be notified and reported to the Chairman, and must be reported to the Board of Directors after such operation has been done without delay.

2. The Board of Directors will appoint executive director or other person such as executive to be the Company's proxy to attend the subsidiary's or associated company's Annual General Meeting, which the proxy from the Company has the duty of voting at the Annual General Meeting of Shareholders in various agendas, especially important agenda as the Board of Directors has already approved such as setting remuneration for director and chairman, or chief executive officer and managing director, increase or decrease of capital, approving budget and balance sheet, approving management structure, etc.

3. In case of subsidiary or associated company has insufficient workforce, or requires special personnel that the Company has those personnel as employees, the Company will support by sending its staff to give advice, and work in subsidiary or associated company temporarily as much as it is needed. However, such personnel still has the status of being the Company's employee.

4. The Board of Directors assigns the Audit Committee to review the Company's internal control system to ensure that it is sufficient, appropriate, and efficient in order to maintain the Company's investment benefits in its subsidiary and associated company, and to ensure that operation of subsidiary and associated company achieve the determined business plan target efficiently, comply with law, and produce well worth return in investment. The Internal Audit Unit shall perform duty of auditing, reporting, and evaluating the result of internal control of subsidiary and associated company to the Audit Committee for consideration and giving opinions, and then proposed to the Board of Directors further.

5. To ensure that operation of the Company, its subsidiary, and associated company is transparent and has good corporate governance. The Company has a policy that the Company, its subsidiary and associated company shall use auditor from the same auditing firm to work honestly and allow auditors to audit various transactions including looking for appropriate and sufficient evidence to comment on consolidated financial statement of the Company, its subsidiary, and associated company. Furthermore, the Company arranges the Audit Committee to meet together with auditors without having the management in the meeting at least once a year.

6. Executive director, who is a director in subsidiary and associated company, will receive remuneration from meeting allowance as executive director of the Company only. Subsidiary and associated company will not pay director remuneration.

As at December 31, 2017, the Company had its shareholding structure as follows:

There are 4 subsidiary companies

1. SC Able Company Limited (SCA)*	shares held by the Company 99.99 percent
2. Upcountry Land Company Limited (UL)	shares held by the Company 99.99 percent
3. V.Land Property Company Limited (VL)	shares held by the Company 99.99 percent
4. SCOPE Company Limited (SCOPE)	shares held by the Company 90 percent

There are 2 associated companies

1. Fire One One Company Limited	shares held by the Company 20 percent
2. Fixzy Company Limited	shares held by the Company 10 percent

* **Note:** Formerly known as OAI ASSET CO., LTD.

6

Rules for Proper Use of Inside Information

It is the Company's policy to adhere to its professional ethics, and to have honest conduct in dealing with its customers, employees, trade partners, shareholders, creditors, trade competitors, community, society, and environment, including investors, and opposes corruption. Regarding the use of inside information, at the time of public release of the Company's financial statements, or the Company's financial position and status, as well as other important details which are the Company's internal information, it is the Company's policy to prohibit its directors, executives and employees who are in positions or in business lines which are responsible for such internal information, or who have access to such internal information, from engaging in any trading of the Company's securities for a period of 1 month before public disclosure thereof and within 24 hours after such disclosure. The prohibitions include restriction on trading of land property close to the planned development sites of the Company which may be perceived as the exploitation of internal information for self-benefit or for the benefits of others. The Company also establishes safety protections for its computer and information systems and prescribes practice guidelines for its directors, executives and staff of all levels to comply with. This procedure is intended to protect any unapproved disclosure of important information and data or unauthorized access to the information source. Severe penalty is set for unauthorized disclosure of internal information and wrongful use of such information for personal benefits or for the benefits of others or actions which may be the cause of any conflicts of interest. All these actions are regarded as serious offenses and are subject to punishment. The relevant practice guidelines are prescribed in the Company's Code of Ethics and its Corporate Governance Handbook which are also posted in its website.

Pursuant to the Securities and Security Exchange Act B.E.2535 (Amended in 2016), security trading activities of the Company's directors, executives as well as their spouses or cohabiting spouses, minors and their related persons, that involve the Company's shares must be reported both in terms of trading transactions and changes of ownership in the form duly prescribed and submit such report to the Office of the Securities and Exchange Committee within 3 days after the trading and transfer date thereof. The Company's directors and executives are duly aware of their reporting duties in such trading and transfer of the Company and its Group's securities as per the rules and regulations of both the Stock Exchange of Thailand and the Office of the Securities and Exchange Committee.

(Please refer to further details in the section "Equitable Treatment of Shareholders" / topic "Policy on Safeguarding and monitoring of inside Information Usage" of this annual report)

7

Auditor Remuneration

Details of 2017, Auditors' Fee were as follows:

Auditor Remuneration	2017	2016
(1) Audit Fee		
• The Company	1,930,000	1,783,000
• Its Subsidiaries	1,660,000	1,273,000
(2) Non-audit Fee		
• The Company	None	None
• Its Subsidiaries	None	None

Other Good Governance Practices

Guidelines to Encourage Directors, Executives and Employee to create the corporate culture in accordance with the Company's Code of Conduct in business

Apart from dissemination of information on code of business ethics to its directors, executives and staff to comply with, the Company also prescribes other guidelines to encourage them to abide by, via the creation of corporate culture under the concept of "Create the Best Care the Most" aiming to promote executives and staff characteristic in sharing a common corporate culture.

1. "Create" means focus on continued creation of good products and services which include:
 - Creative thinking: always open minded towards new information or technology.
 - Commit to continually apply creativity to improve products and work process.
 - Dare to make suggestions and recommendations or make improvement to create good client impression.
 - Promote atmosphere of creativity and free opinions.
2. "Active" means strive ahead with enthusiasm towards continual learning and improvement which include:
 - Actively respond to client's needs, ready and willingly helping clients to solve their problems.
 - Work proactively with efficient follow-up, well-adapt to internal and external changes.
 - Prioritize the importance and urgency of work to promptly achieve its time schedule.
 - Seek and share new knowledge for self-improvement and adaptation or innovation.
3. "Ability" means expertise, proficiency, and selection of best choice and quality for customers which include:
 - Knowledge and skill development for work duty.
 - Work capably, professionally, systematically, and efficiently.
 - Capable of solving problems, defining protective measures, and providing advice and recommendation for effective work actions.
 - Select best options, deliver good products to customers to ensure quality of the Company's products and services
4. "Care" means take attentive care of customers and trust in teamwork spirit which include:
 - Put best effort into work, take good care of customers, deliver quality products and services, attain higher-than-expected achievement results, and think as the customer.
 - Listen to customers' remarks, value them and make effective follow-up and investigations to assure customers' ultimate satisfaction.
 - United efforts and team spirit
 - Sharing information and opinions, respect views from different perspectives, respect each other and trust in teamwork.

Creating of Business Model that Enhances Sustainable Value

The Company focuses on its business operations with primary objectives and goals to create sustainable value for its business. In order to achieve such objectives and goals, the Company has prescribed its business model intending to lead all employees toward the same targets and be capable of driving its organization in the same direction.

1. The Company is concerned with the quality, safety, and customer care in each process of its production of goods and services. It also takes into account the needs of the society and community in general. In each step of its business operation, the Company always ascertains its social and environmental responsibilities with the belief in sustainable growth that accounts for not only earning potential but also includes responsibilities towards customers, stakeholders, the Society, and the environment. With this belief, it can be sure that all social segments can grow together and thereby create achievable sustainable growth for the Company.

2. The Company recognize that to better compete in the marketplace by developing its products and services that well serve the customer needs and meet with the social preference, it must have qualified personnel who are equipped with knowledge, skills, expertise, and experience. Therefore, the Company is focused on promoting its staff learning and proficiency to enhance their work potential and efficiency. These enhancements are believed to support the achievement of the Company's prescribed business goals and create efficiency and continued growth in its operations. Additionally, the Company also concentrates on its ability to recruit qualified personnel to work in its organization and to inspire them to cultivate productive work. It also commits to retain its capable and proficient personnel to stay with its organization.

3. In prescribing its operational goals, the Company's Board of Directors has considered and analyzed surrounding circumstances, change factors, competitive market environment, and other elements that may impact business and its stakeholders. These considerations are intended to ensure that its prescribed goals are in line with current changes. The Board of Directors thus prescribes the regular review of the company's primary goals, objectives, and organization strategies to reassure that they are in keeping with changes in circumstances.

4. The changes in new technologies impact people lifestyles as well as economic conditions, and modern society. The Company's Board of Directors therefore realizes that the ability to adjust and adapt to the fast changes in technology and innovations is presently crucial and important, particularly for organizational development in fields such as competitive advantages, stability, and financial soundness. It is the Company's policy to pay attention to the continuous use of new innovations and technologies in its business operations. Additionally, it also encourages employees of all levels to participate in creative thinking that helps develop ongoing innovations that can be applied for the production of new products that are respond well to clients' needs, and create its competitive advantage in the current changing market environment.

9

Review of the Application of the Corporate Government Code 2017

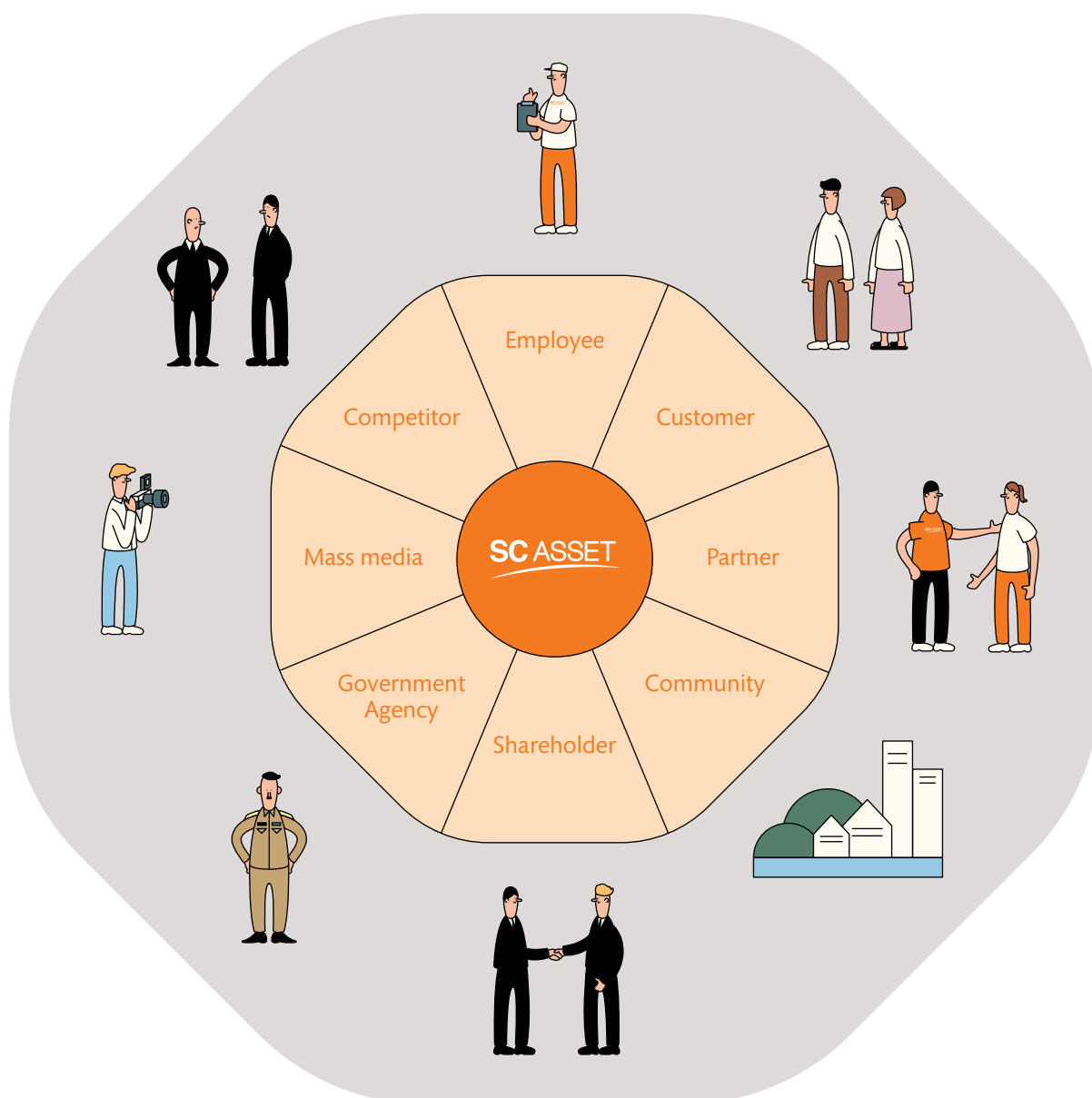
In the Company's Board of Directors' Meeting No. 7/2017 on December 13, 2017 the Board of Directors considered, reviewed, and resolved the application of the Corporate Government Code 2017 for listed companies in accordance with the Company's business context. The Board also recognized its role as the governing body of the organization and all its 10 board members have studied and listened to the presentation of the Corporate Government Code 2017, and understands the benefits and the application thereof for the sake of business sustainability.

Additionally, it has evaluated the compliance of such code in each and every topic to ensure that the outcome of such compliance is suited to its business operations or can be developed to suit its business operations.

CORPORATE SOCIAL RESPONSIBILITIES

The Company disclosure its corporate social responsibility policy and corporate governance performance in sustainability report 2017, which were undertaken in compliance with international standards under the Global Reporting Initiative Guideline Version 4 (GRI 4).

Details of which appear in the “Sustainability Report 2017” which is a separate report that the Company publishes and disseminates to its shareholders or at the Company’s website: www.scasset.com.



INTERNAL CONTROLS AND RISK MANAGEMENT

At the Company's Board of Directors Meeting No. 7/2017 held on December 13, 2017, all 6 Independent Directors participated, 3 of whom are members of the Audit Committee. The Board of Directors had assessed the Company's internal control system by applying the Adequacy Assessment Form for the Internal Control System prescribed by the Securities and Exchange Commission of Thailand and also inquired about other relevant information from the management. The Board also reviewed the Audit Committee's report covering its assessments of the Company's internal system in 5 elements namely control environment, risk assessment, control activities measures, information and communication system, and monitoring and evaluation system.

The Board of Directors opined that the Company's internal control system and risk management is adequate and appropriate. The Company would disclose the Adequacy Assessment on the Company's Website (www.scasset.com).

In order to assure the adequacy and appropriateness of the Company's internal control system, the Company prepares an annual budget and arranges to have sufficient manpower available to efficiently undertake operational control tasks that are required to carry on systematically. The budget is allocated to each business unit in order that they can ensure a suitable workforce to monitor operations of the Company's subsidiaries and to assure that their assets are properly protected from any possible embezzlement or any unauthorized use by Directors or management. The monitors also cover transactions that pose a potential conflict of interest and transactions with related parties. The Board is of the opinion that sufficient monitoring is in place and other aspects of internal control measures are adequately applied (Please refer to further details in the topic "Corporate Subsidiary Governance").

In 2017, the audit Committee presented its opinion in the report of the Audit Committee that the Company has appropriate and adequate internal controls. The opinion is similar to that of the Company's Board of directors, Independent directors and The Company's external auditors (PricewaterhouseCoopers ABAS Co., Ltd.), who audited its 2017 financial statements, did not make any remark on the Company's internal controls. (Please refer to further details in the topic of "Financial Statements and Notes to Financial Statements")

The Company's Board of Directors prescribed the establishment of the Company's Internal Audit Unit as soon as it was first incorporated. At present Ms. Pannee Tharaphat, Senior Vice President – Internal Audit, is the Head of Internal Audit. She has been in this position since 2008 and has 35 years of experience in the internal auditing. She attended various internal audit training courses such as internal audit improvement, audit items and follow-up audit, audit techniques etc. She has good understanding of the Company's business and operations, and thus is suitable to perform her assigned tasks.

The Audit committee has its authority, duties and responsibilities as prescribed in the Charter of the Audit Committee. (Please refer to the further details in the Company's Website: www.scasset.com in the topic of "Corporate Profile/Corporate Governance/Charter/Charter of the Audit Committee") as well as the approval on the appointment, transfer, lay-off and performance appraisal of the Head of Internal Audit.

In case of the Compliance Unit, the Company appointed Mr. Somboon Kuptimanus, Company Secretary, acting the Head of Compliance Unit to be the person in the position of authority. The Compliance Unit oversees the Company's regulatory compliances. (Please refer to further details concerning qualifications of the persons in the position of authority in the topic of "Details of Head of Internal Audit, and Company Secretary and Head of Compliance"), and Mr. Vitit Visalpattanasil, Senior Vice President – Accounting is the Company's accountant. (Please refer to further details concerning qualifications of the persons in the position of authority in the topic of "Details of Directors, Management Team, Advisor and Controlling Persons")

Internal Audit

The Board of Director has set the Internal Audit Unit, which is independent and able to access the necessary information for its auditing and directly report to the Audit Committee. The Unit's scope of work, duties and authority are prescribed in its Internal Audit Charter which was approved by the Chairman of the Executive Committee and the Chairman of the Audit Committee. The internal audit duties include providing auditing and advisory services as well as monitoring, control and assessment of internal corporate systems with the goal of maintaining proper internal check-and-balance and ensure appropriate confidence in the achievement of the Company's operational objectives. Systematic assessment and development processes are implemented to assure that the existing risk management, control, and governance systems are effective and meet the Standard for the Professional Practice of Internal Auditing and fully satisfy relevant laws, rules and regulation of compliance audit. In addition, in order to enhance its audit process to be efficient, modern, and up-to-date, the Internal Audit Office has continually improved the quality of its internal audit tasks and taskforce by providing the general internal audit training to all its staff members, and also offering courses on specific skills such as Digital Treats & CobiT5, etc.

Internal Control

The Company's Board of Directors has emphasized on the importance of good internal control systems, and the efficiency of such controls on the management level and on the operational level. It encourages the management to prescribe rules, practice methods, and segregation of duties that create an appropriate level of checks and balances. In order to maximize the effective controls over utilization of corporate assets, the Company clearly set in writing the relevant scope of duties, responsibilities, and authorities of all executives and staff. In addition, their roles are also properly segregated.

The Company also applies the COSO (The Committee of Sponsoring Organizations of the Treadway Commission) methods and standards for its internal controls which govern all aspects of corporate activities; namely financial, operations and administration. Executive and staff scopes of authority are clearly defined in writing and the following corporate objectives are established to ensure operational rationality and success:

1. Corporate plans, projects and targets need to be implemented as set.
2. Financial, managerial and operational information must be accurate.
3. Operations and staff duties need to be carried out in accordance with the Company's rules and regulations, and abide with all applicable laws.
4. Corporate assets and resources must receive effective and efficient administration. Safeguarding corporate assets and adequate safety protection are essential.
5. Quality of operational process and control mechanism, at all steps, need to be regularly monitored and continuously improved.

The Internal Audit Department is responsible for the reviews of accuracy, sufficiency and efficiency of the Company's internal control system and submits its findings to the Audit Committee for further consideration and compliance review. All these actions are intended for enhancement of integrated coverage of proper controls in the following aspects:

(1) Management Control: The Internal Audit Department oversees that targeted corporate missions are achieved and business plans are prepared and carried out as per its prescribed objectives. It also monitors and assesses operational performance, and regularly reports the internal audit outcomes to the Audit Committee and the Board of Directors. The Executive Committee sets up the meeting on monthly basis.

(2) Operational Control: Review operational controls of various work systems such as costsystem, purchase system, sales system, accounting system, and customer service system etc. Controls are also exercised through SC System, SAP (Systems Applications and Products), Housing system, Customer Care system, Call Center system, inventory system, E-Auction system and E-Slip Online is a system that provides the transmission of salary slips via the

Company's intranet, etc. Most of these systems are internally developed programs applied for administrations and operations, aiming to enhance customer or user satisfaction.

(3) Financial Control: The Company applies the SAP system and SC System for accounting, financial and budget controls, as well as for financial ratio analysis. The system also assists in providing early warning signs for accounting irregularities and adverse financial concerns.

The Company's Board of Directors emphasizes having adequate, effective and efficient internal control systems as follows:

(1) Control Environment

The Company's Board of Directors encourages a good internal control environment by motivating executives and staff to conduct their duties on the basis of good business ethics and honesty, providing an organizational structure and work environment that enhance the effectiveness of the internal control mechanism as per the Company's targeted plan, clearly defining the scope of staff duties and reasonability, having apparent business objectives and measurable performance targets that are approved by the Board of Directors and offering reasonable remunerations based on internal and external factors. The existing organization structure enhances the management's ability to efficiently operate the Company's activities.

It is the Company's strategy to cautiously prescribe its policy and work procedures in writing, particularly for transactions related to financial operations, procurement, and general administration. It has internally developed a suitable control system to better monitor its operations in all business modules of the SC System which is a control process applicable for budget control, cost control, and expense payment etc. The SC system also performs data verification on a timely and systematic manner on the same data base system. The system emphasizes effective data storing for efficient operational and management controls. The Company also prescribes ethical codes and prohibitions as part of its corporate governance policy, and requires its directors, executives and employees to comply with such conduct codes in order to avoid an occurrence of any conflicts of interest. Such ethical codes and prohibitions are disseminated via a printed handbook, the company's Website (www.scasset.com), and internal e-mail regularly forwarded to its entire employees.

(2) Risk Assessment

The Board of Directors established the Risk Management Committee. There have been regular adjustments made in the Company's risk assessment process to update the appropriateness of the process under the best practice framework prescribed in the Company's Risk Management Policy which is disseminated to executives and staff for their awareness. Additionally, they can also view this policy on the Company's intranet via its website (www.intra.scasset.com). In 2017, the Risk Management Committee, which is comprised of the Company's non-executive directors, the Chairman of the Executive Committee, the Chief Executive Officer, Chief Financial Officer and Vice President-Corporate Strategic Planning, is responsible to set the objective of risk management and assess the risk factors, both internally and externally, that could potentially impact the Company's business operations, as well as perform their impact assessments and analysis of their likelihoods of occurrences in order to respond to such risks. The assessment outcomes were also presented to the Audit committee, and the Board of Directors. During 2017, there were 3 assessments and follow-ups of the risk factors. The Risk Management Committee have requested related business units to participate in the determination of the risk management measures and encourage them to implement such measures in their work unit. These business units are also asked to follow-up on incidents which are the root causes of such risk factors. The Company's risk management procedures are clearly stated and regularly updated. The risk management unit is responsible for monitoring the compliance of the risk management procedures by all business units, and reports the situations to the Risk Management Committee.

The Risk Management Committee includes risk assessments as a part of the Adequacy Assessment Form for the Internal Control System. The Internal Audit Office makes its annual audit plan and assesses the Company's risks which also includes fraud risks such as loss of assets, corruption etc.

(3) Control Activities Measures

The Company's Board of Directors establishes relevant controls for all scope of work processes. Reporting of operational outcomes is regularly required in order to provide the management with relevant information required for decision-making and problem solving. Segregation of duties in each business unit is clearly set to provide check-and-balance features. Authority and authorization limits are prescribed in writing for all decision making levels, the further details which appeared in the internal website of the Company "www.intra.scasset.com. Safeguarding procedures for corporate assets are exercised to protect against possible damage and inappropriate use.

Any corporate transactions with major shareholders, directors and executives or related parties of major shareholders, directors and executives are required, without any exception, to be accordingly approved by all authorized levels. The Company assigns the Accounting Department and the Legal Department to be responsible for reviewing and proposing required transaction authorization of which the authorization procedure is in compliance with the rules and regulations of the Securities Exchange of Thailand. All relevant transaction authorizations are to be considered by the Audit Committee. Approvals are made on the ground of maximized corporate benefits. In addition, control measures are also set to prohibit related parties from taking advantage of any situations for personal interests. Oversight frame-work is established to monitor business operations of subsidiaries. Procedures are prescribed to assure that the Company always acts in compliance with applicable laws and regulations.

(4) Information and Communication System

The Company's Board of Directors incessantly develops its information and technology system, most of which are internally developed to suit the internal data processing requirements of various work units. The company maintains a division which oversees data base management and controls. Data is properly sorted and processed for decision making of directors, executives, staff, shareholders and stakeholders with concerns over their accuracy, completeness, easy to access, understandable, and timeliness. Data are also classified and appropriately stored. The Company's directors receive, at least 7 days prior to each meeting, meeting notifications as well as relevant information and documents required for meeting attendance. Minutes of previous meetings and notes recording important questions or remarks, whether supportive or disagreeing, are also attached with the dispatched notifications.

Executives and employees of the Company at all levels are reminded to be cautious in using the Company's data base and IT system and to observe the rules and ethic codes prescribed by the Company. It is the Company's policy to maintain strict security measures on application of its information, data base and IT systems, which all staff are obliged to promptly comply with. The Information Technology Department is assigned to oversee system security and efficiency of the Company's computer and information systems, which are well monitored and continually updated by the Information Technology Department, in collaboration with the Internal Audit Office and other relevant departments. Contingent and back up plans are established for emergency purposes and against loss of data. The Company's accounting policy and records comply with the generally accepted accounting standards as well as appropriate practices of the industry.

(5) Monitoring and Evaluation System

For good practice for monitoring and assessment of the Company's operation, in 2017, the Company held 7 board meetings, monthly meetings of the Executive Committee, and weekly meetings among executives to review and monitor management performance and operational results to assure whether the results were in line with the targeted plan; or whether there were any changes or adjustment in strategy; or whether there were any adaption of targeted goals to changing circumstances. The Internal Audit Unit also performed their duty in auditing and assessing the overall organizational controls and followed up on any improvement and rectification of previous mistakes and errors and reported the outcomes to the Audit Committee to assure that compliances were made in accordance with the control plans, and subsequently reported to the Board of Directors on a quarterly basis.

