



**ANNUAL REPORT 2015**  
I.C.C. International Public Company Limited



Long Live The Queen

## A Tribute to Her Majesty the Queen

A tribute to Her Majesty the Queen,  
In honour of her bounty,  
In praise of her magnanimity,  
In homage to her high-mindedness.

Her benevolence has been manifested inexpressibly.  
Social welfare has been effected without fanfare  
Bringing happiness to the people.  
Royal largesse has taken shape in her charity.

Her exalted glory extends throughout the land.  
The people nationwide are full of joy  
At her in her role as consort to the greatest of kings  
Who has tended to those in need in the remotest of corners.

Her support for art and crafts is beyond parallel  
In weaving, embroidery and sculpture  
For better rural living and happiness,  
Giving life to the nation's cultural identity.

Silk, exquisitely beautiful,  
Is promoted in splendid designs  
Through her insight into craftsmanship  
And her alluring resplendence.

May the Triple Gem bestow blessings upon her  
For her renowned altruistic work  
In partnership with His Majesty the King.  
Their honour deserves the deepest homage.

Khunying Kulasap Ketmaenkit as the composer  
on behalf of the I.C.C. International Public Company Limited  
Translated by Nopamat Veohong

## Message from the Chairman

2015 was the second year in which Thailand was ruled by the Administration appointed by the National Council for Peace and Order under the leadership of Gen Prayut Chan-o-cha as Prime Minister. In taking stock of the general state of the economy in 2015, it was evident that the economic recession of 2014 had not yet shown any significant signs of improvement in 2015 despite the Government's efforts in implementing a number of economic stimulus measures. One of the key reasons for this was the economic downturn in many economies in the global community.

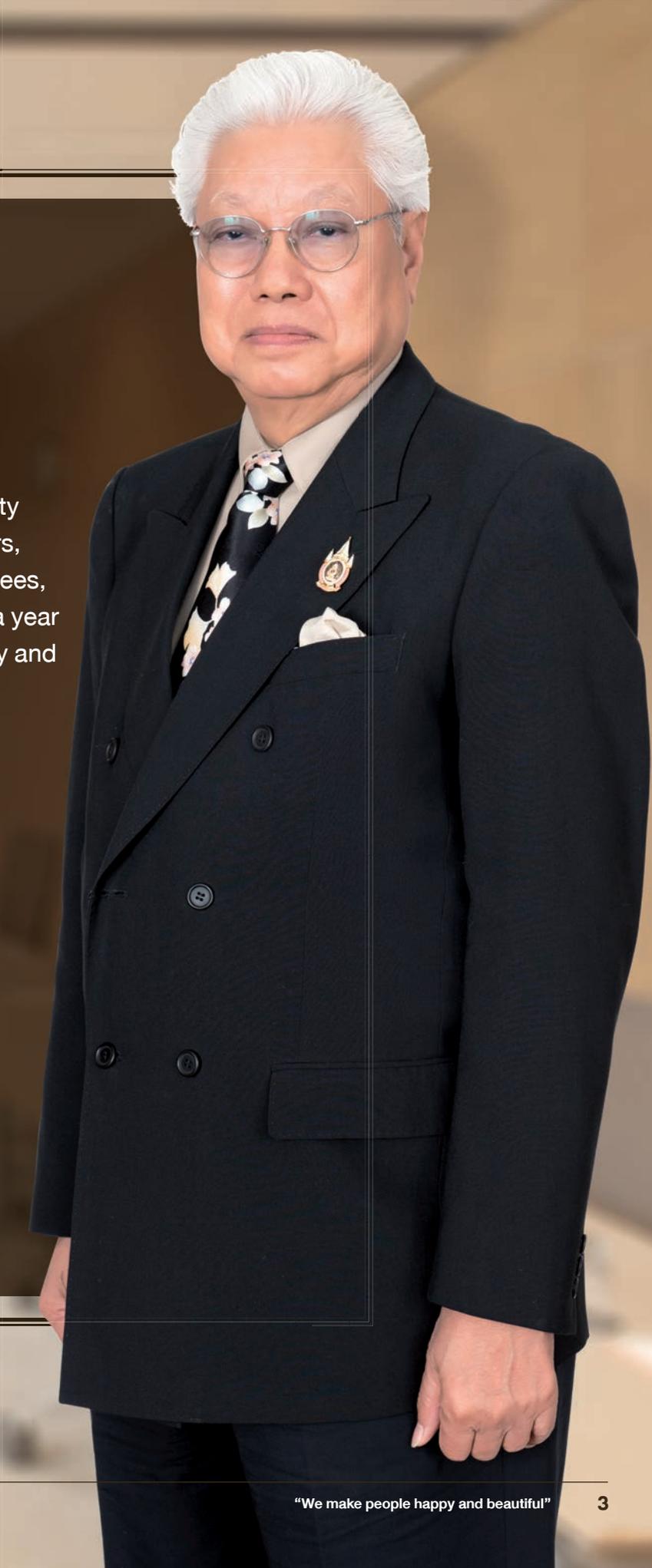
This economic contraction has inevitably impacted I.C.C.'s business performance. The recession has caused a decline in overall purchasing power. Competition amongst companies have become increasingly fierce, both to gain and maintain their share of the market. It is thus vital in the current economic landscape to shift greater emphasis toward strategic planning and implementation in order to identify ways and means to seize opportunities in crisis so that the company's business can move forward and prosper, even while confronted with obstacles.

I have closely followed the work of the Board of Directors and executives of the Company, and noted their attention and great efforts not to allow the state of the economy to obstruct the operation of the Company. Their perseverance and dedication is reflected in the corporate profit before taxes of 777.60 million Baht in 2015, an increase of 11.6 percent over the previous year which translates into a return on investment of 8.78 percent. This clearly shows that I.C.C.'s business operation has a higher return than investing in debt securities or depositing money with commercial banks. I would like to express my appreciation to the Board of Directors, executives and all the employees who have devoted their energy towards strengthening our business operations and achieving sustainable growth.

I would like to take this opportunity to wish our shareowners, directors, executives as well as all our employees, all the very best for 2016. May it be a year of good health, happiness, prosperity and lasting success for all.



Som Chatusripitak Ph.D.  
Chairman



“

I would like to take this opportunity to wish our shareowners, directors, executives as well as all our employees, all the very best for 2016. May it be a year of good health, happiness, prosperity and lasting success for all.

”

**Som Chatusripitak Ph.D.**  
Chairman



**Boonsithi Chokwatana**  
Vice Chairman



**Boonkiet Chokwatana**  
Executive Chairman



**Thiraphong Vikitset Ph.D.**  
Independent Director and  
Audit Committee Chairman



**Thamarat Chokwatana**  
President and Vice Executive Chairman



**Amorn Asvanunt**  
Independent Director and  
Audit Committee Member



**Nophorn Bhongsvej**  
Independent Director and  
Audit Committee Member



**Duangphorn Sucharittanuwat**  
Independent Director and  
Audit Committee Member



**Vira Ua-Arak**  
Director



**Manu Leelanuwatana**  
Director



**Somphol Chaisiroj**  
Director

**Boonsithi Chokwatana**

Advisor to the Executive Board of Directors



**Boonkiet Chokwatana**

Executive Chairman



**Thamarat Chokwatana**

President and Vice Executive Chairman



**Somphol Chaisiroj**

Director and Vice President Division W



**Somkid Chakawannorasing**

Vice President Division J



**Pennapha Dhanasarnsilp, D.B.A**

Vice President Division V



**Nuttaphat Petcharatanaporn**

Vice President Accounting  
and Finance Division



**Munchusa Terapongpipat**

Vice President Company  
Administration Division



**Ramida Russell Manesatien**

Vice President Division B



**Kityaporn Chaithavornsathien**

Vice President Division D



**Chailert Manoonpol**

Vice President Division S



**Surat Wongrattanapassorn, Ph.D.**

Vice President Information Technology Division



**Nonglaks Techaboonanek**

Vice President Division M, O



**Bussabong Mingkwanyeon**

Vice President Division H

## Samrerng Manoonpol

Advisor

### Experience

1. Chairman of Thai Hoover Industry Co.,Ltd.
2. Director of Saha Pathana Inter-Holding Plc.
3. Member of the Advisory Committee of Saha Pathanapibul Plc.



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## Profiles of Directors, Executives and Regulators

Name/Position/Appointment Date	Age (Year) **	Education	Training Background	*Proportion of shareowning at 31 Dec 2015 ***(%)
*1. Som Chatusripitak Chairman and Independent Director 21 November 1997	76	Ph.D. (Finance), MBA, The State University of New York, U.S.A.	DAP, DCP	-None-
*2. Boonsithi Chokwatana Vice Chairman and Advisor to the Executive Board of Directors Year 1991	79	Honorary Doctorate Degrees in: - Business Administration: 1. Burapha University 2. Thammasat University 3. The National Institute of Development Administration 4. University of the Thai Chamber of Commerce - Engineering: Khon Kaen University - Laws: Waseda University, Japan - Science (Textiles and Garments): Rajamangala University of Technology Krungthep	DAP, DCP	2.26
*3. Boonkiet Chokwatana Executive Chairman Year 1973	69	- Honorary Doctorate Degree in Business Administration (Management) from Sripratum University - Honorary Doctorate Degree in Business Administration College of Commerce from Burapha University - Honorary Doctorate Degree in Business Administration from Naresuan University - B.S. Mechanical Engineering, Worcester Polytechnic Institute, Massachusetts, U.S.A.	DAP, DCP	1.44

Notes: \* Director binding to the company as in the Company's Certificate

\*\* 31 March 2016 (calendar year)

\*\*\* Including shares held by the spouse and minor children



## Profiles of Directors, Executives and Regulators (Cont.)

Name/Position/Appointment Date	Age (Year) **	Education	Training Background	*Proportion of shareowning at 31 Dec 2015 ***(%)
4. Thiraphong Vikitset Ph.D. Independent Director and Audit Committee Chairman 26 April 1999	70	Ph.D. (Economics), West Virginia University, U.S.A.	DAP, DCP, ACP, FND, QFR	-None-
*5. Thamarat Chokwatana President Vice Executive Chairman Vice President Division G, X 24 March 1999	47	B.A., Bachelor of Arts, Assumption University	DAP, DCP	0.13
6. Amorn Asvanunt Independent Director and Audit Committee Member 26 May 1999	68	- MBA Bowling Green State University, U.S.A. - Bachelor of Accountancy, Chulalongkorn University	DAP	-None-
7. Nophorn Bhongsvej Independent Director and Audit Committee Member 27 April 2015	69	- MBA (Economics), Oregon State University, U.S.A. - Bachelor of Economics, University of Oregon, U.S.A.	DAP, DCP, ACP, RCP	-None-

Relationship of Directors and Executives	No. of companies engaged as director		Work experience in the past 5 years	
	Listed Company	Non-Listed Company	Period	Major Experience
-None-	-None-	1	Present	- Professor of School of Development Economics, National Institute of Development Administration (NIDA) - Member of Energy Conservation Fund Evaluation Subcommittee - Director of Better Way (Thailand) Co., Ltd. Administration of National Institute of Development Administration (NIDA)
			2001-2002	- Director of NIDA Council
			1995-1997	- Member of Academic Council
			1986-1991	- Vice President for Academic Affairs
			1985-1986	- Dean of School of Development Economics
			1984-1985	- Associate Dean of School of Development Economics
				<b>Other notable experiences</b>
			1986-1991	- Member of Subcommittee on Energy Policy Formulation
			1991	- Member of Subcommittee on Energy Planning for the 7 <sup>th</sup> Economic and Social Development Plan
- Son of Boonsithi Chokwatana	1	36	2001-Present	- Director of Thai Wacoal Plc. - Director of Wacoal (Kabinburi) Co., Ltd.
- Nephew of Boonkiet Chokwatana			2002-Present	- Director of Wacoal (Lumphun) Co., Ltd. - Director of Pattaya Kabinburi Co., Ltd.
			2005-Present	- Director of Can Co., Ltd. - Director of Intersouth Co., Ltd.
			2006-Present	- Director of Intanin Chiangmai Co., Ltd.
			2015-Present	- Director of Sun and San Co., Ltd. - Director of Korat Wattana Co., Ltd.
-None-	5	1	Present	- Audit Committee Chairman of People's Garment Plc. - Audit Committee of Far East DDB Plc. - Audit Committee of Sahacogen (Chonburi) Plc. - Director of Risk Management Committee & Chairman of Nomination and Remuneration Committee of Krungthep Sophon Plc. - Independent Director of MFC Asset Management Plc. - Director of BNH Medical Center Co., Ltd.
			Past	Senior Executive in Banking, Real Estate, Hotel and Construction
-None-	2	-None-	Present	- Audit Committee Chairman of Saha Pathana Inter-Holding Plc. - Audit Committee Chairman and Remuneration & Nomination Committee of Sahacogen (Chonburi) Plc.

## Profiles of Directors, Executives and Regulators (Cont.)

Name/Position/Appointment Date	Age (Year) **	Education	Training Background	*Proportion of shareowning at 31 Dec 2015 ***(%)
8. Duangphorn Sucharittanuwat Independent Director and Audit Committee Member 25 April 2011	64	- Master of Business Administration (MBA), Thammasat University - Bachelor of Accountancy (Accounting), Chulalongkorn University, Second Class Honor - Certified Public Account (CPA) No. 5228	DCP, RCP, ACP, CMA8, ASMP2, TPL1, TEPCOT3, DCPU2	-None-
*9. Vira Ua-Arak Director 26 April 2004	74	- Bachelor of Law, Thammasat University - Barrister-at-law	DAP, DCP	0.211
*10. Manu Leelanuwatana Director 26 April 2004	71	Bachelor of Mechanical Engineering, Chiba University, Japan	DAP, DCP	0.004
*11. Somphol Chaisiroj Director and Vice President Division W 29 September 2009	59	Master of Arts, Ohio University, U.S.A.	DAP, DCP	0.022
12. Somkid Chakawannorasing Vice President Division J Year 1996	66	Bachelor of Communication Arts, Sukhothai Thammathirat University	DAP, DCP	0.034
13. Pennapha Dhanasarnsilp, D.B.A. Vice President Division V Year 2003	62	Doctorate of Business Administration, Nova Southeastern University, U.S.A.	DAP, DCP	0.006
14. Nuttaphat Petcharatanaporn Vice President Accounting and Finance Division 25 May 2010	57	Bachelor of Science (Accounting), Bangkok University	DCP	0.012
15. Munchusa Terapongpipat Vice President Company Administration Division 25 May 2010	58	Bachelor of Public Administration, Ramkhamhaeng University	-None-	0.035

Relationship of Directors and Executives	No. of companies engaged as director		Work experience in the past 5 years	
	Listed Company	Non-Listed Company	Period	Major Experience
-None-	3	1	2015-Present	- Director of Aspiration One Co., Ltd. - Independent Director and Audit Committee of Professional West Technology (1999) Plc.
			2014-Present	Independent Director and Audit Committee of SENA Development Plc.
			2013-Present	Director of Foundation of the 50 <sup>th</sup> Anniversary Mahavajiralongkorn Hospital
			2012-Present	Chairman of the Board, Lease IT Plc.
			2002-2012	Senior Executive Vice President of CIMB Thai Bank Plc.
			2004-2011	Chairman of BT Securities Co., Ltd.
			1997-2014	Councilor of Thailand Management Association
-None-	-None-	10	Present	Managing Director of Vira Law Office Co., Ltd.
-None-	4	21	1990-Present	Chairman of Thai Wacoal Plc.
			1980-Present	Chairman of Textile Prestige Plc.
			1987-Present	Director of O.C.C. Plc.
			2007-Present	Director of Saha Pathana Inter-Holding Plc.
-None-	-None-	6	1989-2006	Director of Thanulux Plc.
			Present	Vice President of Business Division, Thanulux Plc.
			1990-Present	Vice President of Division W, I.C.C. International Plc.
			2009-Present	Director of I.C.C. International Plc.
-None-	-None-	3	1993-Present	Chairman of Koraj Wattana Co., Ltd.
-None-	1	3	2013-Present	Independent Director of Plan B Media Plc.
			2012-Present	Director of Healthy Mania Co., Ltd.
			2010-Present	Chairman of Pens Marketing and Distribution Co., Ltd.
			2005-Present	Director of Thai Bunka Fashion Co., Ltd.
			2003-Present	Executive Director and Vice President of Division V, I.C.C. International Plc.
			1990-2011	Director of Thai President Foods Plc.
			1996-2012	Director of President Rice Products Plc.
-None-	-None-	8	1999-Present	Director of Vira Law Office Co., Ltd.
			2001-Present	Director of Sukhatasana Co., Ltd.
			2013-Present	Managing Director of PA Capital Co., Ltd.
			2014	Managing Director of WBRE Co., Ltd.
-None-	-None-	4	2000-Present	Director of Train Time Test Co., Ltd.
			2000-Present	Director of Sun and Sand Co., Ltd.
			2011-Present	Director of Eastern I.C.C. Co., Ltd.
			2015-Present	Director of Paknumpo Wattana Co., Ltd.

## Profiles of Directors, Executives and Regulators (Cont.)

Name/Position/Appointment Date	Age (Year) **	Education	Training Background	*Proportion of shareowning at 31 Dec 2015 ***(%)
16. Ramida Russell Maneesatien Vice President Division B 25 May 2010	47	- Master in Communication Arts (Mass Communication), Chulalongkorn University - Bachelor in Business Administrations BBA, Assumption University	FSD	0.003
17. Kityaporn Chaithavornsathien Vice President Division D 24 May 2011	41	Bachelor in Business Administrations (BBA), Assumption University	DCP	2.56
18. Chailert Manoonpol Vice President Division S 22 May 2012	57	Master of Management, Abilene Christian University, U.S.A.	DAP, FND	0.0005
19. Surat Wongrattanapassorn, Ph.D. Vice President Information Technology Division 1 May 2013	50	- Master of Engineering (Computer), Assumption University - Ph.D. (Business Administration), Nova Southeastern University, U.S.A.	DAP	0.007
20. Nonglaks Techaboonanek Vice President Division M, O 1 September 2005	61	- Bachelor of Communication Arts, Chulalongkorn University - Bachelor of Marketing, Ramkhamhaeng University	DAP	-None-
21. Bussabong Mingkwanyeon Vice President Division H 1 May 2015	50	- Bachelor Degree, Major Microbiology, Faculty of Science, Chulalongkorn University	-None-	0.0002
22. Khanisorn Suyanand Vice President Division A 1 June 2010	71	- Master of Arts, Economics (Monetary), Northeastern University, Boston Mass. U.S.A. - Bachelor of Economics, Thammasat University	-None-	0.0001
23. Viritpol Chaithavornsathien Vice President Division I 1 January 2016	45	- M.B.A. Cleveland State University, U.S.A. - Bachelor of Business Administration, University of Kentucky, U.S.A.	-None-	-None-

Relationship of Directors and Executives	No. of companies engaged as director		Work experience in the past 5 years	
	Listed Company	Non-Listed Company	Period	Major Experience
-None-	-None-	6	Present	- Managing Director of Thai Itokin Co., Ltd. - Director of Sukhatasana Co., Ltd. - Director of Issara United Co., Ltd. - Director of Shop Global (Thailand) Co., Ltd.
			2015-Present	- Director of Koraj Wattana Co., Ltd. - Director of Issara United Development Co., Ltd.
- Daughter of Boonkiet Chokwatana	-None-	7	Present	- Director of International Laboratories Co., Ltd. - Director of H&B Intertex Co., Ltd. - Director of Intanin Chiangmai Co., Ltd.
- Niece of Boonsithi Chokwatana				- Director of Issara United Co., Ltd. - Director of Vira Law Office Co., Ltd. - Director of Sukhatasana Co., Ltd.
			2015-Present	- Director of Issara United Development Co., Ltd.
-None-	2	5	1987-Present	Director of O.C.C. Plc.
			2001-Present	Director of People's Garment Plc.
			1985-Present	Managing Director of Champ Ace Co., Ltd.
-None-	1	3	2014-Present	Director of Pan Asia Footwear Plc.
			2011-Present	Director of Thai Itokin Co., Ltd.
			2009-Present	Director of Wien International Co., Ltd.
			2015-Present	Director of Eastern I.C.C. Co., Ltd.
-None-	-None-	5	Present	- Executive Director of Thai Wacoal Plc. - Managing Director of SRP Nanasai Co., Ltd. - Managing Director of MIT Pathana Homeshopping Co., Ltd.
-None-	-None-	1	2015-Present	- Vice President Division H - Director of Intersouth Co., Ltd.
			1989-2015	- Assistant Vice President of Division H, I.C.C. International Plc.
-None-	-None-	2	2014-Present	Director of WBLP Co., Ltd.
			2008-Present	Director & Advisor of International Leather Fashion Co., Ltd.
			Past	- Manager of Bank of Ayudhya Plc., New Petchaburi Rd. Branch - Director of Bumrungrad International Hospital
- Husband of Kityaporn Chaithavorn-sathien	-None-	7	2015-Present	- Chairman of Paknumpo Wattana Co., Ltd. - Chairman of Maharachapreuk Co., Ltd. - Director of Can Co., Ltd. - Director of Tiger Distribution & Logistics Co., Ltd.
- Son-in-law of Boonkiet Chokwatana			Present	- Director of Intersouth Co., Ltd. - Director of WBRE Co., Ltd. - Director of Yumsaap Co., Ltd.

## Profiles of Directors, Executives and Regulators (Cont.)

Name/Position/Appointment Date	Age (Year) **	Education	Training Background	*Proportion of shareowning at 31 Dec 2015 ***(%)
24. Pairoj Hirunwongsawang Vice President Sales Administration Division 1 July 2005	63	Bachelor of Science in Statistics, Ramkhamhaeng University	-None-	0.0022
25. Sawat Posinsomwong Vice President 1 November 2014	48	- MBA Assumption University - Bachelor of Business Administration, Assumption University	-None-	-None-
26. Pranot Vesaruchavit Vice President Division R 1 October 2015	45	- Master Degree, Faculty of International Business, Azusa Pacific University, California, U.S.A. - Bachelor Degree, Faculty of General Management, Assumption University	-None-	-None-

Relationship of Directors and Executives	No. of companies engaged as director		Work experience in the past 5 years	
	Listed Company	Non-Listed Company	Period	Major Experience
-None-	-None-	10	Present	- Chairman of Eastern I.C.C. Co., Ltd. - Chairman of Intersouth Co., Ltd. - Director of Paknumpo Wattana Co, Ltd. - Director of Intanin Chiangmai Co., Ltd. - Director of Can Co., Ltd. - Director of Sun and Sand Co., Ltd. - Director of Koraj Wattana Co., Ltd. - Director of Maharachapreuk Co., Ltd. - Director of Tiger Distribution & Logistics Co., Ltd. - Director of Tsuruha (Thailand) Co., Ltd.
-None-	-None-	-None-	2014-Present	- Vice President of I.C.C. International Plc.
			2010-2014	- Managing Director of Swarovski (Thailand) Ltd.
-None-	-None-	3	2015-Present	- Director of Can Co., Ltd. - Director of Sun and Sand Co., Ltd. - Director of Eastern I.C.C. Co., Ltd.

### Details of the directors of the subsidiaries

Name of Directors	Subsidiaries Company		
	WBRE	AMD	Itokin
1. Mr.Boonkiet Chokwatana	A		A
2. Mr.Viritpol Chaithavornsathien	F		
3. Mr.Vichai Kulsompob	F		
4. Mr.Nattaphat Petchratanaporn	D		F
5. Mrs.Kobsuk Sangsawat	F		
6. Mr.Micchel Testard		D	
7. Mrs.Ramida Russell Maneesatiean			D
8. Mr.Yozo Yamanishi			F
9. Mr.Manus Ongsarakom			F
10. Dr.Surat Wongrattanapassorn			F
11. Mrs.Suporn Chantharatluxa			F
12. Mrs.Somporn Tiyaviboonsiri			F
13. Mr.Akio Tsujimura			F
14. Mr.Koichi Tsujimura			F

Note : WBRE = WBRE Co., Ltd. Itokin = Thai Itokin Co., Ltd. AMD = Amis Du Monde SARL.  
D = Managing Director A = Chairman F = Director

DATA	2015	2014	2013
<b>Per share data (baht)</b>			
Net profit	2.42	1.88	2.36
Book value	55.06	54.14	52.61
Market price	38.25	39.50	39.00
Dividend	*1.05	1.05	1.20
<b>Financial position analysis</b>			
<b>Liquidity ratios (times)</b>			
Current ratio	3.41	3.26	3.42
Quick ratio	1.15	1.07	1.02
<b>Leverage ratios (times)</b>			
Debt-equity ratio	0.16	0.17	0.17
Time interest earned ratio	855.09	**N.M.	107.05
<b>Efficiency ratios</b>			
Accounts receivable turnover (times)	7.43	6.78	6.73
Collection period (days)	48.46	53.10	53.47
Inventory turnover (times)	1.99	1.87	1.90
Inventory coverage (days)	181.00	192.76	189.13
Fixed assets turnover (times)	3.62	3.64	4.16
Total assets turnover (times)	0.70	0.69	0.75
<b>Profitability ratios</b>			
Net profit (millions baht)	703.19	545.19	684.55
Return on sales (%)	5.46	4.34	4.91
Return on equity (%)	4.43	3.51	4.39
Return on total assets (%)	3.80	3.00	3.69
Price earning ratio	15.81	21.01	16.53
<b>Growth (%)</b>			
Percentage increase (decrease) of sales	2.57	(9.72)	(2.55)
Percentage increase (decrease) of net profit before tax	34.24	(24.59)	(36.70)
Percentage increase (decrease) of total assets	0.43	3.74	(7.78)
Percentage increase of equity	1.69	2.91	(3.95)
Percentage increase (decrease) of numbers of employees	0.50	(9.04)	(2.60)

\* The Board of Directors' Meeting has resolved to pay dividend Baht 1.05 per share and to submit this agenda for approval at the Annual General Shareowners' Meeting to be held on April 25, 2016

\*\* Result is not meaningful

I.C.C. International PLC, a company in the Saha Group, distributor of leading world known brands such as WACOAL, ARROW, LACOSTE, BSC COSMETOLOGY, DAKS, ELLE, GUY LAROCHE, MIZUNO, NATURALIZER as well as many other brands, including such popular brands as BSC, ST. ANDREWS, RAIN FLOWER, SHEENE', BSC PURE CARE, ARTY PROFESSIONAL etc., which are high quality products and well known both locally and abroad.

The Company focuses on creativity, innovation and product development with leading technology and world class expert teams. Our objective is to offer the best products to customers. We are concerned about health and meeting customers' demand. Our Company has collaborated with Marusan Co., Ltd., Japan, a country which has a population with the most longevity. Marusan Co., Ltd. has experience in food and beverages for over 60 years. We have conducted research by using high technology and innovation and are the first and only producer to create this new product: a UHT soybean milk product. The corn is mixed without using any preservative, color and flavoring additives and the soybean milk is still fresh and retains all necessary nutrients. The resulting flavor is derived from natural corn and soybean, ready as an instant drink. Consumers can be confident that they will get the best for their health under the world leading brand name: BSC CORNSOY.

## **BSC CORNSOY**

**Soybean milk mixed with corn:** BSC CORNSOY is a nutritious and tasty, full of natural nutrients from soybean and corn which can be chewed; clean and safe, packaged in UHT box with a storage life of 1 year, without any added preservatives or flavoring. The box has been meticulously designed, attractive and eye-catching with a capacity of 250 ml. each.

- ✓ Protein, necessary for growth.
- ✓ Contains 18 types of necessary amino acids which repair and build up muscles, adjust the body's balance.
- ✓ High vitamin groups B1, B2, B6, B12 and minerals, providing nourishment to nervous and neuron systems as well as reduce heart disease risk.
- ✓ Soybean contains isoflavone, which reduces the risk of cancer.
- ✓ Corn contains ferulic acid, an outstanding anti-oxidant. Researchers discovered that cooked corn will release ferulic acid, which is beneficial to the body. This ferulic acid increases as heat increases over a longer period of time. It also delays aging, is good for health and nourishes skin.
- ✓ High fiber, crude fiber is good for normal function of the excretory system.

Feel moderately full for breakfast in today's modern rushed society and be ready to start the new day feeling fresh. The product contains no cholesterol, artificial flavoring or milk powder. Consumers who are lactose intolerant can drink this to replace protein from dairy. The natural flavor from corn and soybean is suitable for health conscious people and vegetarians. The product also offers a low calorie, sugar-free formula, for those concerned with special health care or want to lose weight. Soybean and corn are grown by Thai farmers without any genetic modification (Non-GMOs).

All benefits in BSC CORNSOY product created by ICC through continuous research and development, aims to provide customers with a fit and healthy body, good skin and optimal physical shape. We also would like to thank every customer for their continued confidence and trust in our Company's products.

**Products are available at leading general stores.**

Please purchase or make enquiries about products at website:

[www.ethailandbest.com](http://www.ethailandbest.com)

or telephone 02-293-9000 #393



## Dedication to Presenting Happiness and Beauty to People

I.C.C. International Public Company Limited originated from the commitment of only 7 employees in 1964 under the name of International Cosmetics (PIAS) Limited Partnership with registered capital of 100,000 Baht as the licensed distributor of PIAS cosmetics. In 1965, the Company changed its name to International Cosmetics (PIAS) Co., Ltd. and subsequently to International Cosmetics Co., Ltd. in 1973, with a total of 1,200 employees.

In 1994, the Company was listed as a public company with the Commercial Registration Department, Ministry of Commerce and, in 1996, it changed its name from International Cosmetics Public Company Limited to I.C.C. International Public Company Limited along with the change of its logo.

The corporate headquarters is presently a six-storey twin building near the original office site on Sathupradit Road and employs a total of 7,100 staff, with registered capital of 500 million Baht, 290.63 million Baht of which is paid up.

### Taking Special Care of Customers and Extending Convenience to All Regions

The Company has cooperated with its alliances in major provinces to facilitate and render services to its customers more closely.

1977	Chiang Mai	: Intanin Chiang Mai Co., Ltd.
	Song Khla	: Inter South Co., Ltd.
	Khon Kaen	: Can Co., Ltd.
1988	Phuket	: Sun and Sand Co., Ltd.
1991	Chonburi	: Eastern I.C.C. Co., Ltd.
1992	Nakhon Ratchasima	: Koratwatana Co., Ltd.
1995	Nakhonsawan	: Paknumpowatana Co., Ltd.
1996	Pitsanulok	: Maharachapruak Co., Ltd.

### Responding to Everyone and Every Lifestyle with Quality Products

From its beginnings as the licensed distributor of PIAS cosmetics and the expansion of its business base into other products and brands, namely “WACOAL” lingerie from Japan, including “ARROW” men’s wear. The Company, as a leader in its field, has created innovations, and always presented the market with modern quality goods as well as services. At present, the Company is distributor of a variety of products under more than 100 brands encompassing cosmetics, perfumery, lingerie, women’s wear, men’s wear, men’s underwear, sportswear and equipment, leatherwear, timepieces, household goods, food, food supplements and drinking water, etc.

Moreover, the Company has expanded its business into service industry for example;

- ICC Call Center is a service unit of the Customer Relations Information Centre which focuses on effective communications to provide ultimate customer satisfaction through professional care by our top quality team of personnel and comprehensive services, whether involving inbound or outbound modern technologies including provision of service model analysis according to the type of business. The Call Center is able to support business expansion and create numerous benefits.
- His & Her Plus Point card is a project to invite our customers to join the membership with special privileges by collecting the reward points from purchase of the Company’s products at participated sales counters nationwide. Members shall receive one point for every Baht 25 purchase and the collective points can be redeemed for gifts in catalogue or for other privileges especially prepared only for the members.
- His & Her Shop is the retail shop that congregates the Company’s fashion products focusing on the store decoration in modern and warm atmosphere while providing best services to the customers. By the end of 2015, there are 78 His & Her shops throughout the country.
- His & Her ShopSmart, the lifestyle shopping catalogue is an alternative channel of distribution for the Company’s products where customers can place their order of catalog products via telephone, website, fax and postal service. Home delivery can be made in response to the modern and comfortable lifestyle.
- ICC Line Official Account was set up in response to on-line demand for a channel of communication in the social network system to create awareness and sharing of information, news and promotions of the Company’s product.

## Stepping Far and Forward in New Creations for Customers

- BZEES, a new shoe collection by Naturalizer under the innovative “CLOUD TECHNOLOGY”. Designed for comfort and balance, these Everyday Shoes are suitable for the modern lifestyle which emphasizes healthier choices. The Naturalizer Cloud Technology focuses on healthy feet. You can experience the lightness, ease and dexterity leaving your feet feeling free as if spellbound.
- BELLE&SOFA, the ultimate shoe innovation which provides best comfort, “Belle and Sofa”, a leading Japanese brand for over 40 years, imported from Nagata City, Kobe Province, Japan under the concept “The Best of Japanese Materials, Contemporary Designs, Exceptional Comfort, Superior Functionality”. This shoe collection has delicate designs, comfortable to wear and are made from the best “micro fiber” raw material from Japan. The structure is similar to genuine leather, providing a comfortable, soft feel and cozy to wear walking all day long.
- ERMIS, an Australian ladies boutique brand with strikingly modern and stylish designs and colors, suitable for working woman with an independent lifestyle. They can be mixed and matched for various occasions resulting in ever so trendy looks, allowing the wearer to always feel confident.
- KUMAMON, a world-class Mascot with a huge fan base has officially launched in Thailand with the collaboration of I.C.C. International Public Company Limited and KUMAMOTO Province, Japan, copyright owner of Kumamon, presenting a wide variety of lifestyle Kumamon products such as bags, pillows, hats, key chains, books, files, magnets, T-shirts and handkerchiefs etc.
- PE PE JEANS, an English designer jean brand, presents a fashionable line of unique characteristics which can be worn in every season. The cutting and needlework are intricate, representing a mixture of artful craftsmanship and modern fashion, enhancing the wearers’ confidence and uniqueness in every step. The main target groups are customers aged between 25–45 years old, who enjoy unique fashion design. We provide a variety of product lines such as T-shirts, shirts, polo shirts, jackets as well as bags, hats etc., in both contemporary and classic styles, which can be mixed and matched into an exclusive look.
- BSC CORNSOY, soybean milk mixed with corn, first time innovation in the world of ready-to-drink UHT soybean milk. It combines the best of both nutritious and delicious qualities of soybean milk and corn. One box is moderately filling. The production process follows the Japanese model of freshly-squeezed soymilk formula which retains natural flavor, including high protein and other natural nutritious value without any artificial additives.
- BSC KIDDO NATURAL BABY CARE : products with gentle formula especially for children’s skin and do not contain Paraben, Phthalates, Triclosan or Steroid such as BSC KIDDO Natural Baby Lotion Powder, BSC KIDDO Natural Baby Shampoo, BSC KIDDO Natural Baby Body Lotion, BSC KIDDO Natural Baby Bath, and BSC KIDDO Natural Baby Head To Toe Wash.
- ENFANT BEAUTY MOM : products for pregnant women to protect and reduce stretch marks from pregnancy, which may occur around the abdomen and hips. Products do not contain any hazardous chemicals and are safe for pregnant women and babies such as Enfant Beauty Mom Gentle Exfoliating Body Scrub and Enfant Beauty Mom Anti-Stretch Mark Cream.

## Increasing registered capital

1966	Registered capital is increased to Baht 1.5 million.
1972	Registered capital is increased to Baht 3 million.
1978	Registered capital is increased to Baht 12 million and the Company is listed on the Stock Exchange of Thailand.
1979-1987	Registered capital is increased to Baht 82.5 million.
1988	Registered capital is increased to Baht 300 million with a paid-up capital of Baht 110 million. Par value of ordinary shares convert from Baht 100 to Baht 10 per share.
1989	Registered capital is increased to Baht 500 million with a paid-up capital of Baht 120.45 million.
1993-1995	Call for more paid-up capital of Baht 26.63 million. Paid-up capital is increase to Baht 147.08 million.
1996	Paid-up capital is increased to Baht 290.63 million.
2003	Ordinary share value is split from Baht 10.- to Baht 1.- per share.

### Securitization

- 1987 First debentures is issued at the amount of Baht 50 million.
- 1989 First convertible debentures are issued at the amount of Baht 120 million.
- 1990 Second convertible debentures are issued at the amount of Baht 200 million.

### Company's Awards received

- 1988 Company receives "The 2<sup>nd</sup> TOKYO CREATION AWARD" from Japan for outstanding Creativity in South East Asia for the promotion and development of Thai apparel.
- 1999 The Company is accredited with ISO 9002 for its standard of quality management system in Bangkok Metropolitan areas by SGS Yarsley International Certification Services, United Kingdom.
- 2000 The Company receives nationwide ISO 9002 certification for the standard quality management system of all its products nationwide from SGS Yarsley International Certification Services, United Kingdom.
- 2003 The company is accredited on January 21, 2003 with ISO 9001 : 2000 for the standard quality management system of all its products nationwide from SGS Yarsley International Certification Services, United Kingdom.
- 2008 The company is accredited on March 31, 2008 with new version of ISO 9001 : 2008 for the standard quality management system of all its products nationwide from SGS Yarsley International Certification Services, United Kingdom.
- 2012 ICC won INVESTORS' CHOICE AWARD, thanks to the top 100 score for assessment of Annual General Meeting arrangement for 4 consecutive years (2009-2012), by the Thai Investors Association, under the Right Protection Volunteer Project.

### Executives' Awards received

- 1991 "THE OFFICIER DE L'ORDRE NATIONAL DU MÉRITE" decoration is bestowed on the Chairman, Mr. Boonsithi Chokwatana by the President of France for the promotion of French Products in Thailand.
- 1994 An honorary doctorate degree in Environmental Engineering is bestowed on the Chairman, Mr. Boonsithi Chokwatana by Khon Kaen University.
- 1995 An honorary doctorate degree in Business Administration is bestowed on the Chairman, Dr. Som Chatusripitak by the Faculty of Commerce and Accountancy of Thammasat University.
- 1996 The Knight Grand Cross (First Class) of the Most Admirable Order of the Direkgunabhorn is Bestowed on Vice Chairman, Dr. Boonsithi Chokwatana.
- 1998 The Prime Minister's Trade Award is bestowed on Dr. Boonsithi Chokwatana, Vice Chairman by Prime Minister of Japan to honor him as a Thai entrepreneur who helps promote trade relationship between Thailand and Japan.
- 1999 Vice Chairman Dr. Boonsithi Chokwatana is honored as "Marketer of the year 1998" for marketing innovation, corporate performance, competence in adapting marketing theories and ethics.
- 2001 Dr. Boonsithi Chokwatana, Vice Chairman, is conferred with an honorary doctorate degree in Business Administration from the College of Commerce, Burapha University.
- 2002
- The Order of the Sacred Treasure, Gold Rays with Neck Ribbon, was conferred on Dr. Boonsithi Chokwatana, Vice Chairman of the Company, in his capacity as a Thai businessman who has long established a good relationship in doing business with Japanese businessmen.
  - An honorary doctorate degree in Business Administration from the Faculty of Commerce and Accountancy, Thammasat University, was conferred on Dr. Boonsithi Chokwatana, Vice Chairman of the Company.
- 2003
- Company's president, Mr. Boonkiet Chokwatana has been bestowed a French decoration "Chevalier dans l' Ordre National de la Légion d'Honneur" as being a Thai business person who has consistently helped promote French products in Thailand.
  - An honorary doctorate degree in Business Administration (Management) is bestowed on the president, Mr. Boonkiet Chokwatana from Sripatum University.

- 2004 Dr. Boonsithi Chokwatana, Vice Chairman, was bestowed an honorary doctorate degree of Business Administration from National Institute of Development Administration.
- 2005
- Dr. Boonsithi Chokwatana, Vice Chairman of the company, received an honorary doctorate degree in marketing, from Thai Chamber of Commerce University.
  - Dr. Boonkiet Chokwatana, Chief Operating Officer, received an honorary doctorate degree in Business Administration from Burapa University.
- 2006 Dr. Boonsithi Chokwatana, Vice Chairman, honoured with election to the 2006 Marketing Hall of Fame by the Marketing Association of Thailand.
- 2009
- Dr. Boonsithi Chokwatana, Vice Chairman, received honorary doctorate degree in Laws from Waseda University, Japan.
  - Dr. Boonkiet Chokwatana, President and Executive Chairman, received honorary doctorate degree in Business Administration from Naresuan University.
- 2012 Dr. Boonsithi Chokwatana, Vice Chairman, received an Honorary Doctoral Degree in Science (Textile and Garment), from Rajamangala University of Technology Krungthep.

I.C.C. International Public Company Limited has been continuously operating the “Customer Relations Center” to promote our long term business success. This is an additional channel to communicate with customers directly, as we bear in mind that apart from improving quality of products and services, a development of efficient customer relations management system is also essential to gain customers’ confidence in purchasing our products.

The Company focuses on satisfying customers, listening to their suggestions and recommendations, so as to improve our products and services on a continual basis as well as expand distribution channels, and organize various marketing activities. It is also a medium to create good image and provide complete and correct information to customers.

Customers can contact Customer Relations Center through email address : [services@icc.co.th](mailto:services@icc.co.th) or telephone number 0-2294-4999 under the Information Technology Department, which serves as a channel to listen to suggestions and recommendations. Customer Relations Center is also a channel for shareholders to make enquiries in regards to investments, questions as well as suggestions to the Company.

The objective of the Customer Relations Center is to efficiently respond to customers’ needs in terms of products and services, because customers’ maximum satisfaction is the core of our business operation.

The Audit Committee of I.C.C. International Public Company Limited, comprising of Thiraphong Vikitset Ph.D., as Chairman and Mr. Amorn Asvanunt, Mrs. Duangphorn Sucharittanuwat and Mr. Nophorn Bhongvej as committee members, and Mrs. Duangrudee Milintanggul as Secretary, has the responsibility of overseeing and assessing financial reports for their accuracy and credibility; acquiring appropriate, efficient and effective internal control systems; recommending the appointment or the termination of an external auditor to the company; and undertaking other duties as assigned by the Board of Directors.

In 2015, the Audit Committee arranged 11 meetings by inviting the company's Vice President of Accounting and Finance, Vice Presidents of all divisions of the company, the representatives of KPMG Phoomchai Audit Co., Ltd., and the representatives of Dhamniti Auditing Co., Ltd. which was appointed since 2004 as the company's auditor and internal audit consultant. During the meetings, they jointly considered the relevant agenda to ensure the completeness and accuracy of the information shown on financial statements and consolidated financial statements of the company and subsidiaries, as well as reviewing and discussing corporate internal control systems, related transactions, risk management and financial information disclosure, with a substantial summary as following:

1) The Audit Committee agreed with the conclusions of the representatives of KPMG Phoomchai Audit Co., Ltd., which mentioned that financial statements and consolidated financial statements of the company and subsidiaries were accurate and comply with the latest accounting standard. Some significant issues are summarized in the Independent Auditor's Report of this Annual Report.

2) The Audit Committee and Dhamniti Auditing Co., Ltd. agreed that I.C.C. International Public Company Limited and subsidiaries have adequate and appropriate Internal Control Systems, as shown on Dhamniti Auditing Co., Ltd.'s report on the adequacy and appropriateness of the Company's Internal Control Systems, under Thailand's Securities and Exchange Commission's guidelines. They also approved the company's auditing year plan and provided advices for execution improvement in order to gain more effectiveness.

3) The Audit Committee considered approaches for IT system development to improve the internal control's effectiveness to be in line with the company's business development.

4) The Audit Committee reviewed all related transactions based on their transparency, anticipated interests of ICC in accordance with market situation, and conflicts of interest of related parties. The Audit Committee submitted 9 cases of related transactions to the Board of Directors for approval. This was to make sure that the activities were transparent, rational, and protecting the best interest of the company and the shareowners. In 2015, there was no significant related transaction or other transaction that might have caused conflict of interest in relation to the guidelines.

5) Review of actions in compliance with the Securities and Exchange Act, regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand including other laws governing business operations of the company.



(Thiraphong Vikitset Ph.D.)  
Chairman of the Audit Committee



ICC International Public Company Limited, a member company of Saha Group, is a legitimate distributor of many global brand name products, such as WACOAL, ARROW, LACOSTE, BSC COSMETOLOGY, DAKS, ELLE, GUY LAROCHE, MIZUNO, NATURALIZER, ITOKIN, to name a few. It also distributes some original brand names, still highly popular in the market, for instance, BSC cosmetics and ENFANT baby products, etc., all of which demonstrate premium quality and completely respond to the diverse needs of buyers. They are well known among consumers both at home and abroad.

The Company has developed longtime experience and dedication to creating products and services of world-class standards, which have been well received by valued customers in all regions across the nation. Thus, it has placed significant emphasis on the creation of cordial relationships with customers, always ready to provide them with well-justified quality products and additional privileges. To reflect its sincerity to the valued customers, His & Her Plus Point Card Project was initiated, allowing customers to accumulate their happiness and bonus points when subscribing for membership of His & Her Card.

### **His & Her Plus Point Card**

His & Her Plus Point Membership Card can be accumulated for reward points and happiness. It offers unsurpassed privileges such as accumulation for rewards, activities and other privileges in the period of customers' special occasion. This is to respond to all lifestyles and a wide variety of products from the SAHA Group. It aims primarily at ensuring satisfaction of products and services. His & Her Plus Point Card now has more than 2.3 million members nationwide.

The total subscription of His & Her Plus Point Card has increased continuously, reflecting greater worth from purchase of goods of the Company. Other benefits include privileges from accumulation of reward points, for redemption of many premium products and privileges, convenient subscription method, and access to many information channels. They are, for instance, His & Her Call Center, IVR system, SMS, [www.hisherpoint.com](http://www.hisherpoint.com), [www.hishermag.com](http://www.hishermag.com), and [www.facebook.com/hisherpoint](http://www.facebook.com/hisherpoint).

The Company also cooperated with business allies such as leading department stores, restaurants, beauty salons, and

movie theatres in offering some unsurpassed and exclusive privileges for His & Her Plus Point Card to render the highest benefits and value to the customers.

In the future, the Company will strive for strengthening the cordial relationships with customers all over the country, together with ensuring enhanced value of the privileges, as demanded by His & Her Plus Point Cardholders, in order to fulfill their shopping aspirations with value and happiness.

The more you shop, the more Reward Points you will gain. His & Her Plus Point Cardholders can redeem their reward points as discounts for purchase of ICC products of more than 100 renowned brand names available from 4,500 counters. Additionally, customers can redeem the reward points for special and premium giveaways exclusively provided for His & Her Plus Point Cardholders.

The Company has facilitated its customers in applying for the card, by simply showing their intent for card application at department store counters or any shops displaying the His & Her Plus Point logo all over the country, and they can enjoy worthwhile shopping right away.

In order to facilitate selection of goods, ICC opens the new and easy shopping channels, through His & Her ShopSmart catalog, TV and website ([www.hishershopsmart.com](http://www.hishershopsmart.com)), where there are more than 5,200 high quality products with exclusive designs, ranging from fully-functional imported goods that meet all lifestyles under the Only @ ShopSmart logo, available only at His & Her ShopSmart. Products offered for sale are, i.e. electrical appliances, kitchenware, home care and décor, IT products, educational toys, as well as health and beauty products. Also available are renowned fashion products of leading brands, such as WACOAL, ARROW, BSC and many more. Orders can be made 24 hours a day, plus nationwide delivery and guaranteed satisfaction with return option in 7 days. Buyers can also earn 1 His & Her Plus Point from every purchase of 25 Baht.

All these are the new marketing trend, initiated and developed continuously by the Company to make your shopping easy and fun. It is a return of profit to customers in honor of their continuing trusts in our product quality. His & Her Plus Point card will strengthen our solid tread ahead to ensure the highest satisfaction for our valued customers.

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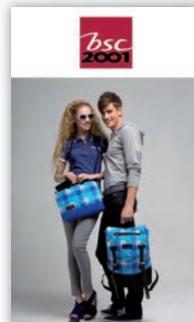
**Apply for His & Her Plus Point card at ICC counters in department stores nationwide**

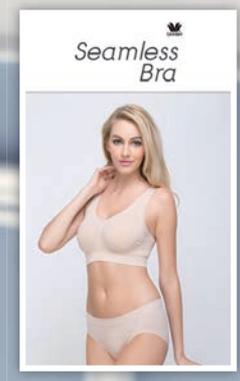
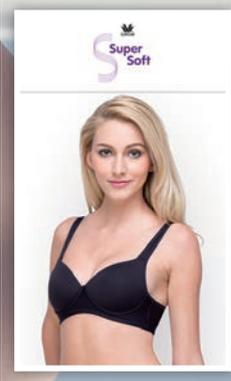
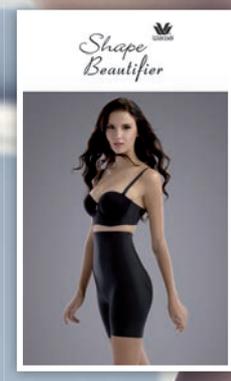
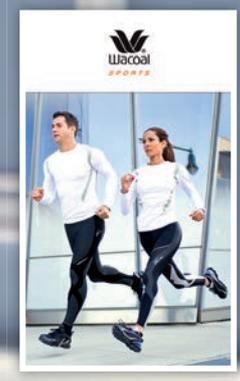
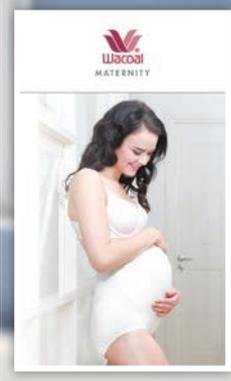
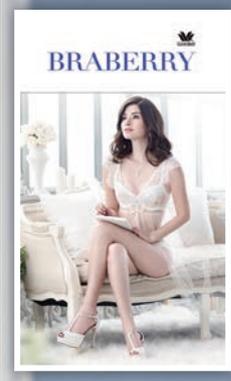
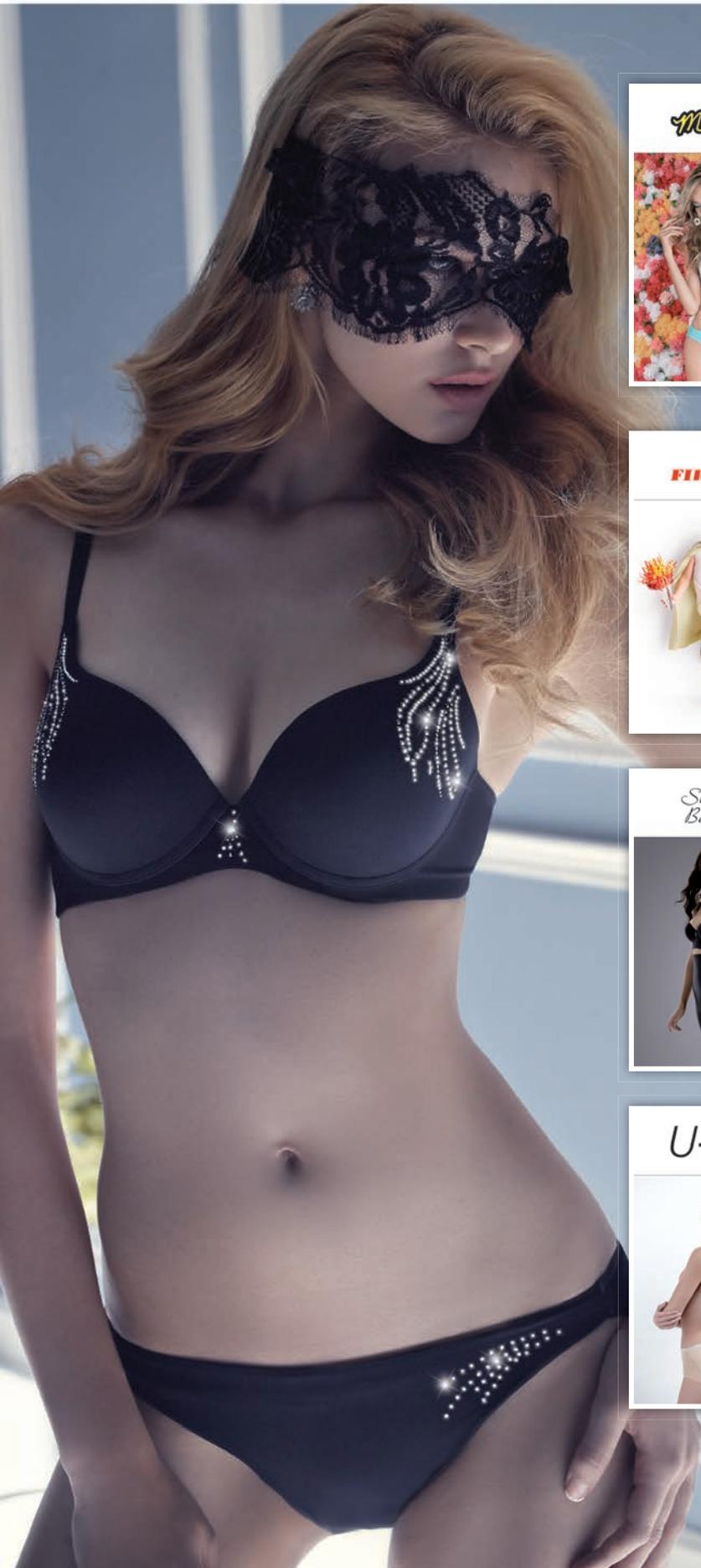
**His & Her Call Center 0-2296-9900**

**Facebook : hisherpoint**

**Apply Free at : [www.hisherpoint.com](http://www.hisherpoint.com)**







# ARROW

USA • 1851





LIFE IS A BEAUTIFUL SPORT **LACOSTE** 

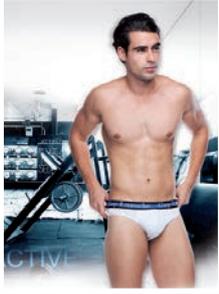


**DAKS**  
LONDON

Guy Laroche  
PARIS



Guy Laroche  
INNERWEAR



GUY  
Guy Laroche



Guy Laroche  
PARIS



Guy Laroche  
PARIS



Guy Laroche  
TIMEPIECES



Guy Laroche  
STUDIO



## Dr. Thiam Chokwatana's Philosophy



### Dr. Thiam Chokwatana Founder & First Chairman of Saha Group

Born : June 14, 1916 in Bangkok.

