

SPL.020/2013

28 February 2013

Subject Invitation to attend the 2013 Annual General Meeting of Shareholders  
To Shareholders of Supalai Public Company Limited  
Enclosures

1. Copy Minutes of the 2012 Annual General Meeting of Shareholders
2. The Annual Report for the year 2012
3. Biographies of directors to be elected
4. The Article of Association regarding the shareholder's meeting
5. Certification and document to be presented prior to meeting, Proxy and vote
6. The detail of independent directors to be the proxy
7. 3 alternate Proxy forms set up by Department of Business Development
8. Location map of the Company address

Whereas the Board of Directors of Supalai Public Company Limited passed a resolution to summon the 2013 Annual General Meeting of Shareholders on Monday, 22 April 2013 at 2:30 p.m. at Supalai Grand Tower, at Auditorium Room, 33<sup>rd</sup> Floor, 1011, Rama III Road, Chong Nonsee Subdistrict, Yannawa District, Bangkok, 10120 Tel.0-2725-8888 to consider the matters as below:-

**Agenda 1** To certify the Minutes of the 2012 Annual General Meeting of Shareholders on April 27, 2012.

**Rationale & Background:** The Company convened the Annual General Meeting of the year 2012 on April 27, 2012 to consider issues as required by laws. The minutes of such meeting sent to the Stock Exchange of Thailand within the period of time set by law and also available on the Company's web site ([www.supalai.com](http://www.supalai.com)) as per details in Enclosure # 1.

**Opinion of the Board :** Proposed to certify by the meeting as the minutes was correctly recorded and has been publicized together with this invitation letter at the company website ([www.supalai.com](http://www.supalai.com)) since 28 February 2013 details as attached in Enclosure #1.

**Agenda 2** To acknowledge the Board's report on the company's last year performance and approve Statements of financial position and income statements for the year ended December 31, 2012.

**Rationale & Background:** The Company's operating performance of the year 2012 can be found in the Annual Report which was attached together with this invitation as per details in Enclosure # 2. The Company's Statements of financial position and Income Statements for the year ended December 31, 2012 was reviewed by the Company's Audit Committee and also audited by the Company's auditor. Based on the auditor's opinion, the consolidated

financial statements of the Company and its subsidiary were presented fairly in all material respects and in accordance with generally accepted auditing standards. The details of which are attached herewith in the Company's Annual Report for "Financial Statements"

#### Consolidated Statements of Financial Position and Income Statements

Unit : Million baht

	2012	2011	Increase/ (Decrease)
Total Assets	23,653	20,495	3,158
Total Liabilities	10,766	9,362	1,404
Total Equities	12,465	10,750	1,715
Revenue from sales of real estate	11,260	12,466	(1,206)
Total Revenues	11,649	12,809	(1,160)
Net Profit	2,744	2,568	176
Basic earning per share (Baht/share)	1.60	1.50	0.10

#### Company' s Statements of Financial Position and Income Statements

Unit : Million baht

	2012	2011	Increase/ (Decrease)
Total Assets	22,572	19,727	2,845
Total Liabilities	10,457	9,178	1,279
Total Equities	12,115	10,549	1,566
Revenue from sales of real estate	10,493	11,422	(929)
Total Revenues	10,696	11,677	(981)
Net Profit	2,595	2,511	84
Basic earning per share (Baht/share)	1.51	1.46	0.05

**Opinion of the Board :** Proposed for the meeting to approve the Statements of financial position and income statement for the year ended December 31, 2012 which was audited and certified by the external auditor Ernst & Young Company Limited also was reviewed and accepted by Audit Committee.

**Agenda 3** To consider the allocation of profit for the Year 2012 for distribution of dividend to shareholders at 0.65 baht per share.

**Rationale & Background:** It is the policy of the Company that SPALI will pay dividend to shareholders approximately 45 percent of net income after tax. According to the Public Company Act B.E. 2535 and the Company's Articles of Association Clause 36, SPALI Board of Directors may resolve to pay the interim dividend to shareholders in case the Company has adequate profits and subsequently inform the shareholders at the next shareholders' meeting.