Internal Controls against Corruption

The Company pays attention to the prevention against corruption and therefore, the Company's Board of Directors, executives, and the members of the steering committee on anticorruption have jointly prescribed the guidelines and rules for protection, monitoring, and governance of anticorruption in business operations. In order to assure that the guidelines and rules as prescribed in the internal controls can lead the organization to achieve its anticorruption goals, the Company has prescribed the following measures in its internal controls against corruption:

(1) The Company prescribes its policy and measures on anticorruption that includes guidelines on payments that may run the risk of being regarded as being created for corruption purposes such as donations, support money, receptions, and gift giving. These policy and measures are communicated and published in writing in the Company's website (www.scasset.com) for all employees to acknowledge and are also disseminated at the orientation of the new recruits. The Company also prescribes disciplinary action for any violation of such policy and measures.

(2) As the main business of the Company involves applications for land allocation permits and building construction permits that requires that the Company to work with government agencies which may expose it to a possible corruption risk, whether it be to facilitate conveniences or to remedy errors, the Company thus prescribes that its design and construction control divisions are jointly responsible for reviewing of the design and land allotment plans to assure that they are in compliance with any relevant laws and regulations prior to its handling of such designs and allotment plans to the business relation division, who shall submit the plans to relevant government agencies, for another review prior to the submission thereof. These actions can help to ensure that documents required to be submitted to the relevant government agencies are correct and free of errors, hence reducing the potential risk of bribery.

(3) To reduce potential bribery risk in trying to speed up the approval and authorization process regarding any issuance of permits or licenses, the Company prescribes that its relevant divisions and business units are to jointly determine the development period and project management timeframe that include possible delays and remedial time in order to avoid any need to speed up the approval and authorization process.

(4) In the event that the Company is required to use an agent to act on its behalf, the Company has to inform and explain to its agent that the Company has prescribed a suitable timeframe for any work in relation to any involvement with outside parties or government agencies, and also assure that such prescribed timeframe is in line with the actual processing time. Additionally, it has also included a condition in the relevant hiring contract prohibiting any bribery both giving and receiving, and such actions if committed shall be deemed as a breach of the hiring contract and the Company can therefore cancel such hiring.

(5) The Company uses an enterprise resource planning software, known as the SAP system, to record all its payments on expenses made for application of permits and licenses from government agencies. Each of these transactions are reviewed by the Company's outside auditors for accuracy as per rules, policies, and measures against corruption.

(6) The Internal Control Office reviews the operations in relation to the Company's applications for permits and licenses, as well as their relevant payments which includes payments which are deemed as having potential bribery risks. Thus, if there is any error or incompliance, the Internal Control Office shall duly report it to the Audit Committee and the Chairman of the Executive Board for acknowledgement.

Risk Management

The Company's Board of Directors emphasizes the importance of risk management and assigned the Risk Management Committee to oversee the Company's risk management and apply risk management as tools for managing the Company's corporate business. The Risk Management Committee is a Sub-committee to the Board of Directors, comprised of 6 committee members, 2 of whom are Independent Directors and Non-executive Officers and 4 members are the Company's top executives. The Chairman of the Risk Management Committee is an

Independent Director. The Company intends to apply risk management as a means to mitigate probable loss and enable the Company to achieve its sustainable growth, and create long-term added value for its shareholders. The Committee is also responsible for consideration and determining the Company's risk management policy as well as assessing and managing the Company's risks to be at an acceptable level. The committee also monitors and assesses the risk management performance of the Company and encourages all management levels to participate in risk management.

To help the company achieve its goal, please refer to further detailed in the topic of Internal Audit – COSO and the topic of Responsibility of the Board of Directors

Risk Management Policy

1. To form a Risk Management Committee of which its members are appointed by the Company's Board of Directors, and also have the Company's high-level executives participating as members of the Risk Management Committee.

2. To have a risk management process that is qualified under internal standards, managing the risks faced across the entire organization. Risk management shall be the responsibility of all levels of employees under a common framework and direction. A risk management system shall be used as a part of the Company's decision process in planning its business strategies, corporate budgets, work plans, and operations, as well as measuring its corporate performance and achievement.

3. To set protective guidelines and risk mitigation measures for the Company's activities and business, to reduce potential damage or loss, and to regularly monitor and assess risk management performance.

4. To have risk reporting systems that operate efficiently and are capable of providing suitable risk management reports to the Company's management, the Risk Management Committee, the Audit Committee, and the Board of Directors.

5. To have a Risk Management Committee that supervises the Company's risk management system and ensures that it is in line with the Company's policy. The Risk Management Committee shall review, offer opinions, make suggestions, and monitor the risk management process to safeguard its efficiency and effectiveness.

6. To review and assess the risk management policy and its risk management scope at least once a year. In 2017, there were 4 reviews thereof to assure that the existing risk management policy and its risk management scope were suitable and appropriate with the Company's current business operations.

Training Program for Employee

To ensure that the Company's Risk Management and Anti-corruption policies are abided by employees at every level, the Company provided Risk Management and Anti-corruption training programs and distributed relevant documents in order to effectively communicate Risk Management and Anti-corruption policies to employees. Executives who have knowledge base in both topics were invited to be a speaker at a seminar.

Guidelines on the Management of Key Risks The Company has an Enterprise Risk Management (ERM) framework, which follows the guidelines of the Stock Exchange of Thailand, and has undertaken the following actions in 2017:

1. **Objective Setting:** The Company clearly set its business objectives to ensure that these objectives suit its strategic targets and its own acceptable risk level. The Company manages its risks to be within the defined framework of its risk appetite and risk tolerance.

2. **Event Identification:** The Risk Management Committee considers potential risk events, related both to internal and external factors, which could occur and impact in each business unit such as management policy, personnel, operation, finance, information system, regulations, laws etc., to assess relevant situations and assure that executives in such units can set suitable guidelines and policies to properly manage and mitigate those potential risks.

3. Risk Assessment: The Risk Management Committee categorizes and prioritizes risks into three levels; high, medium, and low, based on their likelihood and impact and considers all relevant aspects which include both internal and external factors.

4. Risk Response: Once the Risk Management Committee identifies relevant risk events and assesses such risks, it shall find appropriate response measures to manage and mitigate any potential loss or impact, and keep such risks to be at an acceptable level.

5. Monitoring: The Risk Management Committee regularly arranges to have relevant follow-up on risk management to assure that appropriate actions are taken and risks are efficiently managed.

Additionally, the Risk Management Committee also prescribed the use of the Key Risk Indicators (KRIs) that provide an early signal of increasing risk exposure for each particular risk, the regular monitoring of risk events, and the preparedness for tackling any potential risks.

Management of Corruption Risk

The Company continuously manages its risks which also include the risk of corruption. The risk management process involves risk analysis and assessment, which is undertaken together with the assessment of other operational factors. It also controls risks which are correlated to its business, obligations, and work processes, and promotes awareness of risks and their impact on long-term business operations aimed at ensuring that the identified risks are properly and promptly considered and managed. The Company prescribes the following guidelines for managing its corruption risks:

1. Prescribed control environment. The Company recognizes the importance of good governance process which is exercised via roles and responsibilities of the Company's directors, executives, and employees in their attempts to protect and fight against corruptions. It also prescribes the Company's Corporate Governance Code and its Code of Conduct to guide its directors, executives and employees in performing their duties with honesty. Additionally, it also arranges to have proper communication channels to report complaints regarding workplace fraud and corruption.

2. Prescribe that its trade partners wishing to conduct business with the Company must acknowledge its policies and measures against corruption and to cooperate with such policies and measures. It also encourages executives and employees of its trade partners to comply with anticorruption measures, as well as provides a communication channel for reporting of any corruption related to the Company.

3. Assess fraud and corruption risks which include the prescription of risk measures on the risk impact, probability of occurrence, and acceptable risk tolerance level. The Company also determines main causes of such risks, as well as the sufficiency of its existing internal control system, together with the possible outcome of such control on this risk aspect. It reviews implementation measures for risk management to assure their adequacy and suitability in controlling the risk to be within the assigned tolerance framework. The Company prescribes its Internal Control Office and the Risk Management Committee to assess and evaluate these risks. The Company's executives and the relevant sub-committee are assigned to jointly prescribe additional control measures for management of such identified risks.

The Company assesses its corruption risk on an annual basis to ensure that its risk assessment covers any additional risks that may incur or any changes in the relevant risk factors.

4. Monitor to assure that the company promptly manages its relevant risks. The company monitors and oversees its internal control system and assesses the sufficiency of the system to assure that it can properly protect and manage relevant risks related to corruption.

DETAILS OF DIRECTORS, MANAGEMENT TEAM, ADVISOR, CONTROLLING PERSONS AND COMPANY SECRETARY

(Date as of December 31, 2017)

Mr. Rath Kitivejsoth (Age: 66 years)

Appointed Date: August 29, 2003 *

Current Position: Chairman of the Board of Directors / Independent Director

Shareholding:

Director	None
Marriage / Spouse	None
Minor Children	None

Relationship among Administrators: None

Highest Education

- Degree of National Defence College
- Bachelor Degree in Law, Chulalongkorn University

Related Training Program held by Thai Instituted of Director (IOD)

- Director Accreditation Program (DAP) Class 30/2004
- Director Certification Program (DCP) Class 53/2005
- Audit Committee Program (ACP) Class 14/2006
- Improving the Quality of Financial Reporting, Class 4/2006

Work Experience

March 1, 2007 - Present	Chairman of the Board of Directors	SC Asset Corporation Public Company Limited
2003 - February 28, 2007	Director / Member of the Audit Committee / Chairman of the Nomination and Remuneration Committee	SC Asset Corporation Public Company Limited
2004 - 2005	Member of the Audit Committee	Thai Real Estate Credit Foncier Company Limited
2005 - 2008	Executive Vice President	Small and Medim Enterprise Development Bank of Thailand

Position in other company Listed

Listed: None

Non-Listed: None

Illegal record in the last 10 years

None

* 1st re-appointed at the 2006 AGM of April 26, 2006
2nd re-appointed at the 2009 AGM of April 22, 2009
3rd re-appointed at the 2012 AGM of April 23, 2012
4th re-appointed at the 2015 AGM of April 23, 2015

Ms. Busaba Damapong (Age: 64 years)

Appointed Date: August 29, 2003 *

Current Position: Vice-Chairman of Director / Chairman of the Executive Committee/ Member of Corporate Governance and Social & Environmental Responsibility Committee/ Member of the Risk Management Committee (Authorized Director)

Shareholding: Director 12 shares
Marriage / Spouse 201,234,375 shares (4.82%)
Minor Children None

Relationship among Administrators: Her husband is a relative with Mr. Nuttaphong Kunakornwong

Highest Education

- Master Degree of Business Administration, Kasetsart University

Related Training Program held by Thai Instituted of Director (IOD)

- Director Accreditation Program (DAP) Class 9/2004
- Finance for Non-Finance Director (FND) Class 12/2004
- Risk Management Program for Corporate Leaders (RCL) Class 3/2016

Work Experience

February 22, 2017 - Present	Vice-Chairman of Director	SC Asset Corporation Public Company Limited
July 13, 2011 - Present	Director / Chairman of the Executive Committee / Member of Corporate Governance and Social & Environmental Responsibility Committee	SC Asset Corporation Public Company Limited
December 16, 2014-Present	Member of the Risk Management Committee	SC Asset Corporation Public Company Limited
July 13, 2011-Present	Chairman of the Board of Directors	SC Able Company Limited ⁶
July 13, 2011-Present	Chairman of the Board of Directors	Up Country Land Company Limited
July 13, 2011-Present	Chairman of the Board of Directors	V.Land Property Company Limited
2003 - 2006	Director	B.B.D. Property Company Limited
2007 - 2011	Director	B.B.D. Development Company Limited
2003 - 2006	Chairman of the Executive Committee	SC Asset Corporation Public Company Limited
2003 - 2006	Chairman of the Board of Directors	SC Able Company Limited
2003 - 2006	Chairman of the Board of Directors	Up Country Land Company Limited
2003 - 2006	Chairman of the Board of Directors	V.Land Property Company Limited

Position in other company Listed

Listed: None

Non-Listed:

2012 – Present Director / Treasurer Thaicom Foundation

Illegal record in the last 10 years

None

* 1st re-appointed at the 2014 AGM of April 23, 2014.

2nd re-appointed at the 2017 AGM of April 21, 2017.

** Ms. Busaba Damapong resigned from all posts in the Company, and the last day of her directorship will be December 31, 2017 onwards. The Nomination and Remuneration Committee is now seeking a suitably qualified person to fill the position of the Board of Directors.

Mr. Nuttaphong Kunakornwong (Age: 38 years)

Appointed Date: Merch 1, 2012 *

Current Position: Director/ Member of the Executive Committee/ Member of Corporate Governance and Social & Environmental Responsibility Committee/ Member of the Risk Management Committee / Chief Executive Officer (Authorized Director)

Shareholding: Director None
Marriage / Spouse 1,176,915,495 shares (28.16%)
Minor Children None

Relationship among Administrators: He is Ms. Pintongta Shinawatra (a capital shareholder of the company)'s husband and is a relative of Ms. Busaba.

Highest Education

- Master Degree of Business Administration from Depaul University, Chicago, Illinois, USA

Related Training Program held by Thai Instituted of Director (IOD)

- Director Certification Program (DCP) Class 157/2012

Work Experience

March 1, 2012 - Present	Director/Member of the Executive Committee	SC Asset Corporation Public Company Limited
January 1, 2015 - Present	Chief Executive Officer	SC Asset Corporation Public Company Limited
December 16, 2012–Present	Member of the Risk Management Committee	SC Asset Corporation Public Company Limited
November 13, 2012–Present	Member of Corporate Governance and Social & Environmental Responsibility Committee	SC Asset Corporation Public Company Limited
November 13, 2017–present	Director	Fine One One Company Limited
July 24, 2017–present	Director	Scope Company Limited
March 1, 2012 – Present	Director	SC Able Company Limited ⁶
March 1, 2012 – Present	Director	Up Country Land Company Limited
March 1, 2012 – Present	Director	V.Land Property Company Limited
2010 - 2012	Managing Director	Koon Development Company Limited
2010 - 2012	Managing Director	Pitchman Company Limited
2007 - 2010	Executive Manager	Nexus Property Consultants Company Limited

Position in other company Listed

Listed: None None

Non-Listed: None

Illegal record in the last 10 years

None

* 1st re-appointed at the 2013 AGM of April 23, 2013
2nd re-appointed at the 2016 AGM of April 22, 2016

Mr. Nathpath Ouajai (Age: 60 years)

Appointed Date: March 20, 2006 *

Current Position: Director / Member of the Executive Committee / Member of the Nomination and Remuneration Committee (Authorized Director)

Shareholding: Director None
Marriage / Spouse None
Minor Children None

Relationship among Administrators: None

Highest Education

- Master Degree of Business Administration, Thai Chamber University

Related Training Program

held by Thai Instituted of Director (IOD)

- Director Accreditation Program (DAP) Class 53/2006
- Seminar for Corporate Governance Report of Thai Listed Companies
- Director Certification Program (DCP) Class 91/2007

held by Others

- Mini MBA Class 21, Thammasat University
- Modern Marketing Management Class 19, Chulalongkorn University
- Graduate Diploma Program in Property Valuation, Thammasat University

Work Experience

March 20, 2006 - Present	Director/Member of the Executive Committee	SC Asset Corporation Public Company Limited
May 13, 2015 - Present	Member of the Nomination and Remuneration Committee	SC Asset Corporation Public Company Limited
May 24, 2015 - Present	Director	SC Able Company Limited ⁶
May 24, 2015 - Present	Director	Up Country Land Company Limited
May 24, 2015 - Present	Director	V.Land Property Company Limited
2003 - 2005	Project Manager	Prothiphom Company Limited
2003 - 2005	Project Manager	Sinthoranee Property Company Limited
2003 - 2005	Project Manager	Property One Fund
2003 - 2005	Project Manager	Thairung Union Car Public Company Limited

Position in other company Listed

Listed: None

Non-Listed:

2005 - Present Managing Director Back All Billboard Company Limited

Illegal record in the last 10 years

None

* 1st re-appointed at the 2008 AGM of April 22, 2008.
2nd re-appointed at the 2011 AGM of April 20, 2011.
3rd re-appointed at the 2014 AGM of April 23, 2014.
4th re-appointed at the 2016 AGM of April 22, 2016

Mr. Kunodom Tharmaphornphilas (Age: 73 years)

Appointed Date:	March 20, 2006 *	
Current Position:	Director/ Chairman of the Audit Committee/ Member of the Nomination and Remuneration Committee (Independent Director)	
Shareholding:	Director	None
	Marriage / Spouse	None
	Minor Children	None
Relationship among Administrators:	None	

Highest Education

- Master Degree of Structural Engineering, Asian Institute of Technology (AIT)

Related Training Program held by Thai Instituted of Director (IOD)

- Improving the Quality of Financial Reporting Class 4/2006
- Audit Committee Program (ACP) Class 13/2006
- Director Accreditation Program (DAP) Class 53/2006
- Director Certification Program (DCP) Class 87/2007
- Accounting Standard for Director
- Seminar for Corporate Governance Report of Thai Listed Companies

Work Experience

March 20, 2006 - Present	Director / Member of the Nomination and Remuneration Committee	SC Asset Corporation Public Company Limited
March 1, 2007 - Present	Chairman of the Audit Committee	SC Asset Corporation Public Company Limited
2001 - 2005	Deputy Director-General (Executive 9)	Department of Public Works and Town and Country Planning

Position in other company Listed

Listed: None

Non-Listed: None

Illegal record in the last 10 years

None

* 1st re-appointed at the 2008 AGM of April 22, 2008

2nd re-appointed at the 2011 AGM of April 20, 2011

3rd re-appointed at the 2014 AGM of April 23, 2014

4th re-appointed at the 2016 AGM of April 21, 2016

Mr. Precha Sekhararidhi (Age: 71 years)

Appointed Date:	March 26, 2007 *	
Current Position:	Director / Chairman of Corporate Governance and Social & Environmental Responsibility Committee / Chairman of the Risk Management Committee / Member of the Audit Committee (Independent Director)	
Shareholding:	Director	37,968 shares (0.0009%)
	Marriage / Spouse	None
	Minor Children	None
Relationship among Administrators:	None	

Highest Education

- Master Degree of Engineering, Asian Institute of Technology (AIT)
- Master Degree of Business Administration, Chulalongkorn University

Related Training Program held by Thai Instituted of Director (IOD)

- Director Accreditation Program (DAP) Class 13/2004
- Director Certification Program (DCP) Class 97/2007
- Risk Management Program for Corporate Leaders (RCL) Class 2/2015

Work Experience

March 20 2007 - Present	Director	SC Asset Corporation Public Company Limited
December 16, 2014 - Present	Chairman of the Risk Management Committee	SC Asset Corporation Public Company Limited
January 12, 2011 - Present	Chairman of Corporate Governance and Social & Responsibility Committee	SC Asset Corporation Public Company Limited
November 14, 2007 - Present	Member of the Audit Committee	SC Asset Corporation Public Company Limited

Position in other company Listed

Listed:

1989 - Present	Managing Director	M.D.X Public Company Limited
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Non-Listed:

2007 - Present	Chairman of the Board of Directors	Cretris International Company Limited
1995 - Present	Director	GMS Power Public Company Limited
1974 - Present	Chairman of the Board of Directors	Southeast Asia Technology Company Limited

Illegal record in the last 10 years

None

* 1st re-appointed at the 2009 AGM of April 22, 2009
2nd re-appointed at the 2012 AGM of April 23, 2012
3rd re-appointed at the 2015 AGM of April 23, 2015

Mr. Prasert Samanawong (Age: 66 years)

Appointed Date: January 31, 2007*

Current Position: Director / Chairman of the Nomination and Remuneration Committee / Member of the Audit Committee / Member of the Risk Management Committee (Independent Director)

Shareholding: Director None
Marriage / Spouse None
Minor Children None

Relationship among Administrators: None

Highest Education

- Master Degree in Commerce, Thammasat University

Related Training Program held by Thai Instituted of Director (IOD)

- Audit Committee Program (ACP) Class 21/2008
- Director Accreditation Program (DAP) Class 61/2007
- Director Certification Program (DCP) Class 85/2007
- Accounting Standard of Director
- Risk Management Program for Corporate Leaders (RCL) Class 2/2015

Work Experience

January 31, 2007 - Present	Director / Member of the Audit Committee	SC Asset Corporation Public Company Limited
May 13, 2015 - Present	Chairman of the Nomination and Remuneration Committee	SC Asset Corporation Public Company Limited
December 16, 2014 - Present	Member of the Risk Management Committee	SC Asset Corporation Public Company Limited
1991 - 2000	Executive Vice President	Premier Product Company Limited

Position in other company Listed

Listed: None

Non-Listed: None

Illegal record in the last 10 years

None

* 1st re-appointed at the 2008 AGM of April 22, 2008
2nd re-appointed at the 2011 AGM of April 20, 2011
3rd re-appointed at the 2014 AGM of April 23, 2014
4th re-appointed at the 2017 AGM of April 21, 2017

Mr. Songsak Premsuk (Age: 60 years)

Appointed Date: April 23, 2015*

Current Position: Director/ Member of the Executive Committee/ Member of Corporate Governance and Social & Environmental Responsibility Committee (Independent Director)

Shareholding: Director None
Marriage / Spouse None
Minor Children None

Relationship among Administrators: None

Highest Education

- Diploma Strategic Marketing Management Program, Harvard Business School, USA
- Bachelor's Degree from Faculty of Architecture, King Mongkut's Institute of Technology Ladkrabang

Related Training Program held by Thai Instituted of Director (IOD)

- Director Accreditation Program (DAP) Class 9/2004

Work Experience

April 23, 2015 - Present	Director	SC Asset Corporation Public Company Limited
May 13 2015 - Present	Member of the Executive Committee / Member of Corporate Governance and Social & Environmental Responsibility Committee	SC Asset Corporation Public Company Limited
2013 - 2015	Member of Governing Board	NSTDA, Ministry of Science and Technology
2012 - 2015	Council Member	Institute for the Promotion of Teaching Science and Technology, Ministry of Education
2010 - 2014	Chairman of the Board of Directors / Director	Office of Knowledge Management and Development (OKMD)
2009 - 2014	President	Voice TV Company Limited
2002 - 2007	Managing Director	ITV Public Company Limited

Position in other company Listed

Listed: None

Non-Listed:

2015 - Present	Director	Voice TV Company Limited
2008 - Present	Director	Thaicom Foundation

Illegal record in the last 10 years

None

Ms. Vilasinee Phddhikarant (Age: 62 years)

Appointed Date:	January 15, 2016*	
Current Position:	Director/ Member of the Executive Committee (Independent Director)	
Shareholding:	Director	None
	Marriage / Spouse	None
	Minor Children	None
Relationship among Administrators:	None	

Highest Education

Bachelor's Degree of Economics, East Texas State University, Texas, USA

Related Training Program

held by Thai Instituted of Director (IOD)

- Director Certification Program (DCP) Class 134/2010

held by Others

- MINI MBA, Chulalongkorn University
- Certificate of Good Governance for Medical Executives, class 3, King Prajadhipok's Institute

Work Experience

January 15, 2016 - Present	Director / Member of the Executive Committee	SC Asset Corporation Public Company Limited
2013 - 2015	Chief Customer Officer	Advance Info Service Public Company Limited
2007 - 2012	Executive Vice President - Customer Management	Advance Info Service Public Company Limited
2004 - 2007	Vice President - Customer and Service Management	Advance Info Service Public Company Limited
2002 - 2004	Managing Director	Advance Contact Center Company Limited
1999 - 2002	Assistant Vice President - Call Center	Advance Info Service Public Company Limited
1995 - 1999	Assistant Vice President - Information Technology	Shin Corporation Public Company Limited

Position in other company Listed

Listed: None

Non-Listed: None

Illegal record in the last 10 years

None

* 1st re-appointed at the 2016 AGM of April 22, 2016

Mr. Attapol Sariddipuntawat (Age: 53 years)

Appointed Date: April 21, 2017*

Director/ Member of the Executive Committee/ Member of the Risk Management Committee /
Chief Corporate Officer (Authorized Director)

Shareholding: Executive 8,289,843 shares (0.198%)
Marriage / Spouse None
Minor Children None

Relationship among Administrators: None

Highest Education

- Degree of National Defence College class 24
- Master Degree in Business Administration, Kasetsart University

Relate Training Programe held by Thai Instituted of Director (IOD)

- Director Accreditation Program (DAP) Class 142/2017

Work Experience

April 21, 2017 - Present	Director	SC Asset Corporation Public Company Limited
May 13, 2017 - Present	Member of the Executive Committee	SC Asset Corporation Public Company Limited
April 1, 2017 - Present	Chief Corporate Officer	SC Asset Corporation Public Company Limited
March 9, 2004 - Present	Member of the Risk Management	SC Asset Corporation Public Company Limited
July 24, 2017 - Present	Director	Scope Company Limited
May 31, 2017 - Present	Director	SC Able Company Limited ⁶
May 31, 2017 - Present	Director	Up Country Land Company Limited
May 31, 2017 - Present	Director	V.Land Property Company Limited
Jan 9, 2009 - 2017	Chief Financial Officer	SC Asset Corporation Public Company Limited
2003 - 2009	Executive Vice President - Corporate Support	SC Asset Corporation Public Company Limited
2002 - 2003	Vice President - Corporate Support	SC Asset Company Limited ²
2000 - 2002	Assistant Managing Director - Corporate Support	N.C.C. Management and Development Company Limited