Died : June 29, 1991 in Chonburi.

#### Honors Received :

##### 1. Decorations

1963 : The Most Noble Order of the Crown of Thailand  
(Fifth Class)

1978 : The Most Noble Order of the Crown of Thailand  
(Fourth Class)

1979 : The Most Exalted Order of the White Elephant  
(Fourth Class)

1981 : The Most Exalted Order of the White Elephant  
(Third Class)

1982 : The Most Noble Order of the Crown of Thailand  
(Second Class)

1985 : The Third Order of the Sacred Treasure from  
Japan.

##### 2. Other Honors

1985 : An Honorary doctorate degree in Business  
Administration from Srinakharinwirot University.

1988 : A Thai Marketing Man of The Year Award  
(Hall of Fame)

1989 : An Outstanding Thai Industrialist Award.

### Work must have an objective

**Work that has no objective is like a person who has no goal in life.**

Some people work aimlessly. They have no idea where they are headed or how they want to succeed. However, others may have objectives but they lack self-confidence. When they run into obstacles, they just lose patience. Yet there are others who become scared after being criticized by their co-workers, and give up in despair.

You must be thorough when you set your objectives. Do not overlook details because sometimes details can hamper success. You should hold consultation meetings to map out a good plan that takes into account strengths and weaknesses, based on comprehensive information. Then you should set aside enough manpower for the job and allot enough time for its completion. If you could do all that, you would be working with an objective.

**When everything is ready, with ready manpower and appropriate time-frame, you must forge ahead according to the objective. Do not be distracted or give up halfway through because all you have done will then be in vain.**

## Corporate Business

The Company was established in 1964 as International Cosmetics (PIAS) Part., Ltd., with registered capital of 100,000 Baht and 7 employees, to serve as the legitimate distributor of PIAS cosmetics. Then it was renamed to International Cosmetics (PIAS) Co., Ltd., in the following year. Since 1970, the Company has expanded its product lines to serve as the legitimate distributor of women's lingerie brand "WACOAL", "ARROW" Men's apparel, and many more. In 2005, the company launched a cosmetic product named "BSC COSMETOLOGY" under Saha Group brand for international marketing. The company has continued producing innovative products at all times. Presently the company is the legitimate distributor of over 100 branded name products, covering cosmetics, fragrance, lingerie, women's wear, men's wear and innerwear, sport wear and equipment, children's wear, leather products, watches, home appliances, foods, drugs, food supplements, drinking and spring water, etc. The company has cooperated with its 8 business alliances in major provinces to facilitate and render services to its customers more closely as follow :

Chiang Mai	Inthanin Chiang Mai Co., Ltd.
Songkhla	Inter South Co., Ltd.
Khon Kaen	Can Co., Ltd.
Phuket	Sun and Sand Co., Ltd.
Chonburi	Eastern I.C.C. Co., Ltd.
Nakhon Ratchasima	Koratwattana Co., Ltd.
Nakhonsawan	Paknampowattana Co., Ltd.
Phitsanulok	Maharachapruek Co., Ltd.

I.C.C. International Public Company Limited is the leader in distribution of fashion from both imported foreign brands and also from innovation of the Company and its affiliates. The corporate main industries are cosmetics and perfumeries, hair and skin care products, full line of textile and garment industries including underwear, outerwear, sportswear, apparel for physical exercise, fabric care and leather goods, etc.

The Company runs a wholesaling and retailing business with both domestic and international distributors. The corporate core merchandises are mainly products related to beauty, as stated in the company's motto "We make people happy and beautiful."

Moreover, the Company has expanded its business into service industry for example ;

- ICC Call Center
- His & Her Plus Point : the program invites the Company's customers to join the program and give the special privileges for members by collecting the point from their purchase of the Company's products at sales

counters nationwide. Members receive one point for every Baht 25 purchase and the collective points can be redeemed for gifts in catalogue or for other privileges especially offered only to members.

- His & Her Shop: The retail shop that assembles the Company's wide-range of fashion products by decorating the store in modern style.
- His & Her ShopSmart: the lifestyle shopping catalogue. Customers can place their order via telephone, website, fax and postal service. The goods can be delivered door to door to responded to the modern and comfortable lifestyle.
- ICC Line Official Account was set up in response to on-line demand for a channel of communication in the social network system to create awareness and sharing of information, news and promotions of products of ICC

### New Business and Products 2015

- BZEES, a new shoe collection by Naturalizer under the innovative "CLOUD TECHNOLOGY". Designed for comfort and balance, these Everyday Shoes are suitable for the modern lifestyle which emphasizes healthier choices. The Naturalizer Cloud Technology focuses on healthy feet. You can experience the lightness, ease and dexterity leaving your feet feeling free as if spellbound.
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- BSC KIDDO NATURAL BABY CARE: products with gentle formula especially for children's skin and do not contain Paraben, Phthalates, Triclosan or Steroid such as BSC KIDDO Natural Baby Lotion Powder, BSC KIDDO Natural Baby Shampoo, BSC KIDDO Natural Baby Body Lotion, BSC KIDDO Natural Baby Bath, and BSC KIDDO Natural Baby Head To Toe Wash.
- ENFANT BEAUTY MOM: products for pregnant women to protect and reduce stretch marks from pregnancy, which may occur around the abdomen and hips. Products do not contain any hazardous chemicals and are safe for pregnant women and babies such as Enfant Beauty Mom Gentle Exfoliating Body Scrub and Enfant Beauty Mom Anti-Stretch Mark Cream.

### Vision/Mission/Target or Strategy of work

The Board of Directors recognizes the significance of the Company's optimum performance, thereby participating in defining the company's vision/mission as to ensure that both executives and staffs at all levels share the same business goals and direction, which are reviewed on a yearly basis.

#### Vision

We are committed to being the leading Thai company moving forward into international markets, with strong dedication to creating new innovation and substantial development. While at all times adhering to moral ethics, for a sustainable future.

#### Mission

1. To develop the entire supply chain process, from upstream manufacturers, through to the retailers, by focusing on logistics systems, warehouse management, transportation, and information technology tracking systems, for quick and accurate customer response.
2. To respond to customers' needs, and create new innovation for products, services, and distribution channels.
3. To operate our business ethically with partners and customers, by building up trust and collaboration, for sustainable growth of our business. Also, honestly giving due consideration to the benefits of all stakeholders.
4. To adhere to good corporate governance, by encouraging ethics and morality in business operations, along with inclusion of good corporate responsibility toward society and the community.
5. To promote the Company's resource development, in paving the way for developing business operations into international markets.

Due to globalization and trade liberalization, most private business enterprises in Thailand have encountered rising competition by both domestic and overseas competitors who recognize the promises of the Thai market.

Realizing the significance of marketing strategies and competitiveness of either rivals in the same business or other businesses, both domestic and from overseas, the Board of Directors have set a policy for executives and staff at all levels in order to attain the company's goals. This comprises :

#### 1. Fight for Glory

- Deciding to fight
- Fighting alone can win
- Fighting without expectation from others
- Fighting as example for others
- Finding strategies to fight at all times
- Monitoring fighting results continuously and regularly
- Always adjusting fighting plan

#### 2. Think positive

- Think that you can
- Think that you will definitely succeed
- Think that everyone will help
- Think that nothing will stop our success
- Think that our organization will proper
- Think that we will definitely achieve our goals
- Keep thinking that success will be achieved and never use the word "but"

#### 3. Discipline

- In speaking
- In listening
- In thinking

- In deeds
- In follow-up
- In matters relating to time
- In financial matters

#### 4. Faith

- In yourself
- In the supervisor
- In subordinates
- In colleagues
- In the organization
- In the nation

#### 5. Readiness in

- Thinking
- Awareness of Change
- Assessment
- Decision Making
- Drawing conclusion
- Response
- Action
- Improvement

#### 6. Integrity

- In yourself
- With others
- With the organization
- In society
- In nation
- To the world

#### 7. Unity

- In effort
- In heart
- In thoughts
- In actions

- In fights
- In solving problems
- In building success
- Unity in actions as well as spirits

Apart from human resources development, the Company has continued to create as well as seek new business opportunities in both existing types of business and others which the Company may have not yet engaged but could be suitable for its future expansion under market conditions.

In compliance with the Government's policy of the minimum 300 baht daily wage, the Company strives to develop effectiveness of our sales force in order to increase work efficiency.

#### Business Target

The Company aims to establish new brand products and to develop both the quality and design of its current products to meet the changing needs of customers. It also aims to expand the number of the existing sales channels into new areas, such as On Line Business, OMNI Channel, retail shops, specialty shops, etc., in order to enhance the competitiveness of our key products, such as apparel, cosmetics, bags, shoes, sports equipment, lingerie, products for kids and washing products, as well as extending the distribution network to both domestic and international markets. ICC also constantly endeavors to reduce production costs for both products sourced locally and imported from abroad in order to increase their marketing potential which would, in turn, increase profit the Company.

#### Future Project

The Company has set a policy to establish new brand products and to expand the On-Line Business and Specialty channel under our management in order to meet the current market situation and the changing behavior of new generation of consumers as well as introducing other products to serve a wider and more diverse customer base.

## Conglomerate Structure

1. The Company has three subsidiary companies and acquiring eight affiliated companies. Namely:

Name of companies	Type of business	Shares held by ICC (%)	
		Subsidiary companies	Affiliated companies
1. WBRE Co., Ltd.	Properties development	99.9994	-
2. Amis Du Monde Sarl. (France)	Trading products in France and abroad including Import and export	81.92	-
3. Thai Itokin Co., Ltd.	Manufacturing and distributing women's wear	58.16	-
4. Worldclass Rent a Car Co., Ltd.	Operating car rental business	-	25.00
5. International Leather Fashion Co., Ltd.	Manufacturing genuine and artificial fashion leather goods	-	28.00
6. Issara United Co., Ltd.	Properties development	-	25.00
7. Boon Capitalholding Co., Ltd.	Operating investment business	-	32.00

Name of companies	Type of business	Shares held by ICC (%)	
		Subsidiary companies	Affiliated companies
8. Shop Global (Thailand) Co., Ltd.	TV Shopping (selling products via Satellite TV)	-	30.00
9. Canchana International Co., Ltd. (Kingdom of Cambodia)	Distribution of products	-	40.00
10. Nanan Cambo Solution Co., Ltd. (Kingdom of Cambodia)	Real Estate Investment	-	49.00
11. Issara United Development Co., Ltd.	Hotel	-	25.00

2. Shareowning in the company that may have conflicts of interest per notes of investment in related companies on page 56-61 of this Annual Report

3. Information about related ,subsidiary and affiliated companies that operate the similar or related business and cross share-owning as of December 31, 2015 is as following:

Name of companies	Shares held by ICC (%)	The company's shares held in ICC (%)	Similar or related business	Cross Shareowning	Subsidiary companies	Affiliated companies
1. Saha Pathana Inter-holding Plc.	9.72	22.49	-	√	-	-
2. Sahapathanapibul Plc.	10.26	8.51	√	√	-	-
3. Thai Wacoal Plc.	5.09	3.80	√	√	-	-
4. Thanulux Plc.	11.09	3.44	√	√	-	-
5. O.C.C. Plc.	19.73	0.55	√	√	-	-
6. S & J International Enterprises Plc.	14.61	0.35	√	√	-	-
7. Textile Prestige Plc.	10.43	0.43	√	√	-	-
8. People's Garment Plc.	5.25	0.12	√	√	-	-
9. Far East DDB Plc.	10.64	0.29	√	√	-	-
10. First United Industry Co., Ltd.	9.12	0.35	-	√	-	-
11. I.D.F. Co., Ltd.	9.00	9.53	-	√	-	-
12. Tiger Distribution & Logistics Co., Ltd.	19.90	-	√	-	-	-
13. International Laboratories Corp., Ltd.	19.56	1.10	√	√	-	-
14. Thai Arusu Co., Ltd.	4.17	0.03	√	√	-	-
15. Pattaya Manufacturing Co., Ltd.	5.33	0.14	√	√	-	-
16. Lion Corporation (Thailand) Co., Ltd.	12.00	0.07	√	√	-	-
17. Kai I.T. Service Co., Ltd.	10.00	0.01	√	√	-	-
18. Thai Itokin Co., Ltd.	58.16	-	√	-	√	-
19. International Leather Fashion Co.,Ltd.	28.00	-	√	-	-	√
20. Shop Global (Thailand) Co., Ltd.	30.00	-	√	-	-	√
21. Canchana International Co., Ltd. (Kingdom of Cambodia)	40.00	-	√	-	-	√
22. Amis Du Monde Sarl. (France)	81.92	-	√	-	√	-

**Remark :** The Company has adopted the cross shareowning structure or pyramid type due to the Company's original business operation characteristic before being listed in the Stock Exchange of Thailand. However, such cross shareowning structure is not contrary to the Article No.14 of the Notification of Capital Market Supervisory Board No. TorChor 28/2551 on Application for and Approval of Offer for Sale of Newly Issued Shares.

## 1. Nature of Corporate Business

I.C.C. International Public Company Limited is the leader in distribution of fashion brands from both imported and also from innovation of the Company and its affiliates. The corporate main industries are cosmetics and perfumeries, hair and skin care products, full line of textile and garment industries including underwear, outerwear, sportswear, apparel for physical exercise, fabric care and leather goods, etc

The Company also conducts wholesale business through shops and department stores both in domestic and international markets. Most of our company's products are in the line of fashion and beauty as can be described in our slogan "We make people happy and beautiful"

### - Cosmetics and Perfumeries Industry

From the start of its incorporation in 1964, the Company's core business has been involved in the sale of cosmetics under the Japanese brand name PIAS. Since then, the Company has expanded our cosmetic business by continuously introducing various other brands, such as BSC Pure Care, Sheene', Arty Professional, Honei V, St. Andrews. In October 2005, the Company introduced a new cosmetic brand-BSC COSMETOLOGY, under Saha Group brand for international marketing. The compact powder is the main product for advertising to create brand awareness within the target group. The celebrity and testimonial marketing approaches have been adopted by using celebrities as its presenter to stimulate trial need. Consumer behaviors have changed considerably in line with technology advancement, especially cloud technology. The introduction of new communication system such as Program Line enhances more rapid communication and access to consumers immediately. With the introduction of such technology, emails are no longer popular, consumers' behavior has changed. The BSC Cosmetology is prepared to handle such changes by adding new online marketing channels such as Facebook. Currently, its Fanpage is over 500,000. This customer base is cumulative for other marketing channels, participate with online marketing channels of business partners such as tarad.com, bento website etc. The Company has also increased communication and product selling channel through Line Application.

Realizing growth opportunities under the ASEAN Economic Community inauguration, the Company has started shipping out our famous cosmetic brand names, i.e. BSC COSMETOLOGY and Sheene' as the very first cosmetics from Thailand stretching into AEC markets, starting from Vietnam and Cambodia. The Company, in fact, has prepared itself well for complete footings in these near abroad. In 2015, the Cosmetics and Parfume Department has presented new product marketing style or "BSC Beauty Station", which provides opportunity for local and foreign investors especially the ASEAN Market to co-invest in new Cosmetics Business, One-Stop-Shopping Style, which gathers famous cosmetics brands in one place. Investors can plan their investments and marketing targets. They can determine product investments and furniture, which normally is complicated and main problem for investors, due to variety of local and foreign cosmetics brands. Customers can select every type of cosmetics at BSC Beauty Station to meet their lifestyles. These days, customers want to choose a variety of products in one place quickly and completely. Hence, to assist investors not having to bear high expenses for cosmetics business, we put many famous brand names together in one place such as BSC Cosmetology, BSC Panadda, Sheene', Arty Professional, Pure Care by BSC, imported cosmetics and many other famous brand names. The strength is well-known brand names, which have long gained trust from customers. Therefore this will become another channel for local and foreign investors especially ASEAN countries to make bold decisions and confident to invest and engage in business with BSC and conform to welcome the ASEAN Economic Community (AEC).

### - Women's Wear Industry

The Company shows relatively high performance in lingerie market and now carries five brands of lingerie, which include Wacoal, BSC, BSC Signature, ELLE and Kullastri. Our strategy to differentiate our products in the market is to create uniqueness for each brand. In addition, the Company has implemented a comprehensive marketing strategy covering all target groups by enhancing efficiency and innovations for increasing value added to all products.

### - Men's Wear Industry

The Company is the distributor of men's wear under such brands as ARROW, EXCELLENCY, GUY LAROCHE, GUY GUY LAROCHE, DAKS, ELLE HOMME, LACOSTE, GETAWAY, BSC 2001, HORNBILL, COOL METROPOLIS, GUNZE, MIZUNO, LE COQ SPORTIF, MAXIMUS, FELIX BUHLER and HAZZYS. The main distribution channels are department stores in Bangkok and upcountry, with regular sales personnel providing product advice and an after-sales service. A new distribution channel has also been opened in discount stores, as well as in shops that have opened in shopping malls, TV channel and E-COMMERCE.

## 2. Revenue Structure

The Company classified revenue as 3 principal segments are as follow:

(unit : million baht)

Product Line	2015	%	2014	%	2013	%
Cosmetics, toiletries & perfumeries	1,296	10.06	1,387	11.04	1,545	11.33
Women's apparel	4,130	32.07	3,700	29.45	4,021	29.49
Men's apparel	3,236	25.13	3,253	25.89	3,725	27.32
Others	3,681	28.58	3,693	29.40	4,038	29.62
Other income						
Dividend income	378	2.93	333	2.65	385	2.82
Gain on disposal of assets	1	0.01	5	0.04	67	0.49
Others	157	1.22	192	1.53	153	1.12
<b>Total</b>	<b>12,879</b>	<b>100.00</b>	<b>12,563</b>	<b>100.00</b>	<b>13,934</b>	<b>100.00</b>

## 3. Major changes and activities in 2013

### • BSC COSMETOLOGY

Founded: October 2005

When digital media have been part of the daily lifestyles, most consumers have changed the ways they get messages from the media, which directly affect advertising campaigns and media planning. All mobile devices have become personal belongings of most people, especially hand phones, tablets and laptops. Sales of these devices grew evidently in these recent years, thereby shifting behaviors of most consumers. They mostly received messages or comments posted on these devices. The Company, therefore, has to adjust our marketing strategies in line with demand of the target groups, by placing greater emphasis on marketing communications via digital or online media. Distribution channels have been increasingly expanded for them. Last year, the Company launched more marketing campaigns via such channels as O-Shopping, Bento Website, and Seven-Eleven Online Catalogue, etc. These included the launching of Viral VDO to enhance our image and brands among web buyers. Last year, BSC COSMETOLOGY saw promises in marketing opportunity. A new campaign was launched for "The Brightening Day with BSC Sunscreen" with (NATALIE GLEBOVA, Miss Universe 2005, as the Presenter for such marketing campaign. The main concept is "World Class Cosmetics" and build up image for BSC Cosmetology brands to become leading world class brands. The marketing communication concept is to emphasize on new innovations that provide more benefits than normal sunscreen cream. The Company invented new and latest innovation, which reduces skin temperature when face with sunlight. It is also proven by real users. The criss-crossed marketing strategy within the Company between BSC ladies shoes and BSC Cosmetology cosmetics is considered as new form of marketing that mixes beautiful fashions. The marketing campaign is very successful when mixing lipstick and shoes colors.

- **SHEENE'** : Unite to become the market leader for oil control powder Sheene' Oil-free Powder was introduced as a new product, under a concept as "Put facial oil under control", to meet demand of customer for facial oil control. The product Sheene' Oil Free powder can satisfy all needs in the market. Such a campaign launched Sheene' Oil Free Whitening Powder, popular for a younger and brighter facial look. And Sheene' Oil Free Extra which provides flawless coverage. All three series of Sheene' foundation powder can control facial oil up to 12 hours. More products were included in all categories of makeup line, such as face colors, lipstick, mascara, eyeliner and nail varnish. A new collection of "Sheene' Polka Dots" make up was launched with dotted packaging, which was popular among teen buyers. The collection included semi-matte-cream lipsticks, available in 16 color shades, mixed with pink quartz-tourmaline and wild roses to render the feeling of soft cream. "Sheene' Mineral Base Glowing Skin" offers a base skin toner, using pure mineral water from Japan. These included the launching of nail colors, very attractive for the target buyers.

- BSC Pure Care** : Pure Care cosmetic by BSC joined hands with the Royal Chitralada Projects to conduct research on olive extracts, a flora of the Mediterranean. Olive has plenty of health benefits for mankind. It has been promoted for growing in Thailand. Pure Care uses olive extracts in its cosmetic products. The research has proven that “Squalane” extracted from olive has similar quality to the natural skin nourishing oil, which can be absorbed to your skin very quickly for the fullest result. “Phenolic”, also olive extract, can eliminate free radicals, anti-wrinkles, and enhance skin elastics for younger looks. Extracts from olive leaves possess 2-fold better quality to remove free radicals than the quality of green tea and grape seed extracts, and 5-fold better than Vitamin C. It can revive your skin and remove premature wrinkles. The Pure Care Royal Olive collection includes Royal Olive Hydrating Essence, with intensive olive extracts for facial nourishment. It can refresh your skin and remove wrinkles effectively and efficiently. Royal Olive Nourishment Cream-facial nourishing gel can lock up freshness and balance skin nourishing oil, to retain skin freshness. Royal Olive Cleansing Oil can clean up all makeups and brighten your skin.
- Arty Professional** : Cosmetics that emphasize on professional makeup with makeup innovations that emphasizes on highlighting and shading result in beautiful dimensional face. The concept “4 H.D.” changes the face structure to V-Shape without surgery. The skin is smooth, dimensions are created for beautiful face with new and latest product: Arty Professional Real Control Concealer, new innovation. Concealer melts by heat temperature from skin and becomes thin layer of cream but intimate, conceal default on skin from dark spots, dark pouches under eyes or dark patches, skin will look smoother and color is evenly distributed. The skin looks radiant, healthy and beautiful, skin is firm and delete any scars and wrinkles. It conceals as much as foundation powder and beautiful color sticks for long time, adjust skin condition and spread out easily. Filled with moisturizer to moisturize skin, skin is not dry nor rough. This is the reason for blemish during daytime but does not cause oiliness around eyes, conceal dark patches under eyes and spread out light, skin around eyes look refreshed, younger than age and bright. There are 3 color tones to choose from for each person’s skin.
- BSC Panadda Ultimate Golden Collection** : New innovation which reveals radiant skin, look amazingly young with “Golden Leaf”, named by Her Royal Highness, Princess Sirinthorn. The former name is “Yan Da O”. The origin is only in Pattani, Narathiwat and Yala 3 provinces on the Southern border. BSC Panadda has introduced golden leaf, new plant specie in the world and copyright of Thailand to analyze and research until valuable extract is found ie. “Golden Liana BG”. Its quality is higher anti-oxidant than popular extracts available in the market currently. This is the first time in the world and uniquely belongs to BSC Panadda only. This is the beginning point to create skin nourishing product and excellent Makeup under BSC Panadda Ultimate Golden Collection with higher value than competitors in the market.
- Marketing Campaign to Create Good Things for Society : ICC The Most Beautiful Day**  
The Company is aware about participation in social development filled with good stories to spark and inspire people in society. Therefore, we have created the marketing campaign “The Most Beautiful Day”, where everyone can participate to share good experiences through online channel. Two stories by Virtual VDO Clip were prepared, which related beautiful story of young male student, whose father is a security officer. They have lived together until his son graduated with Bachelor Degree. The beautiful day is the Graduation Day. The stories of urban life whereby “mother” is sometimes forgotten and when remember, the outcome is beautiful day between mother and child. Those stories are inspirations created from real life stories. The campaign is for everyone to share beautiful day with society and build smiles together.
- WACOAL Pink Ribbon Fight against Breast Cancer**  
Statistics in Thailand show that cancer, especially breast cancer, remains the top main cause of death among women. It is also alarming that women suffering from breast cancer tend to start from younger ages. Wacoal has launched the “Wacoal Pink Bowl: Fight against Breast Cancer”, realizing its responsibility in society. It is an effort to render value to the Thai women. The project has been implemented continuously for 15 years, under a primary objective to create awareness for regular medical checkups among women, and to provide timely treatment for patients, given the fact that this deadly disease, once detected earlier, can be cured. In the past year, Thailand's campaign to focus on distant breast cancer. The documents published "I do not know about breast cancer," more than 500,000 copies, which received support from the National Cancer Institute. The information is from National Cancer Institute to write educational content in questions and

answers form to easily understand how to correctly check breast cancer by oneself. New type of media were also produced to install at 400 Ladies Fitting Rooms nationwide.

- **Organize New Generation Fight Against Breast Cancer Activity Year 2**

Wacoal has joined with National Cancer Institute to organize activities to emphasize on protection and invite nursing college students throughout the country to send their works to contests. The objectives are to improve communication process to campaign, control and protect against breast cancer more effectively as well as stimulate new generations to participate to create new communication channels, whereby can access the mass rapidly. For the final round, there are 5 prizes for nursing students' works throughout the country. The winner will receive Trophy granted by Princess Siriwannawalee with scholarship over 200,000 baht.

- **Organize Mammogram Charitable Event "Pass on Love and Care from Mother...To Child" on Her Royal Highness, Queen Sirikit, 83<sup>rd</sup> Year Anniversary.**

Genetics is another risk factor for breast cancer. Wacoal has organized Mammogram Charitable Event "Pass on Love and Care from Mother....To Child" jointly with National Cancer Institute. The main objective is to check breast cancer patients' daughters for breast cancer. The total is 184 persons. Wacoal also provides knowledge, understanding and technique to check breast cancer by oneself. The purposes are to change one's behavior and pass on knowledge to people around.

- **Organize Wacoal Cares Your Breasts. Mammogram Saves Your Life Activity Year 6**

Wacoal has organized activity for Thai women to check with mammogram and ultrasound machines on an annual basis. Special benefits are given to customers who are HIS & HER members, when they purchase Wacoal products and accumulate 12,000 baht between 1 July to 31 October 2015. They received benefit to check for breast cancer with mammogram and ultrasound machines at supporting nursing stations such as National Cancer Institute, Regional Cancer Hospitals, Bangkok Hospitals and its affiliates nationwide (except Samui Branch) and Samitivej Hospital (Sri Nakarin and Thonburi Branches only). A total of 25 leading nursing stations participated in the Project nationwide.

- **Organize Fundraising Activity to Fight Against Breast Cancer**

Wacoal has organized Charitable Event so that everyone participates as givers and are aware about harm from breast cancer. The Project has been honored by "Teacher To" M.L. Jirathorn Jiraprawat to design souvenirs. The income from Fight Against Breast Cancer Fundraising Activity will be used to buy modern medical equipment and treat poor breast cancer patients.

- **Organize Bra Day, Valuable Bra.. ....Create Jobs and Love the Environment Activity**

Last year, Wacoal has organized Bra Day, Valuable Bra....Create Jobs and Love the Environment Activity, which received warm welcome. This year, to emphasize on success, Wacoal has organized social creativity activity for 4<sup>th</sup> consecutive year to stimulate women nationwide to check up bra, look after their health and to donate their bras. The emphasis is still on 3R: "Reuse" by donating bras to The Association for the Promotion of the Status of Women to use the materials for inventions and create jobs. "Reduce" such as burn bras with cement production to reduce fuel energy usage, promote pollution reduction in environment, reduce natural resource usage, reduce green house gas effect. Finally "Recycle", melt metal bra wire structures, adjustment loops and hooks together to be used again. This is the most efficient and worthwhile method in using resources.

- **Other Activities such as Balancing Bra Donation, Pink Wacoal Ribbon, Endless.... Giving and Power of Women**

Wacoal is aspired for Thai women to be safe from breast cancer and therefore has organized many activities with charitable organizations, government and private hospitals and shops nationwide to participate in Balancing Bra Donation, Pink Wacoal Ribbon, Endless...Giving or Power of Women. We invite customers to participate and help poor breast cancer patients, give Balancing Bra with artificial breasts to women who have breast cancer operation directly, as well as donate through organizations and work units such as Chairman of Red Cross in many provinces, charitable organizations, government and private hospitals and shops nationwide

- **ARROW: Fabric-Design Innovation**

- ARROW SHIRT “Wrinkle Free No Iron”**

- Shirts are produced from especially long yarn mixed with microfiber where the yarn denier is at micro level. The fabric is thus smooth, soft and can well restate from wrinkles, thus easy for ironing or even ironing is not necessary. After washing, it can be worn, save time and energy.

- **ARROW: SOCIAL INNOVATION**

- ARROW “SEND ME HOME...Help Elephants to Go Home”**

- In 2015, to celebrate Her Royal Highness, Princess Sirithorn’s 60<sup>th</sup> Year Anniversary, the Return Elephants to Nature Foundation planned to release 6 elephants and ARROW has participated in the Project to release 1 elephant for royal charity at Wild Animals Conservation Area, Sublangka, Lopburi Province, whereby Her Royal Highness, Princess Sirinthorn, has kindly attended as the Chairman on 15 October 2015. ARROW asked for used clothing to help flood victims for 5<sup>th</sup> consecutive year. ARROW then donates all clothes to the media and relevant charity organizations nationwide.

- **LACOSTE : NEW CREATION**

- Lacoste introduces a new idea again, using Standard Fixture for a new set of furniture for decorating its outlets, inspired by modern architectures that place importance on environmentally-friendly furniture. The material is light, energy-savings and pollution free.

- **LACOSTE : CREATIVE INNOVATION**

- LACOSTE comes with complete idea LACOSTE Style. The Flagship store, Central World Branch, 2<sup>nd</sup> Floor, the first and only in Thailand is complete and biggest in the Asia Region with over 500 square meters in the heart of Bangkok. It is decorated with large Polo bar and the Store has the most colors and designs in Thailand. It meets customers’ demand for product variety and designs from head to toe, for ladies, gentlemen and children. It is LACOSTE one stop service, Thailand. We also provide embroidery service for initial alphabets on LACOSTE polo shirts for various festivals.

- **LACOSTE : Technological Innovation**

- Lacoste joined hands with Orthorite producing shoes sole with 5 outstanding qualities: bacteria reduction, better air flow, comfort, durability and reusability.

## Industries and Competition State

### 1. Cosmetics and Perfumeries Industry

- **State of Competition**

- State of Competition can be considered in accordance with following distribution channels :

- 1. **Counter Sale** The cosmetic market is in high competition, due to the continuing entries of new brands in the market.

The market grows continuously every year, The intense market competition continued, in line with a higher number of players in the market whereas brand loyalty was tending to drop Even though met the outbreaks of economic and political crises in 2012. Given the fact that most of the Thai women still care for themselves, most of beauty care products still showed good promises in sales. In 2015, the competition in cosmetics market has become more intense due to investors such as cosmetics flagship stores in complete form, world class cosmetics shop “Sephora”, which carry world class brand names beauty products, entered the market. Thai ladies will then be updated about beauty. The expansion of discount and convenient stores gain more access to consumers. The marketing strategy is more offensive with brand names cosmetics counter group using Integrated Marketing Communication: IMC, which includes organize promotion, advertisement media and new product market. Organize activities and expand distribution channels to reach targeted groups. In the past, counter brand cosmetics have changed from former advertising channel by television media to create wide brand awareness to online advertisements to access to customers quickly and all the time. This not only includes prime time but the market has changed television advertisements as introductory communication channel and use online advertisement channels as follow up channels for purchase decision. New products are increasingly introduced continuously at theatres, by Internet and in department stores, given the continuous and prevalent popularity of said channels. BSC COSMETOLOGY and SHEENE´ spent more on advertising on Internet. Following growth in e-Commerce business, distribution channels are no longer

restricted among sales counters. Amid greater emergence of the digital world, there is greater popularity of online shopping in all categories of goods, including cosmetics. Cosmetics reported the second highest of growth in online sales after clothes, which will be very beneficial to the cosmetic market. Thailand is now more ready for online trading, due to availability of communication facilities, from EDGE to 3G and 4G going forward. Customers will enjoy more accesses to Internet, seen as a crucial factor for growth in e-Commerce business. Shopping will be much easier. Sales on Internet are only in the beginning process and more marketing strategies will follow soon. Although online sales are not the main sources of income for the current brands, it is undeniable that the trend has already begun with more roles and trading value is worth pursuing. Online sales of various brand names will grow substantially in the next 5 years and advertisement in theatres, and department stores which can bring the higher attention and exposures to the consumers which will help maintain sales volume and expand new consumer base. Counter sales brands have adopted different marketing strategies and organized more activities to promote sales, as seen in higher frequencies and provision of product gift sets at reasonable prices to stimulate the sales. Each brand has launched Value Sets for trial usage and attracting new buyers. Modern technology plays a greater role in sales promotions in order to get more intention from buyers. Most counter brands increasingly use modern technology to promote sales especially skin testing devices. It takes approximately 3-5 minutes for the skin diagnosis. New technology enhances reliability of each brand, which will justify if it is worthwhile to purchase. One of the current strategies adopted by most counter brands is to promote love and loyalty among buyers at all times. Must always be concerned about social responsibility, which adds brand value in consumers' opinion. Department stores respond to plastic bags usage reduction so as to reduce the Green House Effect. Each Store organized campaigns such as higher discount when purchase goods, do not use plastic bags, determine No Bag Day to campaign to customers not to use plastic bags for their product purchases, accumulate additional points for not receiving plastic bags and make fabric bags as premium for exchanged purchase and gift to customers.

ICC Cosmetic and Perfumeries Division emphasized on the consumer research and product development that aim to meet the consumer needs of products that enhance beauty and personality, including new technology to entail the necessity for use of the product and to show the final results to the consumers. Especially, BSC COSMETOLOGY and SHEENE have successfully retained their market leader status of foundation powder continuously. The Company aims at strengthening its brand and products, using innovation development as a primary strategy. There was greater spending on R&D in sciences in order to develop innovative products. BSC COSMETOLOGY realizes that innovation is everything, ranged from products, packaging, distribution channels, deliveries and marketing. It aims at achieving innovation for better responsiveness in order to meet consumers' demand.

**2. Discount Store :** In the past 20 years, consumers in Thai urban society have known Modern Trade for Discount Store Group. The outstanding point is cheap prices and means more than Supermarket, however, products are not of variety or luxurious like Department Store. There were 3 main companies in the Thai Retailers Market: Tesco Lotus, Big C and Carrefour. However, only Tesco Lotus and Big C remain. In the beginning period, they used fierce and intense price competition strategy in order to be known and accepted by consumers in Thailand. They also expanded their branches to large communities in Bangkok, its vicinity and large provinces nationwide, which affected wide circle from producers, middlemen, traditional trade from wholesale, retail or even groceries. Consumers' behavior in the market also changed. Discount Stores are vital marketing distribution channels, which producers cannot overlook its significance, including sales areas and quantity sold. This creates Economy of Scale and producers will gain satisfactory profit, even though it must be exchanged with numerous conditions of each Discount Store such as entry fee, delivery fee, product distribution or participation in Sales Promotion Projects organized by Discount Store continuously for squeezing to obtain Shelf areas for their products and products are also displayed along with those of their competitors. These do not even include competition from House Brand products by Discount Store themselves, which are cheaper. It does not take long for Discount Stores to replace former marketing middlemen. Many of those middlemen closed their businesses or adjust and fight with new Discount Stores through Social Measures and campaigns to request the Government Sector to organize Discount Stores Trading and Investment Discipline. But it seems useless to obstruct Discount Stores, because they have expanded and won consumers' hearts with a variety of products ready for consumers to touch, take and select by themselves in cool, comfortable, bright and wide areas. The continuous marketing sales and promotion plan mixed with Defensive and Offensive Strategies are used in marketing activities. Each Company tries to usurp areas with geological advantages and expand to communities and many areas nationwide so as to create Economy of Scale before its competitor. At the same time, competitors are ready to compete in

those areas by opening their own branches to compete in every area and community. On important economic roads, often there are at least 2 Discount Stores competing. Discount Stores also compete to be the market price leader, cheapest and cheap daily etc.. Whenever any Discount Store launches any sales promotion, its competitor is ready to organize the same kind of activity by adding more value or return higher discount to consumers. The market value of Discount Store business in Thailand is over 400 billion baht per year and expects to expand continuously. These Discount Stores are ready to use strategies and business operation methods to exchange with this humongous market value. Today, Discount Stores in Thailand have stepped up to become Hard Discounters, whereby they are ready for competition to win over consumers and marketing areas. If any Company lacks capital, management, Logistics System, Information Technology System and personnel, its customers base and market share will be usurped. It is clearly seen from Carrefour withdrawal from Discount Store business in Thailand.

#### - **Product Acquisition**

In terms of production, currently 90% of all of the Company's cosmetic products are manufactured in the country, mostly by the International Laboratories Corp. Ltd., and S & J International Enterprise Plc., both of which belong to the Saha Group and are under the quality management of ISO 9001. Another 10% of the Company's products are imported.

In terms of product development, global sourcing involves the search for ingredient and packaging from all over the world.

#### - **Industrial Trend and Future Competition**

The cosmetic market still recorded growth by 3 percent, reaching total sales turnover of approximately Baht 44,000 million because it now becomes basic necessity for women. Skincare products, particularly anti-aging products, now top the chart, constituting more than half of the total sale turnover in this segment, due to widespread popularity among buyers. The current market trend also focuses on product image promotion, which will eventually lead to higher sales. The Corporate Social Responsibility (CSR) activities have increasingly become a marketing strategy to boost favorable image of the products and company, and it will soon become a global strategy.

## **2. Women's Wear Industry**

### - **State of Competition**

#### **1. Competitive Situation**

Competitive strategies in 2015 included the followings:

#### - **R&D for Women's Lingerie**

By improving and creating new innovations to meet consumers' needs on a continual basis, from consumers' behavior analysis or introduction of new technology from Japan to improve and develop products to suit Thai women's physiology for each age group and occasion.

The Company stresses on consumers' behavior analysis on a constant basis, because consumers' behavior changes rapidly nowadays. We not only emphasize on consumers research information, but also internal working process must be adjusted to create flexibility in order to better meet customers' demand. In the past year, we have adjusted working process to cover more areas both factory and Sales Department. Formally, factory designs, produces and send to Sales Department to distribute to consumers. However, currently has adjusted the process by beginning from consumers' needs to the Sales Department and then factory, now they work as One Body and produce. Thus products distributed to the market coincide with consumers' needs for every age group, lifestyle in terms of functions, good quality and appropriate price.

The Company still emphasized on improvement The Company has still placed emphasis on research and development of technology and innovation, including consumer behaviors. Research has been conducted regularly and continuously in order to produce bras that fit your body and meet the needs of women.

The Company has promoted research on human body for more than 3 decades. The research findings have been compiled, including knowledge from site visits in Japan, for the development of bras appropriate for body structures of the Thai women at different ages and occasions of use.

As for consumer behaviors, the Company has emphasized research on consumer behaviors on a regular basis, given the rapid changes in the market. Realizing such facts, the Company has developed Focus Group Seminars, attended by users in order to gain firsthand comments, level of appreciation, and all their needs, both before and after the launch of our products.

These include the site visits in Europe, especially France, and Asian countries, such as Japan and Korea. The research findings and knowledge from site visits in foreign countries have been used for new product development that meets the needs of and remains consistent with the consumer behaviors at different ages and lifestyles, based on high quality and reasonable prices.

The Company still emphasizes on improvement and develop integrated product management on a continuous basis in terms of products and target groups, sales persons with close relationship with customers before product sales, divide goods to be produced into batches, product distribution plan and Auto Replenishment by introducing the Quick Response Management System (QRMS). The application of this System results in more effective product management in shops, goods are sufficient and coincide with customers' needs, balanced stock with sales volume, not too many or too little. It reduces the loss opportunity for sales, speed up transportation and distribution to shops, more efficient and effective inventory management. As a result, the lead time for delivery and loss opportunity for sales decreased, hence product management is more effective

- **New Consumer Expansion and Maintain existing Consumer**

The competition for local ladies lingerie market has become more intense, due to local ladies lingerie producers marketing strategies to maintain their market share. At the same time, brands from the West also launched ladies lingerie marketing strategies or cheap lingerie from neighboring countries such as People's Republic of China, etc.. To avoid price competition, the Company focuses on building good relationship with existing customer groups with Brand Loyalty. The Company has set out strategies to retain the existing consumer base in a more systematic approach of relationship and loyalty management. Emphasis has been placed on impressive experience in every touch point. High quality product has been offered, together with reasonable prices and high quality services. The Company has adopted the Customer Relationship Management (CRM) system which the Company has used through points accumulation card His & Her Plus Point, to create good relationship with customers such as activity to create relationship, Wacoal Beauty Inside Lady Exclusive Party or activities organized in sales areas to create Brand Loyalty and Retain Customers, for their maximum satisfaction.

**New Customer Acquisition Strategies have been mapped out in 3 parts:**

- Starter Group (First Buy): The Company emphasizes on Brand Awareness through activities organized in sales area in order to implant correct product usage methods for teenagers from puberty age onwards. Demonstration teams also come to suggest correct product usage methods suitable for physiology.
- General customers, having never used the Company's products: The Company emphasizes on Brand Awareness to targeted groups through activities organized jointly with shopping malls. Other marketing tools are also used to communicate with targeted groups: TV advertisements, newspapers, magazines or Social Media. Build up relationship with TV Shopping Channel to advertise in different media through digital TV and cable TV. These are high growth media and can access to consumers very well. Special benefits are also given to create Brand Experience. The Company is a physiological expert, provides good service to satisfy customers' needs, which results in Brand Preference and Brand Loyalty respectively.
- Consumers with Cross Product Experience: The Company has offered special prices for some recommended items for buyers in order to create brand awareness and trials of other products of the Company.

- **Omni Channel Marketing**

The competition in ladies lingerie market is variety of distribution channels from former distribution channels such as Department Stores, Discount Stores and Company Shops or new distribution channels from online distribution channels (E-Commerce) or TV Shopping. The growth is expected to increase yearly, because these channels can reach customers easily and meet customers' demand more rapidly and completely by building allies with famous online distribution website or TV Shopping Channel or catalogue. Producers can communicate product innovations completely. Consumers can also access innovative products and connect to selling points at Department Stores in the form of Omni Channel marketing. This new channel is expected to expand according to changing consumers' behavior in this modern age.

Nevertheless, even though each channel has many strong points, there are some weak or limited points. Despite many online shopping channels (E-Commerce) and many products to select and compare prices, ask for opinion through Social Media with rapid reply, customers can make purchase order and wait for products, convenient for customers, these channels lack actual product touch. Shops may have many products to select from, but exhibit area is limited and difficult to compare prices

quickly like online world, however, customers can receive products immediately, can actually touch and test products. This factor will push customers to make faster product purchase decision. Therefore, the Company has developed the Omni Channel Marketing by improving different internal systems to adjust and change flexibly. It is first applied at Wacoal Shop, Srinakarin to create new shopping experiences and connect the Interactive System with Wacoal Warehouse System. Customers can clearly see product functions in shop with limited space. Every group of products is available for every woman's lifestyle. Products that customers want can be delivered to homes immediately with free delivery service.

The Shop Interactive is another new Marketing Channel System developed to connect with former existing system of the Company, to handle product sales at shops and satisfy customers' needs. Online marketing channels are introduced and delivery to customers' homes rapidly. This will be additional channel for customers to access Wacoal products, increase online product purchase experiences, can actually touch and test products or see and touch real products. This solves the problem and gather outstanding points of each distribution channel together as well as reduce some weak or limited points to strengthen distribution channels and suitable for digital lifestyles in this modern time

## **2. Number and Size of Competitors**

The lingerie industry has encountered many obstacles when entering the market. Players who wish to survive must have a full-cycled business, beginning with the importation of raw materials, the production of some raw materials, sewing, and the sale of products. Furthermore, lingerie is a product where consumers are usually rather attached to brands and so building brand awareness is an expensive process. Additionally, sales channels require a middleman, such as a department store or a discount store, which requires strong discussion and negotiation. With these factors in mind, entrance into the women's lingerie market is not at all easy. However, the customer group of ICC five brands including WACOAL, BSC, BSC SIGNATURE, ELLE and KULLASTRI, can be expanded to cover every target group with different needs, holding more than 60% of the total market share through main distribution channels.

## **3. Status and Potential for Corporate Competition**

The Company has strong competitive potential in the ladies' lingerie industry, as it foresees opportunities and the structure of the market as being the distributor of five brands of lingerie, with each brand being positioned differently to support the market and clearly cover the target group. It is also the distributor of WACOAL, which is a valuable brand leader, a very strong selling point in various negotiations. It has an advantage over other competitors in terms of creating strategic synergy in helping other brands of the Company gain a greater income and fill the market gaps, resulting in maximum benefit to the Company.

### **- Product Acquisition**

ICC is currently carrying five lingerie brands, produced by two major manufacturers:

1. Thai Wacoal Public Co. Ltd., manufacturer of WACOAL.
2. Pattaya Manufacturing Co.Ltd., manufacturer of KULLASTRI, BSC, BSC SIGNATURE, ELLE

Suppliers of raw materials for both these companies are Textile Prestige Plc., Thai Takeda Lace Co. Ltd., and Thai Sakae Lace Co. Ltd., all three of which belong to the Saha Group with manufacturing standard ISO 9001. Research into and development of new materials have consistently been conducted resulting in an advantage over competitors in terms of having a wide range of raw materials and also lower production costs.

### **- Industrial Trend and Future Competition**

The trend of Textiles and Garments Industry is still on the rise for production and export. Most of production is for the ASEAN market to become the ASEAN Economic Community by end of Year 2015. It is an opportunity to expand production capacity and increase consumers market from 60 million to 600 million persons, which is a huge market with high potentials.

In 2015, the whole lingerie market is estimated at 12 billion baht. The expected growth is at least 3% from Year 2014, because of slow economic recovery both locally and abroad, due to world economic recovery and trading volume, whereby consumers are more confident about the economy.

In 2016, the Company still focus on researching and developing new Innovations and Technology to design lingerie that Suitable for Thai women physiology and coincide with consumers' behavior for every age group, lifestyle and fashion. This is based on good and quality products at worthwhile prices, integrative product management, to retain inventory at reasonable amount and balance with sales volume, not too much nor too little. Increase transportation channels to distribute products to shops more

rapidly instead of retaining large amount of inventory at shops as well as implement strategy to create uniqueness in Omni Channel Marketing to meet consumers' lifestyles in this Digital Age as much as possible.

### 3. Men's Wear Industry

#### - State of Competition

In the past year, the Gentlemen Attire Market growth decreased by 4% from last year. The market shrank drastically during Quarter 2-3. Consumers were not confident, delayed buying and are more selective. In 4<sup>th</sup> Quarter, the marketing trend was better especially December where the Government issued measure to stimulate spending. The amount spent for purchasing products during 25-31 December 2015 is tax deductible. As a result, sales increased by 5% in December. However, most producers have to focus on competitive cost management and search for new technology. Supply management should be efficient, with more focus on value products. There will be greater and continuous communications to urge buyers to realize the value and utilities in order to seize the higher share in the market.

Besides, most producers emphasized on the discount, redemption, giveaways and distribution of premium goods to stimulate sales and minimizing their products in stocks, but rarely conducted new marketing campaigns. Many of them have to develop their production efficiency to achieve lower costs, and to ensure flexibility in management for higher competitiveness. In addition, they have to set aside budget for marketing activities for competitive advantages in the long run.

As far as the state of competition is concerned, some advantages still prevail. They are:

1. The Company's men's wear has created a wide range of product lines (portfolio) which can cover the whole target market in many various segments, resulting in wide distribution and a strong market share as well as the balance of negotiating power in distribution.
2. The Company's products are well-known and well-accepted for their high reputation and quality.
3. The Company's products have undergone development and it has successfully and consistently launched innovations into the market owing to support from major suppliers (belonging to the Group). There is an expansion of factories to cater for this growth, from the thread-spinning factory, dyeing factory, cloth decoration factory to ready-made shirts manufacturing factories, to support the Company in its potential to create a constantly growing market share.
4. The Company has strong personnel with good habits of thought and the determination to achieve the corporate targets and they are consistently ready to learn and improve.

#### - Product Acquisition

The Company has acquired products from 5 major suppliers, namely:

1. Thanulux Plc., manufacturer of shirts, T-shirts, suits, bags and leather goods.
2. People's Garment Plc., manufacturer of T-shirts and trousers.
3. Champ Ace Co.Ltd., manufacturer of undergarments and bags.
4. Thai Itokin Co.Ltd., manufacturer of shirts, T-shirts and trousers
5. Bangkok Tokyo Socks Co.Ltd., manufacturer of socks

Manufacturing technology is medium-ranged, with a fair number of workers and the modern use of automated machinery for higher production efficiency.