This year 2012, SPALI recorded a net income of 2,595 million Baht. The Company's Board of Directors considers to propose to shareholders' meeting to pay dividend from the operating performance of 2012 to shareholders at 0.65 baht/share or 43% of net profit amounting to 1,115.76 million baht. However, the board of director's 8/2012 resolution

on 14 August 2012, had resolved to approve interim dividend payment 0.30 baht/share, the Company still has to pay the dividend for the second-half-year operations of 2012 at the rate of 0.35 Baht per share.

The dividend will pay to shareholder whose name was shown on the record date of 13 March 2013 and the closing date is 14 March 2013. The dividend payment date is 7 May 2013.

**The dividend payment record**

Details of Dividend Payment	2012 (proposed)	2011 (previous year)
1. Net Profit (Baht)	2,594,808,775	2,511,229,218
2. Earning per share (Baht)	1.51	1.46
3. No. of shares after net off treasury shares	1,716,553,249	1,716,553,249
4. Dividend per share (Baht : share)	0.65	0.65
4.1 Interim Dividend	0.30	0.35
4.2 Dividend for the second-half- year	0.35	0.30
5. Total dividend payment (Baht)	1,115,759,611	1,115,759,611
6. Payout ratio (%)	43%	44 %

**Opinion of the Board :** The Meeting should acknowledge the interim dividend payment and approve the dividend payment from the net income for the second-half-year operations of 2012 at the rate of 0.35 Baht per share as proposed. The total dividend of 2012 will be 0.65 Baht per share including the interim dividend for the first-half-year operations of 2012 at the rate of 0.30 Baht per share. The dividend will be payable on 7 May 2013 to those shareholders who are entitled to receive the dividend as listed on the Record Date on 13 March 2013 and the closing date is 14 March 2013.

**Agenda 4** To consider to elect directors in replacement of those who are retired by rotation.

Directors who retired by rotation are

1. Mr.Prasob Snongjati
2. Assist. Prof. Aswin Bijayayodhin
3. Mr.Atip Bijanonda

The biographies of the 3 directors were attached as Enclosure # 3

**Rationale & Background:** According to Article 14 of the Company's Articles of Association, on each Annual General Meeting of shareholders, one-third (nearest to one-third) of the directors who served the Company longest must be retired by rotation; however, the retired directors may be re-elected. In this year, the name lists of the three directors who retired by rotation are as follows:

1. Mr.Prasob Snongjati Independent Director
2. Assist. Prof. Aswin Bijayayodhin Independent Director
3. Mr.Atip Bijanonda Director

For nominating the directors, the Company made an announcement to invite the minor shareholders to propose the names the qualified candidates for the positions of the directors via the Stock Exchange of Thailand's media channel and also on the Company's web site (www.supalai.com) from October 1, 2012 – January 9, 2013. The consequence

is none of shareholders propose the name of candidates to the Company. In selecting and nominating the candidates, the Nomination and Remuneration Committee considered the candidates qualified with competence, experience, good working records, leadership, vision, virtue, ethics, good attitude to the Company and ability to sufficiently devote their time to the Company's operation benefit. Additionally, the Nomination and Remuneration Committee took into account the candidate's qualifications which are in line with the Board of Directors component and structure of the Company's Business Strategy. The Nomination and Remuneration Committee excluding Directors who might have conflict of interests agreed to propose Mr.Prasob Snongjati , Assist. Prof. Aswin Bijayayodhin and Mr.Atip Bijanonda to be re-elected as Directors who retired by rotation. (Biographies of the three nominees are attached herewith in Enclosure # 3)