Position in other company Listed

Listed: None

Non-Listed:

2012 - Present Director Praram 9 Hospital Company Limited

Illegal record in the last 10 years

None

Mr. Vitit Visalpattanasil (Age: 62 years)

Current Position: Chief Accounting Officer

Shareholding: Director 3,839,906 shares (0.092%)

Marriage / Spouse None

Minor Children None

Relationship with Management None

Highest Education

- Bachelor's Degree in Business Administration (Accounting), Ramkhamhaeng University
- MINI MBA, Thammasat University
- Certified Public Accountant

Work Experience

2017 - Present	Chief Accounting Officer	SC Asset Corporation Public Company Limited
2003 - 2017	Senior Vice President – Accounting	SC Asset Corporation Public Company Limited
2009 – December 16, 2014	Member of the Risk Management Committee	SC Asset Corporation Public Company Limited
2002 - 2003	Director of Accounting	SC Asset Company Limited ²
1994 - 2002	Financial & Accounting Manager	SC Asset Company Limited ²

Position in other company Listed

Listed: None

Non-Listed: None

Illegal record in the last 10 years

None

Ms. Pradthana Patsaman (Age: 56 years)

Current Position: Chief Financial Officer

Shareholding: Director 4,796,718 shares (0.115%)
Marriage / Spouse None
Minor Children None

Relationship among Administrators: None

Highest Education

- Master Degree in Business Administration, the National Institute of Development Administration

Work Experience

2017 - Present	Chief Financial Officer	SC Asset Corporation Public Company Limited
2003 - 2017	Senior Vice President - Finance	SC Asset Corporation Public Company Limited
2002 - 2003	Director of Finance	SC Asset Company Limited ²
1997 - 2002	Director of Accounting & Finance	N.C.C. Management and Development Company Limited

Position in other company Listed

Listed: None

Non-Listed: None

Illegal record in the last 10 years

None

Mr. Somboon Kuptimanus (Age: 58 years)

Current Position: Chief Legal Officer

Shareholding: Director 5,000,012 shares (0.119%)
Marriage / Spouse None
Minor Children None

Relationship among Administrators: None

Highest Education

- Degree of National Defence College Class 24
- MINI MBA, Chulalongkorn University
- Thai Barrister, Member of the Thai Bar Association

Related Training Program held by Thai Instituted of Director (IOD)

- Company Secretary Program (CSP) 2006
- Director Accreditation Program (DAP) class 142/2017

Work Experience

2017 - Present	Chief Legal Officer	SC Asset Corporation Public Company Limited
2008 - Present	Company Secretary	SC Asset Corporation Public Company Limited
2003 - 2017	Senior Vice President - Legal	SC Asset Corporation Public Company Limited
2013 - December 16, 2014	Member of the Risk Management Committee	SC Asset Corporation Public Company Limited
2002 - 2003	Director of Legal	SC Asset Company Limited ²
2000 - 2002	Legal Manager	SC Asset Company Limited ²

Position in other company Listed

Listed: None

Non-Listed:

2006 - Present	Director	B.B.D. Property Company Limited
2003 - Present	Director	Praram 9 Hospital Company Limited
1998 - Present	Director	Bangkok Telecom Engineering Company Limited

Illegal record in the last 10 years

None

Mr. Pornchai Sriprasert (Age: 69 years)

Current Position: Advisor ¹

Shareholding: Director 400,000 Shares (0.009%)
Marriage / Spouse None
Minor Children None

Relationship among Administrators: None

Highest Education

- Bachelor Degree in Electronic Engineering, Mapua Institute of Technology

Work Experience

January 2010 - Present	Advisor	SC Asset Corporation Public Company Limited
January - December 2009	Chief Technical Officer	SC Asset Corporation Public Company Limited
2003 - 2009	Executive Vice President - Property Development (High Rise)	SC Asset Corporation Public Company Limited

Position in other company Listed

Listed: None

Non-Listed: None

Illegal record in the last 10 years

None

Khunying Potjaman Damapong (Age: 62 years)

Shareholder

Shareholding: 117,109,887 shares (2.802%)

Highest Education

- Associate of Arts Degree, Eastern Kentucky University

Work Experience and Position in other company

1998 – September 2003	Director	OAI Education Company Limited
1997 – March 2003	Director	V.Land Property Company Limited
1995 – March 2003	Director	SC Asset Company Limited ²
1994 – September 2003	Director	SC Office Plaza Company Limited
1994 – September 2003	Director	SCK Estate Company Limited
1994 – September 2003	Director	P.T. Corporation Company Limited
1994 – July 2003	Director	SC Office Park Company Limited
1994 – July 2003	Director	OAI Asset Company Limited
1991 – August 2003	Director	OAI Leasing company Limited
2008 – Present	Vice Chairman	Thaicom Foundation

Illegal record in the last 10 years

None

Mr. Panthongtae Shinawatra (Age: 40 years)

Shareholder

Shareholding: 117,109,887 Shares (0.335%)

Work Experience and Position in other company

April 1, 2013 – Present	Director	Voice Creation Company Limited
September 19, 2011 – Present	Director	Rende Ploenchit Hotel Company Limited ⁵
May 4, 2006 – Present	Director	Thaicom Foundation
November 15, 2004 – Present	Director	How Come Studio Company Limited
January 9, 2004 – Present	Director	Okanit Company Limited
September 30, 2003 – Present	Director / Executive Vice President	Voice TV Company Limited ⁴

Illegal record in the last 10 years

None

Ms. Pintongta Shinawatra Kunakornwong (Age: 36 years)

Shareholder

Shareholding: 1,176,915,495 shares (28.160%)

Highest Education

- Master Degree of Science in Management, Cass Business School, City University, UK.
- Master Degree of Art in Enterprise Management for the Creative Arts, London College of Communication, University of the Arts, London, UK

Work Experience and Position in other company

May 12, 2016 - Present	Director	Alpine Gold and Sports Club Company Limited
May 12, 2016 - Present	Director	Alpine Garden Design Company Limited
May 10, 2016 - Present	Director	OAI Consultant and Management Company Limited
October 18, 2013 - Present	Director	Thames Valley Khaoyai Hotel Company Limited
July 5, 2013 - Present	Director	Rende Ploenchit Hotel Company Limited ⁵
April 1, 2013 - Present	Director	Voice Creation Company Limited
February 29, 2012 - Present	Director	Rende Development Company Limited
April 20, 2011 - February 28, 2012	Director / Member of the Executive Committee	SC Asset Corporation Public Company Limited
2011 - Present	Director	Shinawatra University
2008 - Present	Director	The Sister nail Company Limited ³
2006 - Present	Director / Secretary	Thaicom Foundation
2004 - Present	Director	How come Studio Company Limited
2004 - Present	Director	Okanit Company Limited
2003 - Present	Director	Voice TV Company Limited ⁴

Illegal record in the last 10 years

None

Ms. Paetongtarn Shinawatra (Age: 32 years)

Shareholder

Shareholding: 1,216,149,870 shares (29.099%)

Highest Education

- Master Degree of MSc International Hotel Management, University of Surrey, UK.

Work Experience and Position in other company

May 12 2016 - Present	Director	Alpine Gold and Sports Club Company Limited
May 12, 2016 - Present	Director	Alpine Garden Design Company Limited
May 10, 2016 - Present	Director	OAI Consultant and Management Company Limited
October 18, 2013 - Present	Director	Thames Valley Khaoyai Hotel Company Limited
February 29, 2012- Present	Director	Rende Development Company Limited
2012- Present	Director	Voice TV Company Limited ⁴
2012- Present	Director	The Sister nail Company Limited ³
2011 - Present	Director	Rende Ploenchit Hotel Company Limited ⁵
2006 - Present	Director	Thaicom Foundation
2004 - Present	Director	Okanit Company Limited

Illegal record in the last 10 years

None

Note:

- ¹ An advisor performs his duty in providing opinions to the Board of Directors and management, as well as attending meetings of the Board of Directors but is not considered as having any control or participation in the management of the company.
- ² The name of "SC Asset Company Limited" was changed to OAI Management Company Limited in August 2003.
- ³ The name of "ManCity Marketing Company Limited" was changed to O A I Marketing Company Limited in December 2009 and changed to the name of The Sister nail Company Limited in June 2012.
- ⁴ The name of How Come Entertainment Company Limited was changed to Voice Station Company Limited in December 2008 and changed to Voice TV Company Limited in June 2009.
- ⁵ The name of "Ploenjit Arcade Company Limited" was changed to Rende Ploenchit Hotel Company Limited in May 21, 2013.
- ⁶ The name of "OAI Asset Company Limited" was changed to SC Able Company Limited In May 23, 2017

* Shareholding, date as at 31 December 2017

**POSITIONING SUMMARY OF DIRECTORS, MANAGEMENT TEAM,
ADVISOR AND CONTROLLING PERSONS**
(Date as of 31 December 2017)

Directors / Management Team/ Advisor / Controlling Persons	SC	Subsidiary Company				Related Company
		SCA	UL	VL	SCOPE	
Mr. Rath Kitivejsoth	A, C, L					
Ms. Busaba Damapong	B, C, D, E, G, J, K	A, B, C	A, B, C	A, B, C		BBD, OM, BBP, NEWOAK, VOICE (M)
Mr. Nuttaphong Kunakornwong	C, D, F, G, J, K	B, C	B, C	B, C	A, C	PT, SOP, SOPZ, RENDE, OE SCK, RPH, Thames (M)
Mr. Nathpath Ouajai	C, D, G, I					BAB (B,C)
Mr. Kunodom Tharmmaphornphilas	C, H, I, L					
Mr. Precha Sekhararidhi	C, H, J, K, L					CREATIS (A), GMS (B), MDX (B,F), SAT (A)
Mr. Prasert Samanawong	C, H, I, K, L					
Mr. Songsak Premsuk	C, G, J, L					VOICE (B)
Ms. Vilasinee Puddhikarant	C, G, L					
Mr. Attapol Sariddipuntawat	C, D, G, K	B, C	B, C	B, C	B, C	PHARAM 9 (B)
Mr. Vitit Visalpattanasil	M					
Ms. Pradthana Patsaman	M					
Mr. Somboon Kuptimanus	M					BBP, BTE (B,C) PHARAM 9 (B)
Mr. Pornchai Sriprasert	O					
Khunying Potjaman Damapong	N					
Ms. Pintongta Shinawatra Kunakornwong	N					PT, SOP, SOPZ, RENDE, OE SCK, RPH, Thames (M)
Ms. Paetongtarn Shinawatra	N					AGD, BTE, Thames (M)
Mr. Panthongtae Shinawatra	N					HOW, OKN (M)

Note

A =	Chairman of the Board of Directors
B =	Vice-Chairman of Director
C =	Director
D =	Authorized Director
E =	Chairman of the Executive Committee
F =	Chief Executive Officer
G =	Member of the Executive Committee
H =	Member of the Audit Committee
I =	Member of the Nomination and Remuneration Committee
J =	Member of Corporate Governance & Social and Environmental Responsibility Committee
K =	Member of Risk Management Committee
L =	Independent Director
M =	Management Team
N =	Controlling Persons
O =	Advisor

The Company's name

SC =	SC Asset Corporation Plc.
UL =	Up Country Land Co., Ltd.
VL =	V. Land Property Co., Ltd.
SCA =	SC Able Co., Ltd.
SCOPE =	SCOPE Co., Ltd.
BBD =	B.B.D. Development Co., Ltd.
OM =	OAI Management Co., Ltd.
BBP =	B.B.D Property Co., Ltd.
NEWOAK =	Newoak Co., Ltd.
VOICE =	VOICE TV Co., Ltd.
PT =	P.T. Corporation Co., Ltd.
SOP =	SC Office Park Co., Ltd.
RENDE =	Rende Development Co., Ltd.
SOPZ =	SC Office Plaza Co., Ltd.
SCK =	S C K Estate Co., Ltd.
OE =	OAI Education Co., Ltd.
AGD =	Alpine Garden Design Co., Ltd.
BTE =	Bangkok Telecom Engineering Co., Ltd.
PMN =	Prominent Thalang Co., Ltd.
RPH =	Rende Ploenchit Hotel Co.,Ltd
Thames =	Thames valley Khao Yai Hotel Co.,Ltd.
BAB =	Back All Billboard Co.,Ltd.
CREATIS =	Creatis International Co.,Ltd.
GMS =	GMS Power Co., Ltd.
MDX =	M.D.X. Plc.
SAT =	Southeast Asia Technology Co., Ltd.
HOW =	How Come Studio Co.,Ltd.
OKN =	Okanit Co.,Ltd.

Information of the Directors of Subsidiary Companies

Directors		SC Able Co., Ltd.	Up Country Land Co., Ltd.	V. Land Property Co., Ltd.	Scope Co., Ltd
Ms. Busaba	Damapong	A , C	A , C	A , C	-
Mr. Nuttaphong	Kunakornwong	B , C	B , C	B , C	A , C
Mr. Nathpath	Oujai	B , C	B , C	B , C	-
Mr. Attapol	Sariddipuntawat	B , C	B , C	B , C	B , C
Mr. Yongyuth	Chaipromprasit	-	-	-	B , C

Note:

A =	Chairman of the Board of Directors
B =	Director
C =	Authorized Director

Date as of 31 December 2017

DETAILS OF SHAREHOLDING OF ORDINARY SHARES AND DEBENTURES OF THE COMPANY'S DIRECTORS AND MANAGEMENT TEAM FOR THE YEAR 2017

Name	Position	SC Asset Corporation Plc.		SC Able Co., Ltd.		Up Country Land Co., Ltd.		V. Land Property Co., Ltd.		Scope Co., Ltd.	
		Ordinary Shares	Debentures	Ordinary Shares	Debentures	Ordinary Shares	Debentures	Ordinary Shares	Debentures	Ordinary Shares	Debentures
1. Mr. Rath Kitivejosoth	Chairman of the Board of Directors (Independent Director)	-	-	-	-	-	-	-	-	-	-
2. Ms. Busaba Damapong	Director/ Chairman of the Executive Committee/ Member of Corporate Governance and Social & Environmental Responsibility Committee/ Member of the Risk Management Committee (Authorized Director)	201,234,387	140,000	-	-	-	-	-	-	-	-
3. Mr. Nuttaphong Kunakornwong	Director/ Member of the Executive Committee/ Member of Corporate Governance and Social & Environmental Responsibility Committee/ Member of the Risk Management Committee/ Chief Executive officer (Authorized Director)	1,176,915,495	-	-	-	-	-	-	-	-	-
4. Mr. Nathpath Ouajai	Director/ Member of the Executive Committee/ Member of the Nominating and Remuneration Committee (Authorized Director)	-	-	-	-	-	-	-	-	-	-
5. Mr. Kunodom Tharmmaphornphilas	Director/ Chairman of the Audit Committee/ Member of the Nominating and Remuneration Committee (Independent Director)	-	-	-	-	-	-	-	-	-	-
6. Mr. Prasert Samanawong	Director/ Member of the Audit Committee/ Chairman of the Nominating and Remuneration Committee/ Member of the Risk Management Committee (Independent Director)	-	-	-	-	-	-	-	-	-	-
7. Mr. Precha Sekhararidhi	Director/ Chairman of Corporate Governance and Social & Environmental Responsibility Committee/ Chairman of the Risk Management Committee/ Member of the Audit Committee (Independent Director)	37,968	-	-	-	-	-	-	-	-	-
8. Mr. Songsak Premsuk	Director/ Member of the Executive Committee/ Member of Corporate Governance and Social & Environmental Responsibility Committee (Independent Director)	-	-	-	-	-	-	-	-	-	-
9. Ms. Vilasinee Puddhikarant	Director/ Member of the Executive Committee (Independent Director)	-	-	-	-	-	-	-	-	-	-
10. Mr. Attapol Sariddipuntawat	Director/ Member of the Executive Committee/ Member of the Risk Management Committee/Chief Corporate Officer (Authorized Director)	8,289,843	3,000	-	-	-	-	-	-	-	-
11. Mr. Vitit Visalpattanasil	Chief Accounting Officer	3,839,906	-	-	-	-	-	-	-	-	-
12. Ms. Pradthana Patsaman	Chief Financial Officer	4,796,718	1,000	-	-	-	-	-	-	-	-
13. Mr. Somboon Kuptimanus	Chief Legal Officer / Company Secretary	5,000,012	-	-	-	-	-	-	-	-	-

Note:

- 1) Including shareholding by spouse and minor children
- 2) Shareholding, date as at 31 December 2017
- 3) Ms. Busaba Damapong resigned from all posts in the Company, and the last day of her directorship will be December 31, 2017 onwards. The Nomination and Remuneration Committee is now seeking a suitably qualified person to fill the position of the Board of Directors.

DETAILS OF HEAD OF INTERNAL AUDIT AND HEAD OF COMPLIANCE

(Date as of 31 December 2017)

Ms. Pannee Tharaphat (Age: 58 years)

Current Position:	Deputy Chief Internal Audit Officer	
Shareholding:	Director	126,562 shares (0.003%) ¹
	Marriage / Spouse	None
	Minor Children	None
Relationship among Administrators:	None	

Highest Education

- Master Degree of Business Administration, Kasetsart University

Training

- Certified Professional Internal Auditor (CPIA), Thai Institute of Directors

Work Experience

2017 - Present	Deputy Chief Internal Audit Officer	SC Asset Corporation Public Company Limited
2008 - 2017	Senior Vice President - Internal Audit	SC Asset Corporation Public Company Limited
February 7, 2007 - December 16, 2014	Member of the Risk Management Committee	SC Asset Corporation Public Company Limited
2006 - 2008	Director of Internal Audit	SC Asset Corporation Public Company Limited
2005-2006	Comptroller	Shinawatra University

Position in other company Listed

Listed: None

Non-Listed: None

Illegal record in the last 10 years

None

Mr. Somboon Kuptimanus (Age: 58 years)

Current Position: Chief Legal Officer

Shareholding: Director 5,000,012 shares (0.119%)
Marriage / Spouse None
Minor Children None

Relationship among Administrators: None

Highest Education

- Degree of National Defence College Class 24
- MINI MBA, Chulalongkorn University
- Thai Barrister, Member of the Thai Bar Association

Related Training Program held by Thai Instituted of Director (IOD)

- Company Secretary Program (CSP) 2006
- Director Accreditation Program (DAP) class 142/2017

Work Experience

2017 - Present	Chief Legal Officer	SC Asset Corporation Public Company Limited
2008 - Present	Company Secretary	SC Asset Corporation Public Company Limited
2003 - 2017	Senior Vice President - Legal	SC Asset Corporation Public Company Limited
2013 - December 16, 2014	Member of the Risk Management Committee	SC Asset Corporation Public Company Limited
2002 - 2003	Director of Legal	SC Asset Company Limited ²
2000 - 2002	Legal Manager	SC Asset Company Limited ²

Position in other company Listed

Listed: None

Non-Listed:

2006 - Present	Director	B.B.D. Property Company Limited
2003 - Present	Director	Praram 9 Hospital Company Limited
1998 - Present	Director	Bangkok Telecom Engineering Company Limited

Illegal record in the last 10 years

None

Note:

¹ Shareholding, date as at 31 December 2017

² The name of "SC Asset Company Limited" was changed to OAI Management Company Limited in August 2003.

RELATED TRANSACTIONS

Any Company arrangements by the Company and/or subsidiaries in transactions with related companies and/or persons have been for regular business operations, and necessary to acquire the strongest support for the operations of the group of companies. They have all been to the benefit of the Company. Such related transactions are necessary and justified. The Company's returns gained from these related transactions are subject to the toughest criteria regarding consideration of market prices or cost plus. In the case of cost plus price was determined by estimated cost calculated from the Company's budget plus a reasonable determined profit rate. The Company, through the Audit Committee and with the approval of the Board of Directors, annually takes into account the cost and profit rates that it sees as reasonable and proper prices.

Details of Related Transactions with Related Companies and/or Persons

For the year ended December 31, 2017, the Company and subsidiaries have engaged in transactions with related companies and/or persons as listed below

- 1. Revenue from Sales** – The Company sold residential product to related persons.

(Unit : Baht Million)

Related Persons	Related Transactions for the year ended December 31, 2017
Ms. Piyada Tianthai ⁹	23.90
Ms. Wilasinee Puddhikarant ⁴	8.65
Mr. Attapol Sariddipuntawat ⁵	5.75
Mr. Vitit Visalpattanasil ⁶	3.33
Total	41.63

- 2. Revenue from Rental and Rendering Services** – The Company provided rental space and services to related companies.

(Unit : Baht Million)

Related Companies	Related Transactions for the year ended December 31, 2017
Shinawatra University ¹⁵	4.46
Rende Development Company Limited ²⁹	2.68
B.B.D. Development Company Limited ¹⁷	2.46
Thai-Com Foundation ¹⁴	2.23
Voice TV Company Limited ²¹	0.01
Rende Ploen Chit Hotel Company Limited ³⁰	0.01
P.T. Corporation Company Limited ²⁴	0.01
Total	11.86

3. Cost of Rental and Rendering Services – These transactions involved the payment made by the Company and subsidiaries to related companies and/or person.

(Unit : Baht Million)

Related Companies and/or Person	Related Transactions for the year ended December 31, 2017
SC Office Park Company Limited ²³	30.94
SC Office Plaza Company Limited ²⁰	8.43
P.T. Corporation Company Limited ²⁴	1.60
Alpine Garden Design Company Limited ²⁵	0.26
Khunying Potjaman Damapong ¹	0.07
Alpine Golf & Sports Club Company Limited ¹⁸	0.01
Total	41.31

4. Selling and Administrative Expenses - These transactions involved the payment made by the Company and subsidiaries to related companies.

(Unit : Baht Million)

Related Companies	Related Transactions for the year ended December 31, 2017
Alpine Golf & Sports Club Company Limited ¹⁸	12.27
Alpine Garden Design Company Limited ²⁵	2.36
Healthlink Company Limited ³²	2.32
Voice TV Company Limited ²¹	2.32
OAI Consultant & Management Company Limited ²⁷	2.17
SC Office Park Company Limited ²³	1.39
Param 9 Hospital Company Limited ¹⁶	1.13
Thames Valley Khao Yai Hotel Company Limited ³¹	1.05
OAI Leasing Company Limited ¹⁹	0.41
SC Office Plaza Company Limited ²⁰	0.21
Fortay (Thailand) Company Limited ²⁸	0.12
Chiangmai Golf & Country Club Company Limited ²⁶	0.12
B.B.D. Development Company Limited ¹⁷	0.12
Thai-Com Foundation ¹⁴	0.10
How Come Studio Company Limited ²²	0.02
Total	26.11

5. Trade Receivables – These transactions incurred from sales of residential units to executives under the criteria and term as prescribed by the resolution of the Company’s Board of Directors and rendering services.

(Unit : Baht Million)

Related Companies and/or Person	Related Transactions for the year ended December 31, 2017
Mr. Nuttaphong Kunakornwong ³	23.39
Mr. Attapol Sariddipuntawat ⁵	12.80
Ms. Busaba Damapong ²	11.72
Mr. Vitit Visalpattanasil ⁶	5.44
Shinawatra University ¹⁵	1.28
Total	54.63

6. Loans from related persons – These transactions incurred from issuance of debentures to related persons.

(Unit : Baht Million)

Related Persons	Related Transactions for the year ended December 31, 2017
Ms. Busaba Damapong ²	230.00
Mr. Bhanapot Damapong ¹¹	80.00
Mr. Polapoom Damapong ¹²	10.00
Ms. Anchalee Kunakornwong ⁸	10.00
Mr. Attapol Sariddipuntawat ⁵	3.00
Ms. Pranee Visalpattanasin ¹⁰	2.00
Mr. Kanit Patsaman ¹³	2.00
Ms. Pradthana Patsaman ⁷	1.00
Total	338.00

The Relationship of Related Companies and/or Persons are as follows

Related Companies and/or Persons	Relationship	Type of Business
1. Khunying Potjaman Damapong	Major shareholder’s mother	-
2. Ms. Busaba Damapong	Director	-
3. Mr. Nuttaphong Kunakornwong	Director	-
4. Ms. Wilasinee Puddhikarant	Director	-
5. Mr. Attapol Sariddipuntawat	Director	-
6. Mr. Vitit Visalpattanasil	Management	-
7. Ms. Pradthana Patsaman	Management	-
8. Ms. Anchalee Kunakornwong	Mother of Director	-

Related Companies and/or Persons	Relationship	Type of Business
9. Ms. Piyada Tianthai	Sister of Director	-
10. Ms. Pranee Visalpattanasin	Sister of management	-
11. Mr. Bhanapot Damapong	Spouse of director	-
12. Mr. Polapoom Damapong	Son of director	-
13. Mr. Kanit Patsaman	Spouse of management	-
14. Thai-Com Foundation	Major shareholder Family is a founder	-
15. Shinawatra University	Major shareholder Family is a founder	Education Business
16. Praram 9 Hospital Company Limited	Khunying Potjaman Damapong is a major shareholder.	Hospital Business
17. B.B.D. Development Company Limited	Mr. Bhanapot Damapong is a major shareholder.	Real Estate Business
18. Alpine Golf & Sports Club Company Limited	Khunying Potjaman Damapong, Ms. Pintongta Shinawatra Kunakornwong and Ms. Paetongtarn Shinawatra are major shareholder.	Golf Business
19. OAI Leasing Company Limited	Ms. Pintongta Shinawatra Kunakornwong is a major shareholder.	Car Rental Business
20. SC Office Plaza Company Limited	Ms. Pintongta Shinawatra Kunakornwong is a major shareholder.	Land Rental
21. Voice TV Company Limited	Mr. Bhanapot Damapong and Ms. Pintongta Shinawatra Kunakornwong are major shareholder.	Import and distribution of all types of communications equipment and providing entertainment services.
22. How Come Studio Company Limited	Major shareholder cousin	Production, production services and other entertainment services.
23. SC Office Park Company Limited	Ms.Pintongta Shinawatra Kunakornwong and Ms. Paetongtarn Shinawatra are major shareholder.	Land Rental, property management business.
24. P.T. Corporation Company Limited*	Ms.Pintongta Shinawatra Kunakornwong and Ms. Paetongtarn Shinawatra are major shareholder.	Real Estate Business

Related Companies and/or Persons	Relationship	Type of Business
25. Alpine Garden Design Company Limited	Ms. Paetongtarn Shinawatra is a major shareholder.	Garden Design Business
26. Chiangmai Golf & Country Club Company Limited	A Subsidiary of B.B.D. Development Company Limited.	Golf Business
27. OAI Consultant & Management Company Limited	Khunying Potjaman Damapong is a major shareholder.	Hotel Business
28. Fortay (Thailand) Company Limited	A Subsidiary of OAI Consultant & Management Company Limited.	Coffee Business
29. Rende Development Company Limited**	Ms. Pintongta Shinawatra Kunakornwong is a major shareholder.	Real estate business
30. Rende Ploen Chit Hotel Company Limited	A Subsidiary of B.B.D. Development Company Limited.	Hotel Business
31. Thames Valley Khao Yai Hotel Company Limited	Ms. Pintongta Shinawatra Kunakornwong and Ms. Paetongtarn Shinawatra are major shareholder.	Hotel Business
32. Healthlink Company Limited	A Subsidiary of B.B.D. Development Company Limited.	Hotel Business

Remark :

- * This company is in the business of rental of small office space, and began its operation before the listing of the Company in the Stock Exchange of Thailand. The company has no other competing business with the Company and only owns the office buildings for the rental business that was earlier listed in this report. In addition, the company's customer base is different from that of the Company. Its office buildings are not in the same location as the Company's. The highest rental rate commanded by the company is Baht 365 per sq. meter, whereas the Company's office rental rates are in the range of Baht 365-850 per sq. meter.
- ** This company is in the business of rental of small office space, and began its operation before the listing of the Company in the Stock Exchange of Thailand. The company has no other competing business with the Company and only owns the office buildings for the rental business that was earlier listed in this report. In addition, the company's customer base is different from that of the Company. Its office buildings are not in the same location as the Company's or its office locations are in provincial areas.