Moreover, the manufacturing group has established factories within the BOI-promoted Industrial area (Zone 3), resulting in a decisive advantage in production costs.

#### - Industrial Trend and Future Competition

Although the market remains sluggish, the industry at large tends to remain stable and to continue growing because consumers still have to pay attention to their dresses, market competition will tend to rise, due to foreign rivals and products including cheap products from People's Republic of China. The local producers will have to analyze the market and consumer behavior in each area, create innovations in various forms in terms of products, marketing channels and develop strengths of each product for each target group of buyers in order to survive in the market amid the more intense competitions.

## 1. Manufacturing Risks

Corporate dependence on a few major suppliers

The company only has 1 or 2 major suppliers in each product category. Should the circumstance arise when the suppliers cannot supply the company with products of a specified volume and according to the requested schedule, this can affect sales and marketing opportunity.

### - Preventive measures

1. Each brand has made an interface agreement with its suppliers to guarantee the volume and timing of product delivery. Those suppliers are manufacturers with ISO 9001 quality management accredited policies, whose credibility and corporate enterprise will be seriously affected in cases of delivery failure.

2. These suppliers have been established with a policy of mutual support and reliance. They are all companies in the Saha Group and have the goal of mutual reinforcement and competitiveness. Also, they have a close tie and relationship, that go back a long way, with an organization that provides consistent and continuous work plans, making them able to anticipate possible factors that may affect production and thus be able to jointly plan for timely solutions.

3. Better teamwork has been developed between suppliers and merchandise departments to form a “one body” model by using zero base thinking method in different meetings such as target planning, placement of orders, raw material and manufacturing planning, including the capability in adjusting any plans to comply with certain situation. As a result, there is more accuracy in volume and time assessments, as well as a promptness of mutual solutions-finding in such occurrences as product undersupply due to excessively rising sale.

4. The Company conducts research with the target customers, including the counter-sale agents, who are close to the customers before launching of particular products so as to respond to the needs and remain consistent with consumer behaviors as much as possible.

5. The Company divides the production of goods in different lots in order to observe and monitor the market response trends on a regular basis in order to ensure timely adjustment in its production lines.

## 2. Risks from in-store inventory management

Currently, outlets are faced with overstocking of merchandise superfluous to customer need or under-stocking when supply falls short of demand, or even there are no merchandises that meet customer need. This impacts on sale volume and marketing opportunity.

### - Preventive measures

1. The Company has made use of IT to enhance its potential in management and administration by installing the Quick Response Marketing System (QRMS) for effectively managing goods and inventory. With QRMS, the Company is able to monitor sales and inventory on a daily basis throughout all stores. The data obtained is used to analyze market demand and monitor the flow of goods, in order to maximize sales opportunities and perform accurate and fast delivery that promptly responds to market need. It is also used to effectively adjust production plans, product manufacturing and sales management.

2. The Company has built up the Auto Replenishment software to maximize the functional and effective application of QRMS in in-store inventory management. This Auto Replenishment system processes the data on sales in each SKU and each retailer-store by statistical calculation, so as to predict daily in-store replenishment according to relevant product demand in appropriate volumes. So, the storefront has a balanced stock and in proportion to its sales, with no overstocking and a minimum loss of sales opportunities.

3. This year, The Company has set a proactive policy and measures to control purchase orders so as to maintain sufficient inventories for sales and avoid unsold inventories. Freshness of products will be assured. The efficient management will be maintained from end to end, starting from research on product development to meet the customer demand. The research will also cover such issues as orders of goods in different patterns and colors, marketing approach for continuous growth in sales, arrangement of marketing campaigns when sales are lower than targeted, due to changes in the market or any unexpected incident, including changes in a system for sales and orders of goods.

4. Management of old-fashion stock left in the stores or shops has been improved with the system to clearly identify the status of products in QRMS (Quick Response Management System). This can also give more flexibility in managing this kind of stock.

5. The Company increases swiftness in product delivery and distribution to shops in order to reduce the stock of goods at each shop, for a greater balance of stock of goods for sales and minimization of loss in sales opportunity.

### 3. Distributional Risk

The Company operates mainly via department stores as its major distribution channel and a number of discount stores as the minor channel. The latter have the prospect of expansion in Bangkok and in other provinces.

#### - Preventive measures

1. The Company has a policy of expanding sales into discount stores by means of producing new products specially-produced for this channel, which is aimed to meet the requirement and purchasing power of the discount store target group. This method shall be mainly implemented with the cosmetics products. The new measure also includes the launch of new brand with price and quality appropriate with the target group, especially the apparel group which is fashion-conscious in style and color.

2. Distribution channels have been enlarged by expanding more outlets managed by ICC in the form of specialty store in order to reduce dependence on major department stores.

3. The Company expands distribution channels to reach more customers, such as sales via TV Shopping, online shopping and catalogue sales, etc.

### 4. Risk from the change of consumer behaviour

Consumer behavior has now considerably changed. Brand loyalty is diminishing while new and modern technology systems that globally provide more rapid and broader communication including other new kinds of business and service are playing an important role in consumers' spending. Consumers are strongly inclined towards "mainstream consumerism". Political uncertainty makes consumers more cautious in spending and this results in more vigorous market competition. An impact of the global economic deceleration on our country has also eroded consumers' purchasing power. As a result, ICC has to launch marketing campaigns in order to spur demand in the market.

#### - Preventive measures

1. Quality products at reasonable prices have been consistently developed in response to the increasingly changing demands of specific target groups. This helps create the company's good image among consumers. Moreover, attractive marketing campaigns influence consumer purchases and must be directed to the specific target groups to retain the existing customer base and expand it to potential markets. A strong customer relations management system has also been established under the name "His & Her Membership".

2. Product diversification has been made to serve the rapidly-changed customers' need and also to expand market into new customers who have never used some kinds of cosmetic products. This practice helps increase frequency of product usage by existing customers as well.

3. The Company emphasizes the conduct of consumer behavior research on a regular basis given the fact that consumer behaviors have changed very rapidly. Recognizing such fact, the Company organizes Focus Group seminars, attended by several groups of customers who will provide their comments on products and the level of appreciation, including their actual needs before and after the product launch, and the Company will compile useful information from consumer behavior research for new product development. This will enable the Company to respond to the needs and remain consistent with the consumer behaviors in every life spans and lifestyles, in both functionality and fashions, based on the best product quality and worthiness.

## 5. Risk from the government's FTA policy

According to the government's Free Trade Area policy, custom tariffs of the ASEAN countries were scheduled to fall to duty-free status per agreement for the first time in 2010. The cosmetics are also on the list for liberalization. Thai entrepreneurs hence, should brace for the impacts of this new tariff rate, together with reducing the production cost in order to tackle this new standards.

### Effect

Marketing competition has become more intense. However, the Company is unlikely to be severely affected because the former tariff rate for the imports of cosmetics was at only 5 percent. Then, the elimination of tariff rate is expected to affect the Company only slightly. Also, the production technology will help maintain our comparative advantages over rivals.

### - Preventive measures

1. Corporate products : new innovative products are continuously being researched and developed for the market, with support from the country's major manufacturers (subsidiary companies in the Saha Group) and with the full-scale development of materials from industrial sources, as well as with extensive research and development that has resulted from the recognition of international standards. At the same time, the Company has put more emphasis on consumer research and has conducted frequent surveys of market response and target consumer satisfaction with corporate products, so as to respond to consumer need and demand and to give them confidence and value for money when buying corporate products.

2. The Company has the advantage of a cost-effective production line, giving it the ability to create the specific marketing activities and innovative communication to better reach target consumers, with cost-effective advertising and PR budgets.

3. The Company has had a long and lasting relationship with its trading partners, giving it better access to distributional and sales channels both in terms of number and variety.

4. The Company has installed on-line computer systems at every sales counter throughout the country, so as to process sales on a real-time basis. As a result, it is possible to manage sales nationwide with an effectiveness, speed and accuracy in product management that answers customer demand at any given outlet and in any region.

5. The Company has been able to capitalize on the lowering of import duties by procuring products or materials from countries within free trade zones, such as China. Hence, the Company has been able to control production costs more effectively.

## 6. Repercussions from Accounting Standards

The impact of normal operations of the Company

According to the TAS no.19 (revised 2015) regarding Employee Benefits which determined that the Company and its subsidiaries shall have to immediately recognize the profit and loss from its projection according to Actuarial insurance under the comprehensive income and shall have to disclose the assumptions which are used in the above-mentioned projection and the sensitivity analysis in the financial statements, the Company has already disclosed the required information in the Notes to Financial statements, note 21, page 173 in the latest annual report

According to the TFRS no.13 regarding Fair Value Measurement which stipulates disclosures of fair value of assets and financial liabilities in the Consolidated Financial Statement and the Company Financial Statement in order to classify the level of fair value according to the information used in the evaluation, the Company has reported the details under the Notes to the Financial Statements, note 32, page 180 in the annual report, together with the fair value measurement of the investment properties on page 165 of this annual report.

## 7. Obsolete stocks

The company is selling products which are fashion apparel and accessories where the popularity trend of the products changes quickly. In 2015, the company had inventories of 3,791.83 million baht or 55.59 percent of its total current assets and 20.90 percent of its total assets. It had inventory coverage of 184 days. Holding a high amount of inventory may result in inability to sell out in time which may result in the products becoming obsolete. In addition the Company will have high cost of inventory management, and also need to provide an allowance for obsolete stocks or impairment which will have impacts on the decrease

of net income and the liquidity of the company. However, the company has set a management policy to prevent the buildup of any further out-of-date or slow-moving inventory. In such case the Company will accelerate the release of such goods by planning and conducting promotional activities.

In addition, the company has implemented an information system to rapidly analyze sales data and the needs of consumers in each different distribution channel in order to reduce the quantity of products and the inventory coverage. By these means, in the year 2015 the Company was able to reduce inventories continuously from the previous year by a total of 68.11 million baht, or equivalent to 1.76 percent decrease compared to the inventory at the end of 2014.

## 8. Investment

The Company has invested in the business of Saha Group affiliated companies and other companies, a total of 141 companies in all, with a share-owning ratio of less than 50 percent of the registered capital of each particular company. Share-owning is in the crisscross or reverse manner among the affiliated companies. The Company has no majority control of any business in the invested company. The business administration of these companies depends on their Board of Directors. There are only 3 companies that the Company holds over 50 percent of the registered capital, and these are considered its subsidiaries.

The Company's management and decision making in such business investment is in the manner of a joint-venture arrangement in related business or business synergy as well as a form of risk diversification.

The Company makes a profit from such investment in the form of dividends. In case any investing company suffers a loss, the allowance for loss from impairment of investment accounted shall be in the statement of comprehensive income. Such a shareholding structure does not affect the Company's share of income and shall not contribute any differences in the financial statement.

The Company has adopted preventive measures against investment risks by appointing individuals within the joint-ventures or parties within investment-related businesses as investment caretakers to monitor, review and audit the financial statements and circumstantial information of the investing companies, so as to stay abreast of current problems and to report to the Company and share owners annually and promptly in times of unusual situations or crisis in order to find proper solutions. In addition, the Company Board of Directors and Executive Committee hold regular meetings to supervise the operation and performance of the invested businesses, mainly focusing on businesses with losses and finding measures to reverse transactions that cause loss in order to attain sustainable profit in such enterprises.

## 9. Loan and guarantee

As at December 31, 2015, the Company has provided loans in the total sum of 352.98 million baht to a total of 4 affiliated companies, business-related companies and subsidiaries. Compared to the amount of 373.78 million baht in 2014, this was a decrease of 20.80 million baht resulting from the additional lending of 44.70 million baht and the repayment of loan of 65.50 million baht.

As at December 31, 2015, the Company has provided guarantee facilities for 10 companies totaling 222.22 million baht. Compared to the amount of 175.72 million as at December 31, 2014, this was an increase of 46.50 million baht. The change was due to the decrease in guarantee in one company of 3 million baht and the increase of 49.50 million baht in a real estate business of which the guarantee is in accordance with the joint-venture agreement and the percentage of share holding.

1. Name, Head office address, Telephone, Fax, E-mail, Type of business, Number and type of total paid-up shares of the company

Name : I.C.C. International Public Company Limited  
 Head office address : 530 Soi Sathupradit 58, Bangpongpan, Yannawa, Bangkok 10120  
 Tel. (662) 293-9000, (662) 293-9300 Fax. (662) 294-3024  
 Website : <http://www.icc.co.th>  
 E-mail : [webmaster@icc.co.th](mailto:webmaster@icc.co.th)  
 Registered No. : 0107537001374  
 Type of business : Commercial  
 Number and type of total paid-up shares

Type	Number of Shares	Par value
Common Stock	290,633,730	1 Baht

Name, Head office address, Type of business, Number and type of total paid-up shares of the affiliated companies :

-None-

2. Name, Office address, Telephone and Fax of other reference persons :

Registrar : Thailand Securities Depository Co., Ltd.  
 93 fl.14 Ratchadaphisek Road, Dindaeng, Bangkok 10400  
 Tel. (662) 009-9000  
 Fax. (662) 009-9991  
 SET Contact Center : (662) 009-9999  
 E-mail : [SETContactCenter@set.or.th](mailto:SETContactCenter@set.or.th)

Certified Public Accountant : 1. Mr. Bunyarit Thanormcharoen  
 2. Mr. Nirand Lilamethwat  
 3. Miss Nittaya Chetchotiros  
 C.P.A. (THAILAND) Reg. No. 7900, 2316 and 4439  
 KPMG Phoomchai Audit Ltd.  
 Empire Tower, 50<sup>th</sup> - 51<sup>st</sup> Floors, 1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120  
 Tel. (662) 677-2000 Fax. (662) 677-2222

Legal Advisor : Mr. Vira Ua-Arak  
 Vira Law Office Co., Ltd.  
 548/14-15 Soi Sathupradit 58 Yaek 18, Bangpongpan, Yannawa, Bangkok 10120  
 Tel. (662) 683-8023 Fax. (662) 683-8843

3. Other Significant Information : -None-

## 4. Investment in other companies or private companies with the company holding more than 10 % of the total paid-up shares as of Dec 31, 2015

Companies	Location	Type of Business	Type of Shares	No. of Total Paid-up Shares	No. of Shares Held	Investment amount (฿)	Percentage of Shares holding
<b>Distribution Companies</b>							
1. SAHAPATHANAPIBUL	Bangkok	Consumer Products	Common Share	330,000,000	33,630,158	1,227,500,767.00	10.19
						(market price as of Dec 31, 2015)	
2. O.C.C.	Bangkok	Distributor	Common Share	60,000,000	11,839,980	200,095,662.00	19.73
						(market price as of Dec 31, 2015)	
*3. INTERNATIONAL COMMERCIAL COORDINATION (HK)	Hong Kong	Distributor	Common Share	20,000	3,800	1,657,750.00	19.00
4. BETTER WAY (THAILAND)	Bangkok	Direct Sale	Common Share	8,000,000	1,340,142	101,232,031.65	16.75
5. FAIRYLAND DEPARTMENT STORE	Nakornsawan	Department Store	Common Share	1,000,000	106,200	15,930,000.00	10.62
6. UCC UESHIMA COFFEE (THAILAND)	Bangkok	UCC Coffee Shop and Wholesaler of Instant Coffee and Office Coffee	Common Share	150,000	15,000	1,500,000.00	10.00
7. E.P.F.	Bangkok	Distributor, Retailer	Common Share	65,000	6,500	390,000.00	10.00
8. KAI I.T. SERVICE	Bangkok	Assembling and Selling Computer	Common Share	400,000	40,000	1,125,600.00	10.00
9. 4 PEOPLE FOODS	Bangkok	Instant Noodles 4ME	Common Share	2,000,000	280,000	18,249,000.00	14.00
*10. KYOSHUN	Japan	Import pickled ginger from Thailand and export Japanese food to Thailand	Common Share	600	115	2,088,400.00	19.17
11. MORGAN DE TOI (THAILAND)	Bangkok	Distributor of men's and women's apparels and leather products under the brand "MORGAN"	Common Share	400,000	48,000	4,800,000.00	12.00
12. DAISO SANGYO (THAILAND)	Bangkok	One-price retail business of consumer products	Common Share	28,000,000	3,249,474	32,494,740.00	11.61

Companies	Location	Type of Business	Type of Shares	No. of Total Paid-up Shares	No. of Shares Held	Investment amount (฿)	Percentage of Shares holding
13. SHISEIDO PROFESSIONAL (THAILAND)	Bangkok	Beauty salon and spa including import and export of cosmetic products	Common Share	7,000,000	1,050,000	10,500,000.00	15.00
14. SIAM AUTOBACS	Bangkok	Sale and service of automobile parts and accessories	Common Share Preferred Share	2,989,998 1,000,002	500,000 -	5,000,000.00 -	12.53
15. TSURUHA (THAILAND)	Bangkok	Retail store, sale health and beauty products, other consumer products	Common Share	200,000	30,000	30,000,000.00	15.00
16. SHOP GLOBAL (THAILAND)	Bangkok	TV Shopping (sale products via Satellite TV)	Common Share	6,000,000	1,800,000	150,300,000.00	30.00
*17. AMIS DU MONDE	France	Trading products in France and abroad including import and export	Common Share	120,000	98,300	40,957,040.15	81.92
*18. CANCHANA INTERNATIONAL	Cambodia	Distribution of products	Common Share	1,000	400	6,474,860.00	40.00
<b>Total</b>				<b>447,346,600</b>	<b>54,038,069</b>	<b>1,850,295,850.80</b>	

Remarks : \*Investment in other countries

## 4. Investment in other companies or private companies with the company holding more than 10 % of the total paid-up shares as of Dec 31, 2015 (continued)

Companies	Location	Type of Business	Type of Shares	No. of Total Paid-up Shares	No. of Shares Held	Investment amount (฿)	Percentage of Shares holding
<b>Manufacturing Companies</b>							
1. TEXTILE PRESTIGE	Bangkok	Embroidered Lace, Sponge	Common Share	108,000,000	11,261,720	170,051,972.00	10.43
						(market price as of Dec 31, 2015)	
2. S & J INTERNATIONAL ENTERPRISES	Bangkok	Cosmetics	Common Share	149,930,828	21,897,781	376,641,833.20	14.61
						(market price as of Dec 31, 2015)	
3. THANULUX	Bangkok	Leather Products & Accessories	Common Share	120,000,000	13,307,040	319,368,960.00	11.09
						(market price as of Dec 31, 2015)	
4. SAHACOGEN (CHONBURI)	Cholburi	Power Plant	Common Share	955,000,000	100,432,960	512,208,096.00	10.52
						(market price as of Dec 31, 2015)	
5. LION CORPORATION (THAILAND)	Bangkok	Detergent	Common Share	3,000,000	360,000	36,000,000.00	12.00
6. RAJA UCHINO	Bangkok	Towels	Common Share	1,215,000	165,150	16,322,496.00	13.59
7. CHAMP ACE	Bangkok	Garment	Common Share	400,000	50,000	5,000,000.00	12.50
8. T.U.C. ELASTIC	Bangkok	Elastic Bands	Common Share	1,600,000	192,000	18,200,000.00	12.00
9. H & B INTERTEX	Bangkok	Soft and Plush Toys	Common Share	400,000	76,000	7,600,000.00	19.00
10. INTERNATIONAL LEATHER FASHION	Bangkok	Leather Shoes	Common Share	500,000	140,000	21,727,300.00	28.00
11. TOTAL WAY IMAGE	Bangkok	Leather Goods	Common Share	200,000	20,000	2,000,000.00	10.00
12. TOP TREND MANUFACTURING	Cholburi	Plastic Packaging	Common Share	1,200,000	216,000	43,200,000.00	18.00
13. GENERAL GLASS	Cholburi	Glass Packaging	Common Share	14,500,000	2,827,500	42,979,330.00	19.50
14. THAI TAKAYA	Bangkok	Jean Trousers	Common Share	300,000	30,000	3,000,000.00	10.00
15. SSDC (TIGERTEX)	Prachinburi	Bleaching & Dyeing	Common Share	32,400,000	6,345,520	33,135,122.78	19.58
16. THAI ARAI	Cholburi	Automobile Parts	Common Share	1,260,000	135,450	14,162,504.36	10.75
17. THAI SPORTS GARMENT	Bangkok	Garment	Common Share	100,000	12,000	1,200,000.00	12.00
18. THAI GUNZE	Prachinburi	Knit Wear	Common Share	1,800,000	288,000	28,800,000.00	16.00
19. THAI CUBIC TECHNOLOGY	Cholburi	Surface Decorating Service	Common Share	400,000	76,000	7,600,000.00	19.00
20. KEWPIE (THAILAND)	Bangkok	Food	Common Share	2,600,000	280,000	27,273,400.00	10.77
21. THAI SHIKIBO	Bangkok	Textile (Spinning)	Common Share	2,375,000	278,900	26,539,112.00	11.74
22. THAI TAKEDA LACE	Bangkok	Lace	Common Share	1,270,000	162,000	20,482,860.00	12.76
23. THAI SUN FOODS	Bangkok	Producing and Trading Fruit Juice "Greenmate" and Distribution of "Homey" Biscuits	Common Share	5,000,000	950,000	9,500,000.00	19.00

Companies	Location	Type of Business	Type of Shares	No. of Total Paid-up Shares	No. of Shares Held	Investment amount (฿)	Percentage of Shares holding
24. INTERNATIONAL LABORATORIES	Bangkok	Cosmetics	Common Share	12,000,000	2,347,200	313,089,800.00	19.56
25. THAI KAMAYA	Bangkok	Cosmetics packaging, electrical parts and automobile plastic	Common Share	1,000,000	128,000	14,528,000.00	12.80
26. BANGKOK TOKYO SOCKS	Cholburi	Socks Manufacturing and Export	Common Share	1,432,200	280,000	24,250,000.00	19.55
27. ERAWAN TEXTILE	Samutprakarn	Producing and weaving threads from cotton and polyester T/C	Common Share	6,214,634	1,019,978	115,714,662.91	16.41
28. THAI ITOKIN	Bangkok	Ladies' wear	Common Share	1,400,000	814,250	80,101,152.00	58.16
29. SAHA NAM TEXTILE	Bangkok	Elastic yarn, twisted and texturized yarn	Common Share	360,000	64,800	7,335,864.00	18.00
<b>Total</b>				<b>1,425,857,662</b>	<b>164,158,249</b>	<b>2,298,012,465.25</b>	

4. Investment in other companies or private companies with the company holding more than 10 % of the total paid-up shares as of Dec 31, 2015 (continued)

Companies	Location	Type of Business	Type of Shares	No. of Total Paid-up Shares	No. of Shares Held	Investment amount (฿)	Percentage of Shares holding
<b>Service Companies and Others</b>							
1. FAR EAST DDB	Bangkok	Advertising	Common Share	7,500,000	797,800	100,522,800.00	10.64
						(market price as of Dec 31, 2015)	
2. PAN ASIA FOOTWEAR	Cholburi	Investment	Common Share	540,000,000	102,112,778	105,365,634.78	18.91
3. SAHA RATTANANAKORN	Bangkok	Industrial Estate	Common Share	1,800,000	225,000	22,500,000.00	12.50
4. SAHA UBOLNAKORN	Bangkok	Industrial Park	Common Share	1,250,000	237,500	1,484,375.00	19.00
5. K. COMMERCIAL AND CONSTRUCTION	Bangkok	Construction	Common Share	500,000	97,500	34,084,104.13	19.50
6. SAHAPAT REAL ESTATE	Bangkok	Real Estate Development	Common Share	10,000,000	1,990,000	49,750,000.00	19.90
7. WORLDCLASS RENT A CAR	Bangkok	Car Rent	Common Share	1,000,000	211,111	19,792,935.73	25.00
			Preferred Share	2,800,000	738,889	73,888,900.00	
8. D F INTER	Bangkok	Made-to-Order Furniture	Common Share	50,000	9,500	1,060,200.00	19.00
9. THAI FLYING MAINTENANCE	Bangkok	Aircraft and Helicopter Maintenance Service	Common Share	20,000	3,000	300,000.00	15.00
10. LAEM CHA-BANG WAREHOUSE	Cholburi	Warehouse	Common Share	50,000	9,500	1,013,650.00	19.00
11. UNITED UTILITIES	Bangkok	Real Estate	Common Share	3,500,000	649,457	72,315,002.82	18.56
12. TREASURE HILL	Cholburi	Golf Course	Common Share	2,000,000	240,000	16,178,000.00	12.00
13. PAN LAND	Cholburi	Land Development	Common Share	3,000,000	500,000	49,367,900.00	16.67
14. TIGER DISTRIBUTION & LOGISTICS	Bangkok	Distribution and Logistics	Common Share	2,000,000	398,000	6,982,399.12	19.90
15. WASEDA EDUCATION (THAILAND)	Bangkok	Institute of Japanese Language and Cultural Studies	Common Share	448,000	48,000	4,800,000.00	10.71
16. OTSUKA SAHA ASIA RESEARCH	Bangkok	Consultant on production research and development	Common Share	800,000	130,666	13,066,600.00	16.33
17. THAI SECOM PITAKKIJ	Bangkok	Security	Common Share	3,788,572	568,286	94,680,056.00	15.00
18. ISSARA UNITED	Bangkok	Property Development	Common Share	800,000	199,997	19,999,700.00	25.00
19. BOON CAPITALHOLDING	Bangkok	Investment	Common Share	27,000,000	8,639,999	86,399,990.00	32.00
20. WBRE	Bangkok	Real Estate	Common Share	500,000	499,997	49,999,700.00	100.00

Companies	Location	Type of Business	Type of Shares	No. of Total Paid-up Shares	No. of Shares Held	Investment amount (฿)	Percentage of Shares holding
21. BNC REAL ESTATE	Bangkok	Real Estate	Common Share	2,400,000	400,000	40,000,000.00	16.67
*22. NANAN CAMBO SOLUTION	Cambodia	Real Estate Investment	Common Share	1,000	490	6,475,840.00	49.00
23. SAHA TOKYU CORPORATION	Cholburi	Real Estate	Common Share	332,000	39,840	39,840,000.00	12.00
*24. TIGER MK LOGISTICS (MYANMAR)	Myanmar	Logistics Service	Common Share	30,000	5,400	1,786,320.00	18.00
25. ISSARA UNITED DEVELOPMENT	Bangkok	Hotel	Common Share	900,000	224,997	22,499,700.00	25.00
<b>Total</b>				<b>612,469,572</b>	<b>118,977,707</b>	<b>934,153,807.58</b>	
<b>Grand Total</b>				<b>2,485,673,834</b>	<b>337,174,025</b>	<b>5,082,462,123.63</b>	
<b>Less : Provision for loss from impairment of investment</b>						<b>271,834,860.12</b>	
<b>Net</b>				<b>2,485,673,834</b>	<b>337,174,025</b>	<b>4,810,627,263.51</b>	

Remarks : \* Investment in other countries

Millions Baht

DATA	DETAILS	2015	2014	2013
<b>Net revenues</b>	Deriving from	<b>12,924.07</b>	<b>12,562.82</b>	<b>13,933.30</b>
	• sales	12,342.82	12,033.00	13,328.68
	• dividends	378.45	332.52	384.71
	• gain from disposal of assets	0.59	5.44	66.72
	• interest income	15.83	19.01	10.18
	• recovery of doubtful debt	0.14	2.48	0.06
	• other revenues	141.58	170.37	142.95
	• gain from investment in associates	44.66	-	-
<b>Net profit</b>	After deducting	<b>702.71</b>	<b>542.90</b>	<b>684.55</b>
	• cost of sales	7,640.91	7,435.47	8,173.14
	• selling and administrative expenses	4,468.58	4,475.62	4,894.63
	• loss from impairment of investments	5.47	-	33.26
	• loss of investment in associates	-	49.68	26.47
	Total expenses	12,114.95	11,960.77	13,127.50
	• finance costs	0.94	0.0009	7.39
	• corporate income tax	105.46	59.15	113.86
	equity attributable to owners of the equity			
	• owners of the equity	703.19	545.19	-
	• non-controlling interest	(0.48)	(2.29)	-
<b>Total assets</b>	Consisting of	<b>18,565.16</b>	<b>18,486.01</b>	<b>17,820.26</b>
	• current assets	6,891.97	6,918.61	6,786.08
	• non-current assets	11,673.19	11,567.40	11,034.18
<b>Current assets</b>	Consisting of	<b>6,891.97</b>	<b>6,918.61</b>	<b>6,786.07</b>
	• cash and cash equivalents	589.82	617.17	170.41
	• trade accounts receivable	1,733.46	1,641.99	1,852.37
	• short-term loans to related parties	120.00	145.00	165.00
	• inventories	3,820.45	3,863.03	4,099.48
	• other current assets	628.24	651.42	498.81
<b>Non-current assets</b>	Consisting of	<b>11,673.19</b>	<b>11,567.40</b>	<b>11,034.18</b>
	• restricted deposits at financial institution	2.95	2.95	-
	• long-term loans to related parties	-	18.80	10.00
	• long-term loans given to employee	3.00	5.31	8.57
	• available-for-sale investments	5,515.59	5,710.16	5,358.54
	• investment in associated companies-cost method	412.61	325.23	352.03
	• other long-term investments	1,855.33	1,801.02	1,704.16
	• investment properties	936.19	1,015.29	1,065.63
	• property, plant & equipment	2,623.08	2,457.10	2,276.86
	• intangible assets	23.54	8.91	9.04
	• leasehold	27.93	32.70	37.62
	• goodwill	66.41	-	-
	• other non-current assets	206.56	189.93	211.73

Millions Baht

DATA	DETAILS	2015	2014	2013
<b>Property, plant &amp; equipment</b>	Consisting of	<b>2,623.08</b>	<b>2,457.10</b>	<b>2,276.86</b>
	• land	1,892.66	1,798.21	1,665.57
	• building and improvements	790.49	738.93	732.01
	• office equipment and vehicles	1,050.28	834.44	771.16
	• furniture and fixtures	1,010.03	972.38	888.96
	• assets under construction and installation	39.02	42.78	7.00
	• accumulated depreciation	(2,159.40)	(1,929.64)	(1,787.84)
<b>Current liabilities</b>	Consisting of	<b>2,022.54</b>	<b>2,119.24</b>	<b>1,983.80</b>
	• short-term loans from financial institution	30.00	-	-
	• trade accounts payable	1,188.72	1,345.23	1,235.60
	• others payable	796.95	758.17	748.20
	• Income tax payable	6.87	15.84	-
<b>Non-current liabilities</b>	Consisting of	<b>556.84</b>	<b>624.53</b>	<b>545.79</b>
	• deferred tax liabilities	30.72	58.31	25.40
	• employee benefit obligations	482.04	524.75	478.81
	• other non-current liabilities	44.08	41.47	41.58
<b>Equity</b>	Consisting of	<b>15,985.79</b>	<b>15,742.24</b>	<b>15,290.67</b>
	• capital	290.63	290.63	290.63
	• premium on ordinary shares	1,487.14	1,487.14	1,487.14
	• premium on treasury stock	51.43	51.43	51.43
	• legal reserve	50.00	50.00	50.00
	• general reserve	1,638.87	1,575.11	1,502.92
	• unappropriated retained earnings	9,445.44	9,032.41	8,912.55
	• others components of equity	3,038.37	3,248.61	2,996.00
	• owners of the equity	16,001.88	15,735.33	15,290.67
	• nons-controlling interest	(16.09)	6.91	-
<b>Cash flow cycle</b>	The Company's cash flow cycle commences with	<b>169.77</b>	<b>183.38</b>	<b>183.58</b>
	the purchase and resale of merchandise and ending			
	with the collection of cash resulting from			
	• collection period	48.46	53.10	53.47
	• inventories coverage	181.00	192.76	189.13
	deducted payment period	59.69	62.48	59.02
<b>Total employees</b>	Consisting of	<b>7,100</b>	<b>7,065</b>	<b>7,767</b>
	• counter sales force	5,204	5,179	5,787
	• office work force	1,896	1,886	1,980
<b>Net revenues per capital</b>	C	<b>1,814.00</b>	<b>1,778.18</b>	<b>1,793.91</b>
<b>Net profit per capital</b>	C	<b>99.04</b>	<b>77.17</b>	<b>88.14</b>

A Unit shows number of days

B Unit shows number of employees

C Unit shows thousand baht per headcount

Transactions	2015	%	2014	%	2013	%
<b>Operating results</b>						
Revenues	12,924,068	100.00	12,562,824	100.00	13,933,301	100.00
• from sales	12,342,816	95.50	12,033,001	95.78	13,328,678	95.66
• from other income	581,252	4.50	529,823	4.22	604,623	4.34
Gross profit	4,701,910	36.38	4,597,530	36.60	5,155,542	37.00
Expenses	12,114,953	93.75	11,960,780	95.21	13,134,891	94.27
Profit before income tax and finance cost	809,115	6.26	602,045	4.79	805,799	5.78
Profit before income tax	808,170	6.25	602,044	4.79	798,410	5.73
Net profit	703,195	5.44	545,186	4.34	684,547	4.91
* Income per capital (baht/headcount)	1,814,001.34		1,778,177.49		1,793,910.31	
* Net profit per capital (baht/headcount)	99,041.49		77,167.18		88,135.35	
* Interest coverage (times)	855.09		662,314.06		107.05	
* Degree of financial leverage (times)	1.00		1.00		1.01	
<b>Financial position</b>						
Current assets	6,891,968	37.12	6,918,605	37.43	6,786,075	38.08
Investments	7,783,542	41.93	7,836,406	42.39	7,414,730	41.61
Fixed assets	3,559,268	19.17	3,513,996	19.01	3,389,154	19.02
Other assets	263,976	1.42	216,999	1.17	230,301	1.29
Goodwill	66,409	0.36				
<b>Total assets</b>	<b>18,565,163</b>	<b>100.00</b>	<b>18,486,006</b>	<b>100.00</b>	<b>17,820,260</b>	<b>100.00</b>
Current liabilities	2,022,536	10.89	2,119,235	11.46	1,983,799	11.13
Other liabilities	556,837	3.00	624,529	3.38	545,792	3.06
Equity	15,985,791	86.11	15,742,242	85.16	15,290,669	85.80
* Number of shares	290,633,730		290,633,730		290,633,730	
* Par value per share	1.00		1.00		1.00	
<b>Financial ratios</b>						
* Current ratio (times)	3.41		3.26		3.42	
* Quick ratio (times)	1.15		1.07		1.02	
* Debt-equity ratio (times)	0.16		0.17		0.17	
* Inventory coverage (days)	181.00		192.76		189.13	
* Collection period (days)	48.46		53.10		53.47	
* Operating cycle days (days)	169.77		183.38		183.58	
* Return on total revenues (%)	5.46		4.34		4.91	
* Return on equity (%)	4.43		3.51		4.39	
* Return on total assets (%)	3.80		3.00		3.69	
* Earnings per share (baht)	2.42		1.88		2.36	
* Dividend per share (baht)	B 1.05		1.05		1.20	
* Book value per share (baht)	55.06		54.17		52.61	

Unit : In thousands of Baht except percentages in parentheses and transactions with an asterisk \*

A Result is not materialized

B The Board of directors' Meeting has resolved to pay dividend Baht 1.05 per share and to submit this agenda for approval at the General Shareowners' Meeting to be held on April 25, 2016

2012	%	2011	%	2010	%	2009	%
14,405,599	100.00	13,373,186	100.00	11,889,730	100.00	11,218,809	100.00
13,677,439	94.95	12,825,315	95.90	11,294,419	94.99	10,648,588	94.92
728,120	5.05	547,871	4.10	595,311	5.01	570,221	5.08
5,252,197	36.46	4,719,459	35.29	4,100,078	34.48	3,725,760	33.21
13,147,333	91.27	12,288,244	91.89	10,813,127	90.95	10,313,509	91.93
1,263,268	8.77	1,084,942	8.11	1,076,603	9.05	905,301	8.07
1,258,226	8.73	1,084,942	8.11	1,076,603	9.05	905,301	8.07
1,050,435	7.29	857,549	6.41	803,844	6.76	652,293	5.81
1,806,566.22		1,738,809.80		1,547,336.02		1,437,387.55	
131,732.51		111,500.31		104,612.70		83,573.73	
248.55		A N.M.		A N.M.		A N.M.	
1.00		1.00		1.00		1.00	
7,413,757	38.47	6,829,562	41.01	6,719,055	44.56	6,293,298	45.22
8,384,910	43.51	6,396,579	38.41	5,286,711	35.06	4,611,854	33.14
3,308,704	17.17	3,177,766	19.08	2,958,936	19.63	2,911,056	20.92
164,440	0.85	129,484	0.78	112,367	0.75	101,443	0.73
19,271,811	100.00	16,655,396	100.00	15,077,069	100.00	13,917,651	100.00
2,751,950	14.28	2,408,190	14.46	2,084,612	13.83	2,076,476	14.92
652,915	3.39	416,898	2.50	35,555	0.24	37,997	0.27
15,866,946	82.33	13,830,308	83.04	12,956,903	85.94	11,803,178	84.81
290,633,730		290,633,730		290,633,730		290,633,730	
1.00		1.00		1.00		1.00	
2.69		2.84		3.22		3.03	
0.81		0.99		1.44		1.41	
0.21		0.20		0.16		0.18	
176.30		152.56		151.16		147.41	
52.20		51.14		57.19		62.80	
165.08		140.47		144.41		143.99	
7.29		6.41		6.76		5.81	
7.07		6.40		6.49		5.69	
5.85		5.40		5.57		4.79	
3.61		2.95		2.77		2.24	
1.25		1.10		1.10		1.00	
54.59		47.59		44.58		40.61	

**Distribution of Shareownership**

Based on the number of shares held in succeeding periods

Period	2015		2014	
	No. of shareowners	%	No. of shareowners	%
1 - 50	252	17.45	252	17.14
51 - 100	242	16.76	243	16.53
101 - 500	405	28.05	415	28.23
501 - 1,000	94	6.51	99	6.73
1,001 - 3,000	126	8.73	129	8.78
3,001 - 5,000	47	3.25	46	3.13
5,001 - Upward	278	19.25	286	19.46
<b>Total</b>	<b>1,444</b>	<b>100.00</b>	<b>1,470</b>	<b>100.00</b>

**Distribution of Shareownership**

Based on different categories of shareowners

Categories	2015		2014	
	No. of shares	%	No. of shares	%
Limited companies and limited public companies	86,993,090	29.93	87,613,220	30.15
Commercial banks and financial institutions	16,980	0.01	16,950	0.01
General public	56,296,063	19.37	56,075,803	19.29
Company employees	21,177,250	7.29	21,383,350	7.36
Thailand Securities Depository Company Limited				
- For local depositors	122,954,237	42.30	122,334,897	42.09
- For foreign depositors	3,196,110	1.10	3,209,510	1.10
<b>Total</b>	<b>290,633,730</b>	<b>100.00</b>	<b>290,633,730</b>	<b>100.00</b>

Top ten major shareowners as of the closing date on March 19<sup>th</sup> 2015 (shareowner categories being sorted in accordance with in Section 258)

Name	No. of Shares	%
1. *Saha Pathana Inter-Holding Plc.	64,231,640	22.10
2. *I.D.F. Co., Ltd.	27,710,410	9.53
3. Mr. Weerapat Punsak-udomsin	25,602,030	8.81
4. *Saha Pathanapibul Plc.	24,727,100	8.51
5. *Thai Wacoal Plc.	11,097,070	3.82
6. U.B. Chemical Industries Co., Ltd.	10,644,900	3.66
7. Uniwealth Co., Ltd.	10,154,050	3.49
8. *Thanulux Plc.	10,006,070	3.44
9. Universe Beauty Co., Ltd.	9,864,820	3.39
10. Mrs. Kityaporn Chaithavornsathien	7,450,260	2.56
<b>Total</b>	<b>201,488,350</b>	<b>69.31</b>

Notes : 1. Investors can view the top ten major shareowners' information on the closing date from the company website (<http://www.icc.co.th>) before the annual general shareowners' meeting.

2. \*Shareowners of Saha Group

3. Major shareowners of I.D.F. Co., Ltd.

Name	No. of Shares	%
1. Sinparadorn Co., Ltd.	43,150	47.95
2. Saha Pathanapibul Plc.	17,644	19.60
3. Watsadoramai Co., Ltd.	11,250	12.50
4. I.C.C. International Plc.	8,100	9.00
<b>Total</b>	<b>80,144</b>	<b>89.05</b>
Other shareowners'	9,856	10.95
<b>Total</b>	<b>90,000</b>	<b>100.00</b>

## Dividend Payment Policy

### - Company

The company has determined to maintain the dividend payment to shareowners at the ratio of 0.20 Baht per share per annum (equivalent to 20% of per value), depending mainly on corporate performance and current economy.

### - Subsidiaries

-None-

## Data of Dividend Payment

	**Year 2015 pay 2016	Year 2014 pay 2015	**Year 2013 Pay 2014	**Year 2012 Pay 2013	**Year 2011 Pay 2012
Earning per share (baht)	2.33	2.19	2.48	3.61	2.95
Dividend per share (baht)	1.05	1.05	1.20	1.25	1.10
Payout ratio (%)	45.06	47.95	48.39	34.63	37.29

Remark : \* The Board of directors' Meeting has resolved to pay dividend Baht 1.05 per share and to submit this agenda for approval at the General Shareowners' Meeting to be held on April 25, 2016

\*\* Financial ratio calculation in the year 2011-2012 has been adjusted for comparison with the 2013 financial ratio. This was due to the adoption of revised TFRS, the Company has changed its accounting policies which are effective for financial statement beginning on January 1, 2013

## 1. Overview of Operations

In 2015, the business outlook still slowly recovered at the same level as in 2014. Private consumption did not clearly improve due to low household income especially the agriculture sector, which suffered from severe drought and lower agricultural commodity prices. Another factor was the high level of household debts. Weakened consumer confidence due to uncertainty in future economic conditions had resulted in the slowdown in private consumption and purchase of goods. Exports remained stalled due to the downturn of economic recovery in our trading partners, in China altogether with the world economy. Even though the Baht weakened, this was not reflected in any significant increase in exports of goods. It wasn't until the fourth quarter that business conditions began to edge up with improvements evident in consumption, investment and tourism. Both private consumption and investments were improved by many government stimulus programs during this quarter. Looking forward to 2016, business conditions are expected to continue to expand to support the increasing consumer demands from CLMV countries (Cambodia, Laos, Myanmar and Vietnam) together with the recovery in USA, Eurozone and Japanese economies. Production costs remained unchanged except for the fall in global oil prices. The significant factors which have to be taken into consideration are such as the impacts from the economic slowdown in China and the change in Fed interest rates in the US.

As consumption in the private sector remained clearly unimproved, the Company has had to adjust its marketing strategy by engaging in many promotional campaigns, together with careful control of the capital costs and inventory management in order to maintain its market share and keep its profit margin.

In 2015, the Company and its subsidiaries gained revenue from sales of 12,342.82 million baht, an increase of 309.82 million baht or 2.57 percent compared to 12,033.00 million baht in 2014. Net profit was 703.19 million baht, an increase of 28.98 percent, year on year, despite the slight increase of 2.76 percent in sales costs. The Company's high profit was due to the increase in dividend and also had a higher share of profit of equity-accounted investees.

The Company is determined to create new sales channels in the digital age by developing a specialized special marketing team, company aims enhancing the team's skills, knowledge and abilities to serve the online customers in 'Digital Marketing', develop key trading partners with such as LINE Social Media, and online retail partners such as Talad.com, Ensogo, Lazada, Zarola and TV home shopping home namely Shop Channel,

O Shopping, TV Direct and Shop On Air. The company also added a new sales channel which serves faster and higher valuable for online shopping via the website [www.shopicc.com](http://www.shopicc.com), which links a variety of trade and covers every facet of online business, together with the development of Lastly, a complete systems regarding logistics, transportation, inventory management and Call Center service.

The Company and its subsidiaries also launched sales promotional activities under the campaign 'Let's Shop ICC' at the corporate level to convey the key information of regarding the Company's products to consumers, to raise enhancing the opportunity to increase Company's sales.

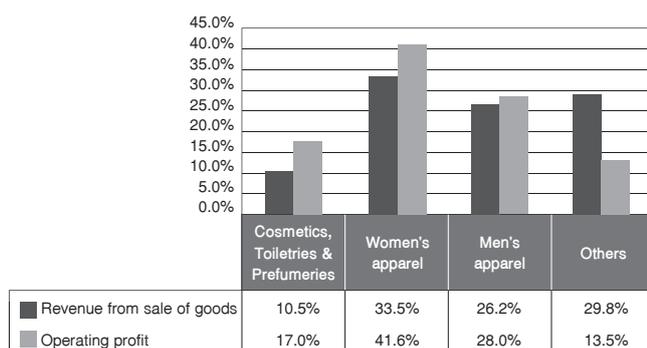
In 2015, the Company invested in 3 following companies;

1. WBRE Co., Ltd, a real estate business company which operates a housing development project (townhouses) at Sri Racha close to the Saha Group Industrial Estate in order to expand the Company's new business channel in the future.
2. Amis Du Monde SARL in France, by establishing a shop on the Avenue des Champs Elysees, the leading shopping centre in France, as the venue to bring BSC branded products to international markets to become an international brand under the name 'BSC International', initially focusing on fashion apparel.
3. Thai Itokin Co., Ltd. a manufacturer and distributor of ready-made apparel mainly apparel which is an important supply chain of garment products to I.C.C. International Plc. The Company also owned copyright of the products which the Company is the manufacturer and distributor, including the production of uniforms as well as other products for both domestic and export markets. Thai Itokin Co., Ltd is a high quality manufacturer so it is the Company's determination to enhance and improve Thai Itokin's performance to successfully continue its business so that the Company will be able to receive higher returns in form of dividends. the Company earned the shares from Thai Itokin Co., Ltd.'s new share offering to existing shareowners and also from the offering rights which had been waived by other shareowners. In summary, the Company had increased its percentage of share-ownership to total shares, registered and fully paid up, from 27.90 percent to 53.14 percent, thus transforming Thai Itokin Co., Ltd. into a subsidiary company of the Company. Finally, in December 2015, the Company had also acquired additional shares from Itokin Co., Ltd. (Japan) and Itokin Co., Ltd (Hong Kong) totaling 61,250

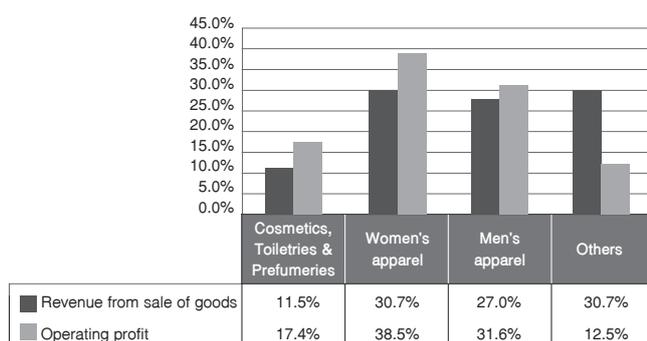
and 9,000 shares respectively, as a result the Company now had increased its holding percentage in Thai Itokin Co., Ltd. from 53.14 percent to 58.16 percent as at December 31, 2015.

## 2. Analysis of Operating Results

### Proportion of revenue from sale of goods and operating profit by segment 2015



### Proportion of revenue from sale of goods and operating profit by segment 2014



### Sales revenue

In 2015, the Company and its subsidiaries recorded sales revenue of 12,342.82 million baht, an increase of 309.82 million baht or 2.57 percent, against 12,033.00 million baht in the year 2014.

The sales revenue can be categorized into 3 segments; 1) cosmetics, toiletries and perfumeries, 2) women's apparel and 3) men's apparel. The summary of sales revenue in 2015, as against 2014, is shown below:

(in million Baht)

Product Lines	Net Sales			Operating Profit		
	2015	2014	%	2015	2014	%
Cosmetics, Toiletries and Perfumeries	1,296.29	1,387.04	(6.54)	186.11	181.25	2.68
Women's Apparel	4,130.21	3,699.61	11.64	455.33	415.65	9.55
Men's Apparel	3,236.10	3,252.97	(0.52)	306.13	255.81	19.67
Others	3,680.22	3,693.38	(0.36)	147.31	128.96	14.23
<b>Total</b>	<b>12,342.82</b>	<b>12,033.00</b>	<b>2.57</b>	<b>1,094.89</b>	<b>981.67</b>	<b>11.53</b>

### Cosmetics, Toiletries and Perfumeries

In the year 2015, the Company had revenues from cosmetics, toiletries and perfumes of 1,296.29 million baht, a decrease of 90.75 million baht or 6.54 percent compared to the previous year, a continued decrease from the year 2013 which was 10.20 percent. However, the Company still earned operating profit of 186.11 million baht, an increase of 4.86 million baht or 2.68 percent over 2014. The decrease in revenue in this sector was due to high competition, especially the increase of imported brand-named products, the change in consumers behaviors which turned more to online shopping and cable TV which can provide direct access to the target consumers, the small manufacturers who can effectively respond to higher demand for low-price goods and finally because of the slowdown in economy which caused consumers to reduce their spending on luxury goods such as cosmetics. All these factors compelled the Company to enhance its promotion activities to maintain its market share. However, as the Company was very effective in controlling production and operational costs hence it still earned higher profit than the previous year of 2014.

### Women's Apparel

In 2015, the Company and its subsidiaries earned revenue from women's apparel of 4,130.21 million baht, an increase of 430.60 million baht or 11.64 percent, as opposed to the decrease of 7.99 percent in the year 2014 from 2013. The operating profit for the year 2015 was 455.33 million baht, an increase of 39.68 million baht or 9.55 percent over 2014. The improvement in performance was due to the following:

- Development of efficient management systems for placement of orders for production, procurement from the factory and delivery of goods from the warehouse to the store, which is development of the total supply chain, resulting in the increase in sales of this sector from last year.
- Improved training for sales personnel and established a management system to provide effective and systematic supervision so that any problem or obstacle can be solved in a timely manner.
- Increase the Direct Marketing sales channels via Online and TV Shopping by launching the products to fit with the channels.