**Biographies of the three nominees to be re-elected**

Detail of conflict of interest	1. Mr.Prasob Snongjati Proposed to be independent director
% Shareholding (not exceed 1 % of total shares)	
- No. of shares	380,533
- % Shareholding (as at 31 December 2012)	0.02 %
Benefit and interest with company/ subsidiaries/ affiliated companies/ associated companies, or juristic person (S) that might post conflict(S) at present or in the past 2 years are as followed:	
1. Being/ Not being a director who takes part in the management of the company, affiliated company, associated company, related company or advisor who receives a regular salary	- Not being a director who takes part in the management of the company, affiliated company, associated company, related company or advisor who receives a regular salary
2. Being or not being professional service providers (e.g., auditors, legal advisor)	- not being professional service providers (e.g., auditors, legal advisor)
3. Have/ not having business relationship	- not having business relationship
No. of Participation in 2012 / Total Meeting	10/12

Detail of conflict of interest	2. Assist. Prof. Aswin Bijayayodhin Proposed to be independent director
% Shareholding (not exceed 1 % of total shares) - No. of shares (as at 31 December 2012) - % Shareholding	- -
Benefit and interest with company/ subsidiaries/ affiliated companies/ associated companies, or juristic person (S) that might post conflict(S) at present or in the past 2 years are as followed:  3. Being/ Not being a director who takes part in the management of the company, affiliated company, associated company, related company or advisor who receives a regular salary  4. Being or not being professional service providers (e.g., auditors, legal advisor)  3. Have/ not having business relationship	- Not being a director who takes part in the management of the company, affiliated company, associated company, related company or advisor who receives a regular salary  - not being professional service providers (e.g., auditors, legal advisor)  - not having business relationship
No. of Participation in 2012 / Total Meeting	12/12

3. Mr.Atip Bijanonda Proposed to be authorized director	
No. of shares (as at 31 December 2012)	5,334,140
% of total shares	0.31 %
Listed Company - No. of companies - Type of director	1 Authorized Director
Other companies (non listed companies)	- Director and Member of Executive Board , Board of Trade of Thailand - Chairman of Trade Associations Group of Construction and Real Estate Business, Board of Trade of Thailand - Honorary President of Thai Condominium Association - Advisor to Housing Business Association
Position in competitors / related to company's business	-
No. of Participation in 2012 / Total Meeting	12/12

Supalai Public Company Limited or SPALI has defined "Independent Directors", to comply with the regulation of the Securities and Exchange Commission and the Stock Exchange of Thailand , Mr.Prasob Snongjati and Assist. Prof. Aswin Bijayayodhin have qualifications as SPALI defined as follows:

1. Not holding more than 0.5 percent of paid-up capital of SPALI, subsidiaries, affiliated companies or associated companies, including shares held by related person(s) such as spouse, immature children.
2. Not taking part in the management of SPALI, subsidiaries, affiliated companies or associated companies as well as not being an employee, advisor or staff member receiving regular salary from SPALI, subsidiaries, affiliated companies or associated companies.
3. Must be person who has already left the mentioned position in (2) more than 2 years.
4. Not having benefit or interest, whether direct or indirect, both in the finance and management in SPALI, subsidiaries, affiliated companies, including not being a director who has no benefit or interest of the said nature during the period of 2 years before his appointment as a member of the Audit Committee except where the Board of Directors has carefully considered that such previous benefit or interest does not affect the performance of duties and the giving of independent opinions.
5. Not being related person(s) or close relative of management (s) or director (s) of SPALI.
6. Must disclose relationship that may affect their independence according to conflict of interest in the Good Corporate Governance of Supalai Public Company Limited.

**Opinion of the Board :** All directors except the related ones had considered thoroughly the qualification in accordance with the good corporate governance practice. It was concluded that the 3 retired directors should be re-elected as they are academic sound, specialized in various fields, with vision and leadership, ethical, transparent, independent and had done a superb job in the past while in the post.