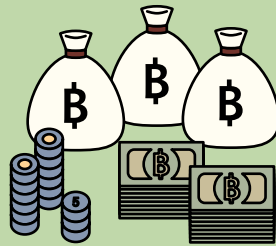
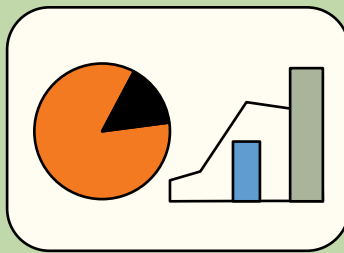
Procedures and Policies for Approval of Related Transactions

Approval procedures for related party transactions, which are transacted to support the Company's normal course of business operations, such as space rent, shall be governed by the conditions prescribed by the Company to suite the general nature of such trading activities. For other related party transactions, the Company shall prescribe measures and procedures which are in line with their underlying trade characteristic and nature, and use prevailing market prices for their pricing, similar to the transactions normally made to any other non-related customers. In the case that there are no applicable market prices for comparison, the Company will contract at least three independent specialists, approved by the Securities and Exchange Commission of Thailand, to appraise the transaction and define proper market price and suitable conditions. Then, it shall benchmark the appropriate price at the amount not higher than the average mean of all those independent assessments. Such implementation intends to assure the maximization of the Company and its shareholders' benefits. The Company shall also propose the outcomes and the matter to its Audit committee for reviewing and consider the rationality of such related party transactions and appropriateness of its pricing, prior to the further submission to the Board of directors, or in some cases to the shareholders, for the approval.

In accordance with the practice of disclosure of related transactions, the acquisition or sales of significant assets owned by the Company and subsidiaries conform to all the laws on securities and exchange, including regulations, notifications, orders of the Stock Exchange of Thailand and Thai Accounting Standards issued by the Federation of Accounting Professions.

Trend of Future Related Transactions

In the future related transactions will still be a regular part of business operations transactions such as the space rental etc. There may have transactions for the sale and purchase of land with related persons but they will be mostly extraordinary transactions. Any such transactions to be engaged in the future shall conform to the measures and procedures of approval as outlined.



FINANCIAL POSITION AND RESULTS OF OPERATIONS

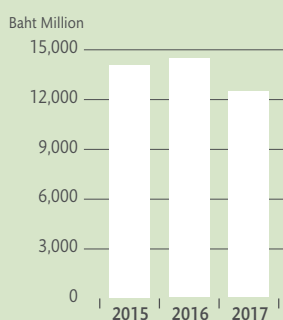
FINANCIAL HIGHLIGHTS

(Unit : Million Baht)

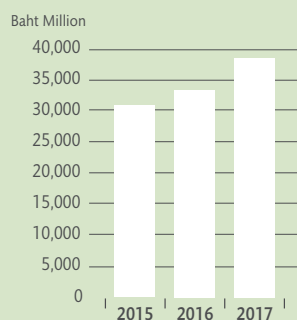
For the year ended 31 December	2017	2016	2015
Operating Results			
Total Revenues	12,472	14,504	14,184
Operating Revenues	12,450	14,434	14,050
Gross Profit	4,458	5,216	5,145
Operating Profit	1,736	2,486	2,433
Profit for the Years	1,259	1,968	1,895
Financial Position			
Total Assets	38,498	33,487	30,957
Total Liabilities	23,583	19,046	17,732
Total Shareholders' Equity	14,915	14,441	13,225
Financial Ratio			
Current Ratio (Times)	2.56	2.43	2.34
Gross Profit Margin (%)	35.81	36.14	36.62
Operating Profit Margin (%)	13.94	17.23	17.32
Net Profit Margin (%)	10.09	13.57	13.36
Return on Equity (%)	8.58	14.23	15.25
Return on Assets (%)	3.50	6.11	6.33
Debt to Equity Ratio (Times)	1.58	1.32	1.34
Basic Earnings per Share (Baht)	0.3011	0.4709	0.4535
Dividend per Share (Baht)	0.12 ⁽¹⁾	0.19	0.18
Book Value per Share (Baht)	3.57	3.46	3.16

Remark:

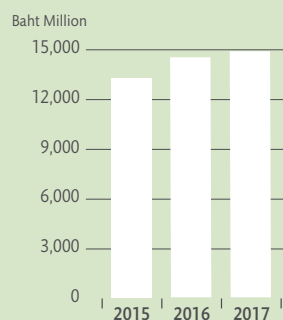
⁽¹⁾ Dividend per Share (Baht) was made at the rate approved by the Company's Board of Directors in its board meeting on 21 February 2018 and shall be submitted for the shareholders' approval during the Annual General Shareholders Meeting for 2018.



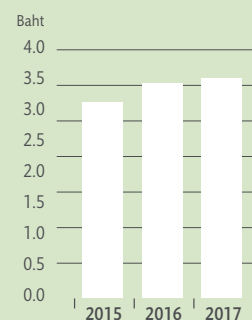
Operating Revenues



Total Assets



Total Shareholders' Equity



Book Value per Share

MANAGEMENT DISCUSSION AND ANALYSIS

1. Performance Overview

In 2017, the Company launched 47 development projects with remaining project value to be sold of Baht 53,250 million; comprising of 35 low-rise developments, and 12 high-rise developments. As of yearend 2017, the Company has a backlog of sales of Baht 9,703 million. The Company's operating revenues reached Baht 12,450 million. These revenues comprised of Baht 9,093 in sales of low-rise developments, Baht 2,507 million in sales of high-rise developments, Baht 849 million in revenues from rental and rendering of services, and Baht 1 million in revenues from consulting and management services. The Company had Baht 1,259 million in profit attributable to owners of the parent for the year and a profit per share of Baht 0.3011.

In 2018, The Company set its revenue and presales targets of Baht 17,000 million and Baht 17,000 million, respectively. It plans to launch 19 new projects with a total project value of Baht 19,000 million, comprising of 17 low-rise developments with a total project value of Baht 15,000 million and 2 high-rise developments with a total project value of Baht 4,000 million

To ensure the healthy growth, SC announces our three-year roadmap called "SC-REINVENTION 2020", targeting to achieve Baht 22 billion of revenue in 2020 with the total presales in 2018-2020 exceeding 60 billion Baht. The Company rethinks its business approaches and working process by transforming from being merely a "Real Estate Developer" to become "Living Solutions Provider" by working with various partners in the ecosystem to better respond to people's evolving lifestyle. The Company aims to proper by 4 strategies:

1. RE-INVENTION from a "Developer" toward "Living Solutions Provider" through 3Ds.
 - Digitize: Transform work system from analog toward digital to incorporate data in terms of our work and consumer insights to analyze and develop the Company's operations.
 - Design: Use Human-Centric Approach to design products & services and solutions by starting from understanding of pain points in customers' lifestyle.
 - Develop: Incorporate innovations in quality property development for every price level.
2. CO-CREATION Work with business partners in the ecosystem to develop Living Solutions (the Company residential property development & after-sales service, coupled with other services by business partners) for customers and nearby communities. The Living Solutions Platform is called "Rue Jai".
3. Quality First: The quality of the Company's products and services, both "pre-transfer and after-transfer, is the highest priority.
4. TOP-LINE GROWTH: Expand in terms of top-line both volume and value of property development for sales projects to continue driving the Company growth, while property development for rent projects, currently covering 110,000 sQ.m. is secured income, representing one-fourth of the Company net profit.

2. Analysis of the Company's Consolidated Operational Results between 2016 and 2017

2.1 Operational Analysis

2.1.1 Revenues

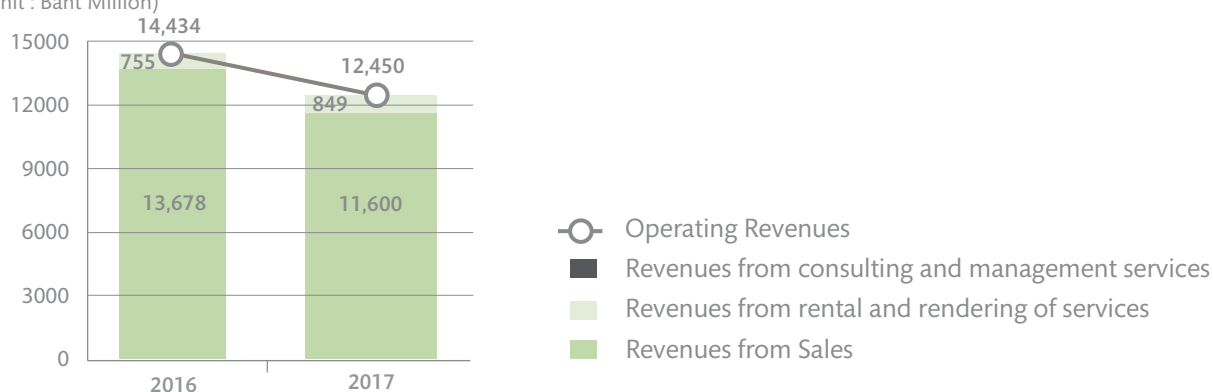
The Company's total consolidated revenues in 2017 was Baht 12,450 million as compared to Baht 14,434 million in 2016, showing a decrease of Baht 1,984 million or 14%. The decrease was mainly attributed to the following developments

(Unit: Baht Million)

	2017	2016	Increase (Decrease)	
			Amount	%
Revenues from Sales	11,600	13,678	(2,078)	(15)
- Low - rise development projects	9,093	7,710	1,383	18
- High - rise development projects	2,507	5,968	(3,461)	(58)
Revenues from rental and rendering of services	849	755	94	12

2017 Operating Revenues 12,450 MB

(Unit : Baht Million)



- Revenues from sales decreased by Baht 2,078 million or 15%, which mainly resulted from the recognition of a 58% decrease in income from high-rise development projects. Due to in 2016, the Company had revenue recognition for CENTRIC ARI STATION, total project value of Baht 2,781 million, which completed construction process and started to transfer in March 2016, while the Company had only 2 CHAMBERS projects which completed construction process and started to transfer in April 2017 and December 2017, respectively. Revenues from sales of high-rise developments accounted to 22% of total revenues from sales in 2017, compared to 44% in 2016. Whereas, revenues from low-rise development projects are rapidly growth and recorded Bath 9,093 million, increased by Baht 1,383 million or 18%. In 2017 and 2016, the Company reported the revenue from sales from 35 and 30 low-rise development projects, respectively.

Revenues from sales of low-rise developments comprised of sales of single detached houses, townhouses, and shophouse, which can be broken down as follows:

(Unit: Baht Million)

	2017		2016		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Revenues from Low - rise development projects						
- Single detached houses	8,729	96	7,364	95	1,365	19
- Townhouses	126	1	224	3	(98)	(44)
- Shophouse	238	3	122	2	116	95
Total	9,093	100	7,710	100	1,383	18

Revenues from sales of the Company's low-rise developments came mostly from its single detached housing projects, accounted to 96% of revenues from sales of the Company's low-rise developments. In addition, the Company maintained the leader for single detached housing price range Baht 20 million and up. In 2017, the Company recognized its income from sales of 31 housing projects whereas in 2016, it recognized its income from sales of 27 such housing projects.

As of yearend 2017, there were Baht 9,703 million in backlog, comprised 80% of high-rise and 20% of low-rise development projects, waiting for transfers and income flows of future revenue recognition during the period of 2018-2020.

- Revenues from rental and rendering of services increased by Baht 94 million, or 12%, came from new office building "SC Tower" which had 100% occupancy and started recorded revenue in first quarter of 2017.

2.1.2 Operating Cost

The Company's operating cost was Baht 7,992 million and Baht 9,218 million in 2017 and 2016 respectively. It decreased by Baht 1,226 million or 13%. The decrease was mainly caused by the following developments:

(Unit: Baht Million)

	2017	2016	Increase (Decrease)	
			Amount	%
Cost of sales	7,678	8,948	(1,270)	(14)
Cost of rental and rendering of services	313	269	44	16

- The Company's cost of sales decreased Baht 1,270 million, mainly in line with the decrease in revenues for the year.

- The Company's cost of rental and rendering of services increased by Baht 44 million. It was in line with the increase in revenues from rental and rendering of services.

2.1.3 Other Income

Other income was Baht 22 million and Baht 31 million in 2017 and 2016, respectively. It decreased Baht 9 million or 29%.

2.1.4 Loss / Profit from fair value adjustment and write-off of investment property

In 2017, the company recorded loss from fair value adjustment and write-off of investment properties of Baht 94 million, which was mainly attributed to the following developments:

- Loss from write-off of investment properties was Baht 39 million.
- Profit from fair value adjustment in investment properties was Baht 78 million.
- Loss from fair value adjustment in investment properties of subsidiary company was Baht 133 million.

Profit from fair value adjustment in investment properties in 2016 was Baht 39 million, which was mainly caused by the fair value adjustment of Shinawatra Tower I and II.

The evaluation of asset value made by external appraisers, the appraisers use updated information such as present rental agreements and current rental income etc. This information is applied together with important assumptions on revenues namely current market rental rate, growth rate, and discount rate. The prevailing market reference information is applied in the valuation to determine the estimated values of such real estate for investment.

2.1.5 Selling Expenses

The Company's selling expenses was Baht 1,354 million, and Baht 1,368 million in 2017 and 2016, respectively. Selling expenses decreased by Baht 14 million or 1%, mainly in line with the decrease in specific business tax and transfer fee from revenues from sales.

2.1.6 Administrative Expenses

Administrative expenses were Baht 1,368 million and Baht 1,362 million in 2017 and 2016, respectively. The expenses increased by Baht 6 million or 1% due mainly to the expense related to employees.

2.1.7 Expenses for research, technology development, and innovations

In 2017, the Company has Baht 3.82 million in expenses for research, technology development, and innovations. To enable the achievement of its business sustainability, the Company adjusted its mindset from being a real estate developer to become a "Solution Provider for the Living" who work in alliance with other partners in the ecosystem to find solutions that enable people to live in harmony with the surrounding landscape on a day to day basis. It is the Company's policy to promote new innovations within its organization, to improve the efficiency of its work process, and to render satisfaction to its customers. The evidence of this thinking is the "Baan Rue Jai Platform" which is the outcome of its SC HACKATHON 2017 Program, an internal activity organized to foster creative thinking among its staff which resulted in developments of housing designs that take human needs as the initial focus point and then turning that focus onto customers, or a "human-centric" approach that takes into account problems and needs in the everyday life of a customer as the key factors. This platform combines innovations and solutions for the Company's after sale services and 24 hour customer cares. Additionally, the Company and its business alliance namely AIS has jointly developed this platform to achieve its mutual goals of making living for SC Asset housing dwellers a better one with more conveniences and safety. This shall allow them to spend their time on other relevant matters in their lives wherever they are, inside or outside their homes.

2.1.8 Finance Costs

Finance costs were Baht 79 million and Baht 91 million in 2017 and 2016, respectively, showing a decrease of 13%, or Baht 12 million. Due mainly to, in 2017, condominium projects were in the construction process, thus cost of those projects were recorded as a project cost. While, in 2016, there were condominium projects which completed in construction process, therefore cost of those projects were recorded as the expenses.

2.1.9 Income Tax Expense

Income tax expense was Baht 329 million and Baht 497 million in 2017 and 2016, respectively, or a decrease Baht 168 million caused by the decrease in operating profit for the year.

2.1.10 Profit for the year

The Company's profit attributable to owners of the parent for the year was Baht 1,259 million and Baht 1,968 million in 2017 and 2016, respectively, equivalent to a decrease of Baht 709 million or 36% caused by a decrease in revenues as explained in clause 2.1.1 and loss from fair value adjustment and write-off of investment property as explained in clause 2.1.4.

2.1.11 Profitability

(Unit: Baht Million)

	Real Estate sales		Rental and rendering of Service		Consulting and management services		Total Segment	
	2017	2016	2017	2016	2017	2016	2017	2016
Operating Revenues	11,600.35	13,677.69	848.75	754.90	1.09	1.09	12,450.19	14,433.68
Operating Cost	7,677.87	8,947.75	313.04	269.14	0.90	0.90	7,991.81	9,217.79
Gross Profit	3,922.48	4,729.94	535.71	485.76	0.19	0.19	4,458.38	5,215.89
Selling and Administrative Expenses	2,288.89	2,230.11	28.51	41.45	-	-	2,317.40	2,271.56
Operating result by segment	1,633.59	2,499.83	507.20	444.31	0.19	0.19	2,140.98	2,944.33
Gross Profit Margin (%)	33.81	34.58	63.12	64.35	17.43	17.43	35.81	36.14
Operating Profit Margin (%)	14.08	18.28	59.76	58.86	17.43	17.43	17.20	20.40

	2017			2016			Increase (Decrease)		
	Unit	MB	@	Unit	MB	@	Unit	MB	@
Revenues from Sales									
- Low - rise development projects	967	9,093	9.40	883	7,710	8.73	84	1,383	0.67
- High - rise development projects	684	2,507	3.67	1,314	5,968	4.54	(630)	(3,461)	(0.87)
Total	1,651	11,600	7.03	2,197	13,678	6.23	(546)	(2,078)	0.80

- Consolidated gross profit for 2017 was lower than in 2016 due to a decrease in operating revenues, particularly from the sales of residential units as earlier mentioned. The number of units sold and whose ownership were also transferred to homebuyers during the year was 546 units lower than in 2016. However, the average price per unit was higher than 2016.

- Consolidated gross profit margin for 2017 was 35.81% lower than in 2016 due to the lower revenue proportion of high-rise development projects recognition in 2017.

- Operating profit margin for the Company in 2017 lower than in 2016 resulting from the lower gross profit margin and the higher selling and administrative expenses as earlier mentioned.

(Unit: Baht Million)

	2017		2016		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Operating Revenues	12,450	100	14,434	100	(1,984)	(14)
Profit attributable to owners of the parent for the year	1,259	10	1,968	14	(709)	(36)

- In 2017, profit for the year was lower than 2016 due to a decrease in operating revenues and the above mentioned loss from fair value adjustment and write-off of investment property.

3. Analysis of 2015 and 2016 Financial Positions

3.1 Assets

As at year ended 2017, the Company had total consolidated assets of Baht 38,498 million, an increase of Baht 5,011 million or 15% from the previous year. The increase can be mainly attributed to the following developments:

(Unit: Baht Million)

	2017	2016	Increase (Decrease)	
			Amount	%
Cash and cash equivalents	1,063	630	433	69
Short-term investments	171	362	(191)	(53)
Real estate development cost	28,236	24,359	3,877	16
Deposits for land	1,024	150	874	583
Advance for construction	359	263	96	37
Trade receivable due more than one year	27	60	(33)	(55)
Other long-term investments	40	-	40	100
Investment properties	5,234	5,326	(92)	(2)
Property, plant and equipment	1,052	1,073	(21)	(2)

- Cash and cash equivalents increased by Baht 433 million, caused by a the use of cash from operating activities Baht 2,081 million, net cash flow from investing activities Baht 6 million and cash flow from financing activities Baht 2,508 million.

- Short-term investments decreased by Baht 191 million, resulting from investments in fixed deposit not exceeding 3 months and fixed income funds of its subsidiaries.

- Real estate development cost increased Baht 3,877 million due mainly to the increases in purchases of land for a future business expansion in development projects, project development cost, and work in process for both high-rise and low-rise developments.

- Deposits for land were Baht 1,024 million which scheduled to transfer in 2018.

- Advance for construction increased Baht 96 million which was in accordance with the construction plan.

- Trade receivables due more than one year declined Baht 33 million which incurred from sales of residential units to executives under the criteria and term as prescribed by the resolution of the Company's Board of Directors.

- Other long-term investments of Baht 40 million resulted from a transaction of a subsidiary of the Company which invested in one company's common shares. That company operates a home improvement business via a web based application. The investment accounts for 10% of the total shares of such company. In addition, another subsidiary of the Company also invested in another company's common share which operates consultant services on technology and platform development. The investment accounts for 20% of the total shares of such company. Nevertheless, these subsidiaries of the Company have no influential control in the companies in which they invested; the investments are thus classified as other long-term investments.

- Investment properties decrease of Baht 92 million resulted from loss from fair value adjustment and write-off of investment property.
- Property, plant and equipment decreased by Baht 21 million resulting from the depreciation of plant and equipment.

Asset Utilization

- Normally, the Company's days receivable is around 15 days. The Company's management has confidence in collecting all its overdue receivables.
- Items accounted in the inventory are the real estate development costs as of yearend 2017. Inventory turnover was 2.82 times. The costs related to houses in low-rise development projects that were available for sales. Their total value was Baht 2,505 million. There is no impairment of assets on these items.

3.2 Liabilities

As at year ended 2017, total consolidated liabilities was Baht 23,583 million in comparison to Baht 19,046 million in 2016, or an increase of Baht 4,537 million, or 24%. The increase was mainly caused by the following developments:

(Unit: Baht Million)

	2017	2016	Increase (Decrease)	
			Amount	%
Short-term borrowings from financial institutions	6,107	6,677	(570)	(9)
Accrued expenses	1,534	988	546	55
Advances received from customers	956	510	446	87
Current portion of debentures	2,525	1,660	865	52
Income tax payable	155	65	90	138
Long-term borrowings from financial institutions	4,100	1,970	2,130	108
Debentures	6,200	5,325	875	16
Construction retention	303	247	56	23

- Short-term borrowings from financial institutions decreased by Baht 570 million, resulting from the decrease of current portion of long-term borrowings from financial institutions and bills of exchange repayment.
- Accrued expenses increased by Baht 546 million, resulting from the increase in accruals relating to real estate construction expenses.
- Advances received from customers increased by Baht 446 million due to an increase in booking deposits and down-payments for condominium developments.
- Income tax payable declined by Baht 124 million due to higher corporate income taxes payment for half-year in 2016 compared to the same period in 2015.
- Long-term borrowings from financial institutions increased by Baht 2,130 million due to a reclassification of some long-term borrowings from financial institutions to short-term ones, a loan repayment of Baht 100 million, despite a Baht 2,230 million increase in the long-term loans from financial institutions during the year.

- Debentures increased by Baht 1,740 million due to an issuance of new Baht 3,400 million debentures during the year and a payment on Baht 1,660 million debentures.
- Construction retention increased by Baht 56 million due to the increase from construction retention in project development for sales.