### Men's Apparel

In 2015, revenue from men's apparel totaled 3,236.10 million baht, a decrease of 16.87 million baht or 0.52 percent from the sale in year 2014 which decreased by 12.68 percent from 2013. In the year 2015, the Company developed products to match with the target market by doing research on end consumers' behaviors, developing work process to be more efficient and

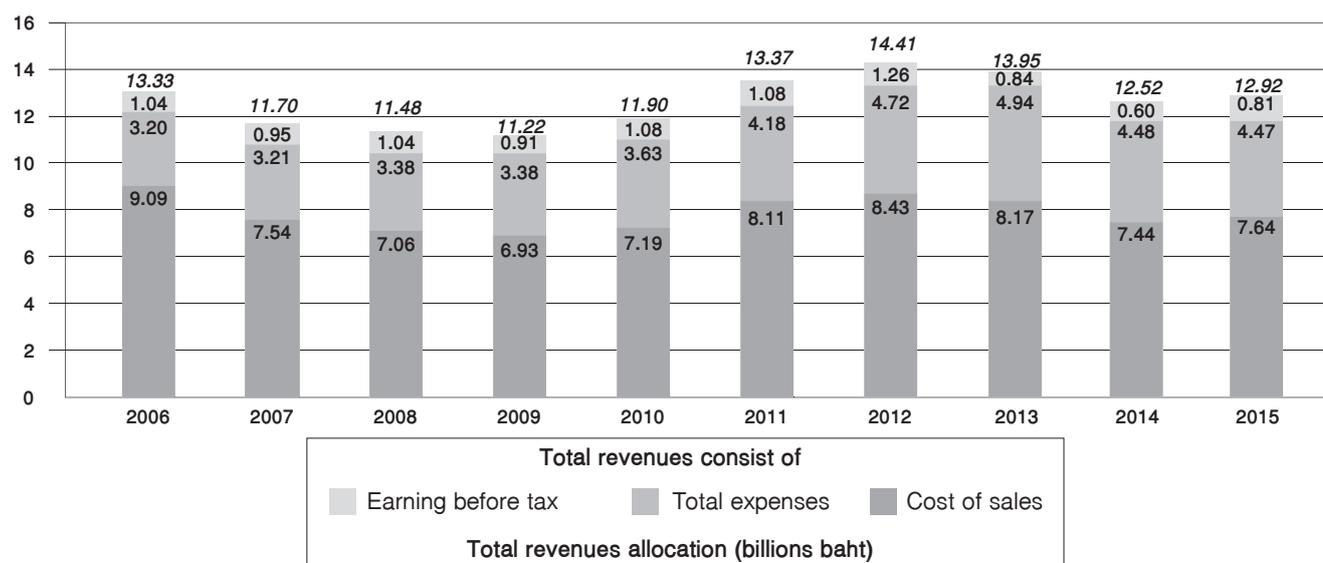
effective and increase channels of sale via online TV Shopping channel together with enhancing lower-cost sales promotion which yielded in higher margin in 2015.

**Others**

Other major incomes of the Company consisted of children’s apparel, sportswear, leather goods and fabric care products. In 2015, the Company launched a new product: BSC Cornsoy to expand its existing food and beverage product line in the market. Also in the year 2015, the Company reported other incomes of a total of 3,680.22 million baht, a decrease of 13.16 million baht or 0.36 percent from the year 2014 compared to the decrease of 8.54 percent in year 2014 vs. year 2013. The profit from operations was 147.31 million baht, an increase of 18.35million baht or 14.23 percent growth. This was due to the the slowdown in economy, the increase in consumers’ awareness on spending on dispensable goods, thus consumers chose to spend less or pay for cheaper goods in accordance with the economic situation. However, the Company was able to enhance the promotional campaign at lower cost so that finally the Company earned the increase in profit over 2014.

**Other incomes**

In the year 2015, the Company had other incomes of 536.59 million baht, an increase of 6.77 million baht or 1.28 percent from the previous year. The main portion came from dividends which totalled 378.45 million baht, a 45.94 million baht increase from year 2014 or equalled to 13.82 percent growth. Other incomes in 2015 was 157.55 million Baht, a decrease of 34.31 million baht from the previous year, as a result of the gain on reverse transaction of impairment of assets of 36.84 million baht in year 2014.



**Cost of goods sold**

In 2015, the Company and its subsidiaries had a total cost of goods sold of 7,640.91 million baht, an increase from 2014 of 205.44 million baht or equivalent to 2.76 percent, due to the increase in sales. The Company can effectively manage the ratio of cost of goods sold to sales volume to remain quite stable at 61.91% and 61.79% respectively in the last two consecutive years, with only a slight change of 0.12 percent due to the increase in promotional expense for some products in order to boost the overall sales.

**Sales and Administrative Expenses**

The total sales and administrative expenses for the Company and its subsidiaries in 2015 was 4,474.99 million baht, a decrease

of 0.63 million baht or 0.01 percent. The percentage of these costs to Net Sales was 36.26 percent, compared to 37.19 percent in 2014. The details are as follow:

Sales expenses in 2015 totalled 3,029.89 million baht, a decrease of 84.95 million baht or 2.73 percent from 2014. This decrease was due to the decrease in personnel expenses of 47.90 million baht and the decrease in distribution and marketing expenses by 37.05 million baht. The reason was that the change in accounting record of new corner and furniture of 119.17 million baht in 2014 which was recorded as expense, whereas in year 2015, this transaction was recorded as capital expenditure and had to get the amortization of 9.28 million in year 2015. In addition, in the year 2015 there were royalty fees of 123.60 million baht, an increase of 39.63 million baht from the year 2014.

With regard to administrative expenses in 2015, the Company had spent 1,444.16 million baht, compared to 1,360.78 million baht in 2014, reflecting an increase of 83.37 million baht or 6.13 percent mostly come from the increase in personnel expenses of 94.32 million baht (an increase of 11.98 percent from 2014) and the decrease in office management expenses of 11.49 million

### Income Tax Expense

In 2015, corporate income tax expense totalled 105.46 million baht, significantly increased from 59.15 million baht in the year 2014, an increase of 46.31 million baht because in 2015, the Company had 3.60 million baht deferred income tax expense whereas in 2014 the amount came to 30.56 million baht which caused the Company to have higher income tax expense than in the previous year.

### Net Profits

In 2015, the Company and its subsidiaries reported net profits of 703.19 million baht compared to 545.19 million baht in the previous year, an increase of 28.98 percent from year 2014. The main reason was the increase in sales income, together with the profit sharing from investment in associated companies of 44.66 million baht, an increase of 94.34 million baht from the previous year or an increase of 189.89 percent.

## 3. Analysis of Financial Position

As at December 31, 2015, the Company and its subsidiaries's total assets amounted to 18,565.16 million baht, an increase of 79.16 million baht or 0.43 percent from 2014. Significant changes are summarised below:

### Current Assets

Total current assets as at December 31, 2015 equalled 6,891.97 million baht, or 37.12 percent of total assets at the year end, a slight decline of 0.39 percent or 26.64 million baht from 6,918.61 million baht as at December 31, 2014. The main changes are as follows:

- Cash and cash equivalent as at December 31, 2015 decreased by 27.35 million baht The highly liquid short term investment decreased by 18.34 million baht.
- Trade accounts receivable as at December 31, 2015 reported an increase of 91.48 million baht from the balance at December 31, 2014 due to the increase in new department stores opened both in Bangkok and suburban areas thus causing the company's trade accounts receivables to increase along with the sale.

- Inventory (net) slightly decreased by 42.57 million baht or 1.10 percent. This was due to the company's policy to enhance the efficiency of inventory and purchase order management and control which resulted in lower inventory.

### Non-Current Assets

As at December 31, 2015, Non-Current assets stood at 11,673.20 million baht, representing 62.88 percent of total assets, a slight increase of 105.79 million baht or 0.91 percent. The significant changes were due to

- Available-for-sale investments for this year decreased by 194.57 million baht due to the adjustment in fair value of the available-for-sale investments which decreased by 264.20 million baht and an additional investment of 69.63 million baht
- The investments in associated companies increased by 87.39 million baht. This was the result of the increase of investment in existing companies and also additional new investment in total of 52.20 million baht and the share of gain from investment in associated companies of 44.66 million baht, due to the improved operational performances in those associates.
- Investment properties decreased 79.09 million baht due to the fact that property and plants leased to subsidiaries had been transferred to property and plants and equipment for company use.
- Property, plants and equipment increased by 165.97 million baht in the year 2015 because of the new purchase of land and buildings for the benefit and use of the company, the new shop expenses for interior decoration and additional fixtures for the new shops throughout the country.

### Liabilities

As at December 31, 2015, the Company and its subsidiaries reported total liabilities of 2,579.37 million baht, a decrease by 164.39 million baht or 5.99 percent from 2014. Most of the liabilities were in the form of current liabilities related to trade transactions. Major changes during the year were as follows:

Current liabilities showed 2,022.54 million baht, or 78.41 percent of total liabilities, a decrease of 96.70 million baht or 4.56 percent. The main reason came from the reduction in account payable of 156.51 million baht as a result of the Company's policy to reduce the amount of purchase orders to maintain inventory at the optimized level.

Non-current liabilities as at December 31, 2015 were reported at 556.84 million baht, representing 21.59 percent of total liabilities, a decrease of 67.69 million baht or 10.84 percent from

the same period at the end of the previous year. The main reason was due to the decrease in employee benefit obligations which was revaluated by the Actuary, thus the amount was decreased by 42.71 million baht in the year 2015.

#### Owners' Equity

As at December 31, 2015, the Company and its subsidiaries reported total equity of 16,001.88 million baht, an increase from December 31, 2014 by 266.55 million baht or 1.69 percent. The change in equity was due to dividend payment of 305.17 million baht, the profit from the Employees benefit obligations projection according to the Actuary which increased by 77.10 million baht, the difference in change of fair value of Available-for-sale investments which decreased by 211.36 million baht and, lastly, the net profit of the year of 703.19 million baht.

#### 4. Asset Quality and Asset Management Capabilities

The Company has an analysis process to evaluate the quality of accounts receivable in considering the credit terms of company's debtors, monitoring and pressing the claim on payment of outstanding debts, as well as allowing for doubtful accounts for long term debtors. In the year 2015, the Company reported an allowance for doubtful accounts of 1.69 percent of overall accounts receivable, a decrease by 0.13 percent from 1.56 percent in the year 2014.

The measures to be considered when providing credit facilities to trade accounts receivable are as following:

1. Ability to pay the debt
2. Management attention given to their business
3. Potential towards business growth
4. Auditable and transparent accounting system
5. Efficient logistics and inventory management
6. Efficient internal controls including the security system control in warehouse.
7. Strong collateral

Basically, the property, plants and equipment are the assets that the Company and its subsidiaries accumulated throughout the past 51 years and currently worth a total of 2,623.08 million baht as at December 31, 2015.

Investment properties are assets which the Company and its subsidiaries are holding for benefits in terms of rental income and revenue from sale which in 2015 amounted to 936.19 million baht.

For investment, as at December 31, 2015, the Company has an unearned profit due to change in fair value of assets worth 3,038.37 million baht. This is shown in owner's equity part. The returns on investment in the form of dividends are at the rate of 8.76 percent per annum for the year 2015 (versus 8.07 percent

per annum for 2014). The Company managed the investments by appointing specific personnel to work in the joint-venture or in the investment company to perform as a control centre of investment which provides monitoring and analysis of the financial statements of the invested company, to take responsibility to immediately report any abnormal development or any crisis situation of such company in order to prevent the Company from any loss.

The Company gives priority to merchandise management by developing an automated packaging system to facilitate delivery of goods to the store day to day, on top of the CPFR system (Collaborative Planning, Forecasting and Replenishment) to plan, forecast and calculate appropriate replenishment quantities for stores. After having implemented this system for a period of time, now the Company has developed the system to link to its trading partners, suppliers, logistics and supply chains to formulate consumers' demand planning so the Company will be able to respond to the changes in the customers' and consumers' needs in timely manner.

The Company also foresees the importance of administration and knowledge management, and enhanced its preparedness to cope with information technology which can be used very efficiently to search, improve, distribute, save and communicate, both knowledge and working files, in the entire organization with the IBM Connection system.

With the change of IT technology, internet, the convenience in using mobile devices and systems, all these factors enhance Ecommerce and every channel of communication (visual, voice, webcast, social media etc.) and hence create great competition in digital marketing. The Company has to develop the Platform and the Ecommerce business, B2C (Business to Consumer) under the website [www.shopicc.com](http://www.shopicc.com) for fashion goods, apparels, cosmetic products and also develop the website [www.ethailandbest.com](http://www.ethailandbest.com), central E-market Place to serve the products and services within the Saha Group, companies, stores and factories (B2B2C Business to Business to Consumer) to prepare to step into the Global Digital market. In addition, the Company had also improved the website [www.hishershopmart.com](http://www.hishershopmart.com) to fulfil customers' needs in all type of goods, from living products, to furniture, electronic appliances, kitchenware to daily apparels so that the customers can easily shop using only their fingertips on the mobile equipment with the connecting system that sends the order to the store, transportation provider and other service including the Call Center Service to maximize our customer's satisfaction.

## 5. Liquidity and Fund Adequacy

Year	Liquidity Ratio	Liquidity Ratio of Cash Flow	Cash increase (decrease) from operation in the Statement of Cash Flows
2015	3.41	0.15	305.89
2014	3.26	0.45	915.07
2013	3.42	0.37	870.68

According to liquidity ratio, the Company and its subsidiaries continued to have good liquidity, with higher current assets than current liabilities. In the year 2015, the liquidity ratio was 3.41 times, higher than in 2014 which was 3.26. The improved liquidity ratio was due to the decrease in accounts payable. The liquidity ratio of cash flow in 2015 was 0.15 times, compared with 0.45 in 2014, a decrease of 0.30 times. This was due to the decrease in cash flow from operation in 2015 by 609.18 million baht from the year 2014 due to the following reasons:

1. In 2015, the Company received less payment than in 2014 from trade accounts receivable and other accounts receivable by 299.11 million baht.

2. In 2015, the Company's trade accounts payable amounted to 303.17 million baht higher than in 2014, and paid less for goods by 167.11 million baht.

3. In 2015, the Company paid for real estate projects for further development less than 2014 in the amount of 104.15 million baht.

4. In 2015, the Company's payment for other debts came to less than in 2014 by 14.59 million baht.

5. In 2015, the Company's payment for other assets was higher than in 2014 by 50.58 million baht.

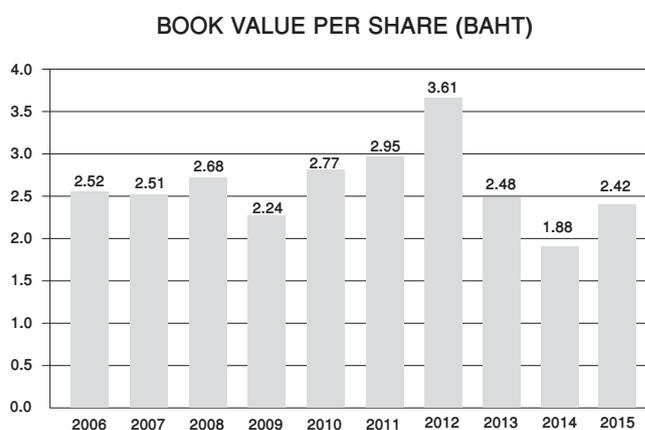
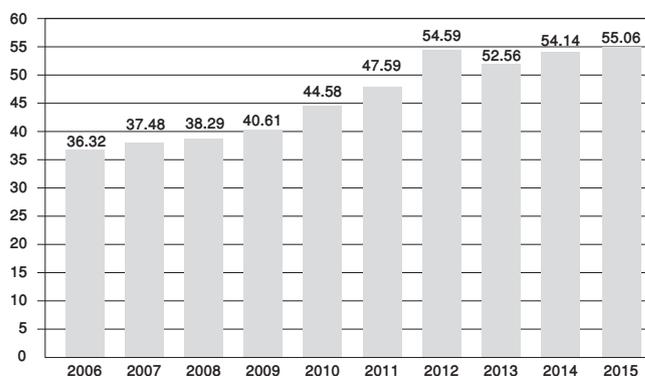
6. In 2015, the Company had less cash received after deduction of operating expenses by 91.44 million baht.

The Company's primary sources of funding come from two sources: 1) cash generated from operating activities, 2) cash generated from investment activities in properties and in common shares. The Company generates revenue from leasing, sale of investment properties, and dividends from shares. It can manage its business liquidity well. It can spend money on business operations without the use of money from any external funding sources. The important thing is that the Company can also pay dividends to shareowners regularly.

## 6. Operational Performances

Year	Earning to Revenues (%)	Earning From Operation (%)	Earning to Equity (%)	Earning per share (Baht)	Price/Earning ratio (Time)
2015	5.46	6.55	4.43	2.42	15.81
2014	4.34	5.00	3.51	1.88	21.01
2013	4.91	5.99	4.39	2.36	16.53

In 2015, the Company's profitability has increased from the year 2014. The earning from operational profit was 6.55 percent, an increase of 1.55 percent compared to the year 2014. The profit per share in 2015 is 2.42 Baht, an increase of 0.54 baht from 2014 because in the year 2015, the Company's revenue increased from the year 2014 by 309.82 million baht or 2.57 percent. Moreover the Company also benefited from increases in revenue from dividend and from share of profit of equity-accounted investees in associates from the year 2014. Though the current economy remained stalled, the Company was steadfast in its commitment to develop many systems to support and improve the sales processes, enhance development of the organization's human resources to increase their potential and strengthening practical knowledge to stimulate net sales among sales personnel.



## 7. Operating Cycle Days

Year	Inventories Coverage	Collection Period	Payment Period	Operating Cycle Days
2015	181.00	49.46	59.69	169.77
2014	192.76	53.10	62.48	183.38
2013	189.13	53.47	59.02	183.58

In 2015, the Company had the 169.77 operating cycle days, a reduction of 13.61 days from the year 2014. The reasons are as follows:

1. Period of inventories coverage (period of goods selling) decreased from 192.76 days in 2014 to 181.00 days in 2015, representing a total of 11.76 days less. This was caused by the decrease of inventory of 42.57 million or equivalent to 1.10 percent from the amount in the year 2014, as well as the increase in sales revenue by 2.57 percent from 2014.

2. The collection period in 2015 was 49.46 days compared to 53.10 days in 2014, a decrease of 3.64 days.

3. Payment period in 2015 was 59.69 days compared to 62.48 days in 2014. A shorter period by 2.79 days, due to the database in the calculation of payment of trade accounts payable which has always been in accordance with the agreement entered with the creditors regardless of the state of the economy. This is a part of the Company's policy to take good care of its stakeholders.

## 8. Obligations Liabile to Financial Situation/Material Result of Operations

The Contingent obligations with people or non-related entities are stated in the note to the Financial Statements no 33 page 182 in the Annual Report.

The Company had provided guarantee to two subsidiary companies in the total amount 85 million baht which was in accordance with the joint venture agreement and its percentage of shareholding. Moreover, the Company had provided guarantee with another 8 related companies in the total amount of 137.22 million baht as business support to the entities which have related business transactions and were also supply chain entities of the Company.

## 9. Factors Affecting the Results of Future Operations

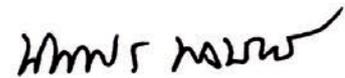
Though the Company has established many improvements to develop such systems as production, the purchase of goods from manufacturers and the transportation and delivery of goods to stores all over the country, increased sales channels of Direct Marketing through online media, TV Shopping, Catalog sales, given more focus to conducting survey and research on customers' needs, the development of more efficient and effective work processes, as well as developing new innovations. However, the Company still may face impacts from the factors which could affect the Company's future operational results such as

- Domestic economic conditions which remain affected by political instability and uncertainty, the slowdown of investment in the public sector in various projects which may impact on household income without prospect for improvement which can affect consumers' decision in spending.
- The competitiveness of imported brands and fashion products with pricing advantage, hence makes the pricing competition more aggressive every year.
- More competition in direct marketing to consumers through online sales channels which provide quick and convenient access to purchase products, as well as the changing trend in consumers' behaviour who continue to do more and more of their shopping through these channels.

The Corporate Governance Committee of I.C.C. International Public Company Limited, which consists of Mr. Nophorn Bhongsvej, Chairman of the Corporate Governance Committee, Mr. Nuttaphat Petchratanaporn, Ms. Munchusa Terapongpipat and Ms. Duangrudee Milintangul are directors of the Corporate Governance Committee, have performed their duties as assigned by Company Board of Directors. The Committee has determined corporate governance guidelines in 5 categories i.e. Shareowners' rights, equal treatment to shareowners, stakeholders' roles, full disclosure and transparency and obligations of the Committee including conducting a review of such operation guidelines annually.

In 2015, the Corporate Governance Committee held 3 meetings, directors' attendance is one hundred percent. Important content is as follows:-

- Review and improve the Corporate Governance Policy in 5 categories: Management Policy, Business Ethics and Code of Conduct of company directors, management and employees, so as to conform to the Good Corporate Governance Guidelines of the Stock Exchange of Thailand, Thai Institute of Directors (IOD) and ASEAN CG Scorecard Rules as well as adding good corporate governance policies and guidelines as approved by the Company Board of Directors.
- Review and improve the Corporate Governance Committee Charter.

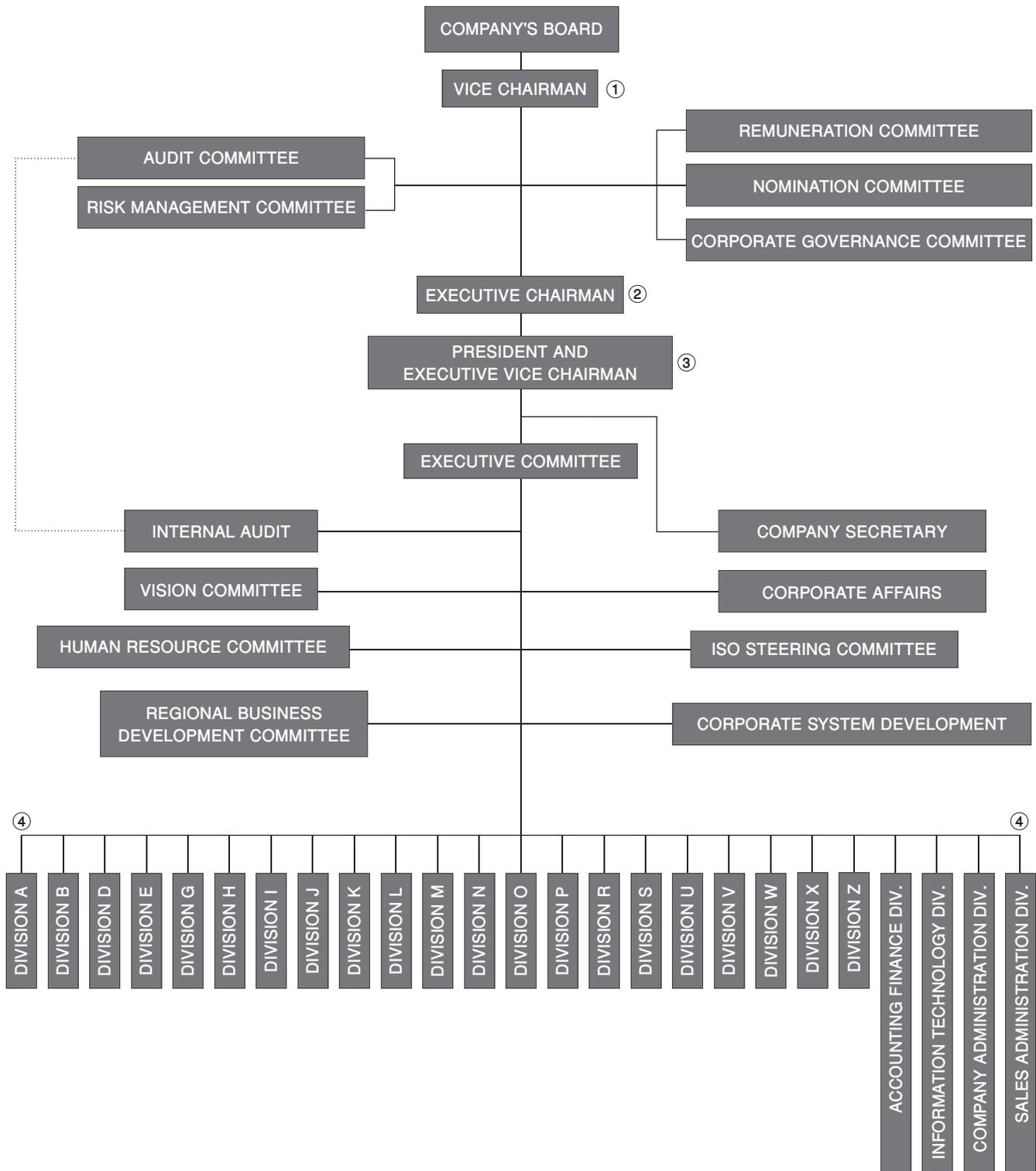


(Mr. Nophorn Bhongsvej)

Chairman of Corporate Governance Committee

**Structure of Organizational Management**

The organizational management structure as of December 31, 2015 has been publicized via the company's website <http://www.icc.co.th>



①-④ Company's executives as announced by The Securities and Exchange Commission (SEC)

## Board of Directors

The Company appoints no less than 5 Directors (in compliance with the Public Company Act) to be as the Board with the following qualifications:

1. To be an individual
2. To attain of majority
3. Not being a bankrupt, incompetent person or quasi-incapable person
4. Not to serve any prison terms of maximum penalty for misconduct from fraudulent acquisition
5. Not to be expelled or dismissed from the civil service or from government organizations or agencies for fraud.

The Company's Board of Directors consists of 11 members as follows:

- Chairman (an independent director, 1 person non-executive or MD, or being the same family member)
- Non-executive Directors 2 persons
- Audit Directors (independent director) 4 persons
- Executive Directors 4 persons

Structure of Board of Directors and administration have been established with an auditing practice and balancing of power for non-executive director.

The Board of Directors consists of 5 independent directors, or 45.45% of the entire Board which is higher than a standard stipulated (one third or 33.33%) by the Capital Market Supervisory Board.

The Board of Directors consists of 4 independent audit committee with duties and responsibilities as stipulated by regulations of the Stock Exchange of Thailand with knowledge and experience in auditing the credibility of financial statement, including other duties as being audit committee.

Furthermore, there are 2 board of directors who are non-executive directors with related business experience.

Name list and position including number of meeting and number of attendance are shown on page 82-83 of this annual report.

Profile of directors is shown on page 10-19 of this annual report.

Taking position of the company's directors, executives and authorized persons in the related companies can be observed on page 84-87 of this annual report.

### The Authority of Board of Directors

Two out of the following seven directors shall co-sign and affix the company's common seal :

1. Som Chatusripitak Ph.D.
2. Mr. Boonsithi Chokwatana
3. Mr. Boonkiet Chokwatana
4. Mr. Thamarat Chokwatana
5. Mr. Manu Leelanuwatana
6. Mr. Vira Ua-Arak
7. Mr. Somphol Chaisiriroj

All directors and management have no disqualified characteristics and no criminal records.

Company Secretary : Mrs. Duangrudee Milintanggul

### Roles, Duties, and Responsibilities of the Board of Directors

The Board of Directors, consisting of knowledgeable, capable, and multiple-experienced individuals, with expertise that benefit to the Company. The Board would understand their role, obligations, responsibility and leadership, including defining a clear vision for the company. They have freedom of self-expression and decision-making, so as to conduct business in order to achieve company objectives which optimize benefits to the company and shareowners. The Board of Director administers the company by defining Mission, Objectives, Strategies, Execution plans included Financial plans in order to achieve the company objectives as set. The Good corporate governance is also be used as a business management tool to increase value added to the business and shareowners.

The Company's Board of Directors monitor administrative performance of the Management team through a policy that assesses progress of work and the company's business performance, as well as the share ownership of the Directors and executives, all of which is to be reported to the Board meeting on a monthly basis.

The Board and Administration have performed in the interests of the company and shareholders under the well-defined, balanced and auditable administrative structure.

In the past year, there was no record stating that the Company :

- commits to gross violation;
- commits to fraudulent and unethical conducts;
- reports on any case that a non-executive director resigns due to corporate governance issue;
- reports on any case bearing negative impact on reputation due to failure in the discharge of duties as the Board of Directors.

## Executive Directors

As of 31 December 2015, the Company has 19 executives. The list of executives and their respective responsibilities, shareholding and meetings of the Board of Directors is shown on Page 82-83 in this annual report.

Their resume on Pages 10-19 in this annual report.

## Company's Secretary

In order to provide an efficient administration in accordance with the good corporate governance policy, the Company has appointed Mrs. Duangrudee Milintanggul, the qualified and appropriate experienced person to be responsible as the Company's Secretary as of September 1, 2009.

**The Company's Secretary has duties and responsibilities as follow:**

1. To provide primary suggestions to the Board of Directors concerning legal matters, Company's rules and regulation including monitoring its operation to have correct and consistent enforcement. In addition, she would report significant change (if any) to directors as well.

2. To coordinate between the Board of Directors and management, supervise and coordinate in legal included relevant rules & regulations, as well as to monitor for appropriate practice according to the Board's resolutions.

3. To hold Shareowners' and the Board of Directors' meetings in compliance with the laws, Company's Articles of Association and other normal practices.

4. To record the minutes of Shareowners' and the Board of Directors' meetings and monitor for the execution according to such resolutions.

5. Coordinated with the agency in charge of SEC and SET and undertook the disclosure and report of information to the public, in so far as regulations of SEC and SET are concerned and legally binding.

6. To provide and keep the following documents;
- Directors registration
  - Invitation letter and Minutes of the Board of Directors' meeting
  - Invitation letter and Minutes of Shareholders' meeting
  - Report on the Company's shares trading of the Directors and Executives
  - Annual report
  - Form 56-1

7. Held reports of interests submitted by the Directors or Executives, as well as sent copies to the President and Chairman of the Audit Committee within 7 days from the day of receiving the report.

8. Organized orientations with guidelines to newly-appointed board members.

9. To communicate with general shareowners to ensure that shareowners have complete and continual knowledge of their rights including the Company's news and information.

10. Undertook other responsibilities as regulated by SEC and appointed by the Company.

### Profile in brief :

#### Name-Surname :

Mrs. Duangrudee Milintanggul

#### Education :

Bachelor in Business Administrations & Economics,  
Kasetsart University

#### Training Background :

1. Company Secretary Program (CSP 31/2009)
2. Financial Statements for Directors (FSD 6/2009)  
As organized by the Institute of Directors (IOD)
3. Registered Lead Auditor (QMS, EMS, SA 8000)  
IRCA, UK

#### Work Experience :

##### Present

1. Member and Secretary of the Risk Management Committee
2. Corporate System Development Manager
3. Quality Management Representative (ISO 9001)
4. The Company's Secretary and Investor Relations
5. The Secretary of the Company's Audit committee

##### Former

- |           |  |
|-----------|--|
| 1989-1995 | Sales & Marketing ; Bayer Thai Co., Ltd.                         |
| 1995-2002 | Registered Auditor (QMS, EMS, SA 8000);<br>SGS (Thailand) Ltd.   |
| 2002-2003 | Registered Auditor (QMS, EMS, SA 8000);<br>RWTUV (Thailand) Ltd. |

## Remuneration Directors and Executives

1. The 2015 monetary remuneration for the operating year 2014

(a) Remuneration for directors of the board including gratuity, conference allowance and director fee. (A)

Remuneration for directors of sub-committee including conference allowance. (B)

Name	Position	Remuneration Directors* (Baht)				
		(A) Board of Director	(B) Audit Committee	(B) Remuneration Committee/ Nomination Committee/ Risk Management Committee	Total	
1. Som	Chatusripitak, Ph.D.	Chairman	5,880,000			5,880,000
2. Boonsithi	Chokwatana	Vice Chairman	1,404,000		16,000	1,420,000
		Advisor to the Executive Board of Directors				
		Nomination Chairman				
3. Boonkiet	Chokwatana	Executive Chairman	1,404,000		32,000	1,436,000
		Remuneration Chairman				
		Nomination Director				
4. Thiraphong	Vikitset, Ph.D.	Audit Chairman and Independent Director	554,000	110,000		664,000
5. Thamarat	Chokwatana	President and Vice Executive Chairman	788,000		112,000	900,000
		Remuneration Director				
		Nomination Director				
		Risk Management Director				
6. Amorn	Asvanunt	Independent Director and Audit Committee Member	480,000	64,000	72,000	616,000
		Risk Management Chairman				
7. Pol.Gen.Somchai	Prabhasabhakdi	Independent Director and Audit Committee Member	504,000	72,000		576,000
8. Duangphorn	Sucharittanuwat	Independent Director and Audit Committee Member	496,000	80,000		576,000
9. Manu	Leelanuwatana	Director	504,000		16,000	520,000
		Nomination Director				
10. Vira	Ua-Arak	Director	496,000			496,000
11. Somphol	Chaisiroj	Director	788,000			788,000
<b>Total</b>			<b>13,298,000</b>	<b>326,000</b>	<b>248,000</b>	<b>13,872,000</b>

**Remark :** \* Number of meeting attended by the Board of Directors and executives are based on their year of service since being elected during the shareholders' meeting, by taking into account of the meeting date which regularly falls in April of every year.

(b) Remuneration for the executive directors and the first 4 directors of the executive board ranking from manager total and the equal ranks to the 4<sup>th</sup> executive totaling 19 persons amounted Baht 65,976,161 including salary, annuity, allowance and conference allowance.

2. Other kind of remuneration

- Other kind of remuneration for directors -None-
- Other kind of remuneration for executives

**Provident Fund**

The Company and employees have jointly set up a Provident Fund according to the Provident Fund Act of 1987 on June 3, 1996 with the registration No. 41/2539. The Company has authorized a certified fund manager to manage the Fund by withholding from the employees' payroll and Company contribution. Employees will receive their eligible portions upon legitimate separation from the Company.

**Criteria to consider directors' remuneration are as follow**

1. To perform duties of Company's director
  - Annual Remuneration (Gratuity) paid to every directors.
  - Conference Allowance paid to attending directors.
    - Chairman 10,000 baht/one meeting
    - Director 8,000 baht/one meeting
  - Director fee (only paid to the Chairman)
2. To perform duties of Audit Committee.
  - Conference Allowance paid to attending directors.
    - Chairman 10,000 baht/one meeting
    - Director 8,000 baht/one meeting
3. To perform duties of Remuneration Committee, Nomination Committee, Corporate Governance Committee and Risk Management Committee conference allowance shall be paid to attending directors at Baht 8,000 each per meeting.

**Benefits, Shares, Debentures awarded to Directors by the Company in 2015**

-None-

**Other privileges awarded to Directors by the Company**

-None-

**Details reported to the Company by Directors**

Direct or indirect profits or losses as a result of any agreements made by the Company during the accounting year.

-None-

**Shares held by Directors and Executives in the Company and in the affiliated companies**

- Shares held by Directors and Executives in the company increase/decrease during the past year as Chart displaying Directors and attendance to the meetings as stated in the page 81 of this annual report
- Shares held by Directors in the affiliated companies. -None-

Description	Number of employees	Remuneration (Baht)
Office Staffs	1,896	685,524,421
Sales persons	5,204	1,152,705,377
<b>Total</b>	<b>7,100</b>	<b>1,838,229,798</b>

**Human resource**

**Number of employee and remuneration**

As of 31 December 2015, the Company has 7,100 employees and makes payments of 1,838,229,798 Baht in salary, commission, transportation cost, allowance, overtime, incentive and bonus.

Significant change in the number of personnel or major labor dispute in the past 3 years

-None-

**Policy in human resource development**

I.C.C. International Public Company Limited has signed to announce its pact on the united front with Thai Private Sector to Anti-Corruption and clearly specify every form of Policy for business operation transparency, gain trust from investors and sincere operation.

Therefore, personnel at every level must have knowledge, understanding and participate in operation to coincide with Corporate Governance Policy, Business Ethics and Code of Conduct for Company directors, management and employees and Anti-Corruption Policy. They can learn by themselves and do the tests about their understanding in the E-learning System. This is an internal website, another channel for communication and personnel development within the Company.

Employees Development Policy and Activities as stated in 2015 Environmental Responsibilities Report of the Company.

## Shareowning of Directors and Executives (including shareowning of their spouses and minor children)

Name	December				Increase (Decrease)
	2015		2014		
	Shareowning		Shareowning		
	Directors/ Executives	Spouse/ Minor Children	Directors/ Executives	Spouse/ Minor Children	
1. Som Chatusripitak Ph.D.	-	-	-	-	-
2. Boonsithi Chokwatana	6,558,940	-	6,558,940	-	-
3. Boonkiet Chokwatana	4,029,340	167,790	4,024,520	167,790	4,820
4. Thamarat Chokwatana	322,110	64,501	322,110	64,501	-
5. Thiraphong Vikitset Ph.D.	-	-	-	-	-
6. Amorn Asvanunt	-	-	-	-	-
7. Duangphorn Sucharittanuwat	-	-	-	-	-
8. Nophorn Phongweth	-	-	-	-	-
9. Manu Leelanuwatana	-	12,440	783,040	292,240	(1,062,840)
10. Vira Ua-Arak	612,320	-	612,320	-	-
11. Somphol Chaisiroj	63,340	-	63,340	-	-
12. Khanisorn Suyanand	540	-	540	-	-
13. Ramida Russell Maneesatiean	10,000	-	10,000	-	-
14. Kityaporn Chaithavornsathien	7,450,260	-	7,450,260	-	-
15. Bussabong Mingkwanyeon	680	-	-	-	680
16. Viritpol Chaithavornsathien	-	-	-	-	-
17. Somkid Chakawannorasing	99,050	-	99,050	-	-
18. Nonglaks Techaboonanek	-	-	-	-	-
19. Pranot Vesaruchavit	-	-	-	-	-
20. Chailert Manoonpol	1,460	-	1,460	-	-
21. Pennapha Dhanasarnsilp, Ph.D	6,100	10,000	6,100	10,000	-
22. Pairoj Hirunwongsawang	6,470	-	6,470	-	-
23. Nuttaphat Petchratanaporn	35,000	-	35,000	-	-
24. Munchusa Terapongpipat	102,510	-	102,510	-	-
25. Surat Wongrattanapassorn, Ph.D.	20,000	-	20,000	-	-
26. Sawat Posinsomwong	-	-	-	-	-
27. Pisamai Chunmanu	-	-	21,150	-	(21,150)
<b>Total</b>	<b>19,381,120</b>	<b>254,731</b>	<b>20,116,810</b>	<b>534,531</b>	<b>(1,078,490)</b>

Note: #15 was promoted to be a Vice President Div. H on 1 May 2015

#19 was promoted to be a Vice President Div. R on 1 Oct 2015

#27 is no longer a Vice President Div. I since 1 May 2015

## Chart displaying Directors and Executives' position and attendance to the meetings

Name	Office period of company's Directors (end Dec. 31,15) (Year)	Position						
		Board of Directors (BOD)	Audit Committee (AC)	Remuneration Committee (RC)	Nomination Committee (NC)	Risk Management Committee (RMC)	Corporate Governance Committee (CGC)	Executive Committee (EC)
1. Som Chatusripitak, Ph.D.	18	Chairman						
2. Boonsithi Chokwatana	24	Vice Chairman			Chairman			Advisor to the Executive Board of Directors
3. Boonkiet Chokwatana	42	Executive Chairman		Chairman	√			Executive Chairman
4. Thiraphong Vikitset Ph.D.	16	√	Chairman					
5. Thamarat Chokwatana	16	President and Vice Executive Chairman		√	√	√		President, Vice Executive Chairman and Vice President Div. G, X
6. Amorn Asvanunt	35	√	√			Chairman		
7. Nophorn Bhongsvej	8 mth	√	√				Chairman	
8. Duangphorn Sucharittanuwat	4	√	√					
9. Manu Leelanuwatana	11	√			√			
10. Vira Ua-Arak	11	√						
11. Somphol Chaisiroj	6	√						Vice President Div. W
12. Ramida Russell Maneesatien								Vice President Div. B
13. Kityaporn Chaithavornsathien								Vice President Div. D
14. Bussabong Mingkwanyeon								Vice President Div. H
15. Somkid Chakwannorasing								Vice President Div. J
16. Nonglaks Techaboonanek								Vice President Div. M, O
17. Chailert Manoonpol								Vice President Div. S
18. Pennapha Dhanasarnsilp, D.B.A.								Vice President Div. V
19. Nuttaphat Petchratanaporn						√	√	Vice President Accounting Finance Div.
20. Munchusa Terapongpipat				√	√	√	√	Vice President Company Administration Div.
21. Surat Wongrattanapassorn Ph.D.								Vice President Information and Technology Div.
22. Kanisorn Suyanand								
23. Viritpol Chaithavornsathien								
24. Pranot Vesaruchavit								
25. Pairoj Hirunwongsawang						√		
26. Sawat Posinsomwong								
27. Pitacha Poosunthornsri						√		
28. Duangrudee Milintanggul						√	√	
29. Pol. Gen. Somchai Prabhasabhakdi								
30. Pisamai Chunmanu								
Total		11	4	3	5	7	4	14

**Notes:** # 7 has taken the office as a member of the BOD since 27 May 2015  
 # 14 - was promoted to be a Vice President Div. H on 1 May 2015  
 - has taken the office as a member of Executive Committee since 18 May 2015  
 # 16 has taken the office as a member of Executive Committee since 18 May 2015  
 # 24 was promoted to be a Vice President Div. R on 1 Oct 2015  
 # 29 is no longer a member of the BOD since 27 Apr 2015  
 # 30 is no longer a Vice President Div. I since 1 May 2015

(A) Company's executives as announced by The Securities and Exchange Commission (SEC)  
 (B) Number of meeting attended by the Board of Directors and Executives are based on their year of service since being elected during the shareowners' meeting by taking into account of the meeting date which regularly falls in April of every year

(A) Executives	(B) Attendance to the Meetings							Attendance to the 50 <sup>th</sup> shareowner's meetings 2015
	BOD's meeting 13 meetings/year	AC's meeting 11 meetings/year	RC's meeting 2 meetings/year	NC's meeting 2 meetings/year	RMC's meeting 10 meetings/year	EC's Meeting		
						Primary Meeting 29 meetings/ year	Secondary Meeting 24 meetings/year	
	13/13							√
√	13/13			2/2		29/29		√
√	13/13		2/2	2/2		27/29	15/15	√
	13/13	11/11						√
√	11/13		2/2	2/2	10/10	26/29	22/24	√
	10/13	8/11			9/10			√
								√
	12/13	10/11						√
	13/13			2/2				√
	12/13							√
√	11/13					22/29	18/24	√
√						25/29	21/24	√
√						25/29	17/24	√
√								
√						27/29	24/24	√
√								√
√						20/29	22/24	√
√						27/29	24/24	√
√					9/10	29/29	24/24	√
√			2/2	2/2	10/10	28/29	24/24	√
√						27/29	22/24	√
Vice President Div. A								√
Vice President Div. I								√
Vice President Div. R								
Vice President Sales Administration Div.					10/10			√
Vice President Div.								√
					10/10			√
								√
	13/13	9/11						√
								√
19								28

## The Profile of Directors, Executives and Regulators in subsidiary, associated and other related companies

Name	Position										
	Som Chatusripitak Ph.D.	Boonsithi Chokwatana	Boonkiet Chokwatana	Thamarat Chokwatana	Thiraphong Vikitsej, Ph.D.	Amorn Asvanunt	Nophorn Bhongsvej	Duangphorn Sucharittanuwat	Manu Leelanuwatana	Vira Ua-Arak	Somphol Chaisiriroj
1. I.C.C. International	A	B	E	C, DC	AC	AC	AC	AC	F	F	F
2. Textile Prestige									A		
3. Thai President Foods		A									
4. Thai Wacoal				F					A		
5. Thanulux		FC									
6. People's Garment			A			AC					
7. Far East DDB						AC					
8. Sahapathanapibul		EC									
9. Saha Pathana Inter-Holding		F	F				AC		F		
10. S&J International Enterprises			A								
11. O.C.C.									F		
12. Champ Ace			A	F							
13. International Laboratories		A		F							
14. Thai Hoover Industry		A									
15. I.D.F.											
16. International Commercial Coordination		A	F	F					F		
17. Can			F	F						F	A
18. Pan Asia Footwear			A								
19. Bangkok Tokyo Socks									A		
20. First United Industry				F							
21. Koraj Wattana			F	F						F	F
22. Sun and Sand			F							F	A
23. D F Inter				F					A		
24. Treasure Hill			F	F							
25. Thai Gunze									A		
26. Tiger Distribution & Logistics			A	F							
27. Thai Cubic Technology			A								
28. Better Way (Thailand)			A		F						
29. Paknumpo Wattana			F							F	F
30. Maharachapreuk			F							F	F
31. Sukhatasana			A								
32. Thai Itokin			A								
33. Intersouth			F	F						F	
34. Intanin Chiangmai			F	F						F	
35. Eastern I.C.C.			F	F						F	F
36. Raja Uchino		FC							A		

**Remarks:** A = Chairman      B = Vice Chairman      C = President      AC = Audit Committee Chairman      EC = Honorary Chairman  
 D = Director Manager      E = Executive Chairman      F = Director      DC = Director and Executive Vice President      DE = Vice President  
 G = Chairman of Advisory Board      I = Vice President Division      FC = Director Advisor

Position													
Khanisorn Suyanund	Ramida Russell Maneesatean	Kityaporn Chaithavorn- sathien	Bussabong Mingkwan- yeon	Viritpol Chaithavorn- sathien	Somkid Chakawan- norasing	Nonglaks Techaboorn- anak	Pranot Vesaruchavit	Chailert Manoonpol	Pennapha Dhanasarn- silp D.B.A.	Pairoj Hirunwong- sawang	Nuttaphat Petchratana- porn	Munchusa Terapong- pipat	Surat Wongrattana- passorn Ph.D.
I	I	I	I	I	I	I	I	I	I	I	I	I	I
								F					
								F					
								D					
		F											
						A							
				F			F			F			
													F
	F				A					F			
						F	F			F	F	F	
				F						F			
				A	F					F	F	F	
				A	F					F			
	F	F									F		
	D										F		F
			F	F		F				A			
		F								F	F		
							F			A	F	F	F

## The Profile of Directors, Executives and Regulators in subsidiary, associated and other related companies

Name	Position										
	Som Chatusripitak Ph.D.	Boonsithi Chokwatana	Boonkiet Chokwatana	Thamarat Chokwatana	Thiraphong Vikitsej, Ph.D.	Amorn Asvanunt	Nophorn Bhongsvej	Duangphorn Sucharittanuwat	Manu Leelanuwatana	Vira Ua-Arak	Sompbol Chaisiroj
37. Thai Arusu				F					A		
38. Janome (Thailand)									A		
39. Pattaya Manufacturing									A		
40. Wien International									A		
41. Top Trend Manufacturing			A								
42. Thai Staflex									A		
43. H&B Intertex			A								
44. Sahacogen (Chonburi)		F	F			AC	AC				
45. Thai Shikibo									F		
46. Vira Law Office										D	
47. Sun 108			F	F							
48. Shiseido Professional (Thailand)		F									
49. SSDC (Tigertex)		FC							A		
50. Thai Secom Pitakkij									F		
51. Sahachol Food Supplies		F	F								
52. Erawan Textile									FC		
53. Thai Sports Garment			A								
54. S R P Nanasai											
55. International Leather Fashion											
56. K. Commercial and Construction		G	A								
57. Sahapat Real Estate		A		F							
58. Pens Marketing and Distribution				F							
59. United Utilities		F	A,D								
60. Saha Nam Textile		A									
61. Tsuruha (Thailand)		A		DE							
62. Issara United			A								
63. Shop Global (Thailand)			A								
64. WBRE			A								
65. Canchana International			F	F							
66. BNC Real Estate									F		
67. Transcosmos				F							
68. Issara United Development			F								

Position													
Khanisorn Suyanund	Ramida Russell Maneesatean	Kityaporn Chaithavorn- sathien	Bussabong Mingkwan- yeon	Viritpol Chaithavorn- sathien	Somkid Chakawan- norasing	Nonglaks Techaboorn- anak	Pranot Vesaruchavit	Chailert Manoonpol	Pennapha Dhanasarn- silp D.B.A.	Pairoj Hirunwong- sawang	Nuttaphat Petchratana- porn	Munchusa Terapong- pipat	Surat Wongrattana- passorn Ph.D.
		F						F					
											F		
								F					
F						D							
									D				
										F			
	F	F											
	F												
				F							D		
	F	F											

## Corporate Governance

The Company's Board of Directors has extensively emphasized good corporate governance in order to operate the business transparently and strive towards with commitment to the continuous improvement of Corporate Governance, effectively and securely, including bringing sustainable and fair growth to all parties concerned. It has also helped to increase the value-added aspect of the Company and the prosperity of its shareowners. The Company's policy on business operation is based on the principle of good governance of the Stock Exchange of Thailand based on a sufficient economy, i.e. moderation, reasonableness and immunity, through the use of knowledge, discretion and caution in planning and operations. At the same time, the Company has encouraged integrity, honesty, hard-working, economizing, sharing and intellectual capacity in its business execution and has been ready to face economic, political, cultural and social changes with a view to well-balanced and sustainable benefits.

### Corporate Governance Policies

The Board of Directors is confident that a proper, transparent and accountable governance system is in place along with checks and balances and an internal control system that is sufficient and appropriate. Alongside these mechanisms are due respect for the rights and equality of shareholders and accountability to all stakeholders. These key factors contribute to the enhancement of the organization's immunity and promotion of a balanced and sustainable growth in the long-term.

In pursuance thereof, the Board of Directors thereby prescribed the following corporate governance policies as a practice guideline for the company directors, executives and all employees.

1. Company Directors, Executives and all employees are fully committed to the application of corporate governance principles, business ethics and Codes of Conduct for Company Directors, Executives and employees to Company operations.

2. Company Directors, Executives and all employees must perform their duties responsibly, prudently, earnestly and honestly in accordance with the relevant laws, Company Articles and Notifications.

3. Actions shall be taken to ensure that the Company management structure contains clear prescriptions of powers, duties and responsibilities of each Company Committees and Executives.

4. An internal control system shall be installed and risks management shall be managed at suitable levels, including an

accounting system and financial statement which are accurate and reliable.

5. Information shall be disclosed in a sufficient, reliable and timely matter to the extent that the legitimate interests of the Company are not prejudiced.

6. The ownership rights of shareholders shall be appreciated and respected. Shareholders shall be treated equitably.

7. Undertakings shall have regard to the responsibilities of shareholders, stakeholders, communities, society and the environment.

8. There shall be a determination to strive towards business excellence with commitment to the creation of customer satisfaction by receiving comments and self-assessments in order to enhance management capabilities and continually promote productive creativity.

9. Virtue, ethics and good values shall be instilled. Employees shall be treated fairly with a commitment to develop and enhance the capabilities of personnel.

10. Dishonest conduct, corruption and intellectual property violations shall be suppressed. Laws and human rights shall be respected.

11. Conflict of interests shall be dealt with prudently and reasonably with due regard for the Company's interests.

### Sub Committee

Management structure consisted of as follows:

1. Board of Directors
2. Executive Committee
3. Audit Committee
4. Remuneration Committee
5. Nomination Committee
6. Risk Management Committee
7. Corporate Governance Committee

Name list of each set of directors are shown in page 82-83 in this annual report.

To give confidence to shareowners regarding the Company's operation as being transparent, filtering, cross-checking and giving discreet consult.

The Board of Directors has appointed other sub committees to be in charge and report the results to the Board at all times. At present, the Sub-committees comprise of the Executive Directors, the Audit Committee, the Remuneration Committee, the Nomination Committee, the Risk Management Committee and the Corporate Governance Committee.

The Structure of the board and the company's administration provides sufficient cross-check. The authority transfer between

the board and the administration divisions is clear, with written documentation, and has been approved by the board of directors, no. 1/2558 on May 18<sup>th</sup>, 2015. It has been documented in the Board's meeting minute.

By separate and independent scope of duties and responsibilities in order to ensure good corporate governance.

- **Board of Directors** a group of eleven people, management structure consisted in page 82-83 in this annual report. The meeting schedule for the Executive Board of Directors is set on a monthly basis.