**Agenda 5** To consider 2013 allowance and remuneration for directors and advisors to the boards, Audit Committee, Nomination and Remuneration Committee and other committees appointed by the board of director.(if any)

**Rationale & Background:** Section 90 of the Public Limited Company Act indicated that “the remuneration payment for directors requires approval from the shareholders and the resolution shall be supported by a vote of not less than two-third of the total number of shareholders present at the meeting and entitled to vote” The Nomination and Remuneration Committee reviewed the remuneration for the Company’s Directors in 2013, took into account the remuneration’s appropriateness which is compatible with roles and responsibilities and compared with other operators in both the similar industry and size as stated in Survey on Remuneration of the Listed Companies’ Directors. In terms including business expansion of the Company. The Board opined to propose to the shareholders to approve remuneration and special remuneration of directors and meeting allowance of sub committees are same rate as year 2012 as considered by the Nomination and Remuneration Committee as follow :

Detail of allowance and remuneration	2013 (proposed)	2012
<b>Remuneration for Director</b>		
1. Remuneration/month	Chairman ,Director and Advisor to the Board 20,000 baht/person/month	Chairman , Director and Advisor to the Board 20,000 baht/person/month
2. Special Remuneration/year	Chairman , Director and Advisor to the Board 500,000 baht/person/year	Chairman , Director and Advisor to the Board 500,000 baht/person/year

Remuneration for Audit Committee
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1. Remuneration/month - Chairman - Director	25,000 baht/person/month 20,000 baht/person/month	25,000 baht/person/month 20,000 baht/person/month
Remuneration for sub committee : Nomination and Remuneration Committee , Corporate Governance Committee , Risk Management Committee and other committee set up by the Board.		
1. Meeting allowance (not include Executive Director) - Chairman - Director	25,000 baht/person/meeting 20,000 baht/person/meeting	20,000 baht/person/meeting 20,000 baht/person/meeting

**Opinion of the Board :** The Board reviewed the remuneration for the Company's Directors took into account the remuneration's appropriateness which is compatible with roles and responsibilities and compared with other operators in both the similar industry and including business expansion of the Company. The Board opined to propose to the shareholders to approve remuneration and special remuneration of directors and meeting allowance of sub committees are the rate as considered by the Nomination and Remuneration Committee.

**Agenda 6** To consider the appointment of Auditor and Auditing Fee for the Year 2013.

**Rationale & Background:** In section 120 of the Public Limited Company Act indicated that "In every Annual General Meeting, the shareholders have to appoint and determinate the remuneration for auditor (s) and auditor (s) of preceding year can be re-elected." With regard to principles of Good Corporate Governance, the Company formulated policy on auditor rotation which has been stipulated for every 5 years so as to enhance stability of the internal control as well as independence of the auditor in auditing the Company's financial statements.

Currently, the Company's Auditor is Mr. Supachai Phanyawattano a certified Public Accountant of Thailand no. 3930 from Ernst and Young Office Limited. He has worked excellently as the Company's Auditor for Year 2012. For Year 2013 the Audit Committee considered to elect Ernst and Young Office Limited to be the auditing firm and recommends the Meeting to approve the appointment of the auditors and auditor fees as follows:

1. Mr. Termphong Opanaphan CPA. License No.4501

(Has not signed the company's financial reports)

Experience and Competence : He is an accounting graduate of Kasetsart University, and has a master's degree in accounting and finance from Chulalongkorn University who is a Certified Public Accountant (Thailand). Over 20 years' experience of auditing, with a varied portfolio of both Thai and multinational clients, including comprehensive exposure in the manufacturing and trading sectors, and experience with SET listed companies. In addition, he has audit management experience and due diligence exercises.

or

2. Mrs.Chonlaros Suntiasvaraporn CPA. License No.4523

(Has not signed the company's financial reports)

Experience and Competence : She has a bachelor degree in Accounting from Chulalongkorn University. Over 20 years' experience of auditing in the trading,

manufacturing, construction, and service industries. In addition, she is an auditor of SET-listed and multi-national companies.

or

3. Mr.Supachai Phanyawattano CPA. License No.3930

(Has signed the company's financial reports for the year 2009 - 2012)