3.3 Shareholders' Equity

As at year ended 2017 and 2016, Shareholders' equity of the Company was Baht 14,915 million and Baht 14,441 million, respectively. The Baht 474 million increase in shareholder's equity in 2017 resulted from

- The total comprehensive income attributable to owners of the parent for the years of Baht 1,264 million
- The Company's stock options increased by Baht 2 million due to the resolution of the 2017 Annual general Shareholders' Meeting held on 21 April 2017 which approved the issuance and offering of the Company's stock options to its directors and employees (under the ESOP No. 1 scheme) at an amount totaling not more than 40 million units with initial approval of the allocation of such options to the Company's directors for an amount totaling 11 million units calculated at the weighted average fair value pricing using the binomial-lattice valuation model.
- Transactions attributed to non-controlling interests increased by Baht 2 million due to the resolution of the Company's Board of Director's Meeting No. 4/2017 held on 19 July 2017 which resolved the investment in a newly established subsidiary named Scope Company Limited with an authorized share capital of Baht 100 million, which included 10 million ordinary shares with a par value of Baht 10 each. The Company acquired 90% ownership interest in this company whereas the remaining 10% is attributed to the company's non-controlling interests.
- Dividend paid of Baht 794 million, which the Company received the resolution from the Annual General Shareholders Meeting held on 21 April 2017 to pay the dividend of Baht 0.19 per share from the 2016 net profit

3.4 Liquidity and Adequacy of Liquidity

As of December 31, 2017, the Company had total current assets of Baht 30,956 million, and total current liabilities of Baht 12,086 million. Its current ratio was 2.56. Its cash and cash equivalent as of December 31, 2017 was Baht 1,063 million, an increase of Baht 433 million from the previous year due to the following activities:

- Net cash used in operations was Baht 2,081 million. Major changes were caused by the purchases of land for a future business expansion in development projects, project development cost, and work in process for both high-rise and low-rise developments.
- Net cash received from investing activities was Baht 6 million, due mainly to cash received from short-term investments.
- Net cash received from financing activities was Baht 2,508 million. The main inflows were the proceeds from the issuance of debentures during the year and short-term and long-term borrowings from financial institutions during the year.

3.5 Adequacy of Liquidity

(Unit: Baht Million)

Funding Sources as at year ended 2017	Facilities	Outstanding	Remaining
Short-term borrowings from financial institutions			
- Bills of exchange	4,000	3,095	905
- Promissory notes	8,800	2,592	6,208
Long-term borrowings from financial institutions	13,479	4,539	7,631
Debentures	10,000	8,725	1,275
Total	36,279	18,951	16,019

Portion	2017	2016
Short-term borrowings (%)	30	35
Long-term borrowings (%)	70	65
Total (%)	100	100

As at December 31, 2017, 70% of the Company's main funding sources were long-term borrowings. In 2017, the Company issued additional Baht 3,400 million of unsecured and unsubordinated, name-registered debentures without holders' representative. The issuance was made in accordance with the resolution of the Company's Annual General Shareholders Meeting held on 22 April 2016, which approved the issuance and sale of debentures for an aggregated amount not exceeding Baht 10,000 million. As at yearend 2017, the Company had outstanding debentures to be redeemed between the periods of 2018-2022. In addition, the other part of the Company's long-term funding came from long-term borrowings from financial institutions detailed as follow:

Contract No.	2017 Baht Million	Company	Borrowing Purpose	Borrowing Limit	Interest rate and repayment terms	Guarantees and collaterals
1	1,439	SC Asset Corporation Public Company Limited and V. Land Property Company Limited	Developing real estate projects for the periods ranging from 2 - 4 years	Baht 10,379 million (9 agreements)	<ul style="list-style-type: none"> - The interest is rate at MLR deduct fixed rate per annum and is payable on a monthly basis - The principal repayment at 70 % of selling price (depending on condition of each agreement) but not less than the amount specified by the commercial bank when the mortgage is released for the ownership right transfer to the purchaser. 	<ul style="list-style-type: none"> a) The Company has to maintain financial ratios as specified by banks, e.g. debt to equity ratio, and fire insurances for the construction must be made and benefits from such policies must be given to lenders as collaterals. b) Land together with constructions included in real estate development cost are pledged as collaterals.
2	2,500	SC Asset Corporation Public Company Limited	Working capital period not exceeding 3 - 5 years	Baht 2,500 million	<ul style="list-style-type: none"> - The interest is fixed throughout the contract period and is payable at the end of each month - The principal is repayment at the end of the contract 	<ul style="list-style-type: none"> a) The Company has to maintain financial ratios as specified by banks, e.g. debt to equity ratio.
3	600	SC Asset Corporation Public Company Limited	Developing facilities and SC TOWER construction	Baht 600 million	<ul style="list-style-type: none"> - Fixed rate for the 1st - 3rd years and for the 4rd year onward at MLR deduct fixed rate per annum. The interest is payable on a monthly basis. - The repayment of principal must be made quarterly. The first installment shall be paid on the last day of the 39th month after the first withdrawal month. The Company must repay the principal within 150 months from the first withdrawal date. 	<ul style="list-style-type: none"> a) The Company has to maintain financial ratios as specified by banks, e.g. debt to equity ratio, and fire insurances for the construction must be made and benefits from such policies must be given to lenders as collaterals. b) The Company mortgaged Shinawatra Tower 1 and 2.
Total	4,539			13,479		

	2017	2016	Increase (Decrease)
Current ratio (Times)	2.56	2.43	0.13
Quick ratio (Times)	0.11	0.10	0.01

- Current ratio as of yearend 2017 was 2.56, increased from the previous year. The major item in the Company's current assets was the real estate development cost, which increased from the previous year. The Company used its cash flow for acquisition of land, and development of its housing and condominium projects for sales of new launches aimed at supporting its future earnings growth.

- Quick ratio as of yearend 2017 was 0.11. The ratio was slightly higher than the previous year, caused by an increase in quick assets which were temporary investments namely Cash and cash equivalents

3.5 Capital Structure

	2017	2016	Increase (Decrease)
Debt to equity ratio (Times)	1.58	1.32	0.26
Interest cover ratio (Cash basis) (Times)	(1.93)	1.71	(3.64)
Cash flow coverage ratio (Cash basis) (Times)	(0.48)	(0.04)	(0.44)

- Debt to equity ratio as of the yearend 2017 was 1.58, showed a higher than that of yearend 2016, and was also higher than the industry average for such ratio of Thai public listed companies in the real estate sector, which was as of yearend 2017 at 1.22. Under the current covenants of the Company's debenture, it is required to maintain its interest bearing debt to equity ratio at a level of no more than 2 for the entire duration of the debentures.

- Interest cover ratio (Cash basis) and Cash flow coverage ratio (Cash basis) as of yearend 2017 were -1.93 and -0.48, respectively. The ratios declined from the prior year due to lower net cash flows from operating activities. In 2016, the Company had land acquisition expenditures for its future business expansion, project development costs, and construction in progress for high-rise and low-rise projects of more than 2016.

3.6 Contingent Liabilities

As of yearend 2017 and 2016, the Company had the following contingent liabilities relating to obligations from capital commitments:

Item	(Unit: Baht Million)	
	2017	2016
Capital expenditure in land for project development	3,274	1,447
Capital expenditure in property, plant and equipment and leasehold rights	0.30	97

The Company and its subsidiaries had the contingent liabilities relating to operating leases as lessee with the obligation to make lease payments for the following remaining period:

(Unit: Baht Million)

Operating Lease	2017	2016
Not later than 1 year	17	17
Later than 1 year but not later than 5 years	53	59
Later than 5 years	290	300
Total	360	376

3.7 Factors or circumstances which may impact the financial position or future operation

- Risk of higher development costs due to higher land prices. Land cost is a major element of the development costs of real estate projects. The prices of land have been consistently increasing, particularly in the central business districts (CBD). This price escalation may impact the proper cost structure for project development. The situation could also be intensified by shortage of labor due to the launching of major government capital investment plans.

The Company has its research team who studies consumer behavior trend and competition conditions. Prior to any land acquisition, there will be a comprehensive feasibility study which covers all aspects of the project such as marketing, legal, technical, and financial. The Company also continually develops its housing designs to satisfy consumers' needs. Its products include completely finished houses for sales, whereby it plans its relevant construction work by making decisions pertaining to construction phases and zoning, as well as enters into proper construction contracts with each of its contractors with allocation of appropriate work volumes for each of them. The Company's policy that promotes sales of completely finished houses allows it to know its exact development costs prior to any sales launch. For condominium projects, of which their sales are launched before the construction starts, the Company applies an open tender to select its general contractors for turnkey construction, civil engineering works, and electrical engineering works. This enables the Company to set the product prices that are in line with their cost, as well as find quality contractors for their projects. The Company has more than 30 contractors that are consistently working with the Company for its low-rise developments, and large size contractors for its condominium projects. The Company also applies pre-cast technology for construction of its projects so as to be able to efficiently manage its construction process and reduce the labor usage.

- Risk from financial institutions' stringent credit risk policy. Although the Thai economy in 2017 showed improvement, there was no clear increase in consumer consumption as supporting factors for consumer purchasing power were not evident. Sales growth appeared only in the buyers which classified in the middle and upper income group. In addition, the household debt still remained on the high side. Thus, financial institutions, which regard household debt as one of the key credit criteria for lending, may become very prudent and strict when appraising loan requests and granting credit facilities. This directly impacted the real estate business. Developers may face a situation in which homebuyers may delay their purchase decisions and/or delay decisions to transfer home ownership. This is likely to occur among buyers who purchase real estate for investment.

Nevertheless, the Company operates real estate development business on residential development for sales and office building development for rental. Both activities generate sales growth and stable long-term revenues for the Company. The Company prescribes clear policies on business sustainability which focus on the development of residential projects in the Bangkok Metropolitan areas with emphasis on middle class customers and upper income groups which receive less economic impacts than the lower income groups. The Company's low-rise

developments account to 60-70% of its total developments. This enable the Company to better manage its cash flow and well manage its construction plans, with more ease than with condominium projects. Most of the Company's low-rise housing units are purchased by home dwellers for actual dwelling, whereas the Company's condominium projects also have a low level of speculative purchasing. In 2018, the Company shall expand its scope of geographical development to Chachoengsao Province as it foresees a possible urban growth due to the new government mega projects on its EEC plan. In 2020, the Company plans that its sales from low-rise developments in Bangkok and in the provincial areas as a ratio to its total sales will be 90:10. In the first quarter of 2017, the Company launched a new office building for rent with total rentable areas of 12,250 sq. meter. As of yearend 2017 the building is fully occupied.

Future Plans

In 2018, the Company plans to launch 19 new projects with total estimated project value of 19,195 million, details of which are as follows: (This information can be modified subject to changes in market circumstances).

Owner & Operator	Project Nature	Location	Launching Schedule	Project Value (Baht Million)	Progress
SC	Condominium	Phahon Yothin 30 Rd.	Quarter 1	1,500	Under construction
SC	Housing Project	Bangpakong - Chachoengsao Rd.	Quarter 1	750	Under construction
SC	Housing Project	Bangpakong - Chachoengsao Rd.	Quarter 2	730	Under construction
SC	Housing Project	Atchariya Phatthana Rd.	Quarter 2	1,780	Under construction
SC	Housing Project	Nakhon-In Rd.	Quarter 2	260	Under construction
SC	Housing Project	Namdang-bangplee Rd.	Quarter 2	1,500	Under construction
SC	Housing Project	Ladprao 94 Rd.	Quarter 2	500	Under construction
VL	Commercial House	Kanchanaphisek Rd.	Quarter 3	255	Under construction
SC	Commercial House	Tiwanon Rd.	Quarter 3	640	Under construction
SC	Housing Project	Tiwanon Rd.	Quarter 3	800	Under construction
SC	Housing Project	Kanchanaphisek Rd.	Quarter 3	870	Under construction
VL	Housing Project	Kanchanaphisek Rd.	Quarter 3	1,400	Under construction
SC	Housing Project	Seri Thai Rd.	Quarter 3	1,300	Under construction
SC	Commercial House	Yothathikan Rd.	Quarter 3	1,170	Under construction
SC	Housing Project	Kaew-In Rd.	Quarter 4	580	Under construction
SC	Housing Project	Viphavadi 62 Rd.	Quarter 4	360	Under development stage
SC	Commercial House	Phetkasem 81 Rd.	Quarter 4	1,850	Under development stage
SC	Commercial House	Phetkasem 81 Rd.	Quarter 4	450	Under development stage
SC	Condominium	Sukhunvit 23 Rd.	Quarter 4	2,500	Under development stage

BOARD OF DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

Dear Shareholders,

The Board of Directors of SC Asset Corporation Public Company Limited is responsible for the financial statements and the consolidated financial statements of the Company and its subsidiaries including all other financial information that appears in its reports. The financial statements are prepared in accordance with generally accepted accounting principles, applying appropriate and consistent accounting policies with careful and accurate estimations. The Company has properly and transparently disclosed all important information in the notes to the financial statements for the benefit of shareholders and investors.

The Board of Directors has provided and maintained appropriate and efficient internal control systems to ensure that the accounting records are accurate, complete and protect its assets and adequate to prevent any fraud or materially irregular operation.

In this regard, the Board of Directors has appointed the Audit Committee to review the accounting policies and quality of the financial reports, internal controls and internal audit system. The Audit Committee's opinion appears in this annual report.

The Company's Auditor, namely PricewaterhouseCoopers ABAS Ltd. has audited the financial statements and the consolidated financial statements of the Company and its subsidiaries. The Board of Directors supplied all relevant information and documents to the Auditor to allow them to express an opinion in accordance with generally accepted accounting standards. The Auditor's opinion is presented in the auditor's report as part of the annual report.

The Board of Directors believes that the overall internal control system of the Company is satisfactory and ensures that the financial statements and the consolidated financial statements of SC Asset Corporation Public Company Limited and its subsidiaries for the year ending December 31, 2017 are prepared in accordance with generally accepted accounting principles and comply with all relevant and applicable rules and regulations.



(Mr. Rath Kitivejsoth)
Chairman of the Board of Directors



(Mr. Nuttaphong Kunakornwong)
Chief Executive Officer

FINANCIAL STATEMENTS AND NOTES TO FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of SC Asset Corporation Public Company Limited

My opinion

In my opinion, the consolidated financial statements of SC Asset Corporation Public Company Limited ("the Company") and its subsidiaries ("the Group") and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2017, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2017;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine one key audit matter: Valuation of investment properties. The matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

Key audit matter

Valuation of investment properties

Refer to note 14 of the financial statements.

The management has recorded the investment property at fair value which was calculated using the income approach model: discounted cash flow projections by independent professional valuers. Changes in the fair value of investment properties are recognised as profit or loss for the year in the consolidated statements of comprehensive income.

I focused on this area because the fair value valuation in models were complex and involved significant assumptions. Also, the information is inherently subject to the judgment by management.

As of 31 December 2017, the management has estimated the fair value of the Group's investment properties to be Baht 5,234.25 million with a valuation loss for the year in the consolidated statements of comprehensive income of Baht 55.36 million. Due to a subsidiary decrease in the rental rate in the tenancy agreements, the discounted cash flow projection from investment property decreased significantly and the subsidiary recorded a valuation loss on the fair value of investment property for the year in the statement of comprehensive income of Baht 132.88 million.

In determining a property's valuation, the valuers take into account property-specific current information such as current tenancy agreements and rental income earned by assets. Assumptions in relation to income approach mainly comprising the current rate of market rent, growth rate and discount rate, based on available market data and transactions, have been applied to arrive at the valuation outcomes.

How my audit addressed the key audit matter

I evaluated management's valuation of investment properties, the independent external valuers' competence and objectivity, assessed the discounted cash flow projection, and the process by which they were drawn up. I tested the fair value calculations in the valuation model and checked on a sample basis for the accuracy and relevance of the input data and the appropriateness of the assumptions used in the discounted cash flow projection such as:

- the current rate of tenancy agreements and rental income earned by current assets,
- the current rate of market rent and growth rate by comparing them to economic and, property forecasts and the growth expectation of the nearby areas, and
- the discount rate by assessing the method used and rates used in comparable industries

In performing the above work, I used my auditor's expert to support my assessment of the reasonableness of the assumptions used by management.

I found that the key assumptions used to calculate the fair value were supported by the available evidence and were in line with my expectations.

Key audit matter

How my audit addressed the key audit matter

In particular, I focused on the reasonableness and impact of key assumptions, including:

- the discounted cash flow projection derived from internal and external forecasts and assumptions around the future performance to support the fair value of investment properties, and
- the market rent, discount rate and growth rate, including the assessment of risk factors.

Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

PricewaterhouseCoopers ABAS Ltd.

ANOTHAI LEKITWATTANA
ANOTHAI LEKITWATTANA



Anothai Leekitwattana
Certified Public Accountant (Thailand) No. 3442
Bangkok
21 February 2018

STATEMENT OF FINANCIAL POSITION

SC Asset Corporation Public Company Limited

As at 31 December 2017

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Assets					
Current assets					
Cash and cash equivalents	7	1,062,512,496	630,006,448	823,670,165	573,408,369
Short-term investments	8	170,998,897	362,469,305	129,998,897	258,220,841
Trade and other receivables, net	9	90,825,285	74,038,374	88,504,161	68,112,446
Short-term loans to a related party	31.4	-	-	1,123,139,512	306,000,000
Real estate development cost	10	28,236,294,728	24,359,354,458	25,819,180,695	22,950,972,939
Deposits for land		1,023,791,620	150,100,000	448,758,788	150,100,000
Advance for construction work and materials		359,340,006	263,393,407	354,898,532	258,681,055
Other current assets		12,441,068	17,606,877	12,140,253	17,537,169
Total current assets		30,956,204,100	25,856,968,869	28,800,291,003	24,583,032,819
Non-current assets					
Trade receivable due more than one year					
- Related persons	11, 31.3	27,189,180	59,596,947	27,189,180	59,596,947
Land awaiting for development		231,412,859	231,412,859	231,412,859	231,412,859
Investments in subsidiaries	12	-	-	797,999,870	752,999,880
Other long-term investments	13	40,000,000	-	-	-
Long-term loan to related parties	31.4	-	-	545,000,000	-
Investment properties, net	14	5,234,246,473	5,325,516,838	4,302,491,000	4,261,882,000
Property, plant and equipment, net	15	1,052,141,455	1,072,623,350	1,039,587,805	1,072,482,518
Leasehold rights, net	16	934,927,178	920,167,989	887,814,985	869,710,277
Other non-current assets		22,040,542	20,279,008	20,007,531	18,735,179
Total non-current assets		7,541,957,687	7,629,596,991	7,851,503,230	7,266,819,660
Total assets		38,498,161,787	33,486,565,860	36,651,794,233	31,849,852,479

The accompanying notes are an integral part of these consolidated and separate financial statements.

STATEMENT OF FINANCIAL POSITION

SC Asset Corporation Public Company Limited

As at 31 December 2017

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Liabilities and equity					
Current liabilities					
Short-term borrowings from financial institutions	18	5,668,849,396	5,478,329,095	5,408,849,396	5,238,429,095
Trade and other payables	20	542,679,750	512,468,336	330,471,255	489,325,491
Accrued expenses		1,534,062,565	987,740,100	1,422,144,122	973,654,355
Advances received from customers		955,892,948	509,936,797	924,996,948	509,376,797
Current portion of long-term borrowings					
- Long-term borrowings from financial institutions	19	438,590,090	1,198,607,699	384,985,650	880,000,000
- Debentures	19	2,525,000,000	1,660,000,000	2,525,000,000	1,660,000,000
- Financial lease liabilities	19	2,281,502	681,999	731,371	681,999
Current portion of deferred leasehold revenue	21	5,123,525	6,271,350	533,280	533,280
Income tax payable		155,025,725	64,839,066	129,283,883	55,392,275
Other current liabilities		258,337,057	206,313,337	227,812,691	197,836,717
Total current liabilities		12,085,842,558	10,625,187,779	11,354,808,596	10,005,230,009
Non-current liabilities					
Long-term borrowings from financial institutions	19	4,100,000,000	1,970,000,000	4,100,000,000	1,970,000,000
Debentures	19	6,200,000,000	5,325,000,000	6,200,000,000	5,325,000,000
Financial lease liabilities	19	5,295,127	3,085,223	2,353,852	3,085,223
Deferred leasehold revenue	21	4,449,036	9,572,561	2,475,105	3,008,384
Rental and rendering of service deposits		146,922,268	146,952,828	143,305,527	143,336,087
Construction retention		302,504,970	246,610,758	275,916,278	230,762,213
Deferred tax liabilities, net	17	576,830,212	571,495,511	507,330,025	480,202,645
Employee benefit obligations	22	149,680,993	136,625,434	145,618,962	136,625,434
Other non-current liabilities		11,208,948	11,140,348	6,548,248	6,548,248
Total non-current liabilities		11,496,891,554	8,420,482,663	11,383,547,997	8,298,568,234
Total liabilities		23,582,734,112	19,045,670,442	22,738,356,593	18,303,798,243

The accompanying notes are an integral part of these consolidated and separate financial statements.

STATEMENT OF FINANCIAL POSITION

SC Asset Corporation Public Company Limited

As at 31 December 2017

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Equity					
Share capital	25				
Authorised share capital					
Ordinary shares, 4,379,332,012 shares of par Baht 1.00 each		4,379,332,012	-	4,379,332,012	-
Ordinary shares, 4,200,000,000 shares of par Baht 1.00 each		-	4,200,000,000	-	4,200,000,000
Issued and paid-up share capital	25				
Ordinary shares, 4,179,332,012 shares of paid-up Baht 1.00 each		4,179,332,012	4,179,332,012	4,179,332,012	4,179,332,012
Premiums on share capital	25	318,564,112	318,564,112	318,564,112	318,564,112
Other components of equity	24	2,210,190	-	2,210,190	-
Retained earnings					
Appropriated - legal reserve	26	437,933,202	420,000,000	437,933,202	420,000,000
Unappropriated		9,975,166,939	9,522,999,294	8,975,398,124	8,628,158,112
Equity attributable to owners of the parent		14,913,206,455	14,440,895,418	13,913,437,640	13,546,054,236
Non-controlling interests		2,221,220	-	-	-
Total equity		14,915,427,675	14,440,895,418	13,913,437,640	13,546,054,236
Total liabilities and equity		38,498,161,787	33,486,565,860	36,651,794,233	31,849,852,479

The accompanying notes are an integral part of these consolidated and separate financial statements.

STATEMENT OF COMPREHENSIVE INCOME

SC Asset Corporation Public Company Limited

For the year ended 31 December 2017

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Revenues					
Revenue from sales		11,600,348,593	13,677,692,362	10,486,258,009	13,221,427,462
Revenue from rental and rendering services		848,754,146	754,897,463	693,778,241	591,238,662
Revenue from consulting and management services		1,092,000	1,092,000	49,272,000	47,700,000
Total revenues		12,450,194,739	14,433,681,825	11,229,308,250	13,860,366,124
Cost					
Cost of sales		(7,677,869,946)	(8,947,754,767)	(6,952,386,887)	(8,649,284,405)
Cost of rental and rendering services		(313,040,632)	(269,136,706)	(281,515,309)	(242,622,857)
Cost of consulting and management services		(900,000)	(900,000)	(36,311,719)	(29,575,138)
Total cost		(7,991,810,578)	(9,217,791,473)	(7,270,213,915)	(8,921,482,400)
Gross profit		4,458,384,161	5,215,890,352	3,959,094,335	4,938,883,724
Other income		22,208,500	31,098,685	51,408,341	33,712,806
(Loss) gain from fair value adjustment and write-off of investment property	14	(93,933,057)	39,397,316	38,946,308	28,578,299
Dividend income	31.1	-	-	-	56,999,992
Selling expenses		(1,354,298,659)	(1,367,672,063)	(1,257,440,654)	(1,320,328,895)
Administrative expenses		(1,368,430,345)	(1,361,990,531)	(1,273,150,674)	(1,316,422,632)
Finance costs		(78,671,943)	(91,159,159)	(72,413,303)	(91,159,159)
Profit before income tax expense		1,585,258,657	2,465,564,600	1,446,444,353	2,330,264,135
Income tax expense	29	(329,461,776)	(497,352,041)	(292,796,315)	(458,165,975)
Profit for the year		1,255,796,881	1,968,212,559	1,153,648,038	1,872,098,160

The accompanying notes are an integral part of these consolidated and separate financial statements.

STATEMENT OF COMPREHENSIVE INCOME

SC Asset Corporation Public Company Limited

For the year ended 31 December 2017

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations	22	6,991,150	-	6,991,150	-
Income tax on item that will not be reclassified to profit or loss	29	(1,398,230)	-	(1,398,230)	-
Other comprehensive income, net of tax		5,592,920	-	5,592,920	-
Total comprehensive income for the year		1,261,389,801	1,968,212,559	1,159,240,958	1,872,098,160
Profit attributable to:					
Owners of the parent		1,258,575,671	1,968,212,559	1,153,648,038	1,872,098,160
Non-controlling interests		(2,778,790)	-	-	-
		1,255,796,881	1,968,212,559	1,153,648,038	1,872,098,160
Total comprehensive income attributable to:					
Owners of the parent		1,264,168,591	1,968,212,559	1,159,240,958	1,872,098,160
Non-controlling interests		(2,778,790)	-	-	-
		1,261,389,801	1,968,212,559	1,159,240,958	1,872,098,160
Earnings per share					
Basic and diluted earnings per share	30	0.3011	0.4709	0.2760	0.4479

The accompanying notes are an integral part of these consolidated and separate financial statements.

STATEMENT OF CHANGES IN EQUITY

SC Asset Corporation Public Company Limited

For the year ended 31 December 2017

		Consolidated financial statements (Baht)								
		Attributable to owners of the parent							Non-controlling interests	Total equity
		Issued and paid-up share capital	Premium on share capital	Retained earnings		Other Components of equity	Equity attributable to owners of the parent			
Appropriated - legal reserve	Unappropriated									
	Notes	4,179,332,012	318,564,112	420,000,000	8,307,060,716	-	13,224,956,840	-	13,224,956,840	
Opening balance at 1 January 2016										
Change in equity for the year 2016										
	27	-	-	-	(752,273,981)	-	(752,273,981)	-	(752,273,981)	
		-	-	-	1,968,212,559	-	1,968,212,559	-	1,968,212,559	
Total comprehensive income for the year										
Closing balance at 31 December 2016		4,179,332,012	318,564,112	420,000,000	9,522,999,294	-	14,440,895,418	-	14,440,895,418	
Opening balance at 1 January 2017		4,179,332,012	318,564,112	420,000,000	9,522,999,294	-	14,440,895,418	-	14,440,895,418	
Change in equity for the year 2017										
	27	-	-	-	(794,067,744)	-	(794,067,744)	-	(794,067,744)	
	24	-	-	-	-	2,210,190	2,210,190	-	2,210,190	
	26	-	-	17,933,202	(17,933,202)	-	-	-	-	
Total comprehensive income for the year										
		-	-	-	1,264,168,591	-	1,264,168,591	(2,778,790)	1,261,389,801	
Proceeds from increase in non-controlling interests								5,000,010	5,000,010	
Closing balance at 31 December 2017		4,179,332,012	318,564,112	437,933,202	9,975,166,939	2,210,190	14,913,206,455	2,221,220	14,915,427,675	

The accompanying notes are an integral part of these consolidated and separate financial statements.