In 2015, (according to the year of service from April 2014 to April 2015) the Board of Directors arranged the meeting on a monthly basis. The attendance of each director is shown in the Chart displaying Directors and Executives' position, shareowning and attendance to the meeting on page 82-83 of this annual report.

- **The Executive Board of Directors** a group of fourteen people who is assigned and authorized by the Board of Directors, consists of four Directors and ten executives. The Executive Board of Directors is responsible for the company administration with designated status as executive company staff or permanent employee. The meeting schedule for the Executive Board of Directors is set on a weekly basis.

In 2015, (according to the year of service from April 2014 to April 2015) the Executive Board of Directors arranged the meeting on a weekly basis. The attendance of each director is shown in the Chart displaying Directors and Executives' position, shareowning and attendance to the meeting on page 82-83 of this annual report.

- **The Audit Committee** is a group of four independent directors and two Audit Committee Members (Mr. Amorn Asvanunt and Mrs. Duangphorn Sucharittanuwat) who graduate and expertise in Accounting with two years term of office. The Audit committee has set their meeting at least once per quarter. An extraordinary meeting is available for considering any related transaction or other special issues which must be reported to the Board of Directors as well as a joint meeting with the Company's Auditor and the Chief Financial Officer on a quarterly basis. Member of the Auditor Committee must not own any company shares.

The Company has not set a limitation terms to be as a successor of Audit Committee Member at present, it would depend on consideration of the Nomination Committee together with the Executives Board of Directors based on their past performance in the previous year.

In 2015, (according to the year of service from April 2014 to April 2015) the Audit Committee has arranged twelve meetings. The attendance of each Audit Committee Member is shown in the Chart displaying Directors and Executives' position, shareowning and attendance to the meeting on page 82-83 of this annual report.

- **The Remuneration Committee** consists of two members of the Board of Directors and one executive whose term of office is one year. This committee arranges their meeting annually, and an extraordinary one is also available as required.

In 2015, (according to the year of service from April 2014 to April 2015) the Remuneration Committee arranged two meetings. The attendance of the Remuneration Committee is shown on the chart on page 82-83 of this annual report, which also shows his position, shareholding and attendance to the meetings.

- **The Nomination Committee** consists of four members from the Board of Directors and one executive whose term of office is one year. This committee arranges their meeting on a yearly basis, and an extraordinary one is also available as required.

In 2015, (according to the year of service from April 2014 to April 2015) the Nomination Committee arranged two meetings. The attendance of the Nomination Committee is shown on the Chart displaying Directors and Executives' position, shareowning and attendance to the meeting on page 82-83 of this annual report.

- **The Risk Management Committee** consists of one Audit Committee member, one Director and five Management staff with two years term of office. This committee arranges their meeting once per quarter at least, and an extraordinary one is also available as required.

In 2015, (according to the year of service from April 2014-April 2015), the Risk Management Committee arranged ten meetings. The attendance of the Risk Management Committee is shown on the Chart displaying Directors and Executives' position, shareowning and attendance to the meeting on page 82-83 of this annual report.

- **The Corporate Governance Committee** according to the Board of Directors' Meeting on May 18, 2015 has appointed the Corporate Governance Committee consists of four members, one independent director, two Executives and one Management staff with one year term of office. This committee arranges their meeting twice per quarter at least, and an extraordinary one is also available as required.

In 2015, (according to the year of service from April 2014-April 2015), the Corporate Governance Committee do not arranged any meetings since established on May 18, 2015.

## Scope of the Authority and Responsibilities

### The Authority and Responsibilities of the Board of Directors

#### - Operational Authority

1. To appoint sub committees and determine the authorization.

2. To appoint, remove, and delegate authority to the advisors of the Board of Directors, committees and other parties for further actions.

3. To approve borrowing to more than baht 50 million and debenture issuance for use as company's working capital.

4. To approve the granting/revoking of more than baht 50 million loan.

5. To approve purchase/revocation/sale of assets, investment capitals and expenditure for the amount of more than baht 50 million.

6. To approve collateral granting/revoking and liability granting/revoking of liability to individuals/companies for the amount of more than baht 50 million.

7. To approve investment policies for investing in other companies for the amount of more than Baht 50 million.

8. To consider entering into transactions with all individuals involved.

9. To file a suit to either Civil or Criminal Court, to submit a request for Juridical Arbitration, to petition to an inquiry official, to charge against an offender of the company for legal proceedings under the Criminal Code, and to conduct sub-delegation of power to any party to act on behalf of the company. The sub-delegation of power shall include the power to revoke the petitions, to compromise on any conflict, and to accept compensation for the company. This includes the appointment of a lawyer to file suit or to attend trials in all courts on behalf of the company until the final court proceedings for any cases relevant to the irregular course of business, and / or vice versa.

10. To propose a capital increase/decrease, change in stock value, amendment of the Memorandum of Association, Articles of Association, and/or objectives of the company to the General Shareowners' Meeting.

11. To delegate authority to the Management, executives of the company or other party to act on behalf of the Board.

12. To invite the Management, executives and employees of the company involved in any particular issues to provide some explanation, to give comments, to participate in the Meeting, or to provide any documents as necessary.

13. To seek advice and consultation by experts or advisors of the company (if any), or to commission an external

advisor or expert in any necessary cases under expenses of the company.

14. To appoint and remove the Secretary of the company.

#### - Duties and Responsibilities

1. To carry out corporate operation in accordance with the law and regulations of the Securities and Exchange Commission and of the Stock Exchange of Thailand, with the company's objectives and articles of association, and with the resolutions of the shareowners' meetings.

2. To act responsibly and consistently on behalf of the shareowners.

- To run the business for the best interest of the shareowners.

- To disclose an accurate, complete, up-to-standard and reliable information.

- To report company's operation with correct, complete and up-to-date content.

- To allocate compensation to shareowners with proper and worthwhile standard.

3. To set up policies and direction for corporate operation, to supervise and control the administration efficiently and effectively in accordance with the set policies so as to optimize economic value to the business and wealth to the shareowners.

4. To control corporate operation consistently, as well as to follow up on related contract obligation and liability.

5. To approve the annual business plan and budget, and to supervise efficient and effective actions by the Management in compliance with the regulatory requirements, policies and plans as specified.

6. To promote the formulation of a corporate governance policy, code of conduct, and code of business conduct in writing, for pursuance by the Board of Directors, executives and employees of the company in any business undertakings; and to supervise subsequent actions closely.

7. To adopt the sufficient and appropriate internal control system for assuring that all transactions have been conducted under legitimate approval authority, to review and prepare the right accounting procedures, as well as any systems to prevent misuse of the company's assets.

8. To adopt a prudent and clear consideration procedure of any transactions likely to create conflicts of interest in order to protect the benefits of the company and shareowners, by disallowing any related parties from participation in the decision-making process in compliance with the regulatory requirements governing related transaction procedures and disclosure of related transactions.

9. To review and approving the financial statements and financial reports as approved or reviewed by auditors, as well as approved by the Audit Committee.

10. To acknowledge administrative reports from the executive committee.

11. To specify the date, time and venue for the General Shareowners' Meeting, including the meeting agenda, determination of dividend payment (if any), and to prepare Board of Directors' comments to be proposed for consideration by the shareowners in a 21-day period before each General Shareowners' Meeting. The company may set the date for suspension of share transfers registration, which shall be announced for acknowledgement by the shareowners at the Head Office and branch offices of the company for not fewer than 14 days before the suspension of transfer registration; or to set a record date of eligible shareowners' participation in the General Shareowners' Meeting not longer than two months in advance before the meeting schedule; and to set the closing date for share transfer registration by one business day after the record date in order to conclude the list of shareowners eligible for participation in the General Shareowners' Meeting in accordance with Section 225 of the Securities and Exchange Act to ensure the shareowners' right to participate in the Meeting and to receive dividend payments.

12. To prepare a report on the "Board of Directors' Responsibility for the Financial Reports", for disclosure in the Annual Report of the company (56-2 Reporting Form) and the annual financial report (56-1 Form).

13. To supervise the submission of documents to regulatory agencies to ascertain that there are statements and entries of transaction in accordance with the data as shown in the book of account, registration or other documents of the company.

14. To approve Charters of the Board of Directors and/or other committees.

15. Other businesses as required in the Board of Directors' meeting

#### **The Authority and Responsibilities of the Company's Executive Board**

The Executive Board has been empowered by the Board of Directors to sign on behalf of them for the business operation of the company as follows:

##### **- Operational Authority**

1. In accordance with the authority assigned by the Board of Directors

2. To consider and scrutinize the process for entering into all connected transactions with any amounts as well as to summarize and propose the results of the transaction to the

Board of Directors for approval such as making contracts of purchase or sale of goods and every kind of products including making contracts to provide or receive services with any persons, companies, partnerships, government agencies, state enterprises and juristic persons in domestic and foreign countries in accordance with the company's objectives and regulations.

3. To enforce other operational regulations as appropriate.

##### **- Duties and Responsibilities**

1. In accordance with the authority assigned by the Board of Directors

2. To acknowledge and comply with the company's policies and business operation strategies set by the Board of Directors and/or the Executive Board such as claim, demand, debt repayment or claim on any assets including benefits or rights from any persons, companies, partnerships, government agencies, state enterprises and juristic persons in accordance with company's objectives and regulations. In addition, the Executive Board has been authorized to agree upon any conditions and sign on any contracts as well as other related documents.

3. To be consistently accountable for the Board of Directors and/or the Executive Board.

- To report on corporate movement and performance continually and promptly.

- To reveal accurate, complete, up-to-the-standard and reliable information.

4. To supervise, review and approve policies, major strategies, plans and annual budget.

5. To be responsible for preparation of financial statement, financial reports audited by external auditor and proposing it to the Executive Board, the Audit Committee and the Board of Directors for approval, respectively. In addition, the Executive Board has been authorized to sign on the cheque within the limit set by the Board of Directors for deposit and withdrawal including making the contracts relating to borrowing, lending, overdraft lending and endorsing the promissory note, cheque, draft, bill of exchange and other financial instruments with any persons, companies, partnerships, government agencies, state enterprises and juristic persons in accordance with the company's objectives and regulations. Additionally the Executive Board has been authorized to agree upon any conditions and sign on any contracts as well as other related documents.

6. To consider and scrutinize the process of borrowing, repayment and debenture issuance in any amounts for use as working capital of the company as well as concluding the result and propose the transactions to the Board of Directors for approval.

7. To consider and approve the loan granting/revoking within the limit set by the Board of Directors. For the overauthorized limit, it will be considered and proposed its results to the Board of Directors for consideration and approval.

8. To consider and approve the purchase/revocation/sale of assets, investment and expenditures within the limit set by the company's Board of Directors. For the overauthorized limit, it will be considered and proposed its results to the Board of Directors for consideration and approval such as making the contracts relating to rent, sublease of movable and immovable properties, registration of lease assignment and/or sublease and its cancellation of registration with any persons, companies, partnerships, government agencies, state enterprises and juristic persons in accordance with the company's objectives and regulations. Additionally, the Executive Board has been authorized to agree upon any conditions and sign on any contracts as well as other related documents.

9. To consider and scrutinize the process of guaranteeing/revoking, taking liabilities/revoking with any persons/companies under the limit set by the Board of Directors. For the overauthorized limit, it will be considered and proposed its results to the Board of Directors for consideration and approval.

10. To consider and approve the investment policy in any companies within the limit set by the Board of Directors. For the overauthorized limit, it will be considered and proposed its results to the Board of Directors for consideration and approval.

11. To approve the opening and closing of bank accounts.

12. To approve the receiving and revoking of bank loan.

13. To amend the authorization of payment and approval of goods request and borrowing slips.

14. To approve price adjustment and/or destruction of deteriorated and/or outdated inventory.

15. To be responsible for setting up marketing policies.

16. To be responsible for management of sales, outlets, debt undertaking and sale collateral mortgaging.

17. To be responsible for Human Resource Management such as recruitment, termination, punishment, promotion, relocation of employee and to command the employee including making the employment contracts as well as to agree upon any conditions and sign on any contract and documents relating to Human Resource Management with Labour Department, Social Security Office, government agencies and state enterprises in accordance with the company's objectives and regulations.

18. To appoint, recall, transfer, accredit as well as determining remuneration included welfare for executive management.

19. To claim to the inquiry official against the criminal of a company for proceeding with the criminal case, appoint the subagent to handle this process, revoke the claim, make a reconciliation agreement, receive money on behalf of the company and appoint the lawyer to file the statement to every court on behalf of the company until final.

20. To improve the Charter of the Executive Board and present it to the Board of Directors for approvals.

21. To carry out other matters assigned by the Board of Directors.

**The conditions for the company's empowerment are as follows:**

1. Two of the Executive Board are required to co-sign without affixing the corporate seal within a limit of baht 500,000.

2. The Executive Board and one of the authorized Board of Directors are required to co-sign without affixing the corporate seal within a limit of baht 1,000,000.

3. Two directors of the Company's Board are required to co-sign and affix the corporate seal without amount limit (no authorization is required in accordance with the registered Certificate of the Company).

4. If the amount of transaction is beyond a set limit, it is required to get approval from the VC Committee within a set limit of baht 10 million ; and from the Executive Board's meeting within a set limit of baht 50 million.

5. For the transaction limit beyond baht 50 million, it is required to get approval from the Board of Directors' meeting.

6. In case of urgency and the approval cannot be sought, the two Executive Board who are members of the Board of Directors altogether will consider and pre-approve the transaction, then propose it for ratification by the Executive Board and/or the Board of Directors under the authorized limit.

7. These regulations shall be reviewed and updated every year,

under the supervision of Mrs. Duangrudee Milintanggul, the Company Secretary acting as the registrar.

### **The Authority and Responsibilities of Company's Audit Committee**

#### **- Operational Authority**

1. To coordinate between the auditor, Board of Directors, and internal audit unit for mutual understanding in the same direction.

2. To invite the executives, management, internal audit or employees of the company who involved in any particular issues to provide some explanation, to give comments and to

participate in the Meeting, or to provide documents as necessary and to access to information of the company at all levels.

3. To investigate any persons involved in any particular issues within its authority and responsibilities of the audit committee.

4. To seek advice and consultation by experts or advisors of the company (if any), or to commission an external advisor or expert in any necessary cases under expenses of the company.

#### **- Duties and Responsibilities**

1. To review and ensure that the Company has accurate and adequate financial reporting.

2. To review and ensure that the Company has suitable and effective internal control system and internal audit system. Its responsibilities include considering an independence of the internal audit unit, as well as to approve an appointment and termination of the head of the internal audit unit or other related units responsible for the internal audit.

3. To review that the Company comply with laws concerning securities and exchange, regulations of the Stock Exchange of Thailand, and other laws related to the Company's business.

4. To consider, select, nominate or remove independent persons to be the Company's auditor, and propose such person's remuneration fees, as well as to attend a non-management meeting with the auditor at least once a year.

5. To consider that the related transactions or transactions which may have conflicts of interests are complied with the laws and the regulations of the Stock Exchange of Thailand in order to ensure that they are reasonable and for the best benefit of the Company.

6. To prepare the Audit Committee's Report and have it disclosed in the Company's Annual Report to which it must be signed by the Audit Committee's Chairperson and consisted of at least the following information :

- a an opinion on the accuracy, completeness and reliability of the Company's financial report.
- b an opinion on the adequacy of the Company's internal control system.
- c an opinion on compliance with the laws concerning securities and exchange, the regulations of the Stock Exchange of Thailand, or other laws related to the Company's business.
- d an opinion on the suitability of the auditor.
- e an opinion on transactions that may have conflicts of interests.

f the number of the Audit Committee meetings, and its attendance record of each committee member.

g an opinion or overview comment that the Audit Committee perceived from its performance under the charter.

h other transactions that the shareowners and general investors should know under its scope of duties and responsibilities assigned by the Board of Directors.

7. In carrying out the Audit Committee's duties, if it finds or has any suspects that there are transactions or the following actions which may have a considerable impact on the Company's financial status and performance; it should report them to the Board of Directors in order to correct them within a suitable time frame set by the Audit Committee:

- a transactions causing conflicts of interests.
- b fraud or irregularity or have key mistakes in the internal control system.
- c breach of laws concerning securities and exchange, regulations of the Stock Exchange of Thailand, or other laws related to the Company's business.

If the Board of Directors or its executives failed to arrange to have them corrected within due course, any member of the Audit Committee may report such transactions or actions to the Securities and Exchange Commission or the Stock Exchange of Thailand.

8. To support and follow up to ensure that the Company has effective risk management system.

9. To improve the Charter of the Audit Committee and present it to the Board of Directors for approvals.

10. To perform any other matters as assigned by the Board of Directors with the Audit Committee's approval under the Company's Articles of Association and laws.

Reference to the above duties, the Audit Committee is accountable directly to the Board of Directors whereas the Board of Directors remains responsible to third parties for the operations of the Company.

#### **The Authority and Responsibilities of the Remuneration Committee**

##### **- Operational Authority**

1. To invite the Management or employees of the company involved in any particular issues to provide some explanation, to give comments and to participate in the Meeting, or to provide any documents as necessary.

2. To seek advice and consultation by experts or advisors of the company (if any), or to commission an external advisor or expert in any necessary cases under expenses of the company.

**- Duties and Responsibilities**

1. To propose policy and criteria for consideration of remuneration payment for the Company's Directors and top management.

2. To evaluate the performance of the Board of Directors on a yearly basis.

3. To determine the limit of remuneration for the Company's Directors (with consideration on its business performance and being compared with the same industry), the amount approved by the general shareowners' meeting, as well as the amount paid in the previous year to be submitted for consideration to the Company's Board of Directors and the general shareowners' meeting.

4. To consider an appropriation of remuneration to the Company's Directors and other committees on individual basis, by taking into account of authority and scope of responsibilities within the amount limit approved by the shareowners' meeting.

5. To improve the Charter of the Remuneration Committee and present it to the Board of Directors for approvals.

6. To carry out other matters assigned by the Board of Directors.

**The Authority and Responsibilities of The Nomination Committee**

**- Operational Authority**

1. To invite the Management or employees of the company involved in any particular issues to provide some explanation, to give comments and to participate in the Meeting, or to provide any documents as necessary.

2. To seek advice and consultation by experts or advisers of the company (if any), or to commission an external advisor or expert in any necessary cases under expenses of the company.

**- Duties and Responsibilities**

1. To nominate qualified persons to assume the office of the Company's Directors.

2. To verify the personal record and data of the nominated persons by taking into account of knowledge, abilities, experience, professional expertise, proper qualifications in accordance with the Company's Regulations and related laws.

3. To give comments or recommendations for consideration.

4. To propose the nominated persons to the Board of Directors for consideration.

5. To improve the Charter of the Nomination Committee and present it to the Board of Directors for approvals.

6. To carry out other matters assigned by the Board of Directors.

**The Authority and Responsibilities of The Risk Management Committee**

**- Operational Authority**

1. To seek advice and consultation by experts or advisors of the company (if any), or to commission an external advisor or expert in any necessary cases under expenses of the company.

2. To appoint a working group, evaluate and follow-up risk factors throughout the company.

**- Duties and Responsibilities**

1. To determine policies, targets, and to plan and organize the corporate risk management systems clearly and consistently, as well as to ensure that the internal control system is adequate for major risk management; and to report to the Audit Committee.

2. To encourage and stimulate cooperation in company risk management at all levels.

3. To supervise corporate risk management appropriately and effectively, and to give priority to the precautionary signals and all irregularities.

4. To develop corporate risk management systems with efficiency and consistency.

5. To improve the Charter of the Risk Management Committee and present it to the Board of Directors for approvals.

6. To carry out other matters assigned by the Board of Directors.

**The Authority and Responsibilities of The Corporate Governance Committee**

According to the Board of Directors' Meeting on May 18, 2015, the Corporate Governance Committee is appointed to support the Board of Directors and the Executive Committee, in terms of Corporate Governance aspects to achieve specified objectives and goals.

**- Operational Authority**

1. Has the authority to invite related Company management or employees to show their opinion, participate in meetings or submit documents as deemed necessary.

2. Can ask for advice from experts or Company Consultant (if any) or if it is necessary employ consultants or experts from outside and expense will be paid by the Company.

3. Has the authority to appoint Working Committee to implement corporate governance policy throughout the organization.

#### - **Duties and Responsibilities**

1. Stipulate, review and improve Corporate Governance policy and guidelines, Business Ethics, Code of Conduct for company's directors, managements and employees, Anti-Corruption Policy and Rules & Regulations to conform with changes in business, related rules, announcements, regulations and law, on a continuous basis.

2. Determine Corporate Governance Guidelines and Anti-Corruption Policy as well as follow up and evaluate operation results.

3. Promote and support Company Directors, management and employees to conform to Good Corporate Governance Guidelines and Anti-Corruption Policy.

4. Review and amend the Charter of Corporate Governance committee and present to the Company Board of Directors for approval consideration.

5. Other operations as assigned by the Board of Directors.

#### **The Authority and Responsibilities of The Chairman of the Board of Directors**

The Board of Directors stipulated the roles, duties and responsibilities of the Chairman of the Board of Directors

1. Being as the Chairman of the Board of Directors to oversee the performance by Board of Directors and Subsidiary Boards, in order to achieve the objectives and work plan as required.

2. Call for the Board of Directors' Meeting

3. Being as the Chairman of the Board of Directors' Meeting and be the arbitrator in case the Chairman of the Board casted his vote and votes of both parties are equal.

4. Chairman of the Stockholders' Meeting and effectively guide the Meeting.

5. Build up good relationship among company shareholders.

#### **The Authority and Responsibilities of Management**

The Board of Directors has stipulated the role, duties and responsibilities of the Management as follows :

1. To undertake and/or manage daily operations according to policies, target and planning, and corporate rules and regulations.

2. To conduct business management according to the meeting's resolutions of the Executive Board and the Company Board within the approved budget strictly, honestly and judiciously in the best interests of the Company and shareowners.

3. To carry out the operations of the Company according to good governance as stipulated in the guidelines by the Company Board.

4. To report the monthly progress of operations according to resolutions from the meetings and any significant corporate performance to the Company Board.

5. To enhance and develop business management according to code of conduct, rules and regulations, moral and good culture.

6. To carry out other matters assigned by the Board of Directors and the Executive Board.

#### **Nomination and appointing of Board of Directors and Top Management**

The Company has a Nomination Committee who will be responsible for selecting the qualified person(s) to replace the vacant position and propose to the Board of Directors and Shareowners' Meeting for approval respectively. Except in case that member(s) of the board of directors has not resigned in due course, the Nomination Committee may consider to appoint a new director to replace the vacant position in compliance with the Company's Articles of Association. This process can be done in the next board of directors' meeting, unless the remaining term of service of such director is less than 2 months.

Regarding the process of appointment directors, the Company has a specific recruitment guideline, that is, to considered well-rounded and qualified person who best fitted to take up the vacant position. A Board Skill Matrix is prepared, along with details regarding personal skill and expertise of each director, and is used in the appointment process. Such procedure is to ensure that the Company directors are recruited from varieties of background and expertise, with visions, morals and ethics. Their professional background must also be unquestioning, with no qualification against either corporate or legal regulations.

Additionally, Nomination Committee also finds possible candidate for company director from members of the Thai Institute of Directors (IOD).

Independent directors, Nomination Committee select, recruit and nominate independent directors according to the criteria and qualifications stipulated by the Stock Exchange of Thailand and the SEC in order to propose the list to the Board of Directors and the Shareowners' meeting.

#### **Qualifications of Independent Director**

The Company has specified definitions and qualifications for independent directors, which are stricter than minimum requirements of the Securities Exchange Commissions stated in the Form 56-1, attachment of the invitation letter for the 51<sup>st</sup> general shareowners' meeting 2016 and is publicized on the company's website (<http://www.icc.co.th>).

### Right of minor shareowner's in nominating directors

In order to ensure that all shareowners are treated equally, the Board of Directors provide opportunity for minor shareholders to nominate qualified person as company director, during the period of 1-30 of December, 2015. The procedure and practices are clear and transparent and are published in the Company's website.

### Top Management Nominations

The Nomination Committee finds and selects company directors by selecting either from internal management personnel or external candidates. They must be well-qualified, have good understandings of the Company's business, able to achieve the targets given by Board of Directors, and possess no forbidden qualifications according to laws.

The Board of Directors clearly defines top management's duties and responsibilities. President and Executive Chairman appointed by Board of Directors as management head, is to govern the company's operational administration.

The Company also has a successor policy in case of retirement or emergency termination, with a clear and transparent procedure.

### Management Recruitment

The Company considers managerial candidates from within the company by finding person who is well-rounded, skillful and experienced in the related field of work. The Company develops and prepares all staff so that they can become future management. Staff will undergo performance appraisal after which those with outstanding performance will be assigned a higher and more challenging task. The Company is on its constant preparation to develop and train replacement staff in case any function becomes vacant. However, in the case that vacant position could not be filled from internal resources, external recruitment will be employed and the qualified candidates will propose to President and Executive Chairman for approval.

### Composition and Appointment of Company Committees

#### 1. Composition and Appointment of the Company's Directors

According to the Company's Articles of Association: Chapter 3 "Board of Directors" Article 18 and the Charter, the shareowners' meeting determines the number of required directors but not less than five. The person to be appointed as director must not have prohibited characteristics as specified by the law or the Company's Articles of Association, or must not be described as inappropriate or untrustworthy to manage a business of the listed company under the requirements set by the Securities and Exchange Commission, provided that at least half of all directors must reside in the Kingdom of Thailand.

The number of independent directors and Audit Committee must be in accordance with the announcement of the Capital Market Supervisory Board.

### Process to appoint the Board of Directors

According to Company's Articles of Association : Chapter 3 "Board of Directors" Article 20 and the Charter, stipulating that the directors shall be elected at the Shareowners' Meeting in accordance with the following rules and procedures :

1. A shareowner shall have one vote for one share.
2. Each shareowner must exercise all of the votes he or she has under (1). to elect one or several persons to be a director or directors and must not allot his or her votes to any person in any number.

3. The persons having the highest number of votes to the lower number of votes in order shall be elected as the directors equal to the number of directors to be elected by the Shareowners' Meeting in such election. In case where the number of votes for the candidates in descending order are equal which would otherwise cause the number of directors to be elected by the Shareowners' Meeting to be exceeded in such election, the Chairman shall have a casting vote.

### Removal

#### - Termination

According to the Company's Articles of Association : Chapter 3 "Board of Directors" Article 21 and the Charter, stipulating that at every Annual General Meeting, one-third (1/3) of the directors shall retire from office. If the number of directors cannot be divided evenly into three (3) parts, the nearest number to such one-third (1/3) of the directors shall retire from office. The retirement of directors in the first and second years after registration of the Company shall be effected by drawing lots. In the subsequent years, the directors holding office the longest shall retire, and the director who retired in due course may be re-elected.

#### - Other Terminations not in due course

1. According to the Company's Articles of Association : Chapter 3 "Board of Directors" Article 22 and the Charter, stipulating that the director shall be terminated/dismissed from the position in the case of :

1. Death
2. Resignation
3. Lack of qualifications or possession of characteristics prohibited by law or these Articles
4. Being described as inappropriate or untrustworthy to manage a business of the listed company,

- as per regulations specified by the Securities and Exchange Commission
5. Removal by resolution of the Shareowners' Meeting
  6. Removal by the court order.

According to the Company's Articles of Association : Chapter 3 "Board of Directors" Article 24 and the Charter, stipulating in case of vacancy in the Board of Directors for reasons other than by due course, the Board of Directors shall elect a person who has qualifications and does not possess the characteristics prohibited by law to be a substitute director at the next meeting of the Board unless the remaining term of Directors of office of such a director is less than two (2) months.

2. According to the Company's Articles of Association : Chapter 3 "Board of Directors" Article 25, stipulating that the Shareowners' Meeting may pass a resolution removing any director from office prior to retirement by the votes of not less than three-fourths (3/4) of the number of shareowners present at the meeting and entitled to vote and representing the total shares of not less than half of the number of shares held by the shareowners present at the meeting and entitled to vote.

## **2. Composition and Appointment of the Executive Committee**

According to the Charter, the Executive Committee must comprise of at least five members. The Board of Directors has appointed four directors and other eight executives to hold position of the Executive Committee and assigned duties performance on behalf of them. The appointees must have sufficient knowledge and experience to properly manage the Company's business

### **Appointment shall be made by the Board of Directors' Meeting.**

#### **Removal**

##### **- Termination**

According to the Charter, the Audit Committee shall serve a term of one year from the day on which a resolution is passed for the appointment, once a term is completed and replacement Executive Board is appointed. An appointment must be completed within two months from the day on which the outgoing Executive Board completes their term. Member of the Executive Board who have completed a term may be reappointed.

##### **- Other Terminations not in due course**

In accordance with the Charter, executive board are to retire from the post under the following circumstances :

1. Death
2. Resignation

3. To be removed from the Company's director
4. Being described as inappropriate or untrustworthy to manage a business of the listed company, as per regulations specified by the Securities and Exchange Commission
5. Removal from office at the resolution of the Board of Directors.

In the case where a position in the Executive Board becomes vacant due to a reason other than completion of term, the replacement shall be made or not depends on the consideration of the Company's Board. In case the replacement is made, the replacement member is to serve for only the remaining term of the member whom he/she replaces.

## **3. Composition and Appointment of the Audit Committee**

According to the Charter, the Audit Committee must be comprised of at least three members. All member must be the company directors who are qualified as members of the Audit Committee as specified by the Securities and Exchange Commission as following details :

1. Having been appointed by the Board of Directors and/or at a shareowners meeting
2. Being an independent director
3. Not having been assigned by the Board to make decisions concerning the operation of the parent company, a subsidiary, an affiliate, a subsidiary of the same level, a major shareowner or any authorized person
4. Not being a director of the parent company, a subsidiary, a subsidiary of the same level which is a listed Company
5. Having sufficient knowledge and experience to perform duties as a member of the Audit Committee, provided that at least one member of the Audit Committee has sufficient knowledge and experience to review the credibility of financial statements.

In the case where a change of Audit Committee member qualifications is made by the Securities and Exchange Commission and/or Capital Market Supervisory Board, the above qualifications must be changed to reflect accordingly.

The Board of Directors has appointed 4 directors to take position as the Audit Committee. At least one of these directors has possessed necessary accounting or financial knowledge.

### **Appointment shall be made by the Board of Directors' Meeting.**

**Removal****- Termination**

According to the Charter, it serves a term of two years from the day on which a resolution is passed for the appointment. Once a term is completed and a replacement has not been appointed by the Board of Directors, the outgoing Risk Management Committee must continue to serve until a replacement is made. An appointment must be completed within three months from the day on which the outgoing Risk Management Committee completes their term. Members of the Risk Management Committee who have completed a term may be reappointed.

**- Other Terminations not in due course**

According to the Charter, the Audit Committee are to retire from the post as following reasons:

1. Death
2. Resignation
3. Termination of the post as a company director
4. Premature removal from office at the resolution of the Board of Directors
5. Disqualification as pronounced by the Securities and Exchange Commission.

In the case where a position in the Audit Committee becomes vacant due to a reason other than completion of term and where the remaining term is longer than two months, the Board of Directors or the shareowners' meeting shall appoint a properly qualified individual to the vacant post at the next meeting. The replacement member is to serve for only the remaining term of the member whom he/she replaces.

The company has not fixed the maximum consecutive office term for the Audit Committee. Consideration on this matter shall be made by the Nomination Committee and the Board of Directors.

**4. Composition and Appointment of the Remuneration Committee and the Nomination Committee**

According to the Charter, these two committees must be comprised of at least three members per each committee. The Board of Directors shall appoint the company directors and/or other individuals who have sufficient knowledge and experience relating to the posts. The Company's Board of Directors has appointed two directors and one executive to take the position of the Remuneration Committee, while four directors and one executive have been appointed to take up the position of the Nomination Committee.

**Appointment shall be made by the Board of Directors' Meeting.**

**Removal****- Termination**

According to the Charter, it serves a term of one year from the day on which a resolution is passed for the appointment. Once a term is completed and a replacement Remuneration and Nomination Committee has not been appointed by the Board of Directors, the outgoing Remuneration and Nomination Committee must continue to serve until a replacement Remuneration and Nomination Committee are appointed. An appointment must be completed within two months from the day on which the outgoing Remuneration and Nomination Committee complete their term. Members of the Remuneration and Nomination Committee who have completed a term may be reappointed.

**- Other Terminations not in due course**

According to the Charter, the Nomination and the Remuneration Committees are to retire from the post under the following circumstances :

1. Death
2. To be dismissed from the Company's employee
3. To be removed from the office by the Board of Directors.

In the case where a position in the Remuneration and Nomination Committee becomes vacant due to a reason other than completion of term and where the remaining term is longer than two months, the Board of Directors shall appoint a properly qualified individual to the vacant post at the next meeting. The replacement member is to serve for only the remaining term of the member whom he/she replaces.

The Company has not fixed the maximum consecutive office term for the Remuneration and Nomination Committee. Consideration on this matter shall be made by the Board of Directors.

**5. Composition and Appointment of the Risk Management Committee**

According to the Charter, the Risk Management Committee must be comprised of at least three members. The Board of Directors has assigned the Audit Committee to supervise the Risk Management Committee.

The Board has also appointed Chairman of the Risk Management Committee and six members.

**Appointment** shall be made by the Board of Directors' meeting in compliance with the Audit Committee's approval.

**Removal****- Termination**

According to the Charter, it serves a term of two years from the day on which a resolution is passed for the appointment. Once a term is completed and a replacement has not been appointed by the Board of Directors, the outgoing Risk Management Committee must continue to serve until a replacement is

made. An appointment must be completed within three months from the day on which the outgoing Risk Management Committee completes their term. Members of the Risk Management Committee who have completed a term may be reappointed.

- **Other Terminations not in due course**

In according to the Charter, the Risk Management Committee are to retire from the post under the following circumstances:

1. Death
2. To be dismissed from the Company's employee
3. To be removed from the Company's director.

**6. Composition and Appointment of the Corporate Governance Committee**

According to the Charter, the Corporate Governance Committee must be comprised of at least three members. The Board of Directors has appointed the company directors and/or other individuals who have sufficient knowledge and experience relating to the corporate governance.

The Company's Board of Directors has appointed one independent director to be the Chairman of Corporate Governance Committee, two Executives and one Management staff to take the position of the Corporate Governance Committee.

**Appointment** shall be made by the Board of Directors' meeting.

**Removal**

- **Termination**

According to the Charter, it serves a term of one years from the day on which a resolution is passed for the appointment. Once a term is completed and a replacement has not been appointed by the Board of Directors, the outgoing the Corporate Governance Committee must continue to serve until a replacement is made. An appointment must be completed within two months from the day on which the outgoing the Corporate Governance Committee completes their term. Members of the Corporate Governance Committee who have completed a term may be reappointed.

- **Other Terminations not in due course**

According to the Charter, the Nomination and the Corporate Governance Committee are to retire from the post under the following circumstances:

1. Death
2. To be dismissed from the Company's employee
3. To be removed from the office by the Board of Directors.

In the case where a position in the Corporate Governance Committee becomes vacant due to a reason other than completion of term and where the remaining term is longer than

two months, the Board of Directors shall appoint a properly qualified individual to the vacant post at the next meeting. The replacement member is to serve for only the remaining term of the member whom he/she replaces.

The Company has not fixed the maximum consecutive office term for the Corporate Governance Committee. Consideration on this matter shall be made by the Board of Directors.

**Supervision of the operation of subsidiary and affiliated companies.**

The Company has three subsidiary companies to which the Company sends its management to act as directors, and its Executive Chairman as Chairman. The roles and duties are to govern the operation of subsidiary companies, to ensure that any accounting transactions are abided by its parent company which is listed in the Stock Exchange of Thailand.

Additionally, the Company appoints persons-in-charge whose responsibilities are to ensure that its subsidiaries companies follows procedures and disclose important information as practiced by its parent company, for instance, related activities between parent and subsidiary companies, the acquisition and the selling of assets, or other significant activities

The Company has eight affiliated companies. These companies are joint-ventured by companies in Saha Group as well as other non-group companies. The Company has no control over the management of the affiliated companies. The management of each company is under the supervision of its board of directors.

In execution to allow the Company directors and the executives to hold title in other companies, the Saha Group of companies by a top management team would consider to whether assign or not any directors or executives from which company in the group to be the group's representative as a joint-venture or in accordance with the joint-venture agreement based on type of business, and its necessity of that acquirement. If this is applicable, the qualified director or executive with necessary knowledge, capability and expertise in related business shall be assigned.

**Internal Information Management**

The Company has the measure for internal information management. It has been set in the business ethics as a guideline in dealing with the Company and shareowners, as well as to set the employee conduct for the directors, executives and staff at all levels performing with honesty, responsibility, discipline and consciousness towards public and oneself, not for the seek of the benefit of oneself and/or others improperly. The Company's

benefit and assets should be kept by not using the Company's information and assets for self or other's benefit and do not perform anything that will support others in competition with the Company. The Company has provided the corporate governance policy, business ethics and employee code of conduct to board of directors, executives and staff as a guideline for business operation and a principle for working. This is distributed through the Company's website (<http://www.icc.co.th>)

The above-mentioned topics have been stipulated in the Company's working regulation. The highest disciplinary punishment for violation is dismissal from the Company. This regulation has been followed by all directors, executives and staff at all levels.

The Company has measures to supervise the corporate securities trading, by stipulating in the directors, executives and employee's code of conduct preventing directors, executives and staff who work in the divisions with accessibility to inside information, from purchasing or selling the Company's shares within the period of one month prior to the disclosure of the Company's financial statements to the public except doing it as normal transactions without related to the said information.

In addition, at every board of directors' meeting, there is to be an agenda for acknowledgement which relating to the report on sales / purchase of properties, possession of Company shares by board of directors, and executives committee included their spouses and minor children at all times. In cases of any sale or purchase of Company shares, the Company and the Stock Exchange Commission (SEC) shall be informed of this transaction in accordance with the SEC's regulations.

In 2015, the directors and executives so far followed the policy strictly. There was neither share trading in the forbidden period nor trading by using the Company's inside information. However, there was two directors who traded shares of the Company this year and already informed the transaction to the Securities and Exchange Commission in due time together with the report of their assets ownership to the board.

The Company will enforce one additional policy requiring the directors and executives to report their trading in securities to the Board of Directors at least one day before the trading date.

Furthermore, the Company has adopted a supervising measure on directors' stake holding. The directors and executives are required to report to the board at all times concerning their stake holding or related person's, as set by rules and regulations of the Securities and Exchange Act, and also report to the Company's board of director at every change.

In 2015, the Directors and Executives followed the policy strictly.

## Remuneration of Auditor

### 1. Remuneration for auditing service

The Company and its subsidiaries have been approved by the Annual General Shareowners's Meeting to pay the remuneration to office of KPMG Phoomchai Audit Co., Ltd. as follow:

(in Baht)

Remuneration for auditing service	2015	2014
I.C.C. International Public Co., Ltd.	1,390,000	1,300,000
The Company's subsidiaries (3 companies)	431,561	341,693
<b>Total</b>	<b>1,821,561</b>	<b>1,641,693</b>

The Amis Du Monde SARL does not use the same auditor as the parent company as it is a foreign subsidiary and its transactions is quite few.

In addition, Thai Itokin Co., Ltd. did not use the same auditor as ICC as the company had just changed it status from the associated company to the subsidiary in the third quarter of 2015. As a result, the change of audit for the year 2015-2016 is still cannot be implemented. So Thai Itokin Co., Ltd. had to use Thammakarn Accounting Office in the meantime.

### 2. Non-Audit fees

The Company has paid service fees for workflow process improvement fee (the evaluation, advice and consultant) to KPMG Phoomchai Business Advisory Co., Ltd. of 3.80 million Baht in the current year 2015 and still liable to pay the additional of 1.00 million Baht in the future for the unfinished service agreement which is not yet done in the current year 2015.

## Conducting of corporate good governance on other matters

Being well aware of the importance of good governance, The Board of Directors have improved on its good governance in compliance with the ASEAN CG Scorecard and in line with the 2012 principles for good governance of registered companies, as approved by the Board in the meeting of 9/2013 on 28 January 2014, consisting of:

1. Corporate Governance Policies
2. The five principles for Corporate Governance
3. Business Ethics
4. Code of Conduct for Company Directors, Executives and Employees

All the above topic have been distributed to all company directors, executives, employees, and being publicized with all details on the company's website (<http://www.icc.co.th>) in order to be adhered as the principle of their work in the same direction.

ICC Board of Directors, executives and employees at all levels have seriously concerned to practice according to the Good Corporate Governance Principles, and strived to develop it continually. Several accolades were therefore granted to the company in recognition of such efforts as follows:

- Assessment of arrangement quality of the Annual General Shareowners' Meeting 2015 by the Thai Investors Association with total score of 100, is classified at "Excellence and Exemplary" level for seven consecutive years.
- Corporate Governance Report of Thai Listed Companies 2013 Award granted by the Thai Institute of Directors Association under the support of the Securities and Exchange Commission and Stock Exchange of Thailand, with total rating score of 93, classified at "Excellence and Exemplary" Five Star level for four consecutive years.

In 2015, the Company continues to administrate conformably to the principle of good corporate governance for companies registered to the Stock Exchange of Thailand for the year 2012, which covers following 5 topics :

### 1. Shareowner's Right

Realizing the importance of shareowners and respect to the ownership rights, the Company's Board of Directors has then set up a policy which covers upon the protection of shareowners' right, to ensure that all shareowners being equally provided with equal and fair treatment to each and every one, as specified in the Company's articles of association and business ethics with the fundamental rights. The Company takes into consideration

the shareowners' legal right, without encroaching or lessening it. The basic rights of the shareowners are as follows :

- The right to own, trade and transfer the shares.
- The right to attend the shareowners' meeting.
- The right to appoint a proxy to attend the meeting and to vote on one's behalf.
- The right to vote and jointly make decision on crucial matters
- The right to receive dividends on an equal basis.
- The right to elect the Company's board of directors, and determine their remuneration.
- The right to appoint auditors and determine their remuneration.
- The right to give comments and questions during the Shareowners' meetings, as well as to receive sufficient information timely and equally.
- Granting of equal repurchase rights of the company's shares to all shareowners.
- The right to regularly and timely receive the information, business performance and management policies, including the information on related transaction, important asset trading, and the information to be used in the shareowners' meeting, i.e. name list of the Company's top ten shareowners as of the closing date for the general shareowners' meeting, the minutes of shareowners' meeting within 14 days after the meeting date, portions of minor shareowners, including necessary information for their decision making. All these information must be distributed both in Thai and English via the channel of the Stock Exchange of Thailand and the Company's website (<http://www.icc.co.th>).

Aside from the shareowners' basic rights, the Board of Directors have emphasized an importance on correctly, completely, timely and transparently disclosing of information and news with a view on benefit for shareowners to receive all information equally and thoroughly. Additionally, some other measures have been executed to promote the rights of shareowners and facilitate for exercise of their rights as follows:

#### 1.1 The Annual General Shareowners' Meeting

The Board of Directors ensures that information pertaining to the day, time, venue and agenda of the meeting are provided together with explanations and reasons supporting each agenda in the meeting notice. The shareholders' meeting venue shall be conveniently accessible.

The Board of Directors have considered as important responsibility to arrange the General Shareowners' meeting on a yearly basis within 120 days after the end of the Company's

fiscal year at a convenient date, time and proper place for every shareowner in order to allow them to participate in monitoring and supervising the company's operation. In case of urgent matter or a special agenda needed to be submitted, or there is a matter that might affect shareowners' benefits, rules or regulations to be enforced which require shareowners' approval, the company shall arrange an extra-ordinary meeting as the case may be. During the Shareowners' meeting, the company has strictly conducted by abiding according to the AGM checklist of the Securities and Exchange Commission.

In 2015, the 50<sup>th</sup> General Shareowners' Meeting was held on April 27, 2015 at Montien Riverside Hotel, where the meeting is annually held to prevent Shareowners' confusion. A clear and easy-to-read road map of the venue was attached to the invitation letter.

In the past year, the company has not repurchased the share and did not enter any agreement with substantial shareholders, bearing significant impacts the company or other shareholders. Neither did it prohibit or obstruct communications among shareholders.

#### **Before the Annual General Meeting**

1. The agenda and details of the meeting in both Thai and English have been informed to all shareowners via the channel of the Stock Exchange of Thailand since February 24, 2015, approximately two months prior the meeting in order that the shareowners can arrange their available time to attend the meeting. The information about this meeting was also published on the Company's website.

2. The Company has sent out an invitation letter with sufficient detailed documents containing facts with explanation and reasons clearly defined whether it is for acknowledgement or for approval including the board of directors' comments for each agenda. Which is 21 days prior to the meeting date (better than the standard) in order to allow the shareowners to consider the up-front information. Enclosed with this letter were the meeting agenda, annual report, financial statement, proxy Form B, information on eligible candidates for the Board and a map of the meeting venue together with explanation and necessary documents needed to present to the meeting, including the procedure to attend the meeting for maintaining their rights and regulation concerning the general shareowners' meeting. These documents were complete and sufficient to support Shareholders to make decision and vote for each agenda. (the information of each agenda is available in the invitation letter which is distributed on the Company's website). The invitation letter was also announced in Thai newspapers for 3 consecutive days during April 8-10, 2015-fifteen days prior to the meeting date.

Furthermore, the shareowners may download from the website authorized proxy forms which have been prepared and complied with the announcement of the Ministry of Commerce in three options: types A, B, and C. Any one of the three available formats can be chosen to suit individual needs.

3. The company provides an opportunity to shareowners to participate in the meeting, encouraging them to give comments or questions on all concerned company's matter. In addition, the company also allow individual or group shareowner holding a combined amount of shares not exceeding 5 percent of total shares with voting right of the company to propose issues for inclusion on the AGM agenda and/or to propose qualified candidates for election as the company's directors.

In the general shareowners' meeting for the year 2016, the Company has provided an opportunity for shareowners to propose any agenda to the 51st general shareowners' meeting and to nominate any person to be elected as a member of the board of directors during December 1-30, 2015, prior to the meeting by submitting to Mrs. Duangrudee Milintanggul, the Company's Secretary for further procedure. This process would be publicized in both English and Thai language via the channel of the Stock Exchange of Thailand and the Company's website. However after the due date, there was no agenda to be proposed by shareowner in the 51st general shareowners' meeting and no candidate has been nominated to be elected as a member of the board.

Furthermore, the company provides an opportunity to shareowners to send in questions relating to the meeting agenda to the Board of Directors prior to the meeting date via E-mail : [iccset@icc.co.th](mailto:iccset@icc.co.th) or by facsimile 0-0294-1155, by clearly defining the criteria for question submission in the Annual General Shareowner's Meeting Notice and on the Company's website.

#### **During the AGM**

1. The Board of Directors is responsible for the shareowners and realizes the participation in the Annual General Shareowner Meeting as the duties of the Board of Directors, members of every committee and every executive to attend the meeting at all times in order to allow all shareowners to ask about the company's information and answer their questions.

In the 50<sup>th</sup> general shareowners' meeting held on April 27, 2015, eleven members of the Board of Directors have all attended the meeting, including the chairman of the board and the chairman of the five committees. The audit committee, the remuneration committee, the nomination committee, and the risk management committee were all present. Members of executive board, management team, the President and Vice President of

Accounting, Finance and Information Technology as well as the Company's auditors were present at the meeting. The name list with title of all Company board, committee and executives who attended the shareowners' meeting can be found in the minutes published on the Company's website (<http://www.icc.co.th>).

2. All shareowners have been equally treated. At the commencement of the meeting, the chairman gives a brief of all rules and regulations as well as the method for voting and counting votes on each item of the agenda in accordance with the Company's articles of association including ballot using approach. Every shareowner attending the meeting was given an opportunity to ask questions, make comments, and offer opinions freely at every agenda. The clear and relevant answers were then provided to every question. With the use of barcode system, summary of votes counting with approval, disapproval and abstention vote results from each agenda has been registered. An accurate and complete minutes of meeting was also recorded including the method for voting and counting votes. This included a summary of the votes counted on each agenda, i.e disapproval, approval and abstention, as well as questions and answers, was recorded.

At the last meeting, the Executive Chairman offered the chance of inquiry but no questions from shareowners were received.

3. The Board of Directors promotes the use of technology in shareholders' meetings in order to promote accuracy and speed. Votes are taken for each item on the agenda. Shareholders are given the right to elect Company Directors individually and ballot papers are used and independent overseers of the vote count are engaged.

In the general shareowners' meeting, the barcode system was used for registration and votes counting to facilitate with quick response to the participating shareowners.

Voting on each agenda shall be done openly with the ballots being distributed to the shareowners. Only the ballots with disapproval and abstention vote were collected, except in the case of board of directors' election, all ballots from the shareowners were collected. Vote counting has been performed by deducting the number of disapproval and abstention vote from the total number of votes. The number after deduction is considered to be the approval vote in that certain agenda. Barcode system has been used in votes counting and the result has been displayed on the projector for the shareowners acknowledgement.

In counting votes for each item of the agenda by using the barcode system, officers from Vira Law Office, as the Company's legal adviser, participated in the vote counting and cross-checked the voting on every item of the agenda for

transparency, legitimacy and abidance by the Company's regulations, together with the Company's Auditors as observers of vote count. In case that any shareowners have a question or contradiction to the voting, they enable to check after the meeting.

Followings are 2015 results of voting in each agenda.

Agenda	Approval			Disapproval			Abstention		
	Number of persons	No. of shares	%	Number of persons	No. of shares	%	Number of persons	No. of shares	%
1 - 7	160	239,863,673	100.00	-	-	-	-	-	-

(Five more shareowners attended the meeting before entering to the agenda No. 1, one more shareowner attended the meeting before entering to the agenda No.2 and one more shareowner attended the meeting before entering to the agenda No.8. More information can be observed from the minutes of the general shareowners' meeting publicized via the company's website (<http://www.icc.co.th>)).

Furthermore, before beginning each agenda session, the registration officials shall re-announce the number of attended shareowners to the meeting.

4. The Company proceeds the meeting according to the meeting agenda in orderly manner without switching, adding or considering other agenda than set in the invitation letter. There is no change of important information without prior informing to the shareowners.

5. The whole session of the meeting was recorded on video tape and broadcasted on the Company's website (<http://www.icc.co.th>).

6. For the General Shareowners' Meeting, the Company clearly prepared complete, sufficient details, facts and objectives with its rationale for each agenda item, which were already defined in the Meeting Notice.

- Profit allocation was considered in different items of the agenda

- Dividend payment and allocation of profit as reserve item.

- Matters relating directors were considered in different items, i.e. Directors Election and Directors Remuneration.

**The important agenda of the shareowners' meeting are as follows:**

- **Dividend payment:** the Company provides details of the profit appropriation, the proposed dividend payment ratio with reason and related documents to comply with the dividend payment policy of the company and to provide dividend payment comparison between this year and last year, as well as indicating the record date for eligible shareowners to receive dividend, the closing date for shares transfer registration and the dividend payment date.

- **Appointment of the Board of Directors:** the Company allowed the shareowners to use their right to vote for directors individually, and by providing them with primary information of the nominees i.e. name, surname, age, education and working experience including their positions holding in other company separated as Public Company Limited and Company Limited. (in the case that such company running the same business or in competition with that of the Company). Also, shareowners were provided with the information on the nominees attending the board of directors' meeting together with nomination criteria and the type of nominee (according to relating information of the nominees attached with the invitation letter), which were screened by the nomination committee.