Experience and Competence : He is an accounting graduate of Kasetsart University, and has a master's degree in management from Sasin Business School of Culalongkorn University who is a Certified Public Accountant (Thailand). Over 27 years' experience of auditing, with a varied portfolio of both Thai and multinational clients, including comprehensive exposure in the manufacturing, real estate and construction, trading and service sectors, and trading sectors, and experience with SET listed companies. In addition, he has experiences in due diligence exercises, and management consultancy work, tax audits and information system reviews. He has been a guest speaker for the Federation of Accounting Professions and universities.

He is auditor of the Company year 2013 with the auditing fee of Baht 1,970,000 increase 2 % from previous year.

Proposed auditors must not have benefit or interest from the company, affiliated company, associated company, related company or majority shareholder of the company; which enable auditors to independently audit and provide opinion on financial reports of the company.

The auditor of SPALI and its subsidiaries is the same person. In 2012, Mr. Supachai Phanyawattano is the auditor to 4 subsidiaries i.e. Supalai Property Management Company Limited, Supalai Northeast Company Limited, Phuket Estate Company Limited, and Haadyai Nakarin Company Limited.

The board of directors proposed by the Audit Committee agreed that setting annual audit fees for year 2013 proposed at shareholder's meeting, totaling 1,970,000 Baht. Auditing office has increased the audit fees of subsidiaries from 1,200,000 baht are 1,230,000 baht. Charges for other (non audit fee), the company and its subsidiaries have not hired other persons which/whom the auditor is employed, or other business related to the auditor and audit firm in the past accounting period.

Auditing Fee	2013 (proposed)	2012
Auditing fee of SPALI	1,970,000 baht	1,930,000 baht
Auditing fee of subsidiaries	1,230,000 baht	1,200,000 baht
Other Service	-	-

**Opinion of the Board :** The Board of directors agreed with Audit Committee to elect Ernst and Young Office Limited to be the auditing firm and recommends the Meeting to approve the appointment of the auditors and auditor fees as follows:

1. Mr.Termphong Opanaphan CPA. License No.4501 or



2. Mrs.Chonlaros Suntasvaraporn CPA. License No.4523 or
3. Mr.Supachai Phanyawattano CPA. License No.3930

and propose auditing fee of year 2013 is 1,970,000 baht , increase 2% from the previous year .

**Agenda 7** To consider other matters (if any)

The Company would like to invite you to attend the 2013 Annual Ordinary Meeting of Shareholder on Monday, 22 April, 2013 at Supalai Grand Tower 1011 Rama 3 Chongnonsee District ,Yannawa ,Bangkok 10120 and the registration will start at 12:30 p.m., onward. The company will fix shareholder list for the right to attend the 2013 shareholders' meeting on March 13, 2013, and on March 14, 2013, the company will close the shareholders' registration book to collect names as described in the article 225 of The Securities and Exchange Act.

Should you be unable to attend the Meeting in person, you may appoint anyone of audit committee who are independent directors by using one of three proxy form attached as Enclosure # 7 as follow:

1. Mr.Prakit Pradipasen, 70 years  
58/1 Soi Indramara 40, Sutthisarn Road, Din-Dang, Huay-Kwang, Bangkok 10320
2. Mr.Anant Gatepithaya, 61 years  
426 Soi Pronguthit 1 ,Pracharajbumpen Road, Samsaen-Nok, Huaykwang, Bangkok 10310
3. Assist. Prof. Aswin Bijayayodhin, 72 years  
1 Soi Vibhavadi 16/31 Din-Dang , Bangkok 10400

As your proxy to attend and vote at the meeting on your behalf. Please fill in and sign only one proxy form you deem appropriate and return to the company within Friday, 12 April, 2013. Furthermore, the company will provide stamp for proxy form on the Meeting day.

Sincerely yours,



(Mr.Prateep Tangmatitham)

Chairman of the Board of Directors