STATEMENT OF CHANGES IN EQUITY

SC Asset Corporation Public Company Limited

For the year ended 31 December 2017

		Separate financial statements (Baht)					Total equity
		Issued and paid-up share capital	Premium on share capital	Retained earnings	Other Components of equity		
	Notes			Appropriated - legal reserve	Unappropriated		
Opening balance at 1 January 2016		4,179,332,012	318,564,112	420,000,000	7,508,333,933	-	12,426,230,057
Change in equity for the year 2016							
Dividend paid	27	-	-	-	(752,273,981)	-	(752,273,981)
Total comprehensive income for the year		-	-	-	1,872,098,160	-	1,872,098,160
Closing balance at 31 December 2016		4,179,332,012	318,564,112	420,000,000	8,628,158,112	-	13,546,054,236
Opening balance at 1 January 2017		4,179,332,012	318,564,112	420,000,000	8,628,158,112	-	13,546,054,236
Change in equity for the year 2017							
Dividend paid	27	-	-	-	(794,067,744)	-	(794,067,744)
Warrants	24	-	-	-	-	2,210,190	2,210,190
Appropriated legal reserve	26	-	-	17,933,202	(17,933,202)	-	-
Total comprehensive income for the year		-	-	-	1,159,240,958	-	1,159,240,958
Closing balance at 31 December 2017		4,179,332,012	318,564,112	437,933,202	8,975,398,124	2,210,190	13,913,437,640

The accompanying notes are an integral part of these consolidated and separate financial statements.

STATEMENT OF CASH FLOWS

SC Asset Corporation Public Company Limited

For the year ended 31 December 2017

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Cash flows from operating activities					
Profit before income tax expenses		1,585,258,657	2,465,564,600	1,446,444,353	2,330,264,135
Adjustments for:					
Dividend received from subsidiary	12, 31.1	-	-	-	(56,999,992)
Depreciation	15	110,459,041	129,707,969	110,035,211	129,645,064
Doubtful debt		-	3,462,151	-	3,462,151
Loss from fair value adjustment in short-term investments	8	924	126,307	924	126,307
Loss (gain) from fair value adjustment on investment property	14	55,355,911	(39,397,316)	(77,523,454)	(28,578,299)
Loss from write-off of investment properties		38,577,146	701,377	38,577,146	701,377
(Gain) loss from disposal of property, plant and equipment		(449,495)	174,751	(449,495)	240,170
Amortisation of leasehold rights	16	28,868,948	3,345,519	25,523,429	-
Revenue from amortised leasehold rights	21	(6,271,350)	(8,749,310)	(533,279)	(824,269)
Employee benefit obligations	22	20,296,209	17,990,030	19,243,388	17,990,030
Share-base payment reserve	24	2,210,190	-	2,210,190	-
Financial cost		78,671,943	91,159,159	72,413,303	91,159,159
		1,912,978,124	2,664,085,237	1,635,941,716	2,487,185,833
Changes in working capital:					
- trade and other receivables		15,620,856	11,071,967	12,016,052	13,454,804
- real estate development cost		(3,150,975,083)	(1,433,737,890)	(2,158,859,198)	(800,750,339)
- deposits for land		(1,023,791,620)	(130,100,000)	(448,758,788)	(130,100,000)
- advance for construction work and materials		(95,946,599)	(85,097,667)	(96,217,477)	(87,665,315)
- other current assets		5,209,586	(2,452,873)	5,396,916	(2,432,878)
- other non-current assets		(1,761,534)	3,922,709	(1,272,352)	4,044,242
- trade and other payables		30,211,414	40,594,559	(161,863,446)	38,723,177
- accrued expenses		539,860,696	59,244,247	442,000,083	53,797,792
- advances received from customers		445,956,151	(196,843,746)	415,620,151	(196,852,676)
- other current liabilities		52,023,720	33,009,731	29,975,974	27,696,009

The accompanying notes are an integral part of these consolidated and separate financial statements.

STATEMENT OF CASH FLOWS

SC Asset Corporation Public Company Limited

For the year ended 31 December 2017

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
- rental and rendering of service deposits		(30,560)	22,558,175	(30,560)	22,558,175
- construction retention		55,894,212	(31,908,866)	45,154,065	(40,295,743)
- employee benefit obligations	22	(249,500)	(7,319,000)	(249,500)	(7,319,000)
- other non-current liabilities		68,600	334,800	-	-
Cash flows (used in) generated from operating activities		(1,214,931,537)	947,361,383	(281,146,364)	1,382,044,081
Interest paid		(630,275,361)	(552,630,930)	(607,372,177)	(533,469,037)
Income tax		(235,382,423)	(595,161,137)	(193,175,557)	(566,064,685)
Net cash (used in) generated from operating activities		(2,080,589,321)	(200,430,684)	(1,081,694,098)	282,510,359
Cash flows from investing activities					
Cash receipt (payment) for short-term investment		191,469,484	(70,461,397)	128,221,020	(18,221,020)
Cash receipt from short-term loan to related parties	31.4	-	-	30,000,000	280,000,000
Cash payment for short-term loan to related parties	31.4	-	-	(847,139,512)	(586,000,000)
Cash payment for other long-term investment	13	(40,000,000)	-	-	-
Cash receipt from long-term loan to related parties	31.4	-	-	100,000,000	-
Cash payment for long-term loan to related parties	31.4	-	-	(645,000,000)	-
Dividend received from subsidiary	12, 31.1	-	-	-	56,999,992
Purchase of investment properties	14	(20,468,767)	(32,864,364)	(19,468,767)	(32,864,364)
Purchase of property, plant and equipment		(82,729,817)	(71,250,995)	(77,550,349)	(71,178,823)
Purchase of leasehold rights	16	(43,628,137)	(639,934,055)	(43,628,137)	(639,934,055)
Proceeds from write-off of investment properties		6,075	153	6,075	153
Proceeds from sales of property, plant and equipment		859,346	583,690	859,346	518,065
Cash payment for investment in a subsidiary	12	-	-	(44,999,990)	-
Net cash generated from (used in) investing activities		5,508,184	(813,926,968)	(1,418,700,314)	(1,010,680,052)

The accompanying notes are an integral part of these consolidated and separate financial statements.

STATEMENT OF CASH FLOWS

SC Asset Corporation Public Company Limited

For the year ended 31 December 2017

(Unit : Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Cash flows from financing activities					
Proceeds of short-term loans from financial institutions		190,520,301	1,644,833,820	170,420,301	1,404,933,820
Proceeds from long-term loans from financial institutions		3,097,900,000	1,982,500,000	2,660,000,000	1,710,000,000
Cash receipt for issuing of debentures	19	3,400,000,000	2,000,000,000	3,400,000,000	2,000,000,000
Cash received from non-controlling interests		5,000,010	-	-	-
Repayment of long-term loans from financial institutions		(1,727,917,609)	(2,240,105,916)	(1,025,014,350)	(1,911,392,515)
Payment for liabilities under long-term lease contracts		(3,847,773)	(1,026,858)	(681,999)	(1,026,858)
Payment for issued debentures	19	(1,660,000,000)	(1,900,000,000)	(1,660,000,000)	(1,900,000,000)
Dividend paid	27	(794,067,744)	(752,273,981)	(794,067,744)	(752,273,981)
Net cash generated from financing activities		2,507,587,185	733,927,065	2,750,656,208	550,240,466
Net increase (decrease) in cash and cash equivalents		432,506,048	(280,430,587)	250,261,796	(177,929,227)
Cash and cash equivalents at 1 January		630,006,448	910,437,035	573,408,369	751,337,596
Cash and cash equivalents at 31 December		1,062,512,496	630,006,448	823,670,165	573,408,369
Non-cash transactions					
Significant non-cash transactions for the year ended 31 December are as follows:					
- Transferred land deposits to real estate development cost		150,100,000	907,700,960	150,100,000	907,700,960
- Transferred land awaiting for development to real estate development cost		-	455,922,137	-	370,927,934
- Acquisition of property, plant and equipment under financial lease contracts		7,657,180	1,060,000	-	1,060,000
- Transferred real estate development cost to investment properties		-	13,007,867	-	13,007,867
- Transferred investment properties to real estate development cost		17,800,000	-	17,800,000	-

The accompanying notes are an integral part of these consolidated and separate financial statements.

NOTES TO THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

SC Asset Corporation Public Company Limited
For the year ended 31 December 2017

1. General information

SC Asset Corporation Public Company Limited (“the Company”) is a public limited company incorporated and resident in Thailand. The address of the Company’s registered office is as follows:

1010 Vibhavadi Rangsit road, Chatuchak Bangkok.

The Company is listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to as “the Group”.

The principal business operations of the Group are real estate development for sale and rental, including services management.

These Group consolidated financial statements were authorised for issue by the Board of Directors on 21 February 2018.

2. Accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below:

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 Revised financial reporting standards, and related interpretations

2.2.1 Revised financial reporting standards and interpretations are effective on 1 January 2017 which are relevant to the Group:

TAS 27 (revised 2016)

Separate financial statements

TAS 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28 (revised 2016) in addition to measurement at cost or at fair value (when announced) previously allowed. The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively. Therefore, the impact will occur if the Company changes the accounting policy to use equity method.

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Group. The Group has not yet adopted these revised standards.

TAS 7 (revised 2017)

Statement of cash Flows

TAS 12 (revised 2017)

Income taxes

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

The Group's management assessed and considered that the above revised standards will not have a material impact on the Group except for disclosure.

2.3 Group Accounting - Investments in subsidiaries

(1) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(2) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(3) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(4) Separate financial statement

In the separate financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

2.4 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statements of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.5 Trade accounts receivable

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within selling expenses.

2.6 Real estate development costs including properties under development

Real estate development costs including properties under development are those properties which are held with the intention of development and sale in the ordinary course of business. They are shown at the lower of cost or net realisable value. Cost consists of land cost, expenses directly related to the project (design expense, public utilities expense, construction cost) and borrowing cost on loans funding a development property capitalised, on a specific identification basis, as part of the cost of the development property until the completion of development. Net realisable value being the estimated sale value in the course of normal business less by necessary expenses for such sale.

2.7 Investments

Investment in mutual fund - debt investment which are recorded as trading investments are those held for an unspecified period which might be sold in need of liquidity and shown in total under of current assets. Investments other than investment in subsidiaries and trading investments are classified as general investments which are non-marketable equity securities. The management determine appropriate classification based on the objective at the time of investing and will review the classification regularly.

Trading investments and general investments are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand or Net Asset Value (NAV) announced by the Asset Management Company. The unrealised gains and losses of trading investments are recognised in profit or loss.

General investments are carried at cost less impairment loss. A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Company's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2.8 Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

After initial recognition, investment property is carried at fair value. Fair value is calculated using the estimated discount cash flows of the rental fee under the present leases agreements, including future rental fee under the current market condition and net from any expense cash flow anticipated to incur from real estate, or based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of leasehold land classified as investment property; others, including contingent rent payments, are not recognised in the financial statements.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those that a rational market participant would take into account when determining the value of the property.

Changes in fair values are recognised in profit or loss. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in profit or loss within net gain from fair value adjustment on investment property.

2.9 Property, plant and equipment

Land is stated at cost. Plant and equipment are stated at cost less by accumulated depreciation and loss of value impairment (if any).

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Land Improvements	5 years
Buildings and Construction	2 - 50 years
Furniture and Fixtures	5 years
Office Equipment	3 - 10 years
Other Fixed Assets	3 - 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains - net' in profit or loss.

2.10 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.11 Land awaiting for development

Land awaiting for development are consisted of cost of land and expenses directly related shown at cost net from accumulated allowance for impairment (if any).

2.12 Long-term lease

Where a Group company is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of property, plant or equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

Where a Group company is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Assets leased out under operating leases are included in investment property in the statement of financial position. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

Deferred leasehold revenue which is advance received of lease income under operating lease is gradually recognised as revenue using the straight-line method under the appropriation of the time period specified in the agreement.

2.13 Leasehold right

Leasehold right is consisted of the contractual right to obtain the leasehold right and the construction cost of the building on the said lease land which was operating lease bearing the condition to transfer the ownership of the said building to the landlord when the construction is completed and the leasing period is expired which held as prepaid lease payments of the compensation from the beneficial usage of the said land and building. It would be gradually amortised as cost of rental on the straight-line method under the beneficial life of the said right over the lease term.

2.14 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

2.15 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised as expenses in the period in which they are incurred.

2.16 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.17 Employee benefits

2.17.1 Short-term employee benefits

The Group recognise salaries, wages, bonuses and contributions to Social Security Fund as expense when incurred.

The Group liabilities and expenses arising from employees' unused annual leave which are permitted to carry forward to the next period at the expected cost of the carried forward annual leave. The amount is undiscounted.

2.17.2 Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the provident fund Act. B.E. 2530. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

2.17.3 Retirement benefits

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually depends on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit retirement plan is the present value of the define benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise and are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

2.18 Share-based payment

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions;
- Excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- Including the impact of any non-vesting conditions.

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary, in separate financial statement undertakings, with a corresponding credit to equity.

2.19 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.20 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any companies within the Group purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

2.21 Revenue recognition

Revenue excludes value added taxes or other sales taxes and is arrived at after deduction of trade discounts with the details are as follows:

- 2.21.1 Revenues from sales of houses together with land and revenues from sales of condominium units are recognised as income when the significant risks and rewards of ownership have been transferred to the buyer that the Group retains neither continuing managerial involvement nor effective control over the houses together with land and the condominium sold, directly and indirectly. The recognised revenue in respect of the transaction can be measured reliably.
- 2.21.2 Rental income from investment property is recognised in the statement of comprehensive income on a straight-line basis over the term of the lease.
- 2.21.3 Revenues from other rental and rendering of services, consulting and management services are recognised by accrual basis at the rate specified in the agreement.
- 2.21.4 Interest income and other revenues are recognised by accrual basis. Dividend income is recognised to receive payments is established.

2.22 Cost of sales and other expenses recognition

- 2.22.1 In calculating cost of sales for houses together with land and condominium units, the Group appropriates all estimated development costs (based on actual costs) to houses together with land and condominium units sold according to saleable areas and then recognising it as cost of sales in the statement of comprehensive income according to the revenues from sales already recognised.

The Group recognised the loss from the decrease of the real estate project's value (if applicable) under profit or loss for the year.

- 2.22.2 Costs of rental and rendering of services, consulting and management services and other expenses are recognised by accrual basis.

2.23 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Board of director that makes strategic decisions.

3. Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and change of interest rate risk. The Group's overall risk management programme is to minimise potential adverse effects on the Group's financial performance. The Group will consider to using appropriate financial instruments when it considers necessary to manage such risks. However, the Group does not have policy to hold or issue any financial instruments for speculation or for trading.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. The Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of non-derivative financial instruments, and investment excess liquidity.

3.1.1 Credit risk

The Group has credit risk relating to trade receivable but the Group had set the policy to undertake business activities only with reliable traders with good financial status in order to reduce the opportunity to incur financial loss.

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

3.1.2 Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

3.1.3 Interest rate risk

The Group has significant financial instruments, which include deposits with financial institutions, temporary investments, loans due to commercial banks and related entities and debentures. These financial instruments are, therefore, subject to risk in relation to floating interest rates which may be fluctuating in future thus possibly affecting the operating results and cash flows. However, the Group considers that it is not necessary to use derivative financial instruments to hedge such risk, as the management believes that future movements in market interest rates will not materially affect the Group's operating results.

3.1.4 Exchange rate risk

The Group has no business transactions in foreign currencies thus there is no such risk arising from exchange rate fluctuation.

3.2 Fair value estimation

The financial assets and liabilities possess book values which are comparable to market prices as these financial instruments will be due in the short time and bears interest rate comparable to market situation. As a result these financial assets and liabilities have reflected their fair values.

The following table presents the Group's financial assets that are measured at fair value at 31 December 2017. See Note 14 for disclosures of the investment properties that are measured at fair value.

(Unit : Baht)

Assets	Consolidated and Separate financial statements
	Level 1
Financial assets at fair value through profit or loss	
Investment in mutual fund - debt investment (Note 8)	129,998,897
Total assets	129,998,897

There were no transfers between levels during the year.

Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market price used for financial asset held by the Group is the current bid price by reference to the Stock Exchange of Thailand or Net Asset Value (NAV) announced by the Asset Management Company. These instruments are included in Level 1.

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Measurement for the value of the investment properties

Fair value of investment properties, which has been assessed by an independent appraiser, is calculated using the estimated discounted cash flows of the rental fee under the present lease agreements, including future rental fee under the current market condition and net from any expense cash flows anticipated to incur from real estate. The discount rate applied is reflect the assessment of the current market condition under the appropriate financial value and risk factors on each type of assets. The discount rate is 5% - 11% per annum.

5. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

6. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

Performance of each operating segment is measured by profit or loss from operation which is using the same basis that the Group measures its profit or loss from operation in the financial information. Revenue and costs are eliminated from transaction within the Group. Other income, finance costs and income tax are not allocated to each reporting segment.

Revenues and profits information by business segment of the Group for the year ended 31 December comprise the following:

Consolidated financial statements						
(Unit : Baht'000)						
	For the year ended 31 December 2017					
	Real estate sales	Rental and rendering of services	Consulting and management service	Total segment	Eliminate	Total
Operating revenues						
Revenue from outside customer	11,600,349	848,754	1,092	12,450,195	-	12,450,195
Inter-revenues segment	28,560	6,385	67,515	102,460	(102,460)	-
Total Operating revenues	11,628,909	855,139	68,607	12,552,655	(102,460)	12,450,195
Operating cost	(7,712,559)	(355,308)	(36,312)	(8,104,179)	112,368	(7,991,811)
Selling and administrative expenses	(2,307,645)	(41,429)	-	(2,349,074)	31,669	(2,317,405)
Operating result by segment	1,608,705	458,402	32,295	2,099,402	41,577	2,140,979
Unallocated expenses				(369,912)	(35,412)	(405,324)
Operating profit				1,729,490	6,165	1,735,655
Other income				57,147	(34,938)	22,209
Loss from fair value adjustment and write-off of investment property				(93,933)	-	(93,933)
Finance costs				(100,114)	21,442	(78,672)
Profit before income tax expense				1,592,590	(7,331)	1,585,259
Income tax expense				(329,462)	-	(329,462)
Profit for the period				1,263,128	(7,331)	1,255,797
Other comprehensive income				5,593	-	5,593
Total comprehensive income for the years				1,268,721	(7,331)	1,261,390

Consolidated financial statements

(Unit : Baht'000)

	For the year ended 31 December 2016					
	Real estate sales	Rental and rendering of services	Consulting and management service	Total segment	Eliminate	Total
Operating revenues						
Revenue from outside customer	13,677,692	754,898	1,092	14,433,682	-	14,433,682
Inter-revenues segment	-	1,592	47,700	49,292	(49,292)	-
Total Operating revenues	13,677,692	756,490	48,792	14,482,974	(49,292)	14,433,682
Operating cost	(8,950,157)	(295,465)	(29,575)	(9,275,197)	57,406	(9,217,791)
Selling and administrative expenses	(2,230,114)	(41,450)	-	(2,271,564)	-	(2,271,564)
Operating result by segment	2,497,421	419,575	19,217	2,936,213	8,114	2,944,327
Unallocated expenses				(463,774)	5,675	(458,099)
Operating profit				2,472,439	13,789	2,486,228
Other income				38,538	(7,439)	31,099
Gain from fair value adjustment on investment property				39,397	-	39,397
Finance costs				(94,295)	3,136	(91,159)
Profit before income tax expense				2,456,079	9,486	2,465,565
Income tax expense				(497,352)	-	(497,352)
Profit for the period				1,958,727	9,486	1,968,213
Other comprehensive income				-	-	-
Total comprehensive income for the years				1,958,727	9,486	1,968,213

7. Cash and cash equivalents

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash on hand	12,727,269	11,842,685	12,560,278	11,783,261
Deposit at bank	803,733,509	522,601,209	639,200,704	468,884,202
Cheque on hand	192,051,718	95,562,554	171,909,183	92,740,906
Short-term deposit at bank	54,000,000	-	-	-
Total cash and cash equivalents	1,062,512,496	630,006,448	823,670,165	573,408,369

The interest rates on bank deposits were 0.10% - 1.25% per annum (2016: 0.10% - 1.30% per annum) and these deposits have an maturity less than 3 months (2016: less than 3 months).

8. Short-term investments

At 31 December, short-term investments comprise the following:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Fixed deposits	41,000,000	104,248,464	-	-
Investment in mutual fund classified as trading investments	130,000,000	258,221,020	130,000,000	258,221,020
Re-measuring trading investments	(1,103)	(179)	(1,103)	(179)
Total short-term investments	170,998,897	362,469,305	129,998,897	258,220,841

As at 31 December 2017, fixed deposits of a subsidiary represent 6 months fixed deposits (2016: 4 - 6 months fixed deposits) bearing interest at the rates of 1.40% per annum (2016: 1.45% - 1.65% per annum).

The movement of investment in mutual fund for the year ended 31 December is as follows:

(Unit : Baht)

	Consolidated financial statements
At 1 January 2016	240,126,128
Additions	5,311,000,000
Disposals	(5,292,778,980)
Re-measuring trading investments	(126,307)
At 31 December 2016	258,220,841
Additions	4,415,000,000
Disposals	(4,543,221,020)
Re-measuring trading investments	(924)
At 31 December 2017	129,998,897

9. Trade and other receivables, net

Trade and other receivables comprise the following:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade accounts receivables, net				
- Others	18,583,970	18,141,927	18,571,370	18,136,871
- Related parties (Note 31.3)	27,436,767	21,440,216	27,436,767	21,447,985
Less allowance for doubtful accounts	(9,290,924)	(9,290,924)	(9,290,924)	(9,290,924)
Total trade accounts receivable, net	36,729,813	30,291,219	36,717,213	30,293,932
Other receivables				
- Prepaid expenses	12,901,928	10,053,159	12,462,609	9,804,886
- Accrued income	40,122,923	31,609,077	38,312,119	26,575,987
- Advanced payment to employee	1,070,621	2,084,919	1,012,220	1,437,641
Total other receivables	54,095,472	43,747,155	51,786,948	37,818,514
Total trade and other receivables, net	90,825,285	74,038,374	88,504,161	68,112,446

Outstanding trade accounts receivable as at 31 December can be analysed as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade receivables - Related parties				
Not yet due	26,748,767	20,903,456	26,748,767	20,911,225
Overdue for payment				
Less than 3 months	688,000	536,760	688,000	536,760
	27,436,767	21,440,216	27,436,767	21,447,985
Trade receivables - Others				
Not yet due	7,011,485	423,484	7,011,485	423,484
Overdue for payment				
Less than 3 months	825,961	6,971,919	813,361	6,966,863
Over 12 months	10,746,524	10,746,524	10,746,524	10,746,524
Total	18,583,970	18,141,927	18,571,370	18,136,871

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Less allowance for doubtful accounts	(9,290,924)	(9,290,924)	(9,290,924)	(9,290,924)
	9,293,046	8,851,003	9,280,446	8,845,947
Total trade accounts receivable, net	36,729,813	30,291,219	36,717,213	30,293,932

10. Real estate development cost

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Land	18,248,792,313	16,134,326,076	16,614,483,543	15,300,771,129
Project development cost and work in progress	3,319,985,727	2,397,002,292	2,861,739,583	2,114,195,104
Interest expenses	1,126,831,201	866,938,119	1,107,399,850	836,795,976
Unit and condominium being developed	3,035,387,371	2,023,631,482	3,035,387,371	2,023,631,482
Allotted houses ready for sale	2,505,298,116	2,937,456,489	2,200,170,348	2,675,579,248
Total real estate development cost	28,236,294,728	24,359,354,458	25,819,180,695	22,950,972,939

For the year ended 31 December 2017, borrowing cost of Baht 558.07 million and Baht 541.45 million had capitalised to the real estate development cost in the consolidated and separate financial statement, respectively. (2016: Baht 456.36 million and Baht 437.18 million, respectively).

For the year ended 31 December 2017, real estate development cost had recognised as the cost of sales in the consolidated and separate financial statement of Baht 7,677.87 million and Baht 6,952.39 million, respectively. (2016: Baht 8,947.75 million and Baht 8,649.28 million, respectively).

As at December 31 December 2017, real estate development cost of Baht 4,583.24 million (2016: Baht 5,687.11 million) is the projects expected to be developed and ready for sale for the period longer than 12 months since the date of statement of financial position.

As at 31 December 2017, land and construction under the Group's real estate project of Baht 10,930.10 million (2016: Baht 5,821.87 million) are pledged as collateral against credit facility and loan from financial institutions (Note 32) together with the maximum amount that the insurance company will accept and forfeit all the benefits from the insurance to the lender or beneficiary.