In the re-election of retiring directors, the company also provided attendance record of directors on the past meeting as well as terms/years of their directorship.

In 2016, the Company has given right to shareowners to nominate candidate(s) to be elected as the Company's directors prior to the 51st general shareowners' meeting 2016. Details are as per item No. 3 Before AGM (Right of Shareowners) on page 102 in this Annual Report.

- **Remuneration:** The Board of Directors has granted shareholders with the authority to approve the remunerations of Company Directors on a yearly basis as well as to determine the rules for paying remuneration to each Company Committee. all the board of directors' remuneration has been annually submitted for approval in the shareowners' meeting.

The payment amount was considered by the remuneration committee. The policy and criteria of remuneration are stated on page 80 in this annual report. Furthermore, the Company has announced the approved amount and the actual payment amount, along with the payment method of the last year remuneration. Also a summary of the amount paid to the Company's board of directors, audit committee and executives individually, was stated in the form 56-1 on page 79-80 in this annual report.

- **The appointment of the Company's auditor and auditing fee:** The Company provides all details of the auditors such as auditor's name, auditor office, experience, capability, independency of the auditor, the number of terms/years on duty, reasons for change of auditor, and auditor's fee, including comparison information on auditing fee between last year and this year which passes the consideration of the Audit Committee.

#### After the AGM

1. The Company has disclosed resolutions of the shareowners' meeting with voting results via the channel of the Stock

Exchange of Thailand on the next day after the AGM and publicized through the Company's website. The details on dividend payment have also been informed to shareowners for acknowledgement, and with coordination from the Company's registrar and Thailand Securities Depository Co., Ltd., the dividend shall be paid to every shareowner at equal and complete basis.

2. Provided the Minutes of the Annual General Shareowners' Meeting both in Thai and English versions with sufficient, clear, complete details and based on fact. There were records of name with title of all attended directors, questions raised by shareowners during the meeting with answers, voting and vote counting method, including the number of votes counted as Approval, Disapproval and Abstention on each agenda. The Minutes were submitted to the Stock Exchange of Thailand and all regulatory agencies concerned within 14 days after the AGM. The Minutes in both Thai and English versions were publicized on the company's website as the channel for shareowners to check data without waiting till the next AGM.

### 1.2 Structure of Shares owning

1. In the year 2015, the board of directors and executives, including their spouses and minor children, hold the Company's shares totaling 6.73%, which does not exceed 25% of the Company's sold-out shares, and the proportion of free float share-holding is at 38.53%, which is higher than 25% of the Company's sold-out shares.

2. The Company has adopted the cross shareowning structure which is not contrary to the No. 14 of the Notification of Capital Market Supervisory Board No. TorChor. 28/2551, Re: Application for and Approval of Offer for Sale of Newly Issued Shares.

Nonetheless, the Company has not developed a mechanism to prevent domination of business, which will allow management or authorized persons to use it as self protection in case that the administration is inefficient or not transparent. In 2015, the Company disclosed the structure of related businesses with similar or related natures, or having cross shareowning structures on page 39-40 of this Annual Report. Similar information was also posted on the Company's website.

### 2. The Shareowners' Right to Equitable Treatment

Shareowners' right has been respected, recognized and treated at equal basis. The Company has no policy to provide benefits to any specific party either the major, minor or foreign shareowners. All shareowners enable to fully exercise their own rights in terms of voting on any matter as being as the business owner and ensuring that their rights shall be protected on fair basis with proper provision of sufficient facilities as follows :

## 2.1 Usage of right to attend the meeting

1. The right to vote in the meeting is according to number of shares owned by shareowners. One share equals to one vote and the company has only the ordinary shares.

2. In the Annual General Shareowners' Meeting, the company provided a procedure and channel as to create opportunities for minor shareowners to propose qualified candidates for director election. The shareowners were allowed to submit their proposals before the AGM meeting date. The Board of Directors determined the consideration criteria, as well as channels and timeline for submission of their proposals. Such information, both in Thai and English versions, was distributed through channels of SET and the company's website. Details as per Item 3; Before the AGM (Rights of Shareowners), on page 102 of the Annual Report for the year 2014.

3. In the 50<sup>th</sup> general shareowners' meeting held on April 27, 2015, the invitation letter has been sent to shareowners on April 3, 2015-21 days prior to the meeting date, in order to facilitate both local, foreign shareowners and institutional investors to have time to study details of each agenda item and appoint other person as a proxy to attend and vote on their behalf in case that they are unavailable to attend the meeting.

For the 51<sup>st</sup> general shareowners' meeting held on April 25, 2016, the Company will send out an invitation letter with all related documents as enclosure on April 1, 2016 which is 21 days prior to the meeting date. The enclosed documents comprise with the meeting agenda, annual report, financial statement, proxy form B, proxy procedure, information on eligible candidates for the Board and a map of the meeting venue. These documents will be complete and sufficient to help shareowner in preparing correct documents and making decisions for voting on each item of the agenda.

The company will also facilitate the foreign shareowners by sending out the invitation letter with relevant documents in English version.

Furthermore, the details of an invitation letter with all meeting documents which present the same written information as that sent to the shareowners in both Thai and English versions have also been published via the Company's website (<http://www.icc.co.th>), 30 days ahead of the meeting date, since March 24, 2015. This allows the Thai and foreign shareowners to access into the Company information conveniently and rapidly, including having more time to consider it.

4. The company facilitated all shareowners who themselves are unable to participate in the meeting to appoint a proxy so that all of them are able to join in the consideration process and

casting votes on company activities according to the meeting agenda. To this, a Proxy Form B has been attached with the invitation letter, which provided sufficient information on the proxy appointment procedure, and relevant conditions were simplified to facilitate the process. Shareowner can authorize a proxy to attend the meeting on their behalf and the Proxy rights can be given to an individual or an audit committee member who is an independent director. Name list of the four audit committee members together with addresses and details of their stake holding in each meeting agenda have been provided in the invitation letter, and also are available in the company annual report which were sent to the shareowners along with the invitation letter. The authorization can be performed by using a Proxy Form B delivered together with an invitation letter in order to promote using a proxy form that the shareowners can set their voting direction or download the one prepared in compliance with regulations of Ministry of Commerce from the Company's website (<http://www.icc.co.th>) which contains three forms: Form A, Form B and Form C (used only in the case that shareowners is foreign investor and appointed custodian in Thailand). Only one form can be chosen.

In the 50<sup>th</sup> general shareowners' meeting held on April 27, 2015

	persons	No. of shares	% (shares)
Shareowners as listed in share registration	1,979	290,633,730	100.00
Total number of attendants	161	240,891,163	82.88
Attended by oneself	68	29,461,973	10.13
Proxy	93	211,429,190	72.75
- Proxy to audit committee	8	4,597,690	1.58
- Proxy to individual	85	206,831,500	71.17

5. Registration and attendance by proxy are facilitated by having excise stamps for affixing on the proxy form as complimentary from the company.

6. For convenience of registration at the meeting, attendees may register at least two hours prior to the meeting time and also the late attendees will be entitled to cast their vote on the remaining yet-to-be-deliberated items on the agenda including to be counted as part of the quorum from the time they cast their votes.

## 2.2 Supervision for the Internal Information Usage

One of the long-standing admirable aspects of corporate culture is a conscientious sense of business ethics, that the Company belongs to the public at large and not belongs to any individual or group of individuals. Hence, it is a major duty of all personnel at all levels to supervise the use of corporate property and to prevent its misuse for personal or any other purposes. This communal sense of responsibility has been ingrained into the conscience of all staff at all levels.

Awareness of such a responsibility has resulted in the corporate administration being run almost wholly by a group of people for many decades with holding discussion meetings on the same level and across departments at all times. This operation has prevented any one executive from causing significant damage to the Company by acting alone and without discretion.

In addition to the administration by a group of people, the Company has strictly adhered to the regulations as stipulated by ISO 9001: 2008, upholding the principle of transparency in management and decision-making which resulted the company to be in good corporate governance in every aspect. Moreover this operation of the Company has also resulted in highly satisfactory effectiveness in the afore-mentioned internal control.

The company has both policies and measures to supervise the internal use of data, the trading and holding of securities, as well as the report of conflict of interests of directors and executives. Details can be found on page 99-100 in this annual report. It is also stated in the company's business ethics to be implemented to the company and shareowners. It's also been specified in code of conduct for company directors, executives and employees.

In 2015, the above-mentioned topics have been stipulated in the Company's working regulation. The highest disciplinary punishment for violation is dismissal from the Company. All the regulations had been followed by all directors, executives and staff at all levels.

### **2.3 Trade in Securities of the Company and Report on Related Transactions**

The Company has a policy and measures to supervise trade in securities of the Company and to report on related transaction of the directors and executives, according to the Code of Conduct, which prohibits directors, executives and employees, having access to inside information, from trading in securities of the Company, one month before public disclosure of financial statements of the Company, except, the normal trading transactions irrelevant to the inside information.

In 2015, the directors and executives of the Company acted in strict compliance with the Policy. There was no trading in securities during the silent period.

The Company required the directors and executives to report the first holding of securities, and changes in the holding of securities of the Company to the Office of the Securities and Exchange Commission. In addition, the Company included an item concerning the report on securities holding of directors and executives, including spouses and minor children, in the regular meeting agenda of the Board of Directors.

### **2.4 Conflict of interest**

The Company carefully and reasonably manages conflict of interest with consideration on the highest benefit towards the Company. Pricing follows fair trading conditions as trading with external persons. The Company sets operational system with transparency and follow the regulation of the Stock Exchange of Thailand by setting good corporate governance including setting in the ethics towards the Company and shareowners. The disclosure of information is provided in order to create equal information acknowledgement to everyone.

Inter-related transactions that may bring about conflict of interest, the Company would operate under the process of inter-related transactions with fairness and would follow pricing policy as normal business. The transactions are notified and disclosed to the meeting by specifying name and relationship of the related party, pricing policy, value of transaction, parties involved, the need for such transactions, as well as the opinions of the Audit Committee, the Executive Board and the Company's Board of Director including different views (if any) as required by rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. At the Board of Directors' meeting, the stake holding directors must leave the conference room and must refrain from voting on this agenda. All transactions are disclosed in Thai and English to the SET and posted on the Company's website (<http://www.icc.co.th>) in both Thai and English as well. In addition, the summary of transactions is also being published in the Company's annual report and on the Form 56-1.

Related transactions likely incur conflicts of interest when compared to the total income is equal 3.88% or when compared to total expense, is equal to 11.17% which is lower than 25 percent.

Furthermore, the Company has the measure to control the related transaction and limit financial support for non subsidiary company. Giving loan or guarantee shall be done according to a share-owning proportion in compliance with joint-venture agreement. The related transactions in 2015 have been disclosed on page 122-124 of this annual report with complete, sufficient and transparent information.

In 2015, there were neither related transactions nor trading of assets that violated and/or not follow the regulations of SET or SEC.

### **2.5 Supervision of Asset Trading Transaction**

The Company supervised trading in assets in accordance with the SEC criteria, Governing Acquisition or Disposition of Assets. In considering said matter, related directors did not participate in the decision-making process in order to ensure transparency and fairness.

### 3. Role of Stakeholders

The Board of Directors appreciates and respects the rights of various stakeholders by having regard to rights under the law or agreement with the Company. Stakeholders are ensured that their rights are protected and that they are treated fairly and equitably. A policy has been prescribed as a guideline for the treatment of each stakeholder group, which has also taken into consideration the community, society and the environment, to promote sustainable development, suppress dishonest acts and corruption, avoid intellectual property infringements, including giving due respect to human rights.

The company considers mutual business growth and profitability which lead to sustainable business operation. The regulation has been specified in the company's business ethics in order to ensure that stakeholders' legal rights will be fairly guarded with equal treatment for all parties.

The company has published a written business ethics distributed to the Company Directors, executives and employees of all levels, via the intranet and the company's website (<http://www.icc.co.th>), as a guideline in dealing with the company, shareholders, customers, employees, trade partners, trade creditors, competitors, government sector, society and environment.

Moreover the Company has implemented code of conduct for Company Directors, Executives and Employees as guidelines for the management and all employees in undertaking operations conscientiously. The guidelines are available for directors, executives and staff of all levels via the Company's intranet and website.

In case of any loss, the company and every group of stakeholders shall cooperate by seeking possible solutions and determining the appropriate measure favorable to all parties.

The Company has provided a communication channel for stakeholders contact, complaint, and suggestion via the "Call Center" at Tel: 0-2294-4999 and e-mail: [service@icc.co.th](mailto:service@icc.co.th). All the complaints and suggestions received by the Call Center have to be reported to the Audit Committee. Investigation results will be further reported to the Board of Directors and will be kept confidential.

In 2015, the Company provides the Sustainability Report 2015 which is a part of this Annual Report.

The Company has policies and directions regarding the treatments of interested parties, anti-corruption, anti-copyright violation, as well as the observation of human rights. Details of corporate social responsibility can be found in the Sustainability Report 2015.

In 2015, the Company has announced the Anti - Corruption Policy in writing. The related Departments have communicated such Policy to stakeholders of the Company such as trading partners, suppliers as well as organize training for Company directors, management and employees at all level. The objective is to create understanding and acknowledgement of such policy in order to implement correctly and conform with the intention of the Company about Anti-Corruption Policy effectively. The Company develops the Receipt Complaint System to receive any information about any evidence of fraud and corruption. Stakeholders can inform about evidence of fraud and corruption through email: [iccauditcommittee@icc.co.th](mailto:iccauditcommittee@icc.co.th) and P.O. Box 22, Yannawa, Bangkok 10120.

In 2015, there were 4 complaints and information from outsiders about corruption and not abiding to the Regulations of the Anti-Corruption Policy. It is under the process to seek for the truth. Investigation Committee was setup on 3 complaints and 1 complaint has been investigated for truth and the result shows evidence of fraud and did not conform to the Company Regulations. The value is not of relevance. The employee has been punished by dismissal in accordance to the Company Regulations. All in all, the Company emphasizes on strict enforcement and punishment.

The Company is determined to be certified for Anti-Corruption Standard from the Thai Institute of Directors Association (IOD). We are under the preparation process for Regulations according to Anti-Corruption Policy. Related Manual and documents are prepared to submit for certification within Year 2016. Look at details from Sustainability Report 2015 of the Company.

### 4. Information Disclosure and Transparency

The Board of Directors oversees that there is proper, transparent and timely disclosure of significant information in accordance with the relevant laws and regulations. These disclosures include reports filed in accordance with accounting periods and reports of events having an impact on shareholders' interests, as well as the disclosure of other information pursuant to the principles of good corporate governance prescribed by the Stock Exchange of Thailand. Disclosure is made to the extent that the Company's legitimate interests are not prejudiced. Information is published in both Thai and English on the Company's website, disclosure channels of the Stock Exchange of Thailand and other channels which are comprehensively and equitably accessible.

The Company has both English and Thai language websites which is accessible easily and conveniently in order to present

and publicize the up-to-date of the Company's information. The website is a communication channel between shareowners and investors besides being only a marketing tool.

1. The Board of Directors is aware of the importance of preparing accurate and reliable financial statements in keeping with the most accredited accounting standard, recording accounting cautiously together with using discretion in estimation of the financial statements which reflect the actual performance of the Company and of emphasizing the quality of the financial statements by rechecking and cross-checking the statements by qualified and independent auditor approved by the Security Exchange Commission (SEC). The important information has been disclosed additionally and sufficiently in the accompanying notes to the financial statements, together with explanations and analysis as to be beneficial to the shareowners and public investors.

The Company submits financial and non-financial information to the Stock Exchange of Thailand and the SEC within the time designated and discloses information accurately, completely, timely and transparently both in Thai and English version via channels of the SET and the Company's website (<http://www.icc.co.th>)

Additionally, the report of the Board of Directors' responsibilities on financial statements has been provided as stated on page 125 of this year's annual report.

In the past year, the Company's financial statements have been certified with unqualified opinion by the Company's Certified Auditor and submitted to the SEC and the Stock Exchange of Thailand on time with no correction requirement.

2. The disclosed information in the Annual Information Report (Form 56-1) and in the Annual Report of the company has been done clearly and completely according to all regulations of SEC and the 2012 good corporate governance principles as to be beneficial for consideration of the shareowners. More information of each items is listed in form 56-1 and the Company annual report including publicized through the Company's website (<http://www.icc.co.th>)

In the past year, the Company has no execution by SEC or the Stock Exchange of Thailand regarding not disclosing the information as required.

3. The Company has disclosed the corporate governance policies, the principles of corporate governance 5 categories, business ethics and code of conduct for company directors, executives and employees in written and publicized through the Company website.

In 2015, the results of performance according to the corporate governance policy were reported in conformity with the 2012 good

corporate governance principles set by the Stock Exchange of Thailand, and publicized via the Company's annual report, the annual information report form (Form 56-1), and the Company website.

4. The Board of Directors has set the social and environmental policy, and encouraged for enforcement continually as shown in the Social Activities, Sustainability Report 2015.

5. Regarding the disclosure of inter-related transaction, the Company follows the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand by disclosing the name of transaction persons, relationship, transaction type, pricing policy, transaction value, including setting a clear and fair guidelines for operation, and at market price for normal business doing in order to prevent conflicts of interest and ensure all conflicts are solved rationally as to maximize the benefits to the Company and shareowners. More information is in the inter-related transaction page 119-122 and Item No. 2.4 Conflict of Interests on page 106 in this annual report.

6. The Company has measures to ensure appropriate access to the Company's inside information by adopting the policy for directors and the executives included spouse and minor children to certainly report the securities trading transaction, the holding of the Company securities and the Reports on Related Transactions of directors and executives including those involved, to the Company Board of Directors at all times of change. More information is in Item No.2.3 Supervision of Securities Trading and Reports on Related Transactions, page 99-100, 106 in this annual report.

7. The Company recognizes the importance of transparency in the disclosure of information equally, thoroughly and easily access to the information. The company distributes news and information to investors and parties concerned for acknowledgement via various channels and media of the Stock Exchange of Thailand including the Company's website (<http://www.icc.co.th>). Share owning in various companies and press releases in relation to the Company's financial status report can also be found via the Company's website.

8. Regarding to the investor relations, the Company has an Office of the Board's Secretaries to be responsible on this matter in particular as to provide data and information upon investors and concerned parties request. Contact address is as following:

**Mrs. Duangrudee Milintanggul**

**The Company's Secretary**

**Tel. 0-2295-0688 Fax. 0-2294-1155**

**E-mail : [duangm@icc.co.th](mailto:duangm@icc.co.th)**

**Or Mrs. Thanyaluck Watanakularoj**  
**Office of the Board's Secretaries**  
**Tel. 0-2295-0688 Fax. 0-2294-1155**  
**E-mail : iccset@icc.co.th**

The company also publicized the name of persons included convenient communication channel via the Investor Relations Information in the company's website (<http://www.icc.co.th>)

Moreover, the meeting with securities analysts has been annually held within the Company's compound to provide them an opportunity for any inquiries. This meeting has also been attended by the Company's Executives Board for providing information.

In 2015, the company and other members of Saha Group of Companies jointly cooperated with the Stock Exchange of Thailand (SET) to organize the "Investors and Analysts Meeting with Saha Group", as the seven consecutive year at the 19<sup>th</sup> Saha Group Fair at the Queen Sirikit National Convention Center. During this event the Executive Chairman of the Company welcome the group of investors and analysts, and provided them with information on the company business and operating results. ICC also provided a summary report on its company profile and operating results to all investors and analysts, and their positive responses to the company would be used as basic inputs for development and improvement to further organize such event as an annual fair and via the SET channel and the Company's website (<http://www.icc.co.th>.)

9. Apart from disclosure of the financial report and other information to SEC and the Stock Exchange of Thailand through various channels as required strictly, completely and timely, the Company also disclosed following information in the Company Annual Report, Form 56-1, and the Company's website including updating all information at all times :

1. Name list of the directors, independent directors and sub-committees including profiles, roles and Responsibility of the company's board, independent directors and other sub-committee including the number of meeting attendance as stated on page 10-19 and page 82-83 respectively of this annual report. The information relating to the Board of Directors and Executive Committee has been publicized through the company's website

2. Remuneration payment policy for the directors and executives including its type, characteristic and the amount of remuneration paid to each and everyone has been disclosed on page 79-80 of this annual report.

3. The shareowning of directors and executives including spouses and minor children are disclosed on page 81 of this annual report and through the company's website.

4. The shareowning structure: the company disclosed the top ten shareholders as of the closing date for annual general shareowners' meeting as shown on page 67 of this annual report and through the company's website.

5. The organizational management structure has been disclosed on page 76 of this annual report. Moreover, the company also discloses the structure of the business group in accordance with its investment on page 56-61, together with the structure of its shareowning on page 39-40 of this annual report. It will also be published in corporate website.

6. Disclosure of business policy and overall performance on page 37-40 in this annual report.

7. The nature of business of the company together with industry and competitiveness analysis including status and competitive potential of the Company and market share has been clearly disclosed in the nature of business on page 41-50 in this annual report.

8. Information on non-financial performance of the Company, measured by the customer satisfaction with product and service standards is disclosed on Page of the Sustainability Report 2015.

9. Risks in business of the Company, the nature of risks, cause and impacts as well as prevention and mitigation have been disclosed on page 51-54 in this annual report and through the company website.

10. The internal control, internal audit systems, results of assessment of the internal control system in five major arenas according to the Securities and Exchange Commission requirements have been disclosed as appearing in the Corporate Governance on page 117-118 and the Corporate Governance report by the Audit Committee on page 27 in this annual reports and through the company website.

11. The company has reported its Financial Statements on a quarterly basis in both Thai and English versions, and has been publicized on the company's website which is available for public download as well.

12. Annual Reports for the last 10 years, Form 56-1, Invitation letter for shareholder meeting in both Thai and English versions are publicized on the company's website, and also available for public download.

13. Q&A sessions is providable via the Office of the Board's Secretaries and the Company's Secretary who are responsible for investor relations for the company. This is publicized through the Company's website.

14. Information on attendance of training courses of directors and executives is disclosed on Page 115 of this Annual Report of the Company.

15. Qualifications and experiences of the Company's Secretary is also disclosed for dissemination, and available on the Company's website.

16. Company Regulations, Vision and Mission are publicized through the company's website.

17. Charters, duties, responsibilities, qualifications and directorship terms of the Board of Directors and all Board Committees are publicized through the company's website.

## 5. Board of Directors' responsibilities

The Company board of directors has an important role in determining the direction of the Company's business operation, and monitoring the management team as well as setting up corporate governance policy, the principles of corporate governance, business ethics and code of conduct for company directors, executives and employees. Such codes of conducts are published and distributed to company directors, executives and employees. The corporate governance will ensure the operation for the Company and shareholders' highest benefit including supervising the Company to operate various activities appropriately and legally.

In the past year, there was no record stating that the Company:

- commits to gross violation;
- commits to fraudulent and unethical conducts;
- reports on any case that a non-executive director resigns due to corporate governance issue;
- reports on any case bearing negative impact on reputation due to failure in the discharge of duties as the Board of Directors.

### 1. Board of Directors' Structure

#### Board of Directors Composition

Board of Directors comprises 11 members as follow :

- Non-executive Directors 7 persons  
(5 Independent Directors)
- Executive Directors 4 persons

The Board of Directors has prescribed a structure for the Board of Directors comprising of persons having a diverse range of knowledge, competencies and experiences, without limitation to gender, and having the qualifications required by law. At least one Company Director is a Non-Executive Director who has experience in the Company's business undertaking. There are also Independent Directors as required under the Notification of the Office of the Securities and Exchange Commission.

## Qualifications of Independent Directors

The Board of Directors consists of 5 Independent Directors, all of whom are fully qualified for serving as Independent Directors, according to the criteria as specified by the Company, equal to 45 percent of the Board of Directors, higher than the minimum requirement of the Capital Market Supervision Board at 1/3, or 33.33 percent. The Board of Directors also comprises 1 female member as an Independent Director.

The Board of Directors has provided a definition for an Independent Director which are stricter than the minimum requirements of the Office of the Securities and Exchange Commission. All Independent Directors of the Company and their related persons do not hold shares of the Company, as well as subsidiary and associated companies, substantial shareholders or authorized persons of the Company. Definition of independent director is stated in the Form 56-1, attachment of the invitation letter for the 51<sup>th</sup> general shareowners' meeting 2016 and is publicized on the company's website (<http://www.icc.co.th>).

The Company appoints the Nomination Committee to select Directors from a pool of knowledgeable professionals who are equipped with multiple talents, experience and vision and are known to have integrity and unblemished professional records. They are urged to express themselves freely. The Board of Directors has clearly defined the duties and responsibilities of each committee, with the Executive Chairman as the Head of Administration, appointed by the Board of Directors to manage and conduct the business operations of the Company to achieve the goals and targets established by the Board of Directors.

### Nomination Director process

The Board of Directors appoint the nomination committee recruit and qualified candidates shall be done by the nomination committee in order to ensure proper candidates, versed with the diverse knowledge and capabilities, by adopting the Board Skill Matrix. Due attention was also paid to knowledge and expertise who become the Company directors would possess necessary knowledge, ability, and appropriate experiences. Then the nomination list shall be submitted to the Board of Directors' for consideration.

### Term of the Independent Director

The Board of Directors has been appointed from the shareowners' meeting with a position term as stipulated in the Company's articles of association. In case that their term is due, they may be voted and re-elected. Selecting and recruiting and the independent directors have not taken position as directors in the listed companies exceeding five companies.

### **Number of companies that Directors hold the title, Age of Directors and Number of Title in holding**

The Company has disclosed director's name list together with their profiles, experiences, portion of shareholding in the company, and details of the title in holding by each Directors in other company on page 10-19, 84-87 in the annual report. At present, two directors in the Company Board of Directors and the Executive Board are holding the title as directors in more than five listed companies. The Company however is confident that this will not impact on their duties since these two directors have fully devoted their working time to the Company with regularly attending to the Board of Directors' meetings at all times and have continually conducted various beneficial contributions to the Company.

### **Holding the title of director in other companies by the Company's Directors, Managing Director, and Executive Directors**

The Board of Directors has a policy which requires Company Directors and Executives holding directorial positions in other companies to make a disclosure to the Company Chairman and Chairman of the Audit Committee.

In execution to allow the Company directors and the executives to hold title in other companies, the Saha Group of companies by a top management team would consider to whether assign or not any directors or executives from which company in the group to be the group's representative as a joint-venture or in accordance with the joint-venture agreement based on type of business, and its necessity of that acquirement. If this is applicable, the qualified director or executive with necessary knowledge, capability and expertise in related business shall be assigned.

In addition, the Board of Directors prescribes a policy allowing the Executive Chairman to hold directorship in subsidiary and associated companies in order to ensure flexibility and consistency in management.

### **Aggregation or Segregation of Office**

The Chairman of the Board of Directors is independent as neither being part of the executive management nor being the same person as the Executive Chairman, in order to separate duties and responsibilities clearly, including independency of each other and its counter-balancing. The Chairman has performed his role as a leader to manage the Board of Director's meetings and Shareowners' meetings efficiently and effectively, as well as encouraging all directors and executives to participate in the meeting. The Chairman also assists, suggests, and monitors business operation of management but definitely does

not interfere their regular operation. The Executive Chairman is the leader in business administration including doing business operation planning in accordance with the one as set by the Board of Directors. Furthermore, the Board of Directors has clearly stipulated the scope of roles and responsibilities of each committee and the management in written, then compiling into each charter with the Board's regulations to specify and separate the authority between the Board of Directors and the Chairman and the management. This process is auditable to ensure the transparency in management and it is publicized through the company website.

### **Company's Secretary**

In order to provide an efficient administration in accordance with the good corporate governance policy, the Company has appointed Mrs. Duangrudee Milintanggul, the qualified and appropriate experienced person to be responsible as the Company's Secretary. Mrs. Duangrudee has completed a full training on the responsibility of Company Secretary and has been continuously acquiring knowledge through various trainings. She is thus qualified as Company Secretary which elevate the effective of company operation according to the good governance policy. Duties and responsibilities of Company Secretary can be found on page 78 in this annual report.

### **2. Sub Committee**

To give confidence to shareowners regarding the Company's operation as being transparent, filtering, cross-checking and giving discreet consult.

The Board of Directors has appointed other sub committees to be in charge and report the results to the Board at all times. At present, the Sub-committees comprise of the Executive Directors, the Audit Committee, the Remuneration Committee, the Nomination Committee, the Risk Management Committee, and the Corporate Governance Committee, with separate and independent scope of duties and responsibilities in order to ensure good corporate governance on page 90-99 in this annual report.

The Board of Directors has issued a charter for each Company Committee by prescribing the tenure and scope of powers and duties to clearly demarcate the roles, duties and responsibilities of each Company Committee and the Chairman and the management.

The structure of the boards and the meeting attendance of each board can be found on page 82-83 in this annual report.

The Nomination and Remuneration Committees do not comprise Independent Directors as members, but all of them

possess knowledge, capability and experience in the discharge of their duties for many years. They have performed their duties with responsibility and loyalty. Nor did they cast votes in the agenda items, in which they possess vested interests.

### **3. Roles, Duties, and Responsibilities of the Board of Directors**

#### **3.1 Leadership and Vision**

The Board of Directors has a defined responsibility to set up policies, objectives and business strategies as well as monitoring the company's operation by appointing the Executive Board of Directors, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Risk Management Committee included executives in charge to supervise and execute operation in order to achieve company policies, objectives and goals. In addition, the Board of Directors also defines clear roles and responsibilities of each committee so as to ensure that all the operation and performance meet the company's policies and objectives.

The Board also realizes the importance of company operation, therefore, it has taken part in setting vision and mission of the company, in order for Company Directors, executives and employees to move together in one direction. The vision and mission is revised annually.

#### **3.2 Good Corporate Governance**

The Company has promoted corporate governance principle by arranging a good corporate governance policy, along with business ethics and employee code of conduct in written book and distributed it to the company directors, each sub-committee, executives, and employees at all levels to be followed as the same guidelines for working operation. It is publicized via Company's intranet and website.

The Board of Directors prepares a report on the responsibilities of the Board of Directors pertaining to the financial statements submitted in the Annual Report.

The Board of Directors will appoint the Corporate Governance Committee in 2015 in order to monitor and assess corporate governance of the Company.

On 18 May 2015, the Board of Directors Meeting appointed the Corporate Governance Committee to support operation work by the Board of Management and Board of Directors in Corporate Governance so as to achieve success as set in the objectives and targets.

#### **3.3 Conflict of Interests**

The Board of directors has considered a conflict of interests deliberately and has defined a clear related policy with guideline for execution in order to eliminate a conflict of interests problem carefully, rationality and to the highly benefits for the Company and shareowners, as well as to be in accordance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

The Company disclosed items, which may have conflicts of interest in related transactions on Page 119-122 of the 2015 Annual Report.

The Board of directors has set out a policy to prohibit Company Directors and executives from trading company stocks during the one-month period prior to the public disclosure of the Company's financial statement.

The Board of Directors has directed Company Directors and Executives as well as their spouses and children who have not attained legal age to have the duty to disclose shares holdings and changes in holdings of the Company shares to the Office of the Securities and Exchange Commission, and to submit a copy to the Company Secretary for reporting to the Board of Directors in the subsequent Board Meeting.

The Board of Directors has directed Company Directors and Executives to disclose personal interests and interests of connected persons in accordance with the prescribed rules.

More information as stated in supervision for the internal information usage on page 99-100, 106 in this annual report.

#### **3.4 Internal Audit and Risk Management Control Systems**

The Board of Directors has established an internal control system and risk management system.

The Board of Directors recognizes the significance of company's internal control systems in monitoring its operation, finance and corporate governance. The company's internal auditing unit checks on those systems which also include the computer system providing consultation to ensure efficiency and independence in their full capacity as auditors. Details can be seen from Internal Audit and Risk Management on page 117-118 in this annual report.

The company has established an Internal Audit Department, reporting directly to the Audit Committee, and is responsible by Secretary to the Audit Committee. The chief officer of the Internal Audit Department is now under recruitment and appointing process. The Company has hired Dharmniti Auditing Co., Ltd., as an advisor on quality of internal audit work

and internal control systems by jointly working with Secretary to the Audit Committee, and then report the result to the Audit Committee continuously on a monthly basis. In 2015, The Audit Committee has appointed Mr. Khamnung Sarisara, Partner of Dharmniti Auditing Co., Ltd as the Company internal auditor. His resume and qualification can be found on page 117 in this annual report.

The Risk Management Committee, with members comprising of Mr. Amorn Asvanunt as a Chairman, and Mr. Thamarat Chokwatana, Mr. Pairoj Hirunwongsawang, Ms. Munchusa Terapongpipat, Mr. Nuttaphat Petchratanaporn, Mrs. Pitacha Poosunthornsri as members, and Mrs. Duangrudee Milintanggul as member and Secretary. The committee would report a progress in risk management 2015 for acknowledgment to the Audit Committee.

In 2015, the Risk Management Committee proposed the Executive Committee to consider hiring specialists from KPMG Phoomchai Business Advisory Ltd., to provide advice for improving and developing some key Operational Systems, in collaboration with the Corporate System Development unit, in order to improve efficiency and effectiveness of the company's work processes, core operation systems under the risk management evaluation, which covered strategic, operational, as well as fraud and corruption risks and to bolster sustainability of its business.

#### 4. Board of Directors' Meetings

The Board of Directors prescribes a duty for Company Directors to attend all Board Meetings unless there is a necessary cause and has a policy of encouraging senior Executives to attend Board Meetings.

The Board of Directors recognizes the importance of participating attendance and deems it an Obligation to attend, so as to acknowledge, set a policy and jointly make decisions on business operations. The meeting schedule is pre-planned to be held on a monthly basis throughout the year. Invitation letter, the meeting agenda, the minutes of the prior meeting with annexes will be sent by the Company's secretariat to all directors in at least seven days before the meeting for acknowledgement and prior consideration as stipulated by laws. The Chairman and Executive Chairman jointly consider agenda for the meeting then the Board of Directors enable to raise any issue as additional one through the Company's Secretariat, and have it discussed and debated openly. The Company's Secretariat is to prepare the minutes of meeting and making files of the certified ones for any further review and/or audit by the board and any relevant parties.

Top executives are to be present at every Board of Directors meeting to clarify any matters in which they are directly involved. All the board members can have questions and enquiry for additional information on any matters to the President or the Company's Secretariat.

In considering any agenda, the Chairman as the Chairman of the meeting, gives an opportunity to all directors and executives to freely express their opinions and comments. Directors with conflicts of interest has no vote on the agenda related to his or her interest.

To pass resolution for each agenda item by the Board of director, there shall be no less than two-thirds of the directors present at the Meeting.

When the meeting adjourned, the Company's Secretariat shall arrange a minutes of meeting and deliver for approval, certify and sign by the Chairman. Then the minutes will be submitted for approval in the first agenda of the next meeting. However, any member of the Board can express their opinions or request for the minutes alteration in order to ensure the clearest and most correctness.

The certified minutes of meeting shall be systematically filed at the Company's Head office in the form of original and electronic documents with annexes of each agenda for easy reference and detection.

The non-executive directors have been provided an opportunity by the Board of Directors to regularly hold a meeting with each other as deemed necessary. Reports of the meeting shall always be sent to the President and Executive Chairman and at the Board of Directors' meeting for acknowledgement.

The Board of Directors has set a policy to encourage Independent Directors to organize a Non-executive Meeting, once a year, without participation by the Executive Directors and executives of the Company, in order to consider and discuss managerial issues, or the issues of their interest. Minutes of every Non-executive Meeting are submitted to the Executive Chairman, and the Board of Directors for attention.

In 2015, independent directors have held 1 meeting among themselves without any management participation. Every independent director participated in the Meeting.

In 2015, (according to the year of service from April 2014 to April 2015) the Board of Directors had arranged 13 meetings. The attendance of each director as stated in a Chart displaying directors and Executives' position, remuneration, shareowning and attendance to the meeting on page 82-83 of this annual report. Each director had attended the meeting more than 80% of all board meetings.

### 5. Self Evaluation of the Board of Directors

The Board of Directors requires evaluation of performance of the full Board of Directors and Board Committees once a year, which will cover certain issues of roles and duties of the Board of Directors and Board Committees, independence in the expression of opinion, transparency and actions in accordance with the Corporate Governance Principles.

Self evaluation by each member of the Board of Directors has been done scrutinized and adequately on a yearly basis. This includes reviewing their performance, problems and obstacles during the past year in order to increase their executing effectiveness.

The assessment criteria have shown percentage score of the total score for each item.

More than	85 percent	=	Excellent
More than	75 percent	=	Very Good
More than	65 percent	=	Good
More than	50 percent	=	Fair
Lower than	50 percent	=	Need Improvement

In 2014, the Independent Directors assessed performance of the full Board of Directors, and assessment score was Very Good, or an average score of 84.

Besides, the Board of Directors required each member of the Audit Committee to assess performance of the Audit Committee as a whole, for greater efficiency and effectiveness of the Audit Committee.

The Board of Directors also assessed performance results of each individual director, as the full Board of Directors assessment results would show only the performance results in general, and each director can use the assessment results to improve their performances.

Besides, the Executive Chairman required yearly evaluation of the Executive Directors performance by evaluation process among executives, each executive would assess performances of other directors under the prepared topics. This evaluation together with the judgement of the Remuneration Committee shall be used for the executives' remuneration consideration.

Responsible for assessment of CEO. That is the Chairman of the Board and the Vice Chairman shall take responsibility on assessing the performances of the CEO based on monthly operational results, the company performance in terms of the annual sales turnover and profits. In 2013, the Chairman had added the Board of Directors and all Executives Directors to take part in the performance assessment of CEO under the prepared evaluation form.

### 6. Remuneration of Board of Directors and Executives

The Board of Directors oversees and determines the payment of appropriate remuneration to each committee member pursuant to the powers, duties and responsibilities and draws comparison to the operation levels in the same business sector.

The Remuneration Committee is responsible to consider reasonable amount of remuneration of directors. Consideration criteria based on each director and executive's experiences, duties, scope of work, roles, participation, and their responsibilities. The amount shall be proposed to the Board of Directors for consideration before proposing at the shareowners' meeting for approval.

At the 50<sup>th</sup> general shareowners' meeting of 2015, held on April 27, 2015, a resolution was passed to approve payment of remuneration to the Company's directors of no more than Baht 20 million per annum, and the Remuneration Committee was assigned and authorized by the Board of Directors to allocate this amount. The Chief Executive Officer (CEO) remuneration is in accordance to Remuneration Committee Regulations and Policy, in the short term such as salary, bonus and in the long term, considers the company operation and performance and the other part evaluates from Chief Executive Officer (CEO) annual performance evaluation.

In 2016, the Chief Executive Officer remuneration for Year 2015 consists of salary, bonus, pension and attendance fee total 9,836,000 baht.

Remuneration of the management is determined in accordance with criteria and policies stipulated by the Remuneration Committee, which correspond to the performance of each executive individually.

Criteria to consider directors' remuneration and amount of remuneration paid to directors and executives in 2015 on page 79-80 in this annual report.

As the Employee Stock Option Program (ESOP) is not the factor in keeping executives and staffs to have loyalty with the Company, also it is considered as a burden to employees who gain the shares allocation and must pay tax from shares transfer, and since there is no law in Thailand facilitating this policy, the Company then disregards its implementation.

### 7. Directors and Executives Development

The Board of Directors has a policy of continually promoting and sponsoring the development of knowledge amongst Company Directors, Executives and employees.

Every director and executive are encouraged to develop his/her knowledge. The Company prioritizes their attendance at seminars which are useful to their performance as Directors.

Seminars for training include the Director Accreditation Program (DAP), the Director Certification Program (DCP) and Audit Committee Program (ACP), Understanding the Fundamental of Financial Statements (UFS) and Finance for Non-Finance Directors (FND), as organized by the Institute of Directors of Thailand (IOD). Other seminars will be short seminars being useful for performance by the directors and executives, as well as other courses to be organized by IOD in the future.

In the past year, the Board of Directors had supported the directors and executives attended course as follow:

Director's Name	Course Details
1. Mr. Nophorn Bhongsvej	- Transfer pricing act: Tax considerations for Audit Committee
	Organized by KPMG Phoomchai Business Advisory Ltd.
2. Mrs. Duangphorn Sucharittanuwat	- KPMG's Audit Committee Priorities for 2015
	- Internal Audit oversight: Tool of Audit Committee
	- The Cyber Security Challenge
	- Transfer pricing act: Tax considerations for Audit Committee
	Organized by KPMG Phoomchai Business Advisory Ltd.

The Board of Directors and executives of the Company have met on a regular basis to discuss and exchange opinions with other Boards of Directors and high management of other organizations, including attending to seminars and having educational trip with business partner or other organizations, both domestic and international.

#### 8. New Director Orientation

The Board of Directors arranged an orientation course for a newly-elected director of the Company, together with a new director manual, in order to inform him/her of key information of the Company, Corporate Governance Policy, Business Ethics, Code of Conduct for Executives and Employees, Securities and Exchange Act, Public Limited Company Act, and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.

In addition, the Company distributed Director Manual to all directors in order that they can study and review the regulatory requirements at all times.

#### 9. Plan for Successors

The Board of Directors has prescribed a succession plan for employees in various positions in view of their advancement to higher positions.

The Board of Directors has assigned the President and Executive Chairman in cooperation with the Human Relation Management Division to prepare a succession plan for executives as following details :

1. To provide opportunity for middle managers to work closely with senior managers including the Vice President in both direct-functional and cross-functional lines.
2. To define appropriate career paths for potential middle managers.
3. To prepare rotation plan in other functional line for senior manager, when necessary.
4. To prepare necessary skills and capability for specialized personnel for higher management positions.
5. To map out the Corporate Strategies and Strategic Directions for cooperation between senior and middle managers.
6. To establish committees to handle several functions, such as marketing, advertising, research, etc., for development of works and potentials in a systematic process.
7. To provide more opportunity to middle managers in management of both direct-functional and cross-functional lines.
8. There were systematic training courses that fitted each area of work, such as inventory control, marketing, as well as product and design management.
9. To organize a training course for senior and middle managers to promote common awareness for accountability, integrity and corporate image as a whole.
10. These include training courses for managers of each department for higher potential, advance planning and systematic thinking.
11. The company has recruited qualified personnel for each department, such as CFO.
12. There are other training courses on systematic planning process for middle managers.
13. The company rotates executives in some divisions to enhance efficiency in business administration.
14. To enhance charitable spirit and activities among managers at all levels for promoting happy living in the society.

The Company can abide to Good Corporate Governance Principle for registered companies based on Stock Exchange of Thailand Guidelines. However, in some cases, the Company has not performed completely in accordance to Good Corporate Governance Principle as follows:-

1. The Company stockholders' structure is crisscrossed or pyramid shape among Group of companies.

This reason is existing business nature of Company before registering on the Stock Exchange of Thailand. However, the crisscrossed stockholding is not in conflict with Regulation No.14 according to the Securities and Exchange Commission at Tor Jor. 28/2551 about Application for Permit and Permission to Offer New Shares.

2. In 2015, the Company provided financial assistance to subsidiaries and joint-guarantee with joint venture company according investment proportion.

3. The Company has not determined the Policy to limit number of registered companies, where each director will hold positions and the term period for Company directors of not over 9 years has also not been specified. The Company is confident that Company directors are knowledgeable and talented. Their experiences over the years will enhance them to have better understanding about the Company operation.

4. The Remuneration Committee, Nomination Committee, the Chairman of Remuneration Committee and Chairman of Nomination Committee are not independent directors. Everyone is a director with knowledge, experiences and expertise to perform such duties.

5. The Board of Directors should consist of directors who are not management and the majority should be independent directors. The company core business is trading business, therefore, the management must understand the business operation in order to show their opinion to the Company Board of Directors.

6. The Company has not evaluate directors' performance on an individual basis, because the Board of Directors' evaluation reflects the whole operation, where each director can improve well in each topic.

## Internal Control and Risk Management

I.C.C. International Plc. adheres to teamwork spirit, based on sound transparency and good corporate governance, which have been the company's management philosophy for many years. Accordingly, the effective internal control system has been consistently well maintained.

At the board meeting of 10/2558, held on February 23, 2016 whereby the Audit Committee has also attended the board assessed the corporate internal control system on the basis of information from the administration and the auditors' report. The results can be summed up as follows. In the assessment of the corporate internal control system which consists of the five elements: control environment, risk management, control measures, information technology and communication and monitoring, the board concurred with the opinion of the Audit Committee that the corporate internal control system is adequate and appropriate.

In 2013, the company appointed an outside party as advisor to supervise the quality of internal auditing and control, in the interests of self-improvement and in response to the ever-changing internal and external environment. Since 2004, the Audit Committee, for its part, has appointed Dharmniti Auditing Co., Ltd. as internal auditor. This auditor has nominated its partner, Mr. Khamnueng Sarisra, to be in charge of this task.

The Audit Committee has scrutinized the qualifications of Dharmniti Auditing Co., Ltd. and Mr. Khamnueng Sarisra and found that they are suitably qualified for this task because of their independent standing and 10 years of experience in the internal auditing of the same nature of business.

### Resume

#### Name:

Khamnueng Sarisra

#### Current Position:

Partner of Dharmniti Auditing Co., Ltd.

#### Education:

Bachelor Degree from the Faculty of Business Administration, Ramkhamhaeng University

Mini MBA from Thammasat University

#### Summary of Training:

1. Course for Internal Auditors, Classes 1-2
2. Course in Operation Audit
3. Course in Risk Management
4. CPIAT Diploma for International Auditors

#### Work Experience:

1. 10 years of internal auditing
2. 15 years of account auditing and system designing

For better efficiency in auditing, the company has arranged for coordination with Secretary of the Audit Committee who is responsible for the in-house auditing and for regular reports on a monthly basis.

Dharmniti Auditing Co., Ltd. has coordinated with the company's internal audit unit to submit and discuss the audit results with the President before reporting in writing to the Audit Committee every month. This is aimed to exchange view points and opinions for further internal audit works especially the issues regarding the control of sales management to ensure being in line and support the diversified business of the company which is more variety and complicated, including the plan for the following year. For 2014 operation, Dharmniti Auditing Co., Ltd. as the company's internal audit advisor reported that I.C.C. International Plc. has an adequate and appropriate efficiency in Internal Control Systems.

## Organization and Environment

The nature of the company's organization and environment enable the administration to implement actions effectively, with set objectives in business operations, whereby performance can be clearly followed up and evaluated and activities managed based on good governance and justice, mainly taking into consideration fairness to customers.

## Risk Management

The Risk Management Committee, with members comprising Mr. Amorn Asvanunt, as Chairman, and Mr. Thamarat Chokwatana, Mr. Pairoj Hirunwongsawang, Ms. Munchusa Terapongpipat, Mr. Nuttaphat Petchratanaporn, Mrs. Pitacha Poosunthornsir, as members, and Mrs. Duangrudee Milintanggul as member and secretary, reported progress in risk management 2015 to the Audit Committee.

In 2015, the Risk Management Committee proposed the Executive Committee to consider hiring specialists from KPMG Phoomchai Business Advisory Ltd., to provide advice for improving and developing some key Operational Systems, in collaboration with the Corporate System Development unit, in order to improve efficiency and effectiveness of the company's work processes, core operation systems under the risk management evaluation, which covered strategic, operational, as well as fraud and corruption risks and to bolster sustainability of its business.

### Control of Administrative Operations

I.C.C. International Plc. provides a clear and written delegation of authority and financial approval limit for each level of the management. In conducting transactions with major shareowners, directors, management executives or other related parties, the company has adhered strictly to the official procedures and regulations.

For clarity of personnel's legal obligations, the company has issued sets of regulations for employees to follow strictly according to the corporate rules and related laws concerning the corporate governance policies, business ethics and employee ethics.

The Audit Committee, together with the Vice President of Accounting and Finance, have carefully scrutinized based on transparency the 9 inter-related transactions, including the anticipated benefits in line with market situation and conflicts of interests of related parties, prior to proposing them to the Board of Directors for approval.

During the year, the Board of Directors developed the policy that the administration reports periodically through executive summaries on significant and binding transactions that were carried out by authorized staff, with a view to fostering good governance and providing better risk management.

Furthermore, Board of Directors and the management team have stimulated and enforced the operational discipline of employees under official rules, regulations and limitations, as well as to continually uphold good governance as stipulated by the Stock Exchange of Thailand and Securities and Exchange Commission.

### Information Technology and Data Communication Systems

The company always provides comprehensive information to the Board of Directors to consider in the meetings and sets up meeting dates well in advance.

### Monitoring

The company has set clear objectives in writing for business operations, with systematic monitoring and solution directions, in case operations deviate from targets.

### Accountant Profile

According to Accounting Act, B.E. 2543, the Company's accountant is Mr. Nuttaphat Petchratanaporn, Vice President, Accounting & Finance Division. He is responsible for providing accurate and sufficient company financial statements. His qualification as an accountant is as followed :

#### Profile

##### Name :

Nuttaphat Petchratanaporn

##### Current Position :

Executive Director, Vice President to Accounting & Finance Division

##### Education :

Bachelor's Degree in Accounting, Bangkok University

##### Professional Experience :

1. Accounting Experience 32 years
2. Financial Experience 5 years

##### Training Records :

1. Accountant Course
2. Corporate Tax Course
3. Annual Accounting Standards Course
4. Director Certification Program (DCP 139)

In 2015, the company has not sought for an approval from the General Shareowners' Meeting to allocate the loan and guarantee to the related parties. Instead, an approval shall be submitted to the Board of Directors' Meeting or Shareowners' Meeting from time to time depending on the amount of the transaction.

As of December 31, 2015, following are total amount of loans and provided guarantee:

Type of Business	Loans		Provided Guarantee		
	No. of Companies	Million Baht	Rate of Guarantee Annual Fee	No. of Companies	Million Baht
Business-related companies	1	69.98	0.75	8	137.22
Joint-ventured companies	3	283.00	0.0625 - 0.75	2	85.00
<b>Total</b>	<b>4</b>	<b>352.98</b>		<b>10</b>	<b>222.22</b>

In 2015 loans and guarantees were for the purpose of providing financial support to associated companies in proportion with its investment.

### Related transactions in 2015 comprise of

#### 1. Investment in related companies

#### 2. Loan to related companies

##### Reasons and necessities of providing loan

- To increase the channels of credit sources to corporate borrowers
- To help solve the problems of the corporate borrowers businesses and to increase their liquidity.
- The corporate borrowers are well-related with the company and the Saha Group of companies in supply chain, strategic alliance and so forth.
- The corporate borrowers have collateral and/or guarantors
- To give the loan according to the investment proportion
- Interest rates are higher than the institutional market rates

#### 3. Transactions of business-related companies

- Details of above three subjects can be found as per Notes of Financial Statements: No.5 Transactions in relation to persons or business-related companies page 149-156, No. 8 Short-term loans page 159, No. 11 Investment, No. 12 Investment in equity-accounted investees and No. 13 Investment in subsidiaries page 160-164 of this Annual Report.

- Type of relationship with the companies of the above two transactions which can be observed from the Transactions of Business-related companies page 119-121 of this Annual Report.