11. Trade receivable due more than one year - related persons

Trade receivable due more than one year at 31 December comprises of:

(Unit : Baht)

	Consolidated financial statements	
	2017	2016
Trade receivable-related persons	59,596,947	80,334,503
<u>Less</u> Current portion of trade receivable - related persons	(32,407,767)	(20,737,556)
Trade receivable due more than one year - related persons	27,189,180	59,596,947

The whole amount of trade receivable represented sales of residential units to high level management of the Company, who had complied with rules as authorised by the Company's board of directors. The Company would allow right to occupy the purchased residential units before ownership right transfer since the agreement date and to pay by installments part of contractual amount as stipulated in the sales and purchase agreement until it reach the basis set by the Company and the remaining amount is payable at the date of ownership right transfer.

12. Investments in subsidiaries

The movement of book value of investments in subsidiaries for the year ended 31 December is as follows:

(Unit : Baht)

	Separate financial statements	
	At cost method	
	2017	2016
As at 1 January	752,999,880	752,999,880
Additional investment	44,999,990	-
As at 31 December	797,999,870	752,999,880

As at 31 December 2017, the Group comprises of the subsidiaries listed below. All subsidiaries are included in the consolidated financial statements.

	Type of business	Country of incorporation	Percentage of shareholding and voting right		Separate financial statements	
			2017	2016	Cost method	
					2017	2016
			Percent	Percent	Baht	Baht
SC Able Company Limited (Formerly named "OAI Asset Company Limited")	Real estate development	Thai	99.99	99.99	99,999,960	99,999,960
Up Country Land Company Limited	Real estate development	Thai	99.99	99.99	299,999,960	299,999,960
V. Land Property Company Limited	Real estate development	Thai	99.99	99.99	352,999,960	352,999,960
Scope Company Limited	Real estate development	Thai	90.00	-	44,999,990	-
					797,999,870	752,999,880

At the Board of Director meeting of Up Country Land Company Limited held on 14 November 2016, the director passed a resolution approving interim dividend payment at Baht 1.90 per share totaling Baht 57.00 million. The dividends were distributed on 28 November 2016.

At the Board of Director's Meeting of the Company No. 4/2017 held on 19 July 2017, the Company had resolution to establish new subsidiary, Scope Company Limited with authorised share capital of Baht 100,000,000 which included 10,000,000 ordinary shares with a par value of Baht 10 each. The Company acquired 90% ownership interest and aimed to invest in property development, engage in marketing and selling management, property management, and other related business. The new subsidiary company registered with the Ministry of commerce on 24 July 2017. At the same date, the Company has paid the share subscription amount to Baht 44,999,990.

13. Other long-term investments

The movement of other long-term investments for the period ended 31 December 2017 can be analysed as follows:

(Unit : Baht)

	Consolidated financial statements
Opening balance	-
Additions	40,000,000
Closing balance	40,000,000

During March 2017, a subsidiary invested in 10% of share capital of a company which providing application for house repairing services. At the same date, a subsidiary has paid the share subscription amounting to Baht 5.00 million and made additional paid in September 2017 and December 2017 amounting to Baht 2.50 million and Baht 2.50 million, respectively. Total cash paid for the share invested is Baht 10.00 million.

During October 2017, a subsidiary invested in 20% of share capital of a company which providing technology consulting services to organizations and developing platform systems. This investment has the key objectives to cooperate to develop digital platforms in order to improve the Company's products and services. However, the subsidiary has no significant influence over that company. As at a result, the subsidiary classified the investment as general investment and represent as "Other long-term investments" in the consolidated statement of financial position. A subsidiary has paid the share subscription amounting to Baht 30.00 million in November 2017.

14. Investment properties, net

(Unit : Baht)

	Consolidated financial statements	Separate financial statements
	Land and building	Land and building
As at 1 January 2016		
Cost	4,782,892,964	3,661,721,725
Accumulated gain from fair value adjustment	458,055,857	526,411,275
Net fair value amount	5,240,948,821	4,188,133,000
For the year ended 31 December 2016		
Opening net fair value amount	5,240,948,821	4,188,133,000
Additions	32,864,364	32,864,364
Write-off	(701,530)	(701,530)
Transfer in from real estate development cost	13,007,867	13,007,867
Gain from fair value adjustment	39,397,316	28,578,299
Closing net fair value amount	5,325,516,838	4,261,882,000
As at 31 December 2016		
Cost	4,828,063,665	3,706,892,426
Accumulated gain from fair value adjustment	497,453,173	554,989,574
Net fair value amount	5,325,516,838	4,261,882,000
For the year ended 31 December 2017		
Opening net fair value amount	5,325,516,838	4,261,882,000
Additions	20,468,767	19,468,767
Write-off	(38,583,221)	(38,583,221)
Transfer out to real estate development cost	(17,800,000)	(17,800,000)
(Loss) Gain from fair value adjustment	(55,355,911)	77,523,454
Closing net fair value amount	5,234,246,473	4,302,491,000
As at 31 December 2017		
Cost	4,792,149,211	3,669,977,972
Accumulated gain from fair value adjustment	442,097,262	632,513,028
Net fair value amount	5,234,246,473	4,302,491,000

As at 31 December 2017, investment property at its fair value using rental income approach with book value of Baht 17.80 million (2016: Nil) had transferred to be recorded as real estate development cost due to change in its utilisation objective.

As at 31 December 2016, real estate development cost at the book value of Baht 13.01 million had transferred to be recorded as investment property at its fair value using rental income approach due to change in its utilisation objective.

As at 31 December 2017, investment properties in the consolidated and separate company financial statements, at the book value of Baht 3.75 million and Baht 3.75 million, respectively (2016: Baht 1.69 million and Baht 1.69 million, respectively) are work in progress which have been measured the value at cost.

As at 31 December 2017, investment properties at the carrying amount of Baht 4,023.73 million (2016: Baht 3,992.40 million) are pledged as collateral against the credit facilities and loan from financial institutions (Note 32) together with the maximum amount that the insurance company will accept and forfeit all the benefits from the insurance to the lender or beneficiary.

A valuation of the group's investment properties was performed by independent valuer to determine the fair value of the investment property at 31 December 2017 and 2016. The fair values of the properties have been determined by Chartered Valuation and Consultant Co., Ltd.

As at 31 December 2017, investment properties under the cost method in the consolidated and separate company financial statements would have been carried at Baht 4,830.73 million and Baht 3,708.56 million, respectively (2016: at Baht 4,828.06 million and Baht 3,706.89 million, respectively).

The fair value measurement information in accordance with TFRS 13 'Fair value measurement' at 31 December 2017 is presented as follow:

(Unit: Baht'000)

	Significant unobservable inputs (Level 3)
Recurring fair value measurements	
Land and buildings	5,234,246

Financial instruments in level 3

If over or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Valuation techniques used to derive fair values

Level 3 fair values of investment properties intended for rent have been generally derived using the estimate discount cash flow of the rental fee under the present lease agreements, including future rental fee under the current market condition.

There were no changes in valuation techniques during the period.

Valuation processes

The Group's investment properties were valued at 2017 by independent professionally qualified valuers ("independent valuers") who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use. The Group's accounting department includes a team that review the valuations performed by the independent valuers for financial reporting purposes. This team reports directly to the senior vice president-accounting. Discussions of valuation processes and results are held at least once a year, in line with the Group's annual reporting dates. At each financial year end, the finance department:

- verifies all major inputs to the independent valuation report,
- assesses property valuation movements when compared to the prior year valuation report, and
- holds discussions with the independent valuer.

	Impact on investment properties					
	Consolidated financial statements			Separate financial statements		
	Change in assumption	Increase in assumption	Decrease in assumption	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease by 6.27%	Increase by 6.81%	1%	Decrease by 6.42%	Increase by 6.96%
Vacancy rate	5%	Decrease by 4.21%	Increase by 4.44%	5%	Decrease by 5.12%	Increase by 5.41%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

Amounts recognised in profit and loss that are related to investment property are as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Rental income	732,752,731	717,037,511	613,292,157	589,638,985
Direct operating expense arise from investment property that generated rental income	230,571,533	250,944,195	222,251,814	242,584,632
Direct operating expense arise from investment property that did not generated rental income	13,158,031	18,899,915	11,763,354	17,481,788

15. Property, plant and equipment, net

(Unit : Baht)

	Consolidated financial statements						
	Land	Land improvement, buildings and construction	Furniture and fixtures	Office equipments	Other fixed assets	Assets under construction	Total
At 1 January 2016							
Cost	282,409,784	810,180,064	74,460,046	121,455,715	157,866,815	187,400	1,446,559,824
<u>Less</u> Accumulated depreciation	-	(135,653,930)	(40,893,682)	(44,166,497)	(95,066,950)	-	(315,781,059)
Net book amount	282,409,784	674,526,134	33,566,364	77,289,218	62,799,865	187,400	1,130,778,765
Year ended 31 December 2016							
Opening net book amount	282,409,784	674,526,134	33,566,364	77,289,218	62,799,865	187,400	1,130,778,765
Additions	-	57,448,573	955,029	1,902,560	11,692,757	312,076	72,310,995
Transfer in (out)	-	-	-	-	187,400	(187,400)	-
Disposals, net	-	(373,569)	(768)	(20,025)	(364,079)	-	(758,441)
Depreciation charge (Note 28)	-	(89,489,334)	(10,156,610)	(12,172,867)	(17,889,158)	-	(129,707,969)
Closing net book amount	282,409,784	642,111,804	24,364,015	66,998,886	56,426,785	312,076	1,072,623,350
At 31 December 2016							
Cost	282,409,784	853,735,981	71,899,289	118,417,738	163,508,147	312,076	1,490,283,015
<u>Less</u> Accumulated depreciation	-	(211,624,177)	(47,535,274)	(51,418,852)	(107,081,362)	-	(417,659,665)
Net book amount	282,409,784	642,111,804	24,364,015	66,998,886	56,426,785	312,076	1,072,623,350
Year ended 31 December 2017							
Opening net book amount	282,409,784	642,111,804	24,364,015	66,998,886	56,426,785	312,076	1,072,623,350
Additions	-	24,878,576	5,872,381	5,751,009	45,145,387	8,739,644	90,386,997
Disposals, net	-	(15)	(4,135)	(601)	(405,100)	-	(409,851)
Depreciation charge (Note 28)	-	(71,225,962)	(9,544,147)	(11,960,990)	(17,727,942)	-	(110,459,041)
Closing net book amount	282,409,784	595,764,403	20,688,114	60,788,304	83,439,130	9,051,720	1,052,141,455
At 31 December 2017							
Cost	282,409,784	774,407,950	76,588,846	122,042,307	205,661,688	9,051,720	1,470,162,295
<u>Less</u> Accumulated depreciation	-	(178,643,547)	(55,900,732)	(61,254,003)	(122,222,558)	-	418,020,840
Net book amount	282,409,784	595,764,403	20,688,114	60,788,304	83,439,130	9,051,720	1,052,141,455

(Unit : Baht)

	Separate financial statements						
	Land	Land improvement, buildings and construction	Furniture and fixtures	Office equipments	Other fixed assets	Assets under construction	Total
At 1 January 2016							
Cost	282,409,784	810,137,064	73,648,405	121,064,851	155,690,387	187,400	1,443,137,891
<u>Less</u> Accumulated depreciation	-	(135,610,930)	(40,082,110)	(43,812,016)	(92,985,842)	-	(312,490,898)
Net book amount	282,409,784	674,526,134	33,566,295	77,252,835	62,704,545	187,400	1,130,646,993
Year ended 31 December 2016							
Opening net book amount	282,409,784	674,526,134	33,566,295	77,252,835	62,704,545	187,400	1,130,646,993
Additions	-	57,448,573	955,029	1,902,560	11,620,586	312,076	72,238,824
Transfer in (out)	-	-	-	-	187,400	(187,400)	-
Disposals, net	-	(373,569)	(699)	(19,985)	(363,982)	-	(758,235)
Depreciation charge (Note 28)	-	(89,489,334)	(10,156,610)	(12,164,212)	(17,834,908)	-	(129,645,064)
Closing net book amount	282,409,784	642,111,804	24,364,015	66,971,198	56,313,641	312,076	1,072,482,518
At 31 December 2016							
Cost	282,409,784	853,735,981	71,899,289	118,374,460	163,169,102	312,076	1,489,900,692
<u>Less</u> Accumulated depreciation	-	(211,624,177)	(47,535,274)	(51,403,262)	(106,855,461)	-	(417,418,174)
Net book amount	282,409,784	642,111,804	24,364,015	66,971,198	56,313,641	312,076	1,072,482,518
Year ended 31 December 2017							
Opening net book amount	282,409,784	642,111,804	24,364,015	66,971,198	56,313,641	312,076	1,072,482,518
Additions	-	24,878,576	4,300,005	4,946,762	34,685,362	8,739,644	77,550,349
Disposals, net	-	(15)	(4,135)	(601)	(405,100)	-	(409,851)
Depreciation charge (Note 28)	-	(71,225,962)	(9,433,013)	(11,899,301)	(17,476,935)	-	(110,035,211)
Closing net book amount	282,409,784	595,764,403	19,226,872	60,018,058	73,116,968	9,051,720	1,039,587,805
At 31 December 2017							
Cost	282,409,784	774,407,950	75,016,468	121,194,783	194,862,617	9,051,720	1,456,943,322
<u>Less</u> Accumulated depreciation	-	(178,643,547)	(55,789,596)	(61,176,725)	(121,745,649)	-	(417,355,517)
Net book amount	282,409,784	595,764,403	19,226,872	60,018,058	73,116,968	9,051,720	1,039,587,805

For the year 2017, depreciation expense of Baht 3.79 million (2016: Baht 3.50 million) has been charged in 'cost of goods sold', Baht 45.61 million (2016: Baht 63.74 million) in 'selling expense' and Baht 61.06 million (2016: Baht 62.46 million) in 'administrative expense' in the consolidated financial statement.

For the year 2017, depreciation expense of Baht 3.79 million (2016: Baht 3.50 million) has been charged in 'cost of goods sold', Baht 45.61 million (2016: Baht 63.74 million) in 'selling expense' and Baht 60.64 million (2016: Baht 62.40 million) in 'administrative expense' in the separate financial statement.

As at 31 December 2017, in the consolidated and separate company financial statements, vehicles at the book value of Baht 12.61 million (2016: Baht 3.72 million) are under long-term lease contracts.

As at 31 December 2017, property, plant and equipment at the carrying amount of Baht 839.72 million (2016: Baht 838.94 million) are pledged as collateral against the credit facilities and loan from financial institutions (Note 32) together with the maximum amount that the insurance company will accept and forfeit all the benefits from the insurance to the lender or beneficiary.

16. Leasehold rights, net

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Opening net book amount	920,167,989	283,579,453	869,710,277	229,776,222
Additions	43,628,137	639,934,055	43,628,137	639,934,055
Less Amortised leasehold rights for the year	(28,868,948)	(3,345,519)	(25,523,429)	-
Closing net book amount	934,927,178	920,167,989	887,814,985	869,710,277

As at 31 December 2017, in the consolidated financial statements, leasehold right consisted of leasehold land amounting to Baht 74.77 million (2016: Baht 65.11 million) and leasehold building amounting to Baht 860.16 million (2016: Baht 855.06 million).

As at 31 December 2017, the Company's leasehold rights are leasehold land and building with a related company, the condition of contract are disclosed as mentioned in the notes to financial statements No. 31.7. The leasehold rights consisted of leasehold land amounting to Baht 68.64 million (2016: Baht 58.54 million) and leasehold building amounting to Baht 819.17 million (2016: Baht 811.17 million).

A subsidiary company has leasehold right as leasehold land with the Crown Property Bureau in order to construct car-park and office building amounting to Baht 6.13 million (2016: Baht 6.57 million) and leasehold building amounting to Baht 40.99 million (2016: Baht 43.89 million) on the said leased land. This leasehold has a term of 25 years commencing from 1 February 2007 onwards. A subsidiary amortised leasehold right from the first day and started to earn revenue from the service fee for the area of said car park and office building.

17. Deferred income taxes

The analysis of deferred tax assets and deferred tax liabilities as at 31 December is as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	1,569,000	47,960	1,569,000	47,960
Deferred tax assets to be recovered after more than 12 months	35,536,911	37,404,203	34,288,561	34,561,831
	37,105,911	37,452,163	35,857,561	34,609,791
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	-	-	-	-
Deferred tax liabilities to be settled after more than 12 months	(613,936,123)	(608,947,674)	(543,187,586)	(514,812,436)
	(613,936,123)	(608,947,674)	(543,187,586)	(514,812,436)
Deferred tax, net	(576,830,212)	(571,495,511)	(507,330,025)	(480,202,645)

The movement of deferred tax assets and deferred tax liabilities account is as follows:

(Unit : Baht)

	Consolidated financial statements					
	As at 1 January 2016	Charged/ (credited) to profit or loss	As at 31 December 2016	Charged/ (credited) to profit or loss	Credited relation to components of other comprehensive income	As at 31 December 2017
Deferred tax assets						
Investment properties	9,441,510	(1,181,424)	8,260,086	(2,953,629)	-	5,306,457
Employee benefit obligations	25,190,881	2,134,206	27,325,087	4,009,342	(1,398,230)	29,936,199
Others	1,175,796	691,194	1,866,990	(3,735)	-	1,863,255
	35,808,187	1,643,976	37,452,163	1,051,978	(1,398,230)	37,105,911

(Unit : Baht)

	Consolidated financial statements					
	As at 1 January 2016	Charged/ (credited) to profit or loss	As at 31 December 2016	Charged/ (credited) to profit or loss	Credited relation to components of other comprehensive income	As at 31 December 2017
Deferred tax liabilities						
Investment properties	(580,714,636)	(28,233,038)	(608,947,674)	69,714	-	(608,877,960)
Leasehold rights	-	-	-	(3,526,504)	-	(3,526,504)
Others	-	-	-	(1,531,659)	-	(1,531,659)
	(580,714,636)	(28,233,038)	(608,947,674)	(4,988,449)	-	(613,936,123)
	(544,906,449)	(26,589,062)	(571,495,511)	(3,936,471)	(1,398,230)	(576,830,212)

(Unit : Baht)

	Separate financial statements					
	As at 1 January 2016	Charged/ (credited) to profit or loss	As at 31 December 2016	Charged/ (credited) to profit or loss	Credited relation to components of other comprehensive income	As at 31 December 2017
Deferred tax assets						
Investment properties	5,898,344	(480,630)	5,417,714	(1,149,042)	-	4,268,672
Employee benefit obligations	25,190,881	2,134,206	27,325,087	3,798,777	(1,398,230)	29,725,634
Others	1,175,796	691,194	1,866,990	(3,735)	-	1,863,255
	32,265,021	2,344,770	34,609,791	2,646,000	(1,398,230)	35,857,561
Deferred tax liabilities						
Investment properties	(492,316,600)	(22,495,836)	(514,812,436)	(24,329,521)	-	(539,141,957)
Leasehold rights	-	-	-	(3,526,504)	-	(3,526,504)
Others	-	-	-	(519,125)	-	(519,125)
	(492,316,600)	(22,495,836)	(514,812,436)	(28,375,150)	-	(543,187,586)
	(460,051,579)	(20,151,066)	(480,202,645)	(25,729,150)	(1,398,230)	(507,330,025)

18. Short-term borrowings from financial institutions

Short-term borrowing from financial institutions as at 31 December can be analysed as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Bills of exchange	3,095,000,000	2,845,000,000	3,095,000,000	2,845,000,000
Less discount of bills of exchange	(18,207,604)	(16,570,905)	(18,207,604)	(16,570,905)
Bills of exchange, net	3,076,792,396	2,828,429,095	3,076,792,396	2,828,429,095
Promissory notes	2,592,057,000	2,649,900,000	2,332,057,000	2,410,000,000
Total short-term borrowings from financial institutions	5,668,849,396	5,478,329,095	5,408,849,396	5,238,429,095

Bills of exchange have term for repayment of ranging from 6 months to 9 months and bearing interest at fixed rate.

Promissory notes have terms for repayment of ranging from 14 days to 6 months and bearing interest at fixed rate and MLR minus fixed rate. Interest is payable monthly at the last working day or last day of the month or interest due together with the principal will be paid on the promissory note's maturity date.

As at 31 December 2017, promissory notes of Baht 1,802.06 million (2016: Baht 2,049.90 million) in the consolidated financial statements have been secured by pledging the real estate development cost, investment properties and land and construction as mentioned in the notes to financial statements Note 32.

19. Long-term borrowings

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current				
Current portion of long-term borrowings				
- Borrowings from financial institutions	438,590,090	1,198,607,699	384,985,650	880,000,000
- Debentures	2,525,000,000	1,660,000,000	2,525,000,000	1,660,000,000
- Finance lease liabilities	2,281,502	681,999	731,371	681,999
Total current borrowings	2,965,871,592	2,859,289,698	2,910,717,021	2,540,681,999
Non-current				
Borrowings from financial institutions	4,100,000,000	1,970,000,000	4,100,000,000	1,970,000,000
Debentures	6,200,000,000	5,325,000,000	6,200,000,000	5,325,000,000
Finance lease liabilities	5,295,127	3,085,223	2,353,852	3,085,223
Total non-current borrowings	10,305,295,127	7,298,085,223	10,302,353,852	7,298,085,223
Total long-term borrowings	13,271,166,719	10,157,374,921	13,213,070,873	9,838,767,222

The movements of long-term borrowings for the year ended 31 December can be analysed as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
As at 1 January	10,157,374,921	10,314,947,695	9,838,767,222	9,940,126,595
Issuance of debentures	3,400,000,000	2,000,000,000	3,400,000,000	2,000,000,000
Payment on debentures	(1,660,000,000)	(1,900,000,000)	(1,660,000,000)	(1,900,000,000)
Additional borrowings	3,105,557,180	1,983,560,000	2,660,000,000	1,711,060,000
Repayment	(1,731,765,382)	(2,241,132,774)	(1,025,696,349)	(1,912,419,373)
As at 31 December	13,271,166,719	10,157,374,921	13,213,070,873	9,838,767,222

19.1 Long-term borrowings from financial institutions

Consolidated and Separate financial statements							
Contract No.	31 December 2017	31 December 2016	Company	Borrowing Purpose	Borrowing Limit	Interest rate and repayment terms	Guarantees and collaterals
	Million Baht	Million Baht					
1	-	30.00	SC Asset Corporation Public Company Limited	Purchase land together with construction Shinawatra Tower 1 and 2	Baht 750 million	<ul style="list-style-type: none"> - Fixed rate for the 1st - 2nd years (5% per annum) and for the 3rd year onward at MLR deduct fixed rate per annum. The interest is payable on a monthly basis. - The repayment of principal must be made quarterly at Baht 30 million per installment. The first installment shall be paid on the last day of the sixth month after the first withdrawal month. The Company must repay the principal within 6.5 years from the first withdrawal date. 	<ul style="list-style-type: none"> a) The Company has to maintain financial ratios as specified by banks, e.g. debt to equity ratio, and fire insurances for the construction must be made and benefits from such policies must be given to lenders as collaterals. b) The Company mortgaged Shinawatra Tower 1 and 2 as collaterals as mentioned in Note 14.
2	1,438.59	418.61	SC Asset Corporation Public Company Limited and V. Land Property Company Limited	Developing real estate projects for the periods ranging from 2 - 4 years	Baht 10,379 million 9 agreements (2016 : Baht 6,580 million 7 agreements)	<ul style="list-style-type: none"> - The interest is rate at MLR deduct fixed rate per annum and is payable on a monthly basis - The principal repayment at 70 % of selling price (depending on condition of each agreement) but not less than the amount specified by the commercial bank when the mortgage is released for the ownership right transfer to the purchaser. 	<ul style="list-style-type: none"> a) The Company has to maintain financial ratios as specified by banks, e.g. debt to equity ratio, and fire insurances for the construction must be made and benefits from such policies must be given to lenders as collaterals. b) Land together with constructions included in real estate development cost are pledged as collaterals as mentioned in Note 10.
3	2,500.00	2,350.00	SC Asset Corporation Public Company Limited	working capital period not exceeding 3 - 5 years	Baht 2,500 million (2016 : Baht 2,350 million)	<ul style="list-style-type: none"> - The interest is fixed throughout the contract period and is payable at the end of each month - The principal is repayment at the end of the contract 	<ul style="list-style-type: none"> a) The Company has to maintain financial ratios as specified by banks, e.g. debt to equity ratio.
4	600.00	370.00	SC Asset Corporation Public Company Limited	Developing facilities and real estate construction	Baht 600 million	<ul style="list-style-type: none"> - Fixed rate for the 1st - 3rd years (4% per annum) and for the 4rd year onward at MLR deduct fixed rate per annum. The interest is payable on a monthly basis. - The repayment of principal must be made quarterly. The first installment shall be paid on the last day of the 39th month after the first withdrawal month. The Company must repay the principal within 150 months from the first withdrawal date. 	<ul style="list-style-type: none"> a) The Company has to maintain financial ratios as specified by banks, e.g. debt to equity ratio, and fire insurances for the construction must be made and benefits from such policies must be given to lenders as collaterals. b) The Company mortgaged Shinawatra Tower 1 and 2 as collaterals as mentioned in Note 14.
Total	4,538.59	3,168.61					

19.2 Debentures

Consolidated and Separate financial statements									
Type of debentures	Name of debentures	Issues date	Credit limit Million Baht	Amount Units	Par value Baht	Total amount Million Baht		Redeem maturity period	Interest rate
						2017	2016		
Name-registered debenture for unsubordinated, unsecured without a debenture holders'	SC Debenture No. 2/2017	11 Aug 2017	500	500,000	1,000	500	-	08 Aug 2020	3.09% per annum. The interest is payable every six months
Name-registered debenture for unsubordinated, unsecured without a debenture holders'	SC Debenture No. 1/2017	24 Feb 2017	2,900	1,000,000	1,000	1,000	-	24 Feb 2020	3.30% per annum. The interest is payable every three months
				1,900,000	1,000	1,900	-	24 Feb 2022	4.00% per annum. The interest is payable every six months
Name-registered debenture for unsubordinated, unsecured without a debenture holders'	SC Debenture No. 3/2016	06 Dec 2016	500	500,000	1,000	500	500	06 Dec 2018	3.10% per annum. The interest is payable every three months
Name-registered debenture for unsubordinated, unsecured without a debenture holders'	SC Debenture No. 2/2016	08 Nov 2015	500	500,000	1,000	500	500	08 Nov 2019	3.20% per annum. The interest is payable every six months
Name-registered debenture for unsubordinated, unsecured without a debenture holders'	SC Debenture No. 1/2016	24 Mar 2015	1,000	1,000,000	1,000	1,000	1,000	24 Mar 2019	3.15% per annum. The interest is payable every six months
Name-registered debenture for unsubordinated, unsecured without a debenture holders'	SC Debenture No. 5/2015	06 Oct 2015	325	325,000	1,000	325	325	10 Oct 2018	3.65% per annum. The interest is payable every six months
Name-registered debenture for unsubordinated, unsecured without a debenture holders'	SC Debenture No. 4/2015	25 Jun 2015	3,000	3,000,000	1,000	1,700	1,700	25 Jun 2018	4.00% per annum. The interest is payable every three months
						1,300	1,300	25 Jan 2019	4.20% per annum. The interest is payable every three months
Name-registered debenture for unsubordinated, unsecured without a debenture holders' representative type	SC Debenture No. 2/2015	17 Feb 2015	300	300,000	1,000	-	300	27 Feb 2017	4.00% per annum. The interest is payable every six months
Name-registered debenture for unsubordinated, unsecured without a debenture holders' representative type	SC Debenture No. 1/2015	28 Jan 2015	130	130,000	1,000	-	130	28 Jan 2017	4.00% per annum. The interest is payable every six months
Name-registered debenture for unsubordinated, unsecured without a debenture holders' representative type	SC Debenture No. 3/2014	28 Nov 2014	130	130,000	1,000	-	130	07 Dec 2017	4.25% per annum. The interest is payable every six months
Name-registered debenture for unsubordinated, unsecured without a debenture holders' representative type	SC Debenture No. 2/2014	02 Oct 2014	300	300,000	1,000	-	300	25 Sep 2017	4.50% per annum. The interest is payable every six months
Name-registered debenture for unsubordinated, unsecured without a debenture holders' representative type	SC Debenture No. 1/2014	12 Sep 2014	800	800,000	1,000	-	800	12 Sep 2017	4.70% per annum. The interest is payable every three months
Total						8,725	6,985		

SC Debenture No. 4/2015 of Baht 147.00 million were issued to related persons (Note 31.5).

SC Debenture No. 1/2017 of Baht 192.00 million were issued to related persons (Note 31.5).

On 22 April 2016, the Annual General Meeting of the Company's shareholders approved the issuance and offering for sale of corporate debentures, at any time, in the amount not exceeding Baht 2,000 million and the total amount of debenture not exceeding Baht 10,000 million. The Board of Directors or directors were authorised to determine the details, terms and conditions in relation to the issuance and sale of such debentures.

The Company shall maintain debt to equity ratio at not exceeding 2 : 1 over time of debentures.

The interest rate exposure on the borrowings of the Group and the Company comprises the following:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
At fixed rates	11,832,576,629	9,708,767,222	11,828,085,223	9,708,767,222
At floating rates	1,438,590,090	448,607,699	1,384,985,650	130,000,000
Total borrowings	13,271,166,719	10,157,374,921	13,213,070,873	9,838,767,222

The effective interest rates at the statement of financial position date were as follows:

(Unit : Percentage)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
- Borrowings from financial institutions	MLR - fixed rates	MLR - fixed rates	MLR - fixed rates	MLR - fixed rates
- Debentures	3.09 - 4.20	3.10 - 4.70	3.09 - 4.20	3.10 - 4.70
- Finance leases agreements	2.100 - 7.125	6.650 - 7.625	6.650 - 7.125	6.650 - 7.625

As at 31 December 2017, in consolidated and separate company financial statements, unused credit facilities from financial institutions is Baht 7,630.95 million and Baht 7,069.00 million, respectively (2016: Baht 4,111.42 million and Baht 3,747.42 million, respectively).

The facilities expiring within one year are annual facilities subject to review at various dates during year. The other facilities have been arranged to help finance the proposed expansion of the Group and the Company activities.

The carrying values and fair value of long-term borrowings are as follow:

(Unit : Baht Million)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current portion of long-term borrowings from financial institutions	439	1,199	385	880
Long-term borrowings from financial institutions	4,100	1,970	4,100	1,970
Total long-term borrowings from financial institutions	4,539	3,169	4,485	2,850

The fair value of current borrowings equal their carrying amount, as the impact of discounting is not significant. The fair values of long-term borrowings are based on discounted cash flows using a discount rate from the borrowing market rates which are available to the Group and the Company at the statement of financial position date. The carrying amounts of short-term borrowings are shown at an approximate fair value.

Maturity of long-term borrowings (excluding finance lease liabilities):

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Between 1 and 2 years	5,769,840,090	5,383,607,699	5,716,235,650	5,065,000,000
Between 2 years and 5 years	7,022,500,000	4,770,000,000	7,022,500,000	4,770,000,000
Over 5 years	471,250,000	-	471,250,000	-
	13,263,590,090	10,153,607,699	13,209,985,650	9,835,000,000

Finance lease liabilities - minimum lease payments:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Not later than one year	2,474,131	924,000	924,000	924,000
Later than 1 year but not later than 5 years	5,773,966	3,460,440	2,536,440	3,460,440
Less Future finance charges on finance leases	(671,468)	(617,218)	(375,217)	(617,218)
Present value of finance lease liabilities	7,576,629	3,767,222	3,085,223	3,767,222

20. Trade and other payables

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade payables				
- Related parties (Note 31.3)	458,195	6,898,297	458,195	5,891,772
- Others	522,095,215	432,231,030	311,667,374	410,865,538
Total trade payables	522,553,410	439,129,327	312,125,569	416,757,310
Other payables				
- Related parties (Note 31.3)	1,986,397	7,999,225	5,657,894	7,248,187
- Others	18,139,943	65,339,784	12,687,792	65,319,994
Total other payables	20,126,340	73,339,009	18,345,686	72,568,181
Total trade and other payables	542,679,750	512,468,336	330,471,255	489,325,491

21. Deferred leasehold revenue

Deferred leasehold revenue consisted of:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
At 1 January	15,843,911	24,593,221	3,541,664	4,365,933
Less Revenue from amortised leasehold right	(6,271,350)	(8,749,310)	(533,279)	(824,269)
At 31 December	9,572,561	15,843,911	3,008,385	3,541,664
Less Current portion of deferred leasehold revenue	(5,123,525)	(6,217,350)	(533,280)	(533,280)
	4,449,036	9,572,561	2,475,105	3,008,384

22. Employee Benefit Obligations

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Statement of financial position				
Retirement benefits	149,680,993	136,625,434	145,618,962	136,625,434
Profit or loss charge included in operating profit for				
Retirement benefits	20,296,209	17,990,030	19,243,388	17,990,030
Remeasurement for				
Retirement benefits	6,991,150	-	6,991,150	-

The movement in the defined employee benefit obligation over the year is as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Beginning balance of employee benefit obligations	136,625,434	125,954,404	136,625,434	125,954,404
Current service cost and interest	20,296,209	17,990,030	19,243,388	17,990,030
Transfer out to subsidiaries	-	-	(3,009,210)	-
Remeasurements of post-employment benefit obligations	(6,991,150)	-	(6,991,150)	-
Benefit payment during the year	(249,500)	(7,319,000)	(249,500)	(7,319,000)
	149,680,993	136,625,434	145,618,962	136,625,434

The amounts recognised in the profit or loss are as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current service cost	15,931,865	14,201,365	14,951,104	14,201,365
Interest on obligation	4,364,344	3,788,665	4,292,284	3,788,665
	20,296,209	17,990,030	19,243,388	17,990,030

The principal actuarial assumptions used were as follows:

	2017	2016
Discount rate	2.90%	3.20%
Salary increment rate	7% - 9%	7% - 9%
Employee turnover rate	0% - 17%	0% - 17%
Retirement age	60 years	60 years

	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2017	2016	2017	2016	2017	2016
Discount rate	1%	1%	Decrease by 10.93%	Decrease by 11.24%	Increase by 12.98%	Increase by 13.45%
Salary growth rate	1%	1%	Increase by 12.30%	Increase by 13.67%	Decrease by 10.63%	Decrease by 11.67%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The Methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Through its defined retirement benefit plan the Group is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields	A decrease in government bond yields will increase plan liabilities.
Inflation risk	Some of the Group retirement benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation).

The weighted average duration of the defined benefit obligation is 18.6 years (2016: 21.0 years).

Expected maturity analysis of undiscounted retirement benefits:

(Unit : Baht)

	Consolidated and Separate financial statements				
	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
At 31 December 2017					
Retirement benefits	7,845,000	-	36,814,309	658,199,501	702,858,810
Total	7,845,000	-	36,814,309	658,199,501	702,858,810
At 31 December 2016					
Retirement benefits	239,800	7,264,513	19,359,945	652,108,831	678,973,089
Total	239,800	7,264,513	19,359,945	652,108,831	678,973,089

23. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group and their employees contributed to the fund monthly at the rates depending on the working life of the employees. A local financial institution is managing the provident fund and will be paid to the employees upon termination in accordance with the fund rules. For the years ended 31 December 2017, in the consolidated and Company's financial statements, the Group contributions Baht 23.19 million (2016: Baht 20.14 million).

24. Share-based payment

Share option schemes

The Company has introduced one share option which is an equity-settled scheme. The exercise ratio and price are detailed below:

	Issued date	Issued units (Million)	Exercise ratio (Unit/share)	Exercise price (Baht/unit)	Exercise period	
					Start	End
ESOP scheme (Grant 1)	21 April 2017	11.00	1 : 1.00	3.71	21 April 2017	21 April 2022

The Annual General Shareholders Meeting for the year 2017 held on 21 April 2017 has the resolutions to approve the warrants to directors and employee allocation of 40,000,000 units, under the ESOP scheme (Grant 1). Initially, the meeting approved the right to directors of the Company totalling 11,000,000 units.

Warrants issued and offered to directors and employees are in registered form and non-transferable and the terms do not exceed 5 years from the issuance date. The exercise price is at Baht 3.71 per share. The exercise ratio is one warrant to one ordinary share. The warrants can be exercised from the date of issuance with a maximum amount no greater than one-third of the total warrants, another one-third of the total warrants can be exercised after 1 year of issuance date and the remaining warrants can be exercised after 2 years of issuance date. The Group has no legal obligation to repurchase or settle the options in cash.

As at 31 December 2017, out of the 11,000,000 outstanding options were exercisable. There is no option exercised during the year 2017. The 11,000,000 outstanding options have the expiry date at 21 April 2022.

The weighted average fair value of options granted during the period determined using the binomial-lattice valuation model was Baht 0.2495, Baht 0.3455 and Baht 0.3895 per option for 21 April 2017, 2018 and 2019, respectively. The significant inputs into the model were a weighted average share price Baht 3.70 per share at the grant date, expected dividend rate 3.5% per annum, an expected weighted average option life of 2.08 years, and an annual risk-free interest rate of 1.42% - 2.13%.

The movement of share-based payment reserve for the year ended 31 December 2017 can be analysed as follows:

(Unit : Baht)

	Consolidated and separate financial statements
Opening balance	-
Expense during the year	2,210,190
Exercise of warrants	-
Closing balance	2,210,190

25. Share capital and premium on share capital

(Unit : Baht)

	Consolidated and Separate financial statements		
	Issued and paid-up share capital	Premiums on share capital	Total
As at 1 January 2016	4,179,332,012	318,564,112	4,497,896,124
Issued of shares	-	-	-
At 31 December 2016	4,179,332,012	318,564,112	4,497,896,124
Issued of shares	-	-	-
At 31 December 2017	4,179,332,012	318,564,112	4,497,896,124

The Company's registered share capital as at 31 December 2017 comprises 4,379,332,012 ordinary shares (2016: 4,200,000,000 ordinary shares) with a par value of Baht 1.00 each (2016: Baht 1.00 each). And 4,179,332,012 shares are issued and fully paid-up (2016: 4,179,332,012 shares).

According to Section 51 of the Public Limited Company Act B.E. 2535, requires company to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("premiums on ordinary share"). Premiums on ordinary share are not available for dividend distribution.

26. Legal reserve

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
At 1 January	420,000,000	420,000,000	420,000,000	420,000,000
Appropriation during the year	17,933,202	-	17,933,202	-
At 31 December	437,933,202	420,000,000	437,933,202	420,000,000

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least five percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than ten percent of the registered capital. The legal reserve is non-distributable.

27. Dividend paid

At the annual general shareholders meeting for the year 2017 held on 21 April 2017, the meeting has passed a resolution to approve the distribution of dividend from the net operating profit for the year 2016 at amount of Baht 0.19 per share, totaling of Baht 794.07 million. The dividend was paid on 19 May 2017.

At the annual general shareholders meeting for the year 2016 held on 22 April 2016, the meeting had passed a resolution to approve the distribution of dividend from the net operating profit for the year 2015 at amount of Baht 0.18 per share, totaling of Baht 752.27 million. The dividend was paid on 19 May 2016.

28. Expense by nature

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Changes in real estate development cost	3,876,940,270	3,240,708,993	2,868,207,756	2,503,551,560
Employee related expenses	895,368,318	889,369,349	852,096,032	887,664,983
Advertising expenses	500,468,314	444,521,063	469,539,414	423,118,672
Depreciation (Note 15)	110,459,041	129,707,969	110,035,211	129,645,064
Rental expenses	22,944,633	32,686,471	21,359,200	31,633,800

29. Income tax expense

Income taxes for the year ended 31 December comprise the following:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current income tax	325,525,305	470,762,979	267,067,165	438,014,909
Deferred income tax:				
- Deferred income tax assets (Note 17)	(1,051,978)	(1,643,976)	(2,646,000)	(2,344,770)
- Deferred income tax liabilities (Note 17)	4,988,449	28,233,038	28,375,150	22,495,836
	329,461,776	497,352,041	292,796,315	458,165,975

A reconciliation between current income tax expense and the product of accounting profit multiplied by the applicable tax rate is as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Profit before income tax expenses	1,585,258,657	2,465,564,600	1,446,444,353	2,330,264,135
Income tax was calculated tax rates at 20%	317,051,731	493,112,920	289,288,871	466,052,827
Effective:				
Income must not be excluded in tax calculation	-	-	-	(11,399,998)
Expenses not allowed as expenses as tax	35,221,507	30,108,695	29,170,082	25,105,641
Expenses allowed to be double deduction	(22,811,462)	(25,869,574)	(25,662,638)	(21,592,495)
Income tax expenses	329,461,776	497,352,041	292,796,315	458,165,975

The tax (charge)/credit relating to component of other comprehensive income is as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Remeasurement on employee benefit obligations	1,398,230	-	1,398,230	-

30. Earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares in issue and paid up during the year.

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Net profit attributable to ordinary shareholders of the Company (Baht)	1,258,575,671	1,968,212,559	1,153,648,038	1,872,098,160
Weighted average number of ordinary shares outstanding (Shares)	4,179,332,012	4,179,332,012	4,179,332,012	4,179,332,012
Basic earnings per share (Baht per share)	0.3011	0.4709	0.2760	0.4479

The Company has no diluted potential ordinary shares in issue during the year.

31. Related-party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

Major shareholders of the Company are Shinawatra group family. The remaining shares are widely held.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Relationship between the Company and related parties, which has transactions are as follows:

Company	Nature of relationship
SC Able Company Limited	Subsidiary
Scope Company Limited	Subsidiary
Up Country Land Company Limited	Subsidiary
V. Land Property Company Limited	Subsidiary
SC Office Park Company Limited	Ms. Pintongta Shinawatra Kunakornwong and Ms. Paetongtarn Shinawatra are major shareholders
P.T. Corporation Company Limited	Ms. Pintongta Shinawatra Kunakornwong and Ms. Paetongtarn Shinawatra are major shareholders
SC Office Plaza Company Limited	Ms. Pintongta Shinawatra Kunakornwong is a major shareholder
OAI Consultant and Management Company Limited	Khunying Potjaman Damapong is a major shareholder
Alpine Golf & Sports Club Company Limited	Khunying Potjaman Damapong, Ms. Pintongta Shinawatra Kunakornwong and Ms. Paetongtarn Shinawatra are major shareholders
OAI Leasing Company Limited	Ms. Pintongta Shinawatra Kunakornwong is a major shareholder
B.B.D. Development Company Limited	Mr. Bhanapot Damapong is a major shareholder
Voice TV Company Limited	Mr. Bhanapot Damapong and Ms. Pintongta Shinawatra Kunakornwong are major shareholders
Howcome Studio Company Limited	Belong to major shareholders' cousin
Thai-Com Foundation	Major shareholder family is a founder
Healthlink Company Limited	B.B.D. Development Co., Ltd. is a major shareholder
Chaingmai Golf and Country Club Company Limited	B.B.D. Development Co., Ltd. is a major shareholder
Alpine Garden Design Company Limited	Ms. Paetongtarn Shinawatra is a major shareholder
Rende Development Company Limited	Ms. Pintongta Shinawatra Kunakornwong is a major shareholder

Company	Nature of relationship
Praram 9 Hospital Company Limited	Khunying Potjaman Damapong is a major shareholder
Fortay (Thailand) Company Limited	OAI Consultant and Management Co., Ltd. is a major shareholder
Rende Ploenchit Hotel Company Limited	B.B.D. Development Co., Ltd. is a major shareholder
Thames Valley KhaoYai Hotel Company Limited	Ms. Pintongta Shinawatra Kunakornwong and Ms. Paetongtarn Shinawatra are major shareholders
Shinawatra University	Khunying Potjaman Damapong, Ms. Pintongta Shinawatra Kunakornwong and Ms. Paetongtarn Shinawatra are major shareholders of OAI Education Co., Ltd. which is a holder of permission certificate to set up Shinawatra University

Note: All above companies are Thai nationality

Group's policy regarding business transactions with related entities and persons comprises the following:

- Revenues from sales to related persons: parts of the revenues are included 4% discount from normal price accordance with authorised criteria by the Company's Board of Directors. Another part is sales of residential unit to high level management of the Company whom had complied with criteria and conditions as authorised by the Company's Board of Directors.
- Revenues from consulting and management services are according to the mutually-agree basis with the consideration of the actual cost incurred plus appropriate profit.
- Cost of rental and rendering of services is in accordance to the mutually-agreed which is calculate from actual cost incurred plus appropriate profit.
- Interest on loans bearing at the rate of MLR - 1.75% to MLR - 2.00% per annum (MLR is calculated using the average interest of 4 banks).

The following transactions were carried out with related parties:

31.1 Sales of goods and services

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Revenues from sales				
A subsidiary	-	-	773,000	-
Related persons	41,627,000	28,832,381	41,627,000	28,832,381
	41,627,000	28,832,381	42,400,000	28,832,381

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Revenues from rental and rendering of services				
A subsidiary	-	-	-	1,591,908
Related parties	11,857,934	11,729,316	11,857,934	11,729,316
	11,857,934	11,729,316	11,857,934	13,321,224
Revenues from consulting and management services				
Subsidiaries	-	-	49,272,000	47,700,000
Interest income				
Subsidiaries	-	-	33,253,899	5,598,491
Other income				
Related parties	-	60,930	-	28,220
Dividend income				
A subsidiary	-	-	-	56,999,992

31.2 Purchases of goods and services

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cost of rental and rendering of services				
Related parties	41,235,135	33,492,513	38,355,135	26,006,913
A Related person	72,000	72,000	-	-
	41,307,135	33,564,513	38,355,135	26,006,913
Selling and administrative expenses				
Subsidiaries	-	-	24,627,727	-
Related parties	26,114,354	16,893,471	26,105,709	16,893,471
	26,114,354	16,893,471	50,733,436	16,893,471
Purchasing of land				
A subsidiary	-	-	27,789,349	-
A related party	-	144,775,400	-	144,775,000
	-	144,775,400	27,789,349	144,775,000
Cost of land				
A subsidiary	-	-	773,000	-

31.3 Outstanding balances arising from sales/purchases of goods and services

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade receivables				
Subsidiaries	-	-	-	7,769
A related party	1,284,000	737,660	1,284,400	702,660
Related persons				
- Current portion	26,152,767	20,702,556	26,152,767	20,737,556
- Long-term portion	27,189,180	59,596,947	27,189,180	59,596,947
	54,625,947	81,037,163	54,625,947	81,044,932
Accrued income				
Related parties	98,676	92,088	98,676	92,088
Accrued interest income				
Subsidiaries	-	-	2,965,409	79,812
Trade payable and other payables				
Subsidiaries	-	-	3,671,497	-
Related parties	2,444,592	14,897,522	2,444,592	13,139,959
	2,444,592	14,897,522	6,116,089	13,139,959
Advance received from customers				
Related persons	18,860,910	6,858,000	18,860,910	6,858,000
Deposit for rental and service				
Related parties	1,558,720	1,567,720	1,558,720	1,567,720

31.4 Loans to a related party

(Unit : Baht)

	Separate financial statements	
	2017	2016
Short-term loans to subsidiaries	1,123,139,512	306,000,000
Long-term loans to a subsidiary	545,000,000	-
	1,668,139,512	306,000,000

The movement of short-term loans to subsidiaries for the year ended 31 December 2017 is as follow:

(Unit : Baht)

	Separate financial statements
Opening book amount	306,000,000
Additions loans during the year	847,139,512
Repayment received during the year	(30,000,000)
Closing book amount	1,123,139,512

Short-term loans to a subsidiary is for purchasing land and developing the real estate for sale with total credit facility of Baht 2,247 million. These loans are due for repayment at call. The loan bears interest rate at the rate of MLR-1.75 per annum.

The movement of long-term loans to a subsidiary for the year ended 31 December 2017 is as follow:

(Unit : Baht)

	Separate financial statements
Opening book amount	-
Additions loans during the year	645,000,000
Repayment received during the year	(100,000,000)
Closing book amount	545,000,000

Long-term loans to a subsidiary is for purchasing land and developing the real estate for sale with total credit facility of Baht 2,000 million. These loans are due for repayment within 4 years. The loan bears interest rate at the rate of MLR - 2.00 per annum.

31.5 Loans to a related persons

The movement of loans to a related persons for the year ended 31 December 2017 is as follow:

(Unit : Baht)

	Consolidated and separate financial statements
Opening book amount	147,000,000
Issuance of debenture	192,000,000
Transfer-out	(1,000,000)
Closing book amount	338,000,000

31.6 Directors and key management compensation

Key management includes directors (executive and non-executive), members of the Executive Committee, the Company Secretary and the Head of Internal Audit. The compensation paid or payable to key management for employee services is shown below:

(Unit : Baht)

	Consolidated and separate financial statements	
	2017	2016
Short-term employee benefits	66,544,670	95,349,480
Retirement benefits	2,599,144	1,318,000
Director compensation	8,675,000	8,866,000
	77,818,814	105,533,480

31.7 Key contract

The Company has entered into a land lease agreement with a related company under "Reciprocal land lease contract" dated 26 June 2014. The contract has period of 32 years 6 months, all rental fees in contract period total amount is Baht 318.56 million. Furthermore, the company must investment to build the office building with a total investment estimated amount of Baht 851.52 million and agree to transfer ownership of this office buildings to the lessor on the expiry of the leasing period without any compensation payment.

32 Commitments and contingencies

Commitments

Obligations from credit facilities obtained from the financial institutions

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Letter of guarantee (Utilized)	1,914,877,372	1,315,763,372	1,638,204,053	1,172,093,053

The above credit facilities are secured by land together with construction of real estate projects as mentioned in the Notes 10 to financial statements and land together with the construction of Shinawatra Tower 1, 2 and 3 as mentioned in the Notes 14 and 15 to the financial statements.

Operating lease commitments

The Group has obligation in relation to operating lease on the part of lessee who will be obligated to pay leasing fee in fortune for the following periods:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Not later than 1 year	16,611,300	16,585,709	6,600,000	6,600,000
Later than 1 year but not later than 5 years	53,331,403	59,332,003	36,135,000	34,980,000
Later than 5 years	290,285,634	300,016,673	267,326,168	273,981,007
Total	360,228,337	375,934,385	310,061,168	315,561,007

The Company has entered into the long-term land rental agreement with a company to build a retail trade center. The rental agreement is for the period of 15 years, commencing from 23 August 2008 with the following rental fees:

1 st - 3 rd year	(from 23 August 2008-22 August 2011) rental fee of Baht 75,000.00 per month
4 th - 6 th year	(from 23 August 2011-22 August 2014) rental fee of Baht 78,750.00 per month
7 th - 9 th year	(from 23 August 2014-22 August 2017) rental fee of Baht 82,687.50 per month
10 th - 12 th year	(from 23 August 2017-22 August 2020) rental fee of Baht 86,821.88 per month
13 th - 15 th year	(from 23 August 2020-22 August 2023) rental fee of Baht 91,162.98 per month

Capital commitments

As at 31 December 2017, the Group has capital commitments as follows:

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Capital expenditure in land for project development	3,273,915,102	1,447,102,568	960,490,471	1,447,102,568
Capital expenditure in property, plant and equipment and leasehold rights	317,719	96,728,088	317,719	96,728,088

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