### Transactions of Business-related companies as of December 31, 2015

No.	Name of Company	Relationship	Sales of Goods	Incomes	Purchase of Goods	Expenses	Purchase of property, plant and equipment/ leasehold
1.	Textile Prestige	A	-	6,193,946	3,750,951	-	-
2.	Thai President Foods	A	-	13,728,750	-	-	-
3.	Newcity Bangkok	A	-	47,392	112,662	-	-
4.	Far East DDB	A	-	3,989,000	-	49,830,993	-
5.	Sahapathanapibul	A	-	35,158,162	14,500,345	1,449,687	-
6.	O.C.C.	A	-	9,976,641	-	4,206	-
7.	Sahacogen (Chonburi)	A	-	18,077,933	-	-	-
8.	Bangkok Tokyo Socks	A	-	280,000	2,077,532	-	-
9.	First United Industry	A	-	911,700	-	-	-
10.	Molten (Thailand)	A	-	3,097,752	-	-	-

## Transactions of Business-related companies as of December 31, 2015

No.	Name of Company	Relationship	Sales of Goods	Incomes	Purchase of Goods	Expenses	Purchase of property, plant and equipment/ leasehold
11.	Molten Asia Polymer Products	A	-	1,872,000	-	-	-
12.	Lion Corporation (Thailand)	A	-	41,964,493	912,639,290	3,269,115	-
13.	Sahapat Real Estate	A	-	1,492,500	-	-	-
14.	Thai Hoover Industry	A	-	2,136,750	-	-	-
15.	Seno Saha Logistics	A	323,674	310,000	-	23,569,161	-
16.	Sun 108	A	4,003,285	3,037,314	-	2,640	-
17.	Thai Cubic Technology	A	-	1,636,215	-	-	-
18.	Better Way (Thailand)	A	8,669,570	80,408,520	325,030	6,873	-
19.	Thai Secom Pitakkij	A	-	9,375,003	-	1,137,001	-
20.	Erawan Textile	A	-	4,799,483	-	-	-
21.	Sahapat Properties	A	-	345,000	-	-	-
22.	Thai Takeda Lace	A	-	2,584,206	-	-	-
23.	Wien International	A	53,888	-	120,611	-	-
24.	SSDC (Tigertex)	A	-	2,460,505	-	-	-
25.	E.P.F.	A	33,201,580	450,000	-	-	-
26.	Top Trend Manufacturing	A	-	1,512,000	-	-	-
27.	T.U.C. Elastic	A	-	11,952,000	-	-	-
28.	Thai Staflex	A	-	384,000	-	-	-
29.	Thai Sports Garment	A	-	600,000	-	-	-
30.	Pan Asia Footwear	A	8,075	-	-	195,125	-
31.	Thai Wacoal	A	3,814,356	14,537,115	2,344,159,645	25,992,150	-
32.	Thanulux	A	32,517	24,910,566	958,129,885	1,818,348	-
33.	People's Garment	A	-	6,415,371	452,581,455	3,527,254	-
34.	S&J International Enterprises	A	15,362,391	18,839,442	19,086,483	107,184	-
35.	International Laboratories	A	26,355	30,628,033	643,086,661	20,889,646	-
36.	International Leather Fashion	A	-	2,599,032	167,104,052	342,377	-
37.	Raja Uchino	A	-	2,841,721	52,620,871	23,163	-
38.	Champ Ace	A	-	1,214,637	257,002,056	5,169,181	-
39.	H&B Intertex	A	37,178	9,435,357	128,110,877	153,743	-
40.	Thai Itokin	A	-	2,429,692	112,202,281	468,368	-
41.	Pattaya Manufacturing	A	-	5,381,736	262,457,498	801,552	-
42.	Tiger Distribution & Logistics	A	-	24,242,365	95,253	86,389,544	-
43.	Shiseido Professional (Thailand)	A	-	1,653,750	-	-	-
44.	Kewpie (Thailand)	A	-	4,480,000	-	-	-
45.	Thai Sun Foods	A	-	190,000	-	-	-
46.	Thai Shikibo	A	-	2,236,600	-	-	-
47.	Thai Naxis	A	-	135,000	-	852,229	-
48.	Tsuruha (Thailand)	A	6,670,032	-	-	42,894	-
49.	Total Way Image	A	-	200,000	74,124,683	-	-
50.	Saha Lawson	A	-	1,231,035	-	171,695	-
51.	BNC Real Estate	A	-	1,256,753	-	-	-

## Transactions of Business-related companies as of December 31, 2015

No.	Name of Company	Relationship	Sales of Goods	Incomes	Purchase of Goods	Expenses	Purchase of property, plant and equipment/ leasehold
52.	WBLP	A	-	191,811	24,595,996	2,401,050	-
53.	Transcosmos (Thailand)	A	-	-	-	2,086,571	-
54.	Saha Pathana Inter-Holding	B	100,643	14,986,215	-	38,857,340	-
55.	International Commercial Coordination	C	-	18,938	-	15,218,900	-
56.	Kai I.T. Service	C	-	497,109	-	11,271,843	18,626,868
57.	Can	C	11,500,053	16,478	-	851,146	-
58.	Koraj Wattana	C	19,554,851	3,558	-	1,844,226	-
59.	Sun and Sand	C	20,502,451	2,971	-	2,490,660	-
60.	Intersouth	C	19,620,562	2,075	-	2,167,344	-
61.	Intanin Chiangmai	C	38,543,837	6,978	-	4,732,840	-
62.	Eastern I.C.C.	C	15,545,291	2,313	137,246	3,290,629	-
63.	I.D.F.	C	-	2,886,708	-	270,000	-
64.	Worldclass Rent a Car	C	186,596	529,200	-	572,321	-
65.	Pens Marketing and Distribution	C	910,308	151,023	30,061,685	-	-
66.	Laem Cha-Bang Warehouse	C	-	142,500	-	-	-
67.	K. Commercial and Construction	C	-	975,000	-	-	-
68.	Silver Rain	C	-	9,309	-	974,579	-
69.	Sukhatasana	C	11,308	44,601	-	61,304,566	61,622,880
70.	Vira Law Office	C	-	238,087	-	6,309,720	-
71.	D F Inter	D	-	1,839,241	-	410,300	-
72.	Thai Arusu	D	-	1,669,693	-	68,006,754	50,942,975
73.	S R P Nanasai	D	-	121,548	-	43,120,364	26,523,992
74.	Thai Gunze	D	-	-	27,014,879	37,348	-
75.	Paknumpo Wattana	D	14,834,995	128,526	-	3,561,964	-
76.	Maharachapreuk	D	11,465,953	128,911	-	1,947,420	-
77.	United Utilities	D	-	6,494,570	-	-	-
78.	Shop Global (Thailand)	E	14,305,431	6,889,957	-	7,196	-
79.	Issara United	E	-	11,569,145	-	-	-
80.	Canchana International	E	21,067,624	-	-	433,126	-
81.	WBRE	F	-	6,755,548	-	-	-
82.	Amis Du Monde	F	664,393	-	-	1,382,007	-
<b>Total</b>			<b>261,017,197</b>	<b>469,941,473</b>	<b>6,486,097,927</b>	<b>499,764,343</b>	<b>157,716,715</b>

Remarks: A : SPI is a co-major shareowner  
D : MD is ICC's Directors or executives

B : ICC's major shareowner  
E : Associated

C : Major shareowner is ICC's Directors or executives  
F : Subsidiary

**Pricing policy for related business**

It is in compliance with normal trade condition which is the market price and the same price as dealt with other persons.

Description	Remuneration Policy
Acquisition of the trademark	Cost of trademark registration plus interest cost incurred by the buyer since the acquisition year
Immovable property rental income / expense	Depending on the market price by consideration on the location, condition and benefits generated by the use of property.
Royalty income	At percentage of net factory sales
Consultancy income / expense	Depending on complexity level of such service provided
Inventory management fee	Number of item pick-up, registering record and number of boxes in transporting goods and goods return
Transportation charge	Depending on the volume or number and distance of Goods transported, compared with other transportation companies' charge
Interior design & installation expense	Depending on the design, area, size, construction materials and interior design technique, through bidding process.
Advertising expense	Depending on market price and the service charge must not be higher than the rate set by advertising business.
Display equipment	Depending on market price
Computer expense	
Packaging, purchase of computers and give-away items	

**Related transactions in 2015**

1. According to the Board of Directors' Meeting # 11/2557 held on February 24, 2015 to which 4 members of the Audit Committee attended, a resolution was passed regarding change in provision of joint guarantee for Tsuruha (Thailand) Co., Ltd. in terms of credit facilities with Bangkok Bank Limited and Sumitomo Mitsui Banking Corp. Bangkok Branch due to the change of credit limit Tsuruha (Thailand) Co., Ltd. had with the two banks. The credit limit provided by the 2 banks totaled 236,000,000.- Baht and the loan guarantee was set at 35,500,000.- Baht

**Purpose of transaction :**

1. To provide business support to the JV company
2. To comply with obligation of the joint venture agreement

To this agenda, Mr. Boonsithi Chokwatana and Mr. Thamarat Chokwatana, Directors with conflict of interest or being related parties, neither attended nor voted at the meeting.

2. According to the Board of Directors' Meeting # 12/2557 held on March 31, 2015 to which 3 members of the Audit Committee attended, a resolution was passed to allow the company to lease immovable properties for no more than 3 years, as well as executing transactions relating to the assets and services of related parties. For details of the said parties and their relationship to the Company, please refer to items 31-42, 54, 56, 63-64 and 67-73 in Transactions of business-related companies on pages 119-121 of this Annual Report

Such leasing of property and transactions relating to the assets and services had a total value of less than 490 million Baht or less than 3% of NTA as at December 31, 2015.

1. Rental income (immovable property), with one-year lease, the actual amount in 2015	=	35,717,490	Baht
2. Rental expense (immovable property), with one-year lease, the actual amount in 2015	=	523,931	Baht
	Total =	36,241,421	Baht
3. Royalty income with three-year agreement period starting from 2013 to 2015, the actual amount in 2015	=	15,040,031	Baht
4. Actual expenses in 2015	Total =	147,479,556	Baht
- Interior design and fixtures			
- Business and legal consultancy fees			
- Shop expenses			

To this agenda, Mr. Boonsithi Chokwatana, Mr. Boonkiet Chokwatana, Mr. Thamarat Chokwatana, Mr. Manu Leelanuwatana and Mr. Vira Ua-Arak who were directors who stood to gain and lose, not being entitled to vote, had neither attended the meeting nor given any approval to the transaction.

3. According to the Board of Directors' Meeting # 4/2558 held on August 25, 2015 to which 4 members of the Audit Committee attended, a resolution was passed to purchase shares of Thai Wacoal Plc. from Erawan Textile Co., Ltd. as a Big Lot purchase in the Stock Exchange of Thailand in the amount of 200,000 shares at 50.25 Baht per share (which was the market value as at 14 July 2015) of which the total sum was 10,050,000 Baht.

- Proportion of shares owning before the purchase: 5,913,020 shares = 4.93% of registered capital
- Proportion of shares owning after the purchase: 6,113,020 shares = 5.09% of registered capital

**Purpose of transaction :**

1. To increase the proportion of investment, as this company has been well established with good performance.
2. To gain dividend.

To this agenda, Mr. Manu Leelanuwatana who were directors who stood to gain and lose, not being entitled to vote, had neither attended the meeting nor given any approval to the transaction.

### Criteria for Approval of Related Transaction

1. All related transactions (loan, guarantee, investment, rental or leasing of immovable properties not exceeding 3 years and transactions involving assets or services) must be approved by following three boards and committee:

1. The Audit Committee
2. The Executive Board, and
3. The Board of Directors

In every instance, the Audit Committee shall audit, scrutinize and make a summary of any conflict of interest in each transaction for submission to the Executive Board and the Board of Directors for the judgement in terms of business risk. In the Board of Directors' Meeting, directors who stood to gain or lose are not entitled to vote, and thus had neither participated in the meeting, nor given any approval to the transaction.

2. The Board of Directors has approved in principle to allow the management to manage all normal business transactions or the transactions that should support normal business terms and conditions under a trade agreement generally made between normal counterparties having no undue bargaining power influenced by being in the capacity of director, executive or related persons.

Approval in principle shall be conducted annually and the report on related transactions arising during the year shall be presented to the Audit Committee and the Board of Directors to ensure such related transactions are of sound reason and in the best interest of the Company, together with disclosure of relevant details, types and value of related transactions in the remark of financial statement on quarterly basis.

## Criteria for Approval

1. Potential benefits to the company and/or affiliated companies in terms of interest, dividend, trade activity and transaction, including ongoing trade.
2. Security that the company should hold or receive from the said transaction.
3. The borrower's strength, as well as the ability to pay back the capital and interest in due time.
4. Business prospective of the borrowing, guaranteeing and investing company.
5. The capability of the CEO of the borrowing, guaranteeing and investing company.
6. Criteria in monitoring and checking transaction as well as access to statistical reports in the borrowing, guaranteeing and investing company to perceive its status.

## Future Trend in Related Transactions

The prospect of related transactions being undertaken as a normal feature in regular trade, based on the trading principle of price mechanisms in the market, is very likely, provided said transactions are fair and do not serve to transfer the interests relating to price mechanisms between the Company and business or other relevant persons.

Furthermore, the Company has the measure to control the related transaction and limit financial assistance for non subsidiary companies by requiring that giving loan or guarantee shall be done according to the share-owning proportion in compliance with the joint venture agreement.

The Company is committed to further improving on its effective standard in assessing the value of related transactions, as well as monitoring, evaluating and reporting on the related transaction with more clarity, thoroughness, accuracy and speed.

As a listed company, the Board of Directors realizes the duties and responsibilities for preparation of financial statements of I.C.C. International Public Company Limited and its subsidiaries, in accordance with Thailand Financial Reporting Standard, by selecting an appropriate accounting policy, to which the company has strictly adhered on a regular basis. The Board of Directors has exercised due care and reasonable projection in preparing the reports. There is adequate disclosure of material information in the Notes to Financial Statements as well as explanations and analysis as regards to the financial status and operating results of the Company and its subsidiaries, for the benefits of shareholders and general investors alike. The financial statements have been audited, with unqualified opinion by independent certified public accountants.

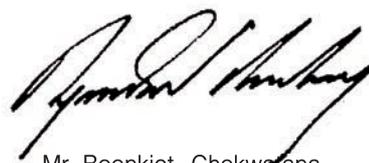
In addition, the Board of Directors has promoted actions in accordance with Corporate Governance Principles, and assured that the company has adopted efficient and effective risk management and internal control systems. These will ensure that the accounting data recording procedures are accurate, complete and sufficient for maintaining assets of the Company and its subsidiaries, including prevention of material frauds and irregularities.

In so doing, the Audit Committee of the Company, consisting of independent directors as members, has reviewed the quality of financial reports and the internal control system, and hereby expressed their opinion in the Report of Audit Committee, as shown in the Annual Report and 56-1 Reporting Form.

The Board of Directors is of the opinion that Corporate Governance, risk management and internal control systems of the company are adequate and appropriate, thereby providing reasonable assurances that the Financial Statements of the Company and its subsidiaries, for the Year Ending December 31, 2015, had been prepared and disclosed accurately, as deemed fully compliant to the financial reporting standard.



Som Chatusripitak Ph.D.  
Chairman



Mr. Boonkiet Chokwatana  
Executive Chairman

**To the Shareholders of I.C.C. International Public Company Limited**

I have audited the accompanying consolidated and separate financial statements of I.C.C. International Public Company Limited and its subsidiaries (the "Group") and of I.C.C. International Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2015, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Consolidated and Separate Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

*Opinion*

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2015 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



(Bunyarit Thanormcharoen)

Certified Public Accountant

Registration No. 7900

KPMG Phoomchai Audit Ltd.

Bangkok

23 February 2016

## I.C.C. International Public Company Limited and its Subsidiaries

## Statement of financial position

As of December 31, 2015 and 2014

(in Baht)

Assets	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Current assets</b>					
Cash and cash equivalents	6	589,817,003	617,169,755	559,607,575	594,407,424
Trade accounts receivable	5, 7	1,733,464,809	1,641,985,874	1,727,827,315	1,642,609,331
Short-term loans	5, 8	120,000,000	145,000,000	283,000,000	285,000,000
Inventories	9	3,820,454,931	3,863,027,110	3,791,834,819	3,859,941,871
Real estate projects under development	10	158,054,494	152,970,569	-	-
Sales VAT on consignment sales of inventories		346,022,680	344,303,881	346,022,680	344,303,881
Other current assets		124,154,163	154,147,843	112,426,220	152,895,575
<b>Total current assets</b>		<b>6,891,968,080</b>	<b>6,918,605,032</b>	<b>6,820,718,609</b>	<b>6,879,158,082</b>
<b>Non-current assets</b>					
Restricted deposits at financial institution		2,948,839	2,948,839	-	-
Available-for-sale investments	11	5,515,594,105	5,710,162,207	5,515,594,105	5,710,162,207
Investments in associates	12	412,613,689	325,228,123	407,559,226	361,330,126
Investments in subsidiaries	13	-	-	141,525,492	90,956,740
Other long-term investments	11	1,855,334,349	1,801,015,962	1,854,245,348	1,801,015,962
Long-term loans	5	-	18,800,000	-	18,800,000
Investment properties	14	936,191,070	1,015,285,645	1,007,101,418	1,015,285,645
Property, plant and equipment	15	2,623,076,484	2,457,101,761	2,538,455,926	2,449,320,794
Goodwill	16	66,409,406	-	-	-
Other non-current assets	17	261,027,148	236,858,557	243,121,778	233,364,778
<b>Total non-current assets</b>		<b>11,673,195,090</b>	<b>11,567,401,094</b>	<b>11,707,603,293</b>	<b>11,680,236,252</b>
<b>Total assets</b>		<b>18,565,163,170</b>	<b>18,486,006,126</b>	<b>18,528,321,902</b>	<b>18,559,394,334</b>

The accompanying notes are an integral part of these financial statements.

## I.C.C. International Public Company Limited and its Subsidiaries

## Statement of financial position

As of December 31, 2015 and 2014

(in Baht)

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Current liabilities</b>					
Short-term loans from financial institutions	19	30,000,000	-	-	-
Trade accounts payable	5, 20	1,188,719,087	1,345,231,261	1,162,440,076	1,345,135,567
Other payable	5	796,950,535	758,172,535	784,460,346	756,026,738
Income tax payable		6,866,054	15,831,010	6,866,054	15,831,010
<b>Total current liabilities</b>		<b>2,022,535,676</b>	<b>2,119,234,806</b>	<b>1,953,766,476</b>	<b>2,116,993,315</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities	18	30,719,298	58,305,079	28,337,744	58,305,079
Employee benefit obligations	21	482,042,668	524,753,969	446,879,484	524,753,969
Other non-current liabilities		44,074,707	41,469,922	42,469,847	41,469,922
<b>Total non-current liabilities</b>		<b>556,836,673</b>	<b>624,528,970</b>	<b>517,687,075</b>	<b>624,528,970</b>
<b>Total liabilities</b>		<b>2,579,372,349</b>	<b>2,743,763,776</b>	<b>2,471,453,551</b>	<b>2,741,522,285</b>
<b>Equity</b>					
Share capital:	22				
Authorized share capital		500,000,000	500,000,000	500,000,000	500,000,000
Issued and paid-up share capital		290,633,730	290,633,730	290,633,730	290,633,730
Additional paid in capital:					
Premium on ordinary shares		1,487,143,830	1,487,143,830	1,487,143,830	1,487,143,830
Surplus on treasury shares		51,433,146	51,433,146	51,433,146	51,433,146
Retained earnings					
Appropriated					
Legal reserve	23	50,000,000	50,000,000	50,000,000	50,000,000
General reserve	23	1,638,869,660	1,575,113,219	1,638,869,660	1,575,113,219
Unappropriated		9,445,435,890	9,032,403,032	9,500,309,396	9,113,708,709
Other components of equity		3,038,366,293	3,248,608,418	3,038,478,589	3,249,839,415
<b>Equity attributable to owners of the Company</b>		<b>16,001,882,549</b>	<b>15,735,335,375</b>	<b>16,056,868,351</b>	<b>15,817,872,049</b>
Non-controlling interests		(16,091,728)	6,906,975	-	-
<b>Total equity</b>		<b>15,985,790,821</b>	<b>15,742,242,350</b>	<b>16,056,868,351</b>	<b>15,817,872,049</b>
<b>Total liabilities and equity</b>		<b>18,565,163,170</b>	<b>18,486,006,126</b>	<b>18,528,321,902</b>	<b>18,559,394,334</b>

The accompanying notes are an integral part of these financial statements.

## I.C.C. International Public Company Limited and its Subsidiaries

## Statement of comprehensive income

For the year ended 31 December 2015 and 2014

(in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Revenue from sale of goods	24	12,342,816,129	12,033,001,278	12,291,078,938	12,030,855,645
Cost of sales of goods	9, 28	7,640,906,428	7,435,471,261	7,606,138,395	7,425,433,985
<b>Gross profit</b>		<b>4,701,909,701</b>	<b>4,597,530,017</b>	<b>4,684,940,543</b>	<b>4,605,421,660</b>
<i>Other income</i>					
Dividends income		378,453,974	332,516,521	389,573,824	334,375,441
Gain on disposal of property, plant and equipments and investment properties		589,620	5,443,981	589,620	31,708,981
Others		157,549,819	191,862,222	160,325,087	194,848,692
<b>Total other income</b>		<b>536,593,413</b>	<b>529,822,724</b>	<b>550,488,531</b>	<b>560,933,114</b>
<b>Profit before expenses</b>		<b>5,238,503,114</b>	<b>5,127,352,741</b>	<b>5,235,429,074</b>	<b>5,166,354,774</b>
<i>Expenses</i>					
Selling expenses	25, 28	3,029,890,859	3,114,839,779	3,023,142,856	3,110,092,660
Administrative expenses	26, 28	1,444,156,388	1,360,783,625	1,428,404,316	1,359,548,462
Finance costs		944,582	909	6,272	909
<b>Total expenses</b>		<b>4,474,991,829</b>	<b>4,475,624,313</b>	<b>4,451,553,444</b>	<b>4,469,642,031</b>
Share of profit (loss) of investments in associates	12	44,659,055	(49,684,041)	-	-
<b>Profit before income tax expense</b>		<b>808,170,340</b>	<b>602,044,387</b>	<b>783,875,630</b>	<b>696,712,743</b>
Income tax expense	29	105,457,284	59,148,335	105,457,284	59,148,335
<b>Profit for the year</b>		<b>702,713,056</b>	<b>542,896,052</b>	<b>678,418,346</b>	<b>637,564,408</b>
<b>Profit attributable to:</b>					
Owners of the Company		703,194,589	545,186,109	678,418,346	637,564,408
Non-controlling interests		(481,533)	(2,290,057)	-	-
<b>Profit for the year</b>		<b>702,713,056</b>	<b>542,896,052</b>	<b>678,418,346</b>	<b>637,564,408</b>

The accompanying notes are an integral part of these financial statements.

## I.C.C. International Public Company Limited and its Subsidiaries

## Statement of comprehensive income

For the year ended 31 December 2015 and 2014

(in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Other comprehensive income					
<i>Items that will never be reclassified to profit or loss</i>					
Defined benefit plan actuarial gains	21	96,380,247	-	96,380,247	-
Income tax on other comprehensive income	18	(19,276,049)	-	(19,276,049)	-
<i>Items that are or may be reclassified to profit or loss</i>					
Foreign currency translation differences for foreign operations		1,481,531	(1,075,647)	-	-
Net change in fair value of available-for-sale investments	11	(264,201,032)	317,300,270	(264,201,032)	317,300,270
Income tax on other comprehensive income	18	52,840,206	(63,460,054)	52,840,206	(63,460,054)
<b>Other comprehensive income (loss) for the year net of income tax</b>		<b>(132,775,097)</b>	<b>252,764,569</b>	<b>(134,256,628)</b>	<b>253,840,216</b>
<b>Total comprehensive income for the year</b>		<b>569,937,959</b>	<b>795,660,621</b>	<b>544,161,718</b>	<b>891,404,624</b>
<b>Total comprehensive income attributable to :</b>					
Owners of the Company		570,056,662	797,795,328	544,161,718	891,404,624
Non-controlling interests		(118,703)	(2,134,707)	-	-
<b>Total comprehensive income for the year</b>		<b>569,937,959</b>	<b>795,660,621</b>	<b>544,161,718</b>	<b>891,404,624</b>
<b>Earnings per share (in Baht)</b>					
Basic earnings per share	30	2.42	1.88	2.33	2.19

The accompanying notes are an integral part of these financial statements.

**I.C.C. International Public Company Limited and its Subsidiaries**  
**Statement of changes in equity**  
**For the year ended 31 December 2015 and 2014**

(in Baht)

	Consolidated financial statements										Total equity		
	Note	Issued and paid-up share capital	Premium on ordinary shares	Surplus on treasury shares	Retained earnings			Other components of equity		Equity attributable to owners of the Company		Non-controlling interests	
					Legal reserve	General reserve	Unappropriated	Currency translation differences	Fair value changes in available-for-sale investments				
Year ended 31 December 2014													
Balance at 1 January 2014		290,633,730	1,487,143,830	51,433,146	50,000,000	1,502,922,711	8,912,536,242	-	2,995,999,199	15,290,668,858	-	15,290,668,858	
Transactions with owners, recorded directly in equity													
<i>Contributions by and distributions to owners of the Company</i>													
Dividends to owners of the Company	31	-	-	-	-	-	(348,760,476)	-	-	(348,760,476)	-	(348,760,476)	
<i>Changes in ownership interests in subsidiaries</i>													
Acquisition of non-controlling interest	13	-	-	-	-	-	(4,368,335)	-	-	(4,368,335)	9,041,682	4,673,347	
Total transactions with owners, recorded directly in equity	-	-	-	-	-	-	(353,128,811)	-	-	(353,128,811)	9,041,682	(344,087,129)	
Comprehensive income for the year													
Profit		-	-	-	-	-	545,186,109	-	-	545,186,109	(2,290,057)	542,896,052	
Other comprehensive income		-	-	-	-	-	-	(1,230,997)	253,840,216	252,609,219	155,350	252,764,569	
Total comprehensive income for the year		-	-	-	-	-	545,186,109	(1,230,997)	253,840,216	797,795,328	(2,134,707)	795,660,621	
Transfer to general reserve	23	-	-	-	-	72,190,508	(72,190,508)	-	-	-	-	-	
Balance at 31 December 2014		290,633,730	1,487,143,830	51,433,146	50,000,000	1,575,113,219	9,032,403,032	(1,230,997)	3,249,839,415	15,735,335,375	6,906,975	15,742,242,350	

The accompanying notes are an integral part of these financial statements.

I.C.C. International Public Company Limited and its Subsidiaries  
 Statement of changes in equity  
 For the year ended 31 December 2015 and 2014

(in Baht)

	Consolidated financial statements										Total equity		
	Note	Issued and paid-up share capital	Premium on ordinary shares	Surplus on treasury shares	Retained earnings			Other components of equity		Equity attributable to owners of the Company		Non-controlling interests	
					Legal reserve	General reserve	Unappropriated	Currency translation differences	Fair value changes in available-for-sale investments				
Year ended 31 December 2015													
Balance at 1 January 2015		290,633,730	1,487,143,830	51,433,146	50,000,000	1,575,113,219	9,032,403,032	(1,230,997)	3,249,839,415	15,735,335,375	6,906,975	15,742,242,350	
Transactions with owners, recorded directly in equity													
Contributions by and distributions to owners of the Company													
Dividends to owners of the Company	31	-	-	-	-	-	(305,165,416)	-	-	(305,165,416)	-	(305,165,416)	
Changes in ownership interests in subsidiaries													
Acquisition of non-controlling interests with a change in control	13	-	-	-	-	-	1,655,928	-	-	1,655,928	(16,566,000)	(14,910,072)	
Acquisition of non-controlling interests without a change in control		-	-	-	-	-	-	-	-	-	(6,314,000)	(6,314,000)	
Total changes in ownership interests in subsidiaries		-	-	-	-	-	1,655,928	-	-	1,655,928	(22,880,000)	(21,224,072)	
Total transactions with owners, recorded directly in equity		-	-	-	-	-	(303,509,488)	-	-	(303,509,488)	(22,880,000)	(326,389,488)	
Comprehensive income for the year													
Profit		-	-	-	-	-	703,194,589	-	-	703,194,589	(481,533)	702,713,056	
Other comprehensive income													
Actuarial gains		-	-	-	-	-	77,104,198	-	-	77,104,198	-	77,104,198	
Others		-	-	-	-	-	-	1,118,701	(211,360,826)	(210,242,125)	362,830	(209,879,295)	
Total comprehensive income for the year		-	-	-	-	-	780,298,787	1,118,701	(211,360,826)	570,056,662	(118,703)	569,937,959	
Transfer to general reserve	23	-	-	-	-	63,756,441	(63,756,441)	-	-	-	-	-	
Balance at 31 December 2015		290,633,730	1,487,143,830	51,433,146	50,000,000	1,638,869,660	9,445,435,890	(112,296)	3,038,478,589	16,001,862,549	(16,091,728)	15,985,790,821	

The accompanying notes are an integral part of these financial statements.

**I.C.C. International Public Company Limited and its Subsidiaries**  
**Statement of changes in equity**  
**For the year ended 31 December 2015 and 2014**

(in Baht)

	Separate financial statements								Total equity	
	Note	Issued and paid-up share capital	Premium on ordinary shares	Surplus on treasury shares	Retained earnings			Other components of equity		
					Legal reserve	General reserve	Unappropriated	Fair value changes in available-for-sale investments		
Year ended 31 December 2014 Balance at 1 January 2014		290,633,730	1,487,143,830	51,433,146	50,000,000	1,502,922,711	8,897,095,285	2,995,999,199	15,275,227,901	
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners of the Company										
Dividends to owners of the Company	31	-	-	-	-	-	(348,760,476)	-	(348,760,476)	
Total transactions with owners, recorded directly in equity		-	-	-	-	-	(348,760,476)	-	(348,760,476)	
Comprehensive income for the year										
Profit		-	-	-	-	-	637,564,408	-	637,564,408	
Other comprehensive income		-	-	-	-	-	-	253,840,216	253,840,216	
Total comprehensive income for the year		-	-	-	-	-	637,564,408	253,840,216	891,404,624	
Transfer to general reserve	23	-	-	-	-	72,190,508	(72,190,508)	-	-	
Balance at 31 December 2014		290,633,730	1,487,143,830	51,433,146	50,000,000	1,575,113,219	9,113,708,709	3,249,839,415	15,817,872,049	
Year ended 31 December 2015 Balance at 1 January 2015		290,633,730	1,487,143,830	51,433,146	50,000,000	1,575,113,219	9,113,708,709	3,249,839,415	15,817,872,049	
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners of the Company										
Dividends to owners of the Company	31	-	-	-	-	-	(305,165,416)	-	(305,165,416)	
Total transactions with owners, recorded directly in equity		-	-	-	-	-	(305,165,416)	-	(305,165,416)	
Comprehensive income for the year										
Profit		-	-	-	-	-	678,418,346	-	678,418,346	
Other comprehensive income		-	-	-	-	-	77,104,198	-	77,104,198	
Actuarial gains		-	-	-	-	-	-	(211,360,826)	(211,360,826)	
Others		-	-	-	-	-	-	(211,360,826)	(211,360,826)	
Total comprehensive income for the year		-	-	-	-	-	755,522,544	(211,360,826)	544,161,718	
Transfer to general reserve	23	-	-	-	-	63,756,441	(63,756,441)	-	-	
Balance at 31 December 2015		290,633,730	1,487,143,830	51,433,146	50,000,000	1,638,869,660	9,500,309,396	3,038,478,589	16,056,868,351	

The accompanying notes are an integral part of these financial statements.

## I.C.C. International Public Company Limited and its Subsidiaries

## Statement of cash flows

For the year ended 31 December 2015 and 2014

(in Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<i>Cash flows from operating activities</i>				
Profit for the year	702,713,056	542,896,052	678,418,346	637,564,408
<i>Adjustments for</i>				
Depreciation and amortisation	175,755,209	171,301,624	172,605,994	168,859,767
Reversal of allowance for decline in value of investment properties	-	(36,843,117)	-	(36,843,117)
(Reversal) allowance for doubtful accounts of bad debts	8,416,165	(2,865,824)	8,315,264	(2,865,824)
Reversal of allowance for decline in value of inventories	(448,587)	(2,319,781)	(448,587)	(2,319,781)
(Reversal) of allowance for decline in value of investments	(506,067)	(9,812,060)	5,464,533	(9,812,060)
Interest income	(15,777,051)	(19,006,389)	(22,623,215)	(21,992,860)
Dividends income	(378,453,974)	(332,516,521)	(389,573,824)	(334,375,441)
Finance costs	944,582	909	6,272	909
Unrealised gain on exchange rate	-	(429,600)	-	(429,600)
Loss on disposal of investment	-	27,790,475	-	27,790,475
(Gain) loss on disposal of property, plant and equipment and investment properties	(587,139)	29,784,959	(587,139)	3,519,959
Loss on retirement of equipment	7,052,188	-	7,002,055	-
Share of (profit) loss of investments in associates, net of income tax	(44,659,055)	49,684,041	-	-
Income tax expense	105,457,284	59,148,335	105,457,284	59,148,335
	<b>559,906,611</b>	<b>476,813,103</b>	<b>564,036,983</b>	<b>488,245,170</b>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(88,267,940)	210,842,395	(93,533,248)	210,218,939
Inventories	71,665,650	238,774,467	68,555,639	241,859,706
Real estate projects under development	(5,083,925)	(109,235,569)	-	-
Other current assets	(31,423,349)	(12,404,679)	(22,350,112)	(11,152,412)
Other non-current assets	(12,714,280)	18,846,560	(11,717,945)	24,619,012

The accompanying notes are an integral part of these financial statements.

## I.C.C. International Public Company Limited and its Subsidiaries

## Statement of cash flows

For the year ended 31 December 2015 and 2014

(in Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b><i>Cash flows from operating activities (Continued)</i></b>				
Trade accounts payable	(193,544,273)	109,628,561	(182,695,491)	109,532,868
Other payable	24,437,701	9,846,013	28,433,608	7,700,217
Employee benefits obligations	46,003,991	45,943,280	18,505,762	45,943,280
Other non-current liabilities	440,376	(108,158)	999,925	(108,158)
Cash generated from operating activities	371,420,562	988,945,973	370,235,121	1,116,858,622
Income tax paid	(65,527,970)	(73,876,147)	(65,363,023)	(73,876,147)
<b>Net cash from operating activities</b>	<b>305,892,592</b>	<b>915,069,826</b>	<b>304,872,098</b>	<b>1,042,982,475</b>
<b><i>Cash flows from investing activities</i></b>				
Interest received	16,863,055	17,527,903	24,011,488	20,514,374
Dividends received	389,573,824	332,516,521	389,573,824	334,375,441
Purchase of property, plant and equipment and investment properties	(258,485,784)	(341,387,490)	(258,339,106)	(330,660,181)
Sale of property, plant and equipment and investment properties	4,944,126	8,732,507	4,944,126	78,732,507
(Increase) decrease in loans to related parties and employees	60,814,357	16,858,635	23,114,357	(123,141,366)
Sale of debt securities	45,000,000	-	45,000,000	-
Purchase of equity securities	(220,755,949)	(176,410,211)	(220,755,949)	(176,410,211)
Sale of equity securities	-	2,942,535	-	2,942,535
Cash received from reduction of share of investment	1,200,000	-	1,200,000	-
Cash received from leasehold	14,250,000	14,250,000	14,250,000	14,250,000
Purchase of intangible assets	(6,937,309)	-	(6,930,247)	-
Cash paid for purchase of subsidiaries	-	-	(50,568,752)	(90,956,740)
<b>Net cash from (used in) investing activities</b>	<b>46,466,320</b>	<b>(124,969,600)</b>	<b>(34,500,259)</b>	<b>(270,353,641)</b>

The accompanying notes are an integral part of these financial statements.

## I.C.C. International Public Company Limited and its Subsidiaries

## Statement of cash flows

For the year ended 31 December 2015 and 2014

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Cash flows from financing activities</b>					
Interest paid		(1,122,773)	(909)	(6,272)	(909)
Dividends paid to owners of the Company		(305,165,416)	(348,629,903)	(305,165,416)	(348,629,903)
Proceeds from short-term loans from related parties		(20,000,000)	-	-	-
Repayment of short-term loans from financial institutions		(35,247,408)	-	-	-
Proceeds from issue of new ordinary shares of subsidiary		35,681,250	-	-	-
Acquisition of non-controlling interests	4	(58,561,249)	-	-	-
<b>Net cash used in financing activities</b>		<b>(384,415,596)</b>	<b>(348,630,812)</b>	<b>(305,171,688)</b>	<b>(348,630,812)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>					
Cash and cash equivalents at 1 January		617,169,755	170,409,402	594,407,424	170,409,402
Effect of exchange rate changes on balances held in foreign currency		4,703,932	5,290,939	-	-
<b>Cash and cash equivalents at 31 December</b>		<b>589,817,003</b>	<b>617,169,755</b>	<b>559,607,575</b>	<b>594,407,424</b>
<b>Non-cash transactions</b>					
Fair value changes in available-for-sale investments		(264,201,032)	317,300,270	(264,201,032)	317,300,270

The accompanying notes are an integral part of these financial statements.

**I.C.C. International Public Company Limited and its subsidiaries****Notes to the financial statements**

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 23 February 2016.

## 1 General information

I.C.C. International Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 530 Soi Sathupradit 58, Bang Phong Phang subdistrict, Yannawa district, Bangkok.

The Company was listed on the Stock Exchange of Thailand in December 1978.

The Company’s major shareholders during the financial period were Saha Pathana Inter-Holding Public Company Limited (22.1% shareholding) and I.D.F. Co., Ltd. (9.5% shareholding). Both companies were incorporated in Thailand.

The principle business of the Company is distributing consumer products.

Details of the Company’s subsidiaries as at 31 December are as follows:

Name	Type of business	Country of incorporation	Ownership interest (%)	
			2015	2014
WBRE Co., Ltd.	Real Estate	Thai	99.9	99.9
Amis Du Monde SARL	Trading	France	81.9	81.9
Thai Itokin Co., Ltd.	Manufacturing and distributing apparels	Thai	58.2	27.9

During the year 2015, the Group acquired the additional ordinary shares of Thai Itokin Co., Ltd. resulting in the changing status from associate to subsidiary.

## 2 Basis of preparation of financial statements

### (a) Statement of compliance

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

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

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2016 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 35.

### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Items	Measurement bases
Financial instruments at fair value through profit or loss	Fair value
Available-for-sale financial assets	Fair value
Net defined benefit liability	Present value of the defined benefit obligation, limited as explained in Note 3 (p)

**(c) Functional and presentation currency**

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand baht unless otherwise stated.

**(d) Use of estimates and judgements**

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes to financial statements:

Note 4	Business combination
Note 16	Key assumptions used in discounted cash flow projections
Notes 18 and 29	Current and deferred taxation
Note 21	Measurement of defined benefit obligations
Note 32	Valuation of financial instruments

**Measurement of fair values**

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

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

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

Significant valuation issues are reported to the Group Audit Committee.

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

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

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

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

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

- Note 11 - available-for-sale financial assets;
- Note 14 - investment property; and
- Note 32 - financial instruments.

### 3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### (a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates.

##### *Business combinations*

The Group applies the acquisition method for all business combinations when control is transferred to the Group other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest (NCI) at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

##### *Subsidiaries*

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

##### *Interests in equity-accounted investees*

The Group's interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence.

##### *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment

to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**(b) Foreign currencies**

*Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

*Foreign operations*

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investment, except to extent that the translation difference is allocated to non-controlling interest.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

**(c) Cash and cash equivalents**

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

**(d) Trade and other accounts receivable**

Trade accounts receivable are stated at their invoice value less allowance for doubtful accounts and provision for sales to retailers with condition.

Other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

**(e) Inventories**

Inventories are measured at the lower of cost and net realisable value.

Cost of inventories in categories of trading, consignment goods sales to retailers with condition, manufactured inventories and work-in-progress are calculated using the weighted average cost principle and for cost of inventories on real estate-condominium is calculated using the specific method. Cost of inventory comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

**(f) Real estate development projects**

Real estate development projects are projects for the development of properties with the intention of sale in the ordinary course of business. They are stated at the lower of cost plus, where appropriate, a portion of attributable profit and estimated net realisable value, net of progress billings. Net realisable value represents the estimated selling price less costs to be incurred in selling the properties.

The cost of real estate development projects comprises specifically identified costs, including acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding real estate development projects are capitalised, on a specific identification basis, as part of the cost of the property until the completion of development.

**(g) Sales VAT on consignment sales of inventories**

Sales VAT on consignment sales shall be recorded and payable when the goods have been delivered to retailers and sales VAT has been submitted to the Revenue Department. This sales VAT shall be recorded as current asset in the statement of financial position. The Company shall also call for VAT from retailers after the goods have been sold to customers.

**(h) Investments**

*Investments in associates and subsidiaries*

Investments in associates and subsidiaries in the separate financial statements of the Company are accounted for using the cost method. Investments in associates in the consolidated financial statements are accounted for using the equity method.

*Investments in other debt and equity securities*

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

*Disposal of investments*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using weighted average method applied to the carrying value of the total holding of the investment.

**(i) Investment properties**

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Investment properties	20-40	years
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**(j) Property, plant and equipment***Recognition and measurement**Owned assets*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

*Reclassification to investment property*

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Property that is being constructed for future use as investment property is accounted for at fair value. Any gain arising on remeasurement is recognised in profit or loss to the extent the gain reverses a previous impairment loss on the specific property. Any loss is recognised to extent that an amount had previously been included in the revaluation reserve relating to the specific property, with any remaining loss recognised immediately in profit or loss.

*Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

*Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment except for the computer has been determined by using the Sum of Year's Digits Method. The estimated useful lives are as follows:

Buildings and improvements	20 - 50 years
Office equipment	3 - 5 years
Furniture and fixtures	5 years
Vehicles	5 years

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**(k) Intangible assets**

*Goodwill*

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 3(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

*Other intangible assets*

Other intangible assets that are acquired by the Group and have finite useful lives which were trademarks and license database of customers are measured at cost less accumulated amortisation and accumulated impairment losses.

*Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

*Amortisation*

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Software licenses	10 years
Trademarks	10 years
License database of customer	10 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**(l) Leasehold**

Payments made for leasehold rights are measured at cost method and amortisation is recognised in the profit or loss on straight line basis over the periods of the leasehold agreements

**(m) Impairment**

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

*Calculation of recoverable amount*

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

*Reversals of impairment*

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(n) Interest-bearing liabilities**

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

**(o) Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

**(p) Employee benefits**

*Defined contribution plans*

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

*Defined benefit plans*

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

The calculation of defined benefit obligations is performed regularly by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount

rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

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

#### *Other long-term employee benefits*

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

#### *Termination benefits*

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

#### *Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group/Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### **(q) Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

### **(r) Revenue**

Revenue excludes value added taxes and other sales taxes and is arrived at after deduction of trade discounts and volume rebates.

#### *Sale of goods*

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

#### *Real estate development projects*

When the contract meets the criteria for a sale of goods, or if control and significant risks and rewards of ownership of the work in progress are transferred to the buyer at a single time, for example at completion or after delivery, revenue is recognised when the criteria described above for sales of goods and services are met.

#### *Rental income*

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

#### *Dividend income*

Dividend income is recognised in profit or loss on the date the Company's right to receive payments is established.

*Interest income*

Interest income is recognised in profit or loss as it accrues.

**(s) Finance costs**

Finance costs comprise interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

**(t) Lease payments**

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

**(u) Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences : the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(v) Earnings per share**

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

**(w) Segment reporting**

Segment results that are reported to the CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and liabilities and head office expenses.

**4 Acquisition of subsidiaries and non-controlling interests**

At the board of directors meeting of the Company held on 14 August 2015, the directors approved the acquisition of an additional 25.24% of the new common shares issue of Group's associate company, Thai Itokin Co., Ltd., a manufacturer and distributor of ready-made apparel, following Thai Itokin Co., Ltd. increasing its registered capital from Baht 25 million to Baht 140 million by making an offer to existing share owners to purchase new shares of 1.15 million shares at Baht 100 per share, due to some existing share owners declining to purchase their share allocation, Thai Itokin Co., Ltd., therefore allocated the remaining capital increase shares to other existing share owners. Consequently the Group increased its interest from previously held 27.90% share holding to 53.14% of the all issued share capital of Thai Itokin Co.,Ltd. for consideration amount of Baht 67.43 million, which call comprised for paid up of Baht 33.71 million on 8 September 2015, Baht 16.86 million within 8 October 2015 and last amount which hasn't called for paid-up of Baht 16.86 million.

Under TFRS 3 Business Combinations, the investment in Thai Itokin Co., Ltd. is classified as a step acquisition which requires the Group to remeasure the previously held equity interest (27.9%) in Thai Itokin Co., Ltd. at fair value. However, as at 31 December 2015 the Group has completed the assessment of the final fair value of the share valuation. There is no value identified for equity of Thai Itokin as net debt exceeds the enterprise value, resulting in no difference from fair value adjustment of previously held equity interest. Consequently, the Group had not recognised the change in fair value of investment in Thai Itokin Co., Ltd. before changing status from associate to subsidiary and difference rising from fair value on the acquisition date in the statement of comprehensive income for the year ended 31 December 2015.

The following summarises the classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

*Identifiable assets acquired and liabilities assumed*

	Fair value (in thousand Baht)
Cash and cash equivalents	732
Trade receivables	11,627
Inventories	28,645
Other current assets	935
Property, plant and equipment	8,823
Other long-term investments	1,089
Other non-current assets	13,775
Trade and other payables	(37,032)
Short-term loans and borrowings	(32,102)
Other current liabilities	(67,664)
Long-term loans and borrowings	(14,700)
Employee benefit obligation	(34,553)
Deferred tax liabilities	(2,381)
Other non-current liabilities	(2,165)
<b>Total identifiable net liabilities</b>	<b>(124,971)</b>
Non-controlling interests	(58,561)
<b>Group's ownership interest</b>	<b>(66,410)</b>
Goodwill arising acquisition	66,410
<b>Purchase consideration transferred</b>	<b>-</b>

As at 31 December 2015 the Group has completed the assessment of the final fair value of the net liabilities acquired and the acquisition accounting has been revised by the decrease in trade receivables of Baht 35.33 million, increase in intangible assets of Baht 9.17 million, increase in deferred tax liabilities of Baht 2.38 million, and increase in goodwill of Baht 15.17 million. In accordance with TFRS No. 3 (revised 2014), if new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the provisional fair values, or any additional assets or liabilities that existed at the acquisition date, then the acquisition accounting will be revised.

The following table shows the valuation technique used in the determination of fair value of the contingent consideration assets:

Consideration assets:	Valuation technique
Property, plant and equipment	Market comparison approach (based on prices from market transaction involving the sale of comparable assets and Cost approach (bases on replacement cost)
Trademark	Income approach (based on present value of earnings attributable to the asset or costs avoided as a result of owning the assets.
Software license	Cost approach (bases on replacement cost)
Customer contract	Income approach (Multi-period Excess Earning method) based on present value of earnings attributable to the asset or costs avoided as a result of owning the assets.

Acquisition of Thai Itokin Co., Ltd. will provide an advantage to the Group and strengthen the Group's main supply chain of various quality garment products, for instance, the garment, the uniform and exported goods which are sold and distributed under the name "I.C.C. International Public Company limited" which under the licenses hold by Thai Itokin Co., Ltd. The Group is determined to develop Thai Itokin Co., Ltd. to be a variable operating company generating the operating profit, in order to gain the yield upon investment from dividend.

In the four months to 31 December 2015, Thai Itokin Co., Ltd. contributed revenue of Baht 84.57 million and profit of Baht 3.68 million to the Group's results. If the acquisition had occurred on 1 January 2015, management estimates that consolidated revenue would have been Baht 12,443.04 million and consolidated profit for the year would have been Baht 712.39 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2015.

## 5 Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiaries and associates are described in notes 12 and 13. Relationship with key management and other related parties were as follows:

Name of entities	Country of incorporation/nationality	Ownership interest (%)	Nature of relationships
Key management personnel	Thai	-	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Name of entities	Country of incorporation/nationality	Ownership interest (%)	ลักษณะความสัมพันธ์
Saha Pathana Inter-Holding Plc.	Thai	9.7	Major shareholders, 22.1% shareholding, some common shareholders and directors
I.D.F. Co., Ltd.	Thai	9.0	Major shareholders, 9.5% shareholding, some common shareholders and directors
Saha Pathanapibul Plc.	Thai	10.2	8.5% shareholding, some common shareholders and directors
WBRE Co., Ltd.	Thai	99.9	Subsidiary, some common directors
Amis Du Monde SARL	France	81.9	Subsidiary
Thai Itokin Co., Ltd.	Thai	58.2	Subsidiary, some common directors
Nanan Cambo Solution Co., Ltd.	Cambodia	49.0	Associate, some common directors
Canchana International Co., Ltd.	Cambodia	40.0	Associate, some common directors
Boon Capital Holding Co., Ltd.	Thai	32.0	Associate, Some common directors are close member of the family of the Company's management
SHOP Global (Thailand) Co., Ltd.	Thai	30.0	Associate, some common directors
International Leather Fashion Co., Ltd.	Thai	28.0	Associate, some common directors
Issara United Co., Ltd.	Thai	25.0	Associate, some common directors
Worldclass Rent a Car Co., Ltd.	Thai	25.0	Associate
Issara United Development Co., Ltd.	Thai	25.0	Associate, some common directors
Tiger Distribution & Logistics Co., Ltd.	Thai	19.9	Some common directors
Sahapat Real Estate Co., Ltd.	Thai	19.9	Some common directors
O.C.C. Plc.	Thai	19.7	0.6% shareholding, some common directors
SSDC (Tigertex) Co., Ltd.	Thai	19.6	Some common directors
International Laboratories Co., Ltd.	Thai	19.6	1.1% shareholding, some common directors
Bangkok Tokyo Socks Co., Ltd.	Thai	19.6	Some common directors
K. Commercial and Construction Co., Ltd.	Thai	19.5	Some common directors
General Glass Co., Ltd.	Thai	19.5	Some common directors
DF Inter Co., Ltd.	Thai	19.0	Some common directors
Thai Sun Foods Co., Ltd.	Thai	19.0	Some common directors are close member of the family of the Company's management
Thai Cubic Technology Co., Ltd.	Thai	19.0	Some common directors
Laem Cha-Bang Warehouse Co., Ltd.	Thai	19.0	Some common directors
H & B Intertex Co., Ltd.	Thai	19.0	Some common directors
International Commercial Coordination (Hong Kong) Ltd.	Hong Kong	19.0	Some common directors
Pan Asia Footwear Plc.	Thai	18.9	Some common directors
United Utilities Co., Ltd.	Thai	18.6	Some common directors
Top Trend Manufacturing Co., Ltd.	Thai	18.0	Some common directors
Saha Nam Textile Co., Ltd.	Thai	18.0	Some common directors
Tiger MK Logistics (Myanmar) Co.,Ltd.	Myanmar	18.0	Some common directors are close member of the family of the Company's management
Better Way (Thailand) Co., Ltd.	Thai	16.8	Some common directors
Pan Land Co., Ltd.	Thai	16.7	Some common directors
BNC Real Estate Co., Ltd.	Thai	16.7	Some common directors
Erawan Textile Co., Ltd.	Thai	16.4	Some common directors

Name of entities	Country of incorporation/nationality	Ownership interest (%)	Nature of relationships
Otsuka Saha Asia Research Co., Ltd.	Thai	16.3	Some common directors are close member of the family of the Company's management
Thai Gunze Co., Ltd.	Thai	16.0	Some common directors
Shiseido Professional (Thailand) Co., Ltd.	Thai	15.0	Some common directors
Tsuruha (Thailand) Co., Ltd.	Thai	15.0	Some common directors
Thai Secom Pitakbkij Co., Ltd.	Thai	15.0	Some common directors
S & J International Enterprises Plc.	Thai	14.6	Some common directors
4 People Foods Co., Ltd.	Thai	14.0	Some common directors
Raja Uchino Co., Ltd.	Thai	13.6	Some common directors
Thai Kamaya Co., Ltd.	Thai	12.8	Some common directors
Thai Takeda Lace Co., Ltd.	Thai	12.8	Some common directors
Champ Ace Co., Ltd.	Thai	12.5	Some common directors
T.U.C. Elastic Co., Ltd.	Thai	12.0	Some common directors
Treasure Hill Co., Ltd.	Thai	12.0	Some common directors
Morgan De Toi (Thailand) Co., Ltd.	Thai	12.0	Some common directors are close member of the family of the Company's management
Lion Corporation (Thailand) Co., Ltd.	Thai	12.0	Some common directors are close member of the family of the Company's management
Thai Sports Garment Co., Ltd.	Thai	12.0	Some common directors
Saha Tokyu Corporation Co., Ltd.	Thai	12.0	Some common directors
Thai Shikibo Co., Ltd.	Thai	11.7	Some common directors
Thanulux Plc.	Thai	11.1	3.4% shareholding, some common directors
Kewpie (Thailand) Co., Ltd.	Thai	10.8	Some common directors are close member of the family of the Company's management
Thai Arai Co., Ltd. <sup>(2)</sup>	Thai	10.8	Some common directors are close member of the family of the Company's management
Waseda Education (Thailand) Co., Ltd.	Thai	10.7	Some common directors
Far East DDB Plc.	Thai	10.6	Some common directors
Sahacogen (Chonburi) Plc.	Thai	10.5	Some common directors
Textile Prestige Plc.	Thai	10.4	Some common directors
Kai I.T. Service Co., Ltd.	Thai	10.0	Some common directors
Thai Takaya Co., Ltd.	Thai	10.0	Some common directors are close member of the family of the Company's management
Total Way Image Co., Ltd.	Thai	10.0	Some common directors are close member of the family of the Company's management
E.P.F. Co., Ltd.	Thai	10.0	Some common directors are close member of the family of the Company's management
K.T.Y. Industry Co., Ltd.	Thai	9.9	Some common directors
First United Industry Co., Ltd.	Thai	9.1	Some common directors
Dairy Thai Co., Ltd.	Thai	9.1	Some common directors are close member of the family of the Company's management
Wien International Co., Ltd.	Thai	9.0	Some common directors
BNC Maesot Co., Ltd.	Thai	9.0	Some common directors

Name of entities	Country of incorporation/ nationality	Ownership interest (%)	Nature of relationships
Osoth Inter Laboratories Co., Ltd.	Thai	9.0	Some common directors
Saha Lawson Co., Ltd.	Thai	9.0	Some common directors are close member of the family of the Company's management
J&P (Thailand) Co., Ltd.	Thai	9.0	Some common directors are close member of the family of the Company's management
Transcosmos (Thailand) Co., Ltd.	Thai	9.0	Some common directors
Sun 108 Co., Ltd.	Thai	8.3	Some common directors
Janome (Thailand) Co., Ltd.	Thai	8.0	Some common directors
Thai Bunka Fashion Co., Ltd.	Thai	8.0	Some common directors
Thai Staflex Co., Ltd.	Thai	8.0	Some common directors
Seino Saha Logistic Co., Ltd. (Rename from KRS Logistic Co., Ltd.)	Thai	7.8	Some common directors are close member of the family of the Company's management
Molten Asia Polymer Products Co., Ltd.	Thai	7.8	Some common directors are close member of the family of the Company's management
Sahachol Food Supplies Co., Ltd.	Thai	7.8	Some common directors
Saha-sahwa Co., Ltd.	Thai	7.0	Some common directors
SRP Nanasai Co., Ltd.	Thai	6.3	Some common directors
Molten (Thailand) Co., Ltd.	Thai	6.0	Some common directors are close member of the family of the Company's management
Sahapat Properties Co., Ltd.	Thai	5.8	Some common directors
Pattaya Manufacturing Co., Ltd.	Thai	5.3	Some common directors
People's Garment Plc.	Thai	5.3	Some common directors
Thai Wacoal Plc.	Thai	5.1	3.8% shareholding, some common directors
Kenmin Foods (Thailand) Co., Ltd. <sup>(7)</sup>	Thai	5.0	Some common directors
Thai Monster Co., Ltd.	Thai	5.0	Some common directors are close member of the family of the Company's management
Mobile Logistics Co., Ltd.	Thai	5.0	Some common directors are close member of the family of the Company's management
Thai Hoover Industry Co., Ltd.	Thai	4.8	Some common directors
Carbon Magic (Thailand) Co., Ltd.	Thai	4.2	Some common directors are close member of the family of the Company's management
Thai Arusu Co., Ltd.	Thai	4.2	Some common directors
The Mall Ratchasima Co., Ltd.	Thai	4.0	Some common directors are close member of the family of the Company's management
Ratchasima Shopping Complex Co., Ltd.	Thai	4.0	Some common directors are close member of the family of the Company's management
Thai Samsung Electronics Co., Ltd.	Thai	3.7	Some common directors are close member of the family of the Company's management
Sriracha Aviation Co., Ltd.	Thai	3.6	Some common directors
Pens Marketing and Distribution Co., Ltd.	Thai	3.5	Some common directors
Thai Naxis Co., Ltd.	Thai	3.4	Some common directors
Thai Samsung Life Insurance Plc.	Thai	2.3	Some common directors are close member of the family of the Company's management

Name of entities	Country of incorporation/nationality	Ownership interest (%)	Nature of relationships
Thai President Foods Plc.	Thai	2.0	Some common directors
Singer Thailand Plc.	Thai	1.3	Some common directors are close member of the family of the Company's management
Newcity (Bangkok) Plc. <sup>(5)</sup>	Thai	0.8	Some common directors are close member of the family of the Company's management
Cake & Bakery Co., Ltd.	Thai	-	Some common directors
Can Co., Ltd.	Thai	-	Some common directors
Koraj Watana Co., Ltd.	Thai	-	Some common directors
Sun and Sand Co., Ltd.	Thai	-	Some common directors
Mangkorn.1 2 Co., Ltd. <sup>(6)</sup>	Thai	-	Some common directors
Paknumpo Wattana Co., Ltd.	Thai	-	Some common directors
Maharachapreuk Co., Ltd.	Thai	-	Some common directors
Vira Law Office Co., Ltd.	Thai	-	Some common directors
Sukhatasana Co., Ltd.	Thai	-	Some common directors
Saha Asia Pacific Co., Ltd.	Thai	-	Some common directors are close member of the family of the Company's management
Intanin Chiangmai Co., Ltd.	Thai	-	Some common directors
Inter South Co., Ltd.	Thai	-	Some common directors
Eastern I.C.C. Co., Ltd.	Thai	-	Some common directors
Hair Service (Thai) Co., Ltd. <sup>(4)</sup>	Thai	-	Some common directors are close member of the family of the Company's management
Lion Service Co., Ltd.	Thai	-	Indirect holding by Lion Corporation (Thailand) Co., Ltd.
International Curity Footwear Co., Ltd.	Thai	-	Some common directors
Daiohs (Thailand) Co., Ltd.	Thai	-	Some common directors
S.T. (Thailand) Co., Ltd.	Thai	-	Some common directors are close member of the family of the Company's management
International Commercial Coordination Co., Ltd.	Thai	-	Some common directors
Silver Rain Co., Ltd.	Thai	-	Some common directors
Sriracha BSC Bowling Co., Ltd.	Thai	-	Some common directors
Thai One Mall Co., Ltd.	Thai	-	Some common directors
SSJ PTE LTD.	Singapore	-	Some common directors
Five Star Plus Co., Ltd. <sup>(1)</sup>	Thai	-	Some common directors
Grand Star Industry Co., Ltd. <sup>(3)</sup>	Thai	-	Some common directors

(1) Five Star Plus Co., Ltd. had been liquidated and dissolved on 9 July 2014.

(2) Thai Arai Co., Ltd. has been related since the third quarter of 2014.

(3) Grand Star Industry Co., Ltd. has been merged with Erawan Textile Co., Ltd. and dissolved on 26 November 2014.

(4) Hair Service (Thai) Co., Ltd. has not been related since the second quarter of 2015.

(5) Newcity (Bangkok) Plc. has not been related since the second quarter of 2015.

(6) Mangkorn.1 2 Co., Ltd. has been liquidated and in the process of dissolution.

(7) Kenmin Foods (Thailand) Co., Ltd. has not been related since the third quarter of 2015.

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Sales of goods	Market price or contractually agreed prices
Interest income	At the rates of 4.50% - 7.00% per annum
Dividends income	According to the declaration
Other income	Market price or contractually agreed prices
Purchase of goods or receiving of services	Contractually agreed prices
Purchase/Sale of property, plant and equipment and investment property	Contractually agreed prices
Selling expenses	Market price
Other expenses	Market price or contractually agreed prices

Significant transactions for the years ended 31 December with related parties were as follows:

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Subsidiaries</b>				
Sales of goods	-	-	664	1,062
Sales of investment property	-	-	-	70,000
Other income	-	-	7,355	3,052
Purchases of goods	-	-	43,691	-
Selling and other expenses	-	-	1,682	-
<b>Associates</b>				
Sales of goods	35,560	30,408	35,560	30,408
Dividend income	11,120	1,859	11,120	1,859
Other income	12,299	11,806	12,299	11,806
Purchases of goods	235,615	230,973	235,615	230,973
Selling and other expenses	1,523	3,561	1,523	3,561
<b>Other related parties</b>				
Sales of goods	344,826	367,505	340,757	367,505
Dividend income	360,648	313,607	360,648	313,607
Other income	95,883	74,422	95,883	74,422
Purchases of goods	6,273,509	6,194,591	6,258,296	6,194,591
Purchase of property, plant and equipment and investment property	157,717	97,689	157,717	97,689
Disposal of property, plant and equipment and investment property	4,313	-	4,313	-
Selling and other expenses	503,783	626,203	498,922	626,203
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefit	89,802	89,245	89,802	89,245
Long-term benefits	6,335	5,681	6,175	5,681
<b>Total key management personnel compensation</b>	<b>96,137</b>	<b>94,926</b>	<b>95,977</b>	<b>94,926</b>

Balances as at 31 December with related parties were as follows:

**Trade accounts receivable from related parties**

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Subsidiaries	-	-	12,105	623
Associates	10,920	23,762	10,920	23,762
Other related parties	97,481	110,763	97,315	110,763
	108,401	134,525	120,340	135,148
Less allowance for doubtful accounts	(5,949)	-	(5,949)	-
<b>Total</b>	<b>102,452</b>	<b>134,525</b>	<b>114,391</b>	<b>135,148</b>

**Other accounts receivable from related parties**

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Subsidiaries	-	-	189	-
Associates	374	750	374	750
Other related parties	19,569	15,157	19,569	15,157
<b>Total</b>	<b>19,943</b>	<b>15,907</b>	<b>20,132</b>	<b>15,907</b>

**Loans to related parties**

(in thousand Baht)

	Interest rate (% per annum)		Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014	2015	2014
<b>Short-term loans</b>						
Subsidiaries	4.50	4.50	-	-	163,000	140,000
Associates	6.52 - 6.75	6.75 - 6.87	30,000	25,000	30,000	25,000
Other related parties	4.50	4.75	90,000	120,000	90,000	120,000
<b>Long-term loans</b>						
Other related parties	-	5.00	-	18,800	-	18,800
<b>Summary of loans to related parties</b>						
Short-term loans			120,000	145,000	283,000	285,000
Long-term loans			-	18,800	-	18,800
<b>Total loans to related parties</b>			<b>120,000</b>	<b>163,800</b>	<b>283,000</b>	<b>303,800</b>

Movements during the years ended 31 December of loans to related parties were as follows:

*Loans to related parties*

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Short-term loans</b>				
<b>Subsidiaries</b>				
At 1 January	-	-	140,000	-
Increase	-	-	23,000	140,000
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>163,000</b>	<b>140,000</b>
<b>Associates</b>				
At 1 January	25,000	-	25,000	-
Increase	15,000	25,000	15,000	25,000
Decrease	(10,000)	-	(10,000)	-
<b>At 31 December</b>	<b>30,000</b>	<b>25,000</b>	<b>30,000</b>	<b>25,000</b>
<b>Other related parties</b>				
At 1 January	120,000	90,000	120,000	90,000
Increase	-	30,000	-	30,000
Decrease	(30,000)	-	(30,000)	-
<b>At 31 December</b>	<b>90,000</b>	<b>120,000</b>	<b>90,000</b>	<b>120,000</b>
<b>Total short-term loans</b>				
At 1 January	145,000	90,000	285,000	90,000
Increase	15,000	55,000	38,000	195,000
Decrease	(40,000)	-	(40,000)	-
<b>At 31 December</b>	<b>120,000</b>	<b>145,000</b>	<b>283,000</b>	<b>285,000</b>
<b>Long-term loans</b>				
<b>Other related parties</b>				
At 1 January	18,800	10,000	18,800	10,000
Increase	6,700	18,800	6,700	18,800
Decrease	(25,500)	(10,000)	(25,500)	(10,000)
<b>At 31 December</b>	<b>-</b>	<b>18,800</b>	<b>-</b>	<b>18,800</b>

*Trade accounts payable from related parties*

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Subsidiaries	-	-	10,616	-
Associates	28,148	30,672	28,148	30,672
Other related parties	1,039,970	1,258,891	1,036,897	1,258,891
<b>Total</b>	<b>1,068,118</b>	<b>1,289,563</b>	<b>1,075,661</b>	<b>1,289,563</b>

*Other accounts payable from related parties*

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Subsidiaries	-	-	2	-
Associates	49	478	49	478
Other related parties	131,422	181,975	131,409	181,975
<b>Total</b>	<b>131,471</b>	<b>182,453</b>	<b>131,460</b>	<b>182,453</b>

*Other commitments*

(in thousand Baht)

	Consolidated and separate financial statements	
	2015	2014
Guarantees for related parties	222,222	175,720

*Rental area and related services agreements*

The Company entered into rental area and related services agreements with several related parties companies. The company paid fees approximately at Baht 1.0 million per month, agreements had periods of 1-27 year and will be expired in 2027.

**6 Cash and cash equivalent**

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash on hand	6,475	5,318	6,344	5,274
Cash at banks-current accounts	123,855	107,307	96,775	84,588
Cash at banks-saving accounts	69,839	100,739	67,168	100,739
Highly liquid short-term investment	381,663	400,000	381,663	400,000
Others	7,985	3,806	7,658	3,806
<b>Total</b>	<b>589,817</b>	<b>617,170</b>	<b>559,608</b>	<b>594,407</b>

As at 31 December 2015, The Company has fixed deposit receipt with maturity period less than 3 months issued by financial institutions in amounting to Baht 381.66 million with interest rates between 1.3-1.4 % per annum (2014: 2.0 - 2.5% per annum), which was recorded as highly liquid short-term investments.

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Thai Baht (THB)	579,552	599,165	559,244	594,205
Euro (EUR)	10,083	17,843	182	40
Others	182	162	182	162
<b>Total</b>	<b>589,817</b>	<b>617,170</b>	<b>559,608</b>	<b>594,407</b>

## 7 Trade accounts receivable

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Related parties	5	108,401	134,525	120,340	135,148
Other parties		1,654,868	1,533,431	1,637,190	1,533,431
<b>Total</b>		<b>1,763,269</b>	<b>1,667,956</b>	<b>1,757,530</b>	<b>1,668,579</b>
Less allowance for doubtful accounts		(29,804)	(25,970)	(29,703)	(25,970)
<b>Net</b>		<b>1,733,465</b>	<b>1,641,986</b>	<b>1,727,827</b>	<b>1,642,609</b>
Bad and doubtful debts expense for the year		8,556	(383)	8,455	(383)
Reversal of bad debt for the year		(140)	(80)	(140)	(80)

Aging analyses for trade accounts receivable were as follows:

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Related parties</b>				
Within credit terms	64,207	78,818	75,376	78,818
Overdue :				
Less than 1 months	25,917	40,874	25,917	40,874
1-3 months	9,768	5,345	10,182	5,818
4-12 months	2,359	3,740	2,715	3,836
Over 12 months	6,150	5,748	6,150	5,802
	108,401	134,525	120,340	135,148
Less allowance for doubtful accounts	(5,949)	-	(5,949)	-
	102,452	134,525	114,391	135,148
<b>Other parties</b>				
Within credit terms	1,480,570	1,400,141	1,470,610	1,400,141
Overdue:				
Less than 1 months	76,368	50,010	70,283	50,010
1-3 months	48,784	31,817	48,158	31,817
4-12 months	27,387	27,929	27,387	27,929
Over 12 months	21,759	23,534	20,752	23,534
	1,654,868	1,533,431	1,637,190	1,533,431
Less allowance for doubtful accounts	(23,855)	(25,970)	(23,754)	(25,970)
	1,631,013	1,507,461	1,613,436	1,507,461
<b>Net</b>	<b>1,733,465</b>	<b>1,641,986</b>	<b>1,727,827</b>	<b>1,642,609</b>

The normal credit terms granted by the Company range from 30 days to 90 days.

The Group's and the Company's trade accounts receivable as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

**8 Short-term loans**

(in thousand Baht)

	Note	Interest rate (% per annum)		Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014	2015	2014
Related parties	5	4.50-6.75	4.50-6.87	120,000	145,000	283,000	285,000
Other parties		-	-	69,979	69,979	69,979	69,979
<b>Total</b>				<b>189,979</b>	<b>214,979</b>	<b>352,979</b>	<b>354,979</b>
Less allowance for doubtful accounts				(69,979)	(69,979)	(69,979)	(69,979)
<b>Net</b>				<b>120,000</b>	<b>145,000</b>	<b>283,000</b>	<b>285,000</b>

The Group's and the Company's short-term loans as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

The Company had loans to Siam Zokei Co., Ltd. ("Siam Zokei") in 2008, totaling Baht 150 million with interest rate at 7% per annum. This loan was guaranteed by a local company with the original title deeds owned by Siam Zokei Co., Ltd. and by the guaranteed company totaling two plots of land in Phuket province, with total area of 17 rai, 1 ngarn and 79.7 square wah, as its collateral. However, Siam Zokei Co., Ltd. could not repay this loan to the Company. The Company had pursued litigation against Siam Zokei Co., Ltd. Moreover, the Company filed a petition to the Court which approved to seize the properties of Siam Zokei Co., Ltd.

During 2010-2012, these properties had been sold at bidding price total approximately Baht 168.70 million and are awaiting for payment in accordance with the Court process. There were other creditors of Siam Zokei Co., Ltd. asking for distribution of these Siam Zokei's properties in this litigation case. However, if the money gained from the sales by auction is not enough for debt payment, the Company has the right to further file the law suit to the above mentioned guarantor.

During the year 2013, the Company asked the Court for distribution of Siam Zokei's properties and was on the fact finding process. Then during the year 2014, the Court has finalized for distribution and the Company received money from distribution with the total amount of Baht 80.02 million. Moreover, there remain properties that had been sold at bidding price and are waiting for payment in accordance with the Court process and the Court execution officer. However, the remain outstanding balance of Baht 69.98 million was completely set up allowance of doubtful.

**9 Inventories**

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Finished goods	1,297,246	1,292,491	1,240,490	1,289,406
Consignment goods	2,515,172	2,540,013	2,513,309	2,540,013
Work in process	5,117	-	-	-
Goods in transit	45,502	-	-	-
Raw material	43,811	36,152	43,795	36,152
Less allowance for decline in value	(108,349)	(28,164)	(27,715)	(28,164)
	<b>3,798,499</b>	<b>3,840,492</b>	<b>3,769,879</b>	<b>3,837,407</b>
Real estate awaiting for sale - Condominium	21,956	22,535	21,956	22,535
<b>Total</b>	<b>3,820,455</b>	<b>3,863,027</b>	<b>3,791,835</b>	<b>3,859,942</b>

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Inventories recognised as an expense in 'cost of sales of goods':				
- Cost	7,565,013	7,362,767	7,523,818	7,352,730
- Write-down to net realisable value	82,769	75,024	82,769	75,024
- Reversal of write-down	(6,876)	(2,320)	(449)	(2,320)
<b>Net</b>	<b>7,640,906</b>	<b>7,435,471</b>	<b>7,606,138</b>	<b>7,425,434</b>

**10 Real estate projects under development**

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Land and development costs of projects for sale	70,293	-	-	-
Show houses	5,374	-	-	-
Construction in progress	82,387	152,971	-	-
<b>Total</b>	<b>158,054</b>	<b>152,971</b>	<b>-</b>	<b>-</b>

**11 Other investments**

(in thousand Baht)

	Consolidated and Separate financial statements	
	2015	2014
<i>Available-for-sale investments</i>		
Equity securities available for sale	5,515,594	5,710,162

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<i>Other long-term investments</i>				
Other non-marketable equity securities	2,133,340	2,034,528	2,132,251	2,034,528
Other debt securities held to maturity	20,000	65,000	20,000	65,000
<b>Total</b>	<b>2,153,340</b>	<b>2,099,528</b>	<b>2,152,251</b>	<b>2,099,528</b>
Less allowance for impairment	(298,006)	(298,512)	(298,006)	(298,512)
<b>Net</b>	<b>1,855,334</b>	<b>1,801,016</b>	<b>1,854,245</b>	<b>1,801,016</b>

Movements during the years of marketable equity securities for the year ended 31 December were as follows:

(in thousand Baht)

	Consolidated and separate financial statements	
	2015	2014
<b>Available-for-sale investments</b>		
At 1 January	5,710,162	5,358,539
Purchases /additional investment	65,790	34,323
Reclassification of investment	3,843	-
Valuation adjustment	(264,201)	317,300
<b>At 31 December</b>	<b>5,515,594</b>	<b>5,710,162</b>

Equity securities-available-for-sale

During 2015, Amata VN Public Company Limited listed its equity shares on an exchange and they are currently actively traded in that market. Because the equity shares now have a published price quotation in an active market, the fair value measurement was transferred from Level 3 to Level 1 of the fair value hierarchy during the year.

As at 31 December 2015, the Group holds an investment in equity shares of Amata VN Public Company Limited with a fair value of Baht 68.79 million. The fair value of the investment was previously determined to be Level 3 under the fair value hierarchy at 31 December 2014. The fair value of the investment was then determined using a valuation technique that used significant unobservable inputs including the forecast earnings of Amata VN Public Company Limited and an appropriate price-earnings ratio. This was because the shares were not listed on an exchange, and there were no recent observable arm's length transactions in the shares.

## 12 Investments in associates

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Associates</b>				
At 1 January	325,228	352,026	361,330	336,586
Share of net profits (loss) of associates	44,659	(49,684)	-	-
Acquisitions/additional investments	52,199	43,350	52,199	43,350
Dividend income	(11,120)	(1,858)	-	-
Allowance for decline in value of investment	-	(18,606)	(5,970)	(18,606)
Effect of movements in exchange rates	1,648	-	-	-
<b>At 31 December</b>	<b>412,614</b>	<b>325,228</b>	<b>407,559</b>	<b>361,330</b>

During the year ended 31 December 2015 there were the following acquisitions and disposals of investments in equity accounted investees:

### *Acquisitions/additional investments*

On 27 March 2015, the Company made an additional investment in SHOP Global (Thailand) Co., Ltd. of Baht 29.70 million (1.80 million shares, Baht 16.50 per share) which a such associate company called for additional paid-up of 16.50% of authorised share capital, therefore the Company's ownership remains the same.

On 20 May 2015, the Company made an investment in Issara United Development Co., Ltd. of Baht 9 million (0.225 million shares, Baht 40 per share) which was the first called for paid-up of 40% of authorised share capital, bringing the Company's ownership at 25%.

On 26 November 2015, the Company made an investment in Issara United Development Co., Ltd. of Baht 13.50 million (0.225 million shares, Baht 60 per share) which was the called for remaining paid-up of 60% of authorised share capital, bringing the Company's ownership remain the same.

#### Reclassification to subsidiary

On 8 September 2015, the Company made an additional investment in 25.24% of the issued share capital of Thai Itokin Co., Ltd., increasing the Group's interest in Thai Itokin Co., Ltd to 53.14%. Thai Itokin Co., Ltd. thereby ceased to be an associated company and became a subsidiary, the Group did not recognize share of loss from investment recorded by the equity method in Thai Itokin Co., Ltd. for the share of loss exceeded the value of the Group's investments in Thai Itokin Co., Ltd. on 8 September 2015. Details of the acquisition are given in notes 4 and 13.

Investments in associates as at 31 December 2015 and 2014, and dividend income from those investments for the years then ended, were as follows (in thousand Baht)

	Type of business	Country of incorporation	Ownership interest (%)		Paid-up capital		Cost		Allowance for impairment		At Cost - Net		Equity		Dividend income	
			2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014		
<b>Associates</b>																
Nanan Cambo Solution Co., Ltd.	Investing in property	Cambodia	49.00	49.00	12,960	12,960	6,475	6,475	-	-	6,475	6,475	6,876	6,475	-	-
Canchana International Co., Ltd.	Trading	Cambodia	40.00	40.00	16,202	16,202	6,475	6,475	-	-	6,475	6,475	11,955	8,019	-	-
Boon Capital Holding Co., Ltd.	Investment	Thai	32.00	32.00	270,000	270,000	86,400	86,400	-	-	86,400	86,400	86,229	86,230	-	-
SHOP Global (Thailand) Co., Ltd.	TV Shopping	Thai	30.00	30.00	501,000	402,000	150,300	120,600	-	-	150,300	120,600	59,723	59,437	-	-
International Leather Fashion Co., Ltd.	Leather shoes	Thai	28.00	28.00	50,000	50,000	21,728	21,728	-	-	21,728	21,728	40,460	37,747	1,120	1,120
Thai Itokin Co., Ltd.	Manufacturing and distributing apparels	Thai	-	27.90	-	100,000	-	29,532	-	(23,562)	-	5,970	-	-	-	-
Issara United Co., Ltd.	Property	Thai	25.00	25.00	80,000	80,000	20,000	20,000	-	-	20,000	20,000	83,678	16,989	10,000	-
Worldclass Rent a Car Co., Ltd.	Rent Car	Thai	25.00	25.00	380,000	380,000	93,682	93,682	-	-	93,682	93,682	102,222	110,331	-	738
Issara United Development Co., Ltd.	Hotel	Thai	25.00	-	90,000	-	22,499	-	-	-	22,499	-	21,471	-	-	-
<b>Total</b>					<b>407,559</b>	<b>384,892</b>	<b>407,559</b>	<b>361,330</b>	<b>(23,562)</b>	<b>407,559</b>	<b>361,330</b>	<b>412,614</b>	<b>325,228</b>	<b>11,120</b>	<b>1,858</b>	<b>1,858</b>

None of the Group's associates are publicly listed and consequently do not have published price quotations.

*Immaterial associates*

The following is summarized financial information for the Group's interest in immaterial associates based on the amounts reported in the Group's consolidated financial statements:

(in thousand Baht)

	Immaterial Associates	
	2015	2014
Carrying amount of interests in immaterial associates	412,614	325,338
Group's share of Profit from continuing operations	44,659	(49,684)

**13 Investments in subsidiaries**

(in thousand Baht)

	Separate financial statements	
	2015	2014
At 1 January	90,956	-
Acquisitions	50,569	90,956
At 31 December	141,525	90,956

*Investment in Thai Itokin Co., Ltd.*

On 8 September 2015, the Company acquired an additional of new common shares issued of Thai Itokin Co., Ltd., a manufacturing and distribution of ready-made apparel which was a Group's associate company, by investing in amount of 674,250 shares at Baht 100 per share, this result the share holding increased from 27.90% to 53.14%. The Company paid up for the share capital at first call of 50% in amounting to Baht 33.71 million. On 8 October 2015, the Company paid up at second call of 25% in amounting to Baht 16.86 million in total Baht 50.57 million.

On 18 December 2015, the Group acquired the shares from previous shareholders, Itokin Co., Ltd. (Japan) and Itokin Co., Ltd (Hong Kong.) Co., Ltd in amount of 61,250 shares and 9,000 shares, respectively. This result, increasing the Group's interest in Thai Itokin Co., Ltd. to 58.16 % as at 31 December 2015.

*Investment in WBRE Co., Ltd.*

On 10 March 2014, the Company invested in WBRE Co., Ltd. which was incorporated in Thailand with an authorised share capital of Baht 50 million and issued 500,000 ordinary shares at its par value of Baht 100 each. The first installment for the original shares was at Baht 60 per share. On 25 April 2014, the Company paid up for the remaining original share capital at Baht 40 per share.

*Investment in Amis Du Monde SARL*

On 20 February 2014, the Company invested in Amis Du Monde SARL which was incorporated in France, with an authorised share capital of Euro 1.2 million (120,000 shares at Euro 10.0 par value). The first paid up for original shares was at Euro 5.0 per share. Then the Company subscribed for the remaining original share capital each at Euro 2.5 per share on 28 August 2014 and 10 December 2014, respectively.

Investments in subsidiaries as at 31 December 2015 and 2014 and dividend income from those investments for the year then ended were as follows:  
(in thousand Baht)

	Type of business	Separate financial statements															
		Ownership interest (%)		Paid-up capital		Cost		Impairment		At cost - net		Dividend income					
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014				
<b>Subsidiaries</b>																	
WBRE Co., Ltd.	Property Development	99.9	99.9	50,000	50,000	49,999	49,999	-	-	49,999	49,999	-	-	-	-	-	-
Amis Du Monde SARL	Trading	81.9	81.9	52,785	52,785	40,957	40,957	-	-	40,957	40,957	-	-	-	-	-	-
Thal Itokin Co., Ltd.	Manufacturing and distributing apparels	58.2	-	111,250	-	80,101	-	(29,532)	-	50,569	-	-	-	-	-	-	-
<b>Total</b>						<b>171,057</b>	<b>90,956</b>	<b>(29,532)</b>	<b>-</b>	<b>141,525</b>	<b>90,956</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

All subsidiaries were incorporated in Thailand, except Amis Du Monde SARL which was incorporated operates in France.

## 14 Investment properties

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Cost</b>				
At 1 January	1,308,779	1,394,582	1,308,779	1,394,582
Additions	-	1,706	-	1,706
Transfers to Property, plant and equipment	(89,406)	-	-	-
Disposals	-	(87,509)	-	(87,509)
<b>At 31 December</b>	<b>1,219,373</b>	<b>1,308,779</b>	<b>1,308,779</b>	<b>1,308,779</b>
<b>Depreciation</b>				
At 1 January	(132,424)	(131,038)	(132,424)	(131,038)
Depreciation charge for the year	(8,185)	(8,864)	(8,185)	(8,864)
Transfers to Property, plant and equipment	18,496	-	-	-
Disposals	-	7,478	-	7,478
<b>At 31 December</b>	<b>(122,113)</b>	<b>(132,424)</b>	<b>(140,609)</b>	<b>(132,424)</b>
<b>Impairment losses</b>				
At 1 January	(161,069)	(197,912)	(161,069)	(197,912)
Reversal of impairment losses	-	36,843	-	36,843
<b>At 31 December</b>	<b>(161,069)</b>	<b>(161,069)</b>	<b>(161,069)</b>	<b>(161,069)</b>
<b>Net book value</b>				
At 1 January	1,015,286	1,065,632	1,015,286	1,065,632
<b>At 31 December</b>	<b>936,191</b>	<b>1,015,286</b>	<b>1,007,101</b>	<b>1,015,286</b>

Investment properties of the Group and the Company were revalued as at 31 December 2015 by independent valuers, at open market values on an existing use basis. The appraised value was Baht 1,418 million and Baht 1,553 million, respectively. (2014: Baht 1,553 million).

**Measurement of fair value***Fair value hierarchy*

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

The fair value measurement for investment property of Baht 1,418 million and Baht 1,553 million have been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

The valuation technique used in measuring the fair value of investment property by independent valuers were market comparison approach (based on multiples and prices from market transaction involving the sale of comparable assets) and replacement cost approach. For fair value of land, using Market comparison approach and for building and improvement which were specialised of alternative use and asset modifications building and improvement, using replacement cost

An entity's current use of an asset is generally its highest and best use, which is physically possible takes into account the physical characteristics, location of a property of the asset that market participants would take into account when pricing the asset.

## 15 Property, plant and equipment

(in thousand Baht)

	Consolidated financial statements						
	Land	Buildings and improvements	Office equipment	Furniture and fixtures	Vehicles	Assets under construction and installation	Total
<b>Cost</b>							
At 1 January 2014	1,665,567	732,008	686,362	888,960	84,804	7,004	4,064,705
Additions	134,000	8,063	74,444	85,090	-	35,779	337,376
Disposals	(1,354)	(1,139)	(4,844)	(1,673)	(6,330)	-	(15,340)
<b>At 31 December 2014 and 1 January 2015</b>	<b>1,798,213</b>	<b>738,932</b>	<b>755,962</b>	<b>972,377</b>	<b>78,474</b>	<b>42,783</b>	<b>4,386,741</b>
Additions	31,304	16,412	155,821	40,244	2,681	13,266	259,728
Acquisitions through business combinations	-	-	63,537	13,932	5,578	-	83,047
Transfers	-	8,874	481	6,725	-	(17,027)	(947)
Transfers from investment properties	63,140	26,266	-	-	-	-	89,406
Disposals	-	-	(4,581)	(23,248)	(7,671)	-	(35,500)
<b>At 31 December 2015</b>	<b>1,892,657</b>	<b>790,484</b>	<b>971,220</b>	<b>1,010,030</b>	<b>79,062</b>	<b>39,022</b>	<b>4,782,475</b>
<b>Depreciation</b>							
At 1 January 2014	-	(521,697)	(588,017)	(628,554)	(49,575)	-	(1,787,843)
Depreciation charge for the year	-	(16,021)	(42,476)	(83,457)	(12,961)	-	(154,915)
Disposals	-	901	4,786	1,102	6,330	-	13,119
<b>At 31 December 2014 and 1 January 2015</b>	<b>-</b>	<b>(536,817)</b>	<b>(625,707)</b>	<b>(710,909)</b>	<b>(56,206)</b>	<b>-</b>	<b>(1,929,639)</b>
Depreciation charge for the year	-	(17,339)	(52,549)	(80,835)	(10,524)	-	(161,247)
Acquisitions through business combinations	-	-	(58,718)	(12,703)	(2,803)	-	(74,224)
Transfers from investment properties	-	(18,496)	-	-	-	-	(18,496)
Disposals	-	-	4,014	16,455	3,738	-	24,207
<b>At 31 December 2015</b>	<b>-</b>	<b>(572,652)</b>	<b>(732,960)</b>	<b>(787,992)</b>	<b>(65,795)</b>	<b>-</b>	<b>(2,159,399)</b>
<b>Net book value - owned assets</b>							
At 1 January 2014	1,665,567	210,311	98,345	260,406	35,229	7,004	2,276,862
<b>At 31 December 2014 and 1 January 2015</b>	<b>1,798,213</b>	<b>202,115</b>	<b>130,255</b>	<b>261,468</b>	<b>22,268</b>	<b>42,783</b>	<b>2,457,102</b>
<b>At 31 December 2015</b>	<b>1,892,657</b>	<b>217,832</b>	<b>238,260</b>	<b>222,038</b>	<b>13,267</b>	<b>39,022</b>	<b>2,623,076</b>

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2015 amounted to Baht 1,763 million (2014: Baht 1,416 million).

(in thousand Baht)

	Separate financial statements						
	Land	Buildings and improvements	Office equipment	Furniture and fixtures	Vehicles	Assets under construction and installation	Total
<b>Cost</b>							
At 1 January 2014	1,665,567	732,008	686,362	888,960	84,804	7,004	4,064,705
Additions	134,000	8,063	64,613	85,090	-	35,779	327,545
Disposals	(1,354)	(1,139)	(4,844)	(1,673)	(6,330)	-	(15,340)
<b>At 31 December 2014 and 1 January 2015</b>	<b>1,798,213</b>	<b>738,932</b>	<b>746,131</b>	<b>972,377</b>	<b>78,474</b>	<b>42,783</b>	<b>4,376,910</b>
Additions	31,304	16,412	155,382	40,244	2,681	13,266	259,289
Transfers	-	8,874	481	6,725	-	(17,027)	(947)
Disposals	-	-	(4,566)	(23,213)	(7,671)	-	(35,450)
<b>At 31 December 2015</b>	<b>1,829,517</b>	<b>764,218</b>	<b>897,428</b>	<b>996,133</b>	<b>73,484</b>	<b>39,022</b>	<b>4,599,802</b>
<b>Depreciation</b>							
At 1 January 2014	-	(521,697)	(588,017)	(628,554)	(49,575)	-	(1,787,843)
Depreciation charge for the year	-	(16,021)	(40,426)	(83,457)	(12,961)	-	(152,865)
Disposals	-	901	4,786	1,102	6,330	-	13,119
<b>At 31 December 2014 and 1 January 2015</b>	<b>-</b>	<b>(536,817)</b>	<b>(623,657)</b>	<b>(710,909)</b>	<b>(56,206)</b>	<b>-</b>	<b>(1,927,589)</b>
Depreciation charge for the year	-	(17,339)	(49,622)	(80,583)	(10,369)	-	(157,913)
Transfers	-	-	67	-	-	-	67
Disposals	-	-	3,931	16,420	3,738	-	24,089
<b>At 31 December 2015</b>	<b>-</b>	<b>(554,156)</b>	<b>(669,281)</b>	<b>(775,072)</b>	<b>(62,837)</b>	<b>-</b>	<b>(2,061,346)</b>
<b>Net book value - owned assets</b>							
At 1 January 2014	1,665,567	210,311	98,345	260,406	35,229	7,004	2,276,862
<b>At 31 December 2014 and 1 January 2015</b>	<b>1,798,213</b>	<b>202,115</b>	<b>122,474</b>	<b>261,468</b>	<b>22,268</b>	<b>42,783</b>	<b>2,449,321</b>
<b>At 31 December 2015</b>	<b>1,829,517</b>	<b>210,062</b>	<b>228,147</b>	<b>221,061</b>	<b>10,647</b>	<b>39,022</b>	<b>2,538,456</b>

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2015 amounted to Baht 1,698 million (2014: Baht 1,416 million).

## 16 Goodwill

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Cost</b>					
At 1 January		-	-	-	-
Acquired through business combinations	4	66,410	-	-	-
<b>At 31 December</b>		<b>66,410</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Impairment losses</b>					
At 1 January		-	-	-	-
Impairment loss		-	-	-	-
<b>At 31 December</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<i>Net book value</i>					
At 1 January		-	-	-	-
At 31 December		66,410	-	-	-

During the year 2015, the Group acquired the additional ordinary shares of Thai Itokin Co., Ltd. that resulted in the Group obtaining a controlling interest which is accounted for as a step acquisition resulting in the recording of goodwill in the consolidated financial position as at 31 December 2015 of Baht 66.41 million. as described in Note 4.

The recoverable amount was calculated based on value-in-use which was performed using income approach determined based on projected free cash flows covering the next five years according to Thai Itokin Co., Ltd.'s strategic plan on management's estimate of the long-term compound EBITDA growth rate.

The key assumption used in the estimation are using the estimated growth rate of 5% -9% and a discount rate of 12.36% which is Thai Itokin Co., Ltd.'s weighted average cost of capital.

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

## 17 Other non-current assets

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Intangible assets	23,535	8,912	13,360	8,242
Leasehold	27,932	32,696	27,932	32,696
Deposits and guarantees	166,338	166,158	165,941	166,158
Loan to employees and others	2,999	5,314	2,999	5,314
Accounts receivable from leasehold	-	14,250	-	14,250
Other	40,223	9,529	32,890	6,705
<b>Total</b>	<b>261,027</b>	<b>236,859</b>	<b>243,122</b>	<b>233,365</b>

During the year 2013, the Company sold leasehold amounting to Baht 57 million and the buyer agreed to pay the installation as annually amounting to Baht 14.25 million. The payment will be ended in the year 2016.

### Intangible assets

(in thousand Baht)

	Consolidated financial statements				
	Trademarks	License data base of customer	Software Licenses	Software under development	Total
<b>Cost</b>					
At 1 January 2014	22,966	7,845	-	-	30,811
Additions	896	-	-	1,409	2,305
<b>At 31 December 2014 and 1 January 2015</b>	<b>23,862</b>	<b>7,845</b>	<b>-</b>	<b>1,409</b>	<b>33,116</b>

(in thousand Baht)

	Consolidated financial statements				
	Trademarks	License data base of customer	Software Licenses	Software under development	Total
Additions	216	-	3,764	2,226	6,206
Acquisition through business combination	7,821	110	5,519	-	13,450
Transfers	-	-	1,210	(263)	947
<b>At 31 December 2015</b>	<b>31,899</b>	<b>7,955</b>	<b>10,493</b>	<b>3,372</b>	<b>53,719</b>
<b>Amortisation</b>					
At 1 January 2014	(19,093)	(2,679)	-	-	(21,772)
Amortisation for the year	(1,648)	(784)	-	-	(2,432)
<b>At 31 December 2014 and 1 January 2015</b>	<b>(20,741)</b>	<b>(3,463)</b>	<b>-</b>	<b>-</b>	<b>(24,204)</b>
Amortisation for the year	(1,243)	(786)	(298)	-	(2,327)
Acquisitions through business combinations	-	-	(3,586)	-	(3,586)
Transfers	-	-	(67)	-	(67)
<b>At 31 December 2015</b>	<b>(21,984)</b>	<b>(4,249)</b>	<b>(3,951)</b>	<b>-</b>	<b>(30,184)</b>
<b>Net book value</b>					
At 1 January 2014	3,873	5,166	-	-	9,039
At 31 December 2014 and 1 January 2015	3,121	4,382	-	1,409	8,912
<b>At 31 December 2015</b>	<b>9,915</b>	<b>3,706</b>	<b>6,542</b>	<b>3,372</b>	<b>23,535</b>

(in thousand Baht)

	Separate financial statements				
	Trademarks	License data base of customer	Software Licenses	Software under development	Total
<b>Cost</b>					
At 1 January 2014	22,966	7,845	-	-	30,811
Additions	-	-	-	1,409	1,409
<b>At 31 December 2014 and 1 January 2015</b>	<b>22,966</b>	<b>7,845</b>	<b>-</b>	<b>1,409</b>	<b>32,220</b>
Additions	-	-	3,757	2,226	5,983
Transfers	-	-	1,210	(263)	947
<b>At 31 December 2015</b>	<b>22,966</b>	<b>7,845</b>	<b>4,967</b>	<b>3,372</b>	<b>39,150</b>
<b>Amortisation</b>					
At 1 January 2014	(19,093)	(2,679)	-	-	(21,772)
Amortisation for the year	(1,422)	(784)	-	-	(2,206)
<b>At 31 December 2014 and 1 January 2015</b>	<b>(20,515)</b>	<b>(3,463)</b>	<b>-</b>	<b>-</b>	<b>(23,978)</b>
Amortisation for the year	(797)	(784)	(164)	-	(1,745)
Transfers	-	-	(67)	-	(67)
<b>At 31 December 2015</b>	<b>(21,312)</b>	<b>(4,247)</b>	<b>(231)</b>	<b>-</b>	<b>(25,790)</b>
<b>Net book value</b>					
At 1 January 2014	3,873	5,166	-	-	9,039
At 31 December 2014 and 1 January 2015	2,451	4,382	-	1,409	8,242
<b>At 31 December 2015</b>	<b>1,654</b>	<b>3,598</b>	<b>4,736</b>	<b>3,372</b>	<b>13,360</b>

## Leasehold

(in thousand Baht)

	Consolidated and separate financial statements			
	Land	Building	Building space in the shopping center	Total
<b>Cost</b>				
At 1 January 2014	17,397	37,108	117,470	171,975
Additions	-	-	-	-
<b>At 31 December 2014 and 1 January 2015</b>	<b>17,397</b>	<b>37,108</b>	<b>117,470</b>	<b>171,975</b>
Additions	-	-	-	-
<b>At 31 December 2015</b>	<b>17,397</b>	<b>37,108</b>	<b>117,470</b>	<b>171,975</b>
<b>Amortisation</b>				
At 1 January 2014	(16,191)	(28,604)	(89,559)	(134,354)
Amortisation for the year	(261)	(1,305)	(3,359)	(4,925)
<b>At 31 December 2014 and 1 January 2015</b>	<b>(16,452)</b>	<b>(29,909)</b>	<b>(92,918)</b>	<b>(139,279)</b>
Amortisation for the year	(219)	(1,304)	(3,241)	(4,764)
<b>At 31 December 2015</b>	<b>(16,671)</b>	<b>(31,213)</b>	<b>(96,159)</b>	<b>(144,043)</b>
<b>Net book value</b>				
At 1 January 2014	1,206	8,504	27,911	37,621
<b>At 31 December 2014 and 1 January 2015</b>	<b>945</b>	<b>7,199</b>	<b>24,552</b>	<b>32,696</b>
<b>At 31 December 2015</b>	<b>726</b>	<b>5,895</b>	<b>21,311</b>	<b>27,932</b>

## 18 Deferred tax

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deferred tax assets	736,933	758,661	736,933	758,661
Deferred tax liabilities	(767,652)	(816,966)	(765,271)	(816,966)
<b>Net</b>	<b>(30,719)</b>	<b>(58,305)</b>	<b>(28,338)</b>	<b>(58,305)</b>

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

(in thousand Baht)

	Consolidated financial statements (Charged) / Credited to:					
	At 1 January 2015	Profit or loss	Other comprehensive income	Equity	Acquired in business combination	At 31 December 2015
<b>Deferred tax assets</b>						
Accounts receivable	5,194	746	-	-	-	5,940
Inventories	5,633	(90)	-	-	-	5,543
Gross profit for consignment goods	475,722	10,252	-	-	-	485,974
Other long-term investments	72,443	1,093	-	-	-	73,536
Investment properties	32,214	-	-	-	-	32,214
Property, plant and equipment	62,504	(18,154)	-	-	-	44,350
Employee benefit obligation	104,951	3,701	(19,276)	-	-	89,376
<b>Total</b>	<b>758,661</b>	<b>(2,452)</b>	<b>(19,276)</b>	<b>-</b>	<b>-</b>	<b>736,933</b>

(in thousand Baht)

	Consolidated financial statements (Charged) / Credited to:					
	At 1 January 2015	Profit or loss	Other comprehensive income	Equity	Acquired in business combination	At 31 December 2015
<i>Deferred tax liabilities</i>						
Marketable securities	(812,460)	-	52,840	-	-	(759,620)
Property, plant and equipment	(4,506)	(1,145)	-	-	(548)	(6,199)
Intangible assets	-	-	-	-	(1,833)	(1,833)
<b>Total</b>	<b>(816,966)</b>	<b>(1,145)</b>	<b>52,840</b>	<b>-</b>	<b>(2,381)</b>	<b>(767,652)</b>
<b>Net</b>	<b>(58,305)</b>	<b>(3,597)</b>	<b>33,564</b>	<b>-</b>	<b>(2,381)</b>	<b>(30,719)</b>

(in thousand Baht)

	Separate financial statements (Charged) / Credited to:				
	At 1 January 2015	Profit or loss	Other comprehensive income	Equity	At 31 December 2015
<i>Deferred tax assets</i>					
Accounts receivable	5,194	746	-	-	5,940
Inventories	5,633	(90)	-	-	5,543
Gross profit for consignment goods	475,722	10,252	-	-	485,974
Other long-term investments	72,443	1,093	-	-	73,536
Investment properties	32,214	-	-	-	32,214
Property, plant and equipment	62,504	(18,154)	-	-	44,350
Employee benefit obligation	104,951	3,701	(19,276)	-	89,376
<b>Total</b>	<b>758,661</b>	<b>(2,452)</b>	<b>(19,276)</b>	<b>-</b>	<b>736,933</b>
<i>Deferred tax liabilities</i>					
Marketable securities	(812,460)	-	52,840	-	(759,620)
Property, plant and equipment	(4,506)	(1,145)	-	-	(5,651)
<b>Total</b>	<b>(816,966)</b>	<b>(1,145)</b>	<b>52,840</b>	<b>-</b>	<b>(765,271)</b>
<b>Net</b>	<b>(58,305)</b>	<b>(3,597)</b>	<b>33,564</b>	<b>-</b>	<b>(28,338)</b>

(in thousand Baht)

	Consolidated and Separate financial statements (Charged) / Credited to:				
	At 1 January 2014	Profit or loss	Other comprehensive income	Equity	At 31 December 2014
<b>Deferred tax assets</b>					
Accounts receivable	5,907	(713)	-	-	5,194
Inventories	6,097	(464)	-	-	5,633
Gross profit for consignment goods	508,758	(33,036)	-	-	475,722
Other long-term investments	70,851	1,592	-	-	72,443
Investment properties	39,582	(7,368)	-	-	32,214
Property, plant and equipment	-	62,504	-	-	62,504
Employee benefit obligation	95,762	9,189	-	-	104,951
<b>Total</b>	<b>726,957</b>	<b>31,704</b>	<b>-</b>	<b>-</b>	<b>758,661</b>
<b>Deferred tax liabilities</b>					
Marketable securities	(749,000)	-	(63,460)	-	(812,460)
Property, plant and equipment	(3,361)	(1,145)	-	-	(4,506)
<b>Total</b>	<b>(752,361)</b>	<b>(1,145)</b>	<b>(63,460)</b>	<b>-</b>	<b>(816,966)</b>
<b>Net</b>	<b>(25,404)</b>	<b>30,559</b>	<b>(63,460)</b>	<b>-</b>	<b>(58,305)</b>

**19 Interest-bearing liabilities**

As at 31 December 2015, the Group had unsecured short-term loan with a financial institution in amounting to Baht 30 million. This loan bears interest rate of MLR-0.5% per annum (2014: nil). This loan is repayable within 24 March 2016.

Interest-bearing liabilities of the Group as at 31 December 2015 was denominated entirely in Thai Baht.

**20 Trade accounts payable**

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Related parties	5	1,068,118	1,289,563	1,075,661	1,289,563
Other parties		120,601	55,668	86,779	55,573
<b>Total</b>		<b>1,188,719</b>	<b>1,345,231</b>	<b>1,162,440</b>	<b>1,345,136</b>

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

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Thai Baht (THB)	1,134,882	1,328,971	1,112,029	1,328,876
United States Dollars (USD)	49,350	14,833	49,350	14,833
Japanese Yen (JPY)	1,061	1,301	1,061	1,301
Euro (EUR)	3,426	126	-	126
<b>Total</b>	<b>1,188,719</b>	<b>1,345,231</b>	<b>1,162,440</b>	<b>1,345,136</b>

## 21 Employee benefit obligations

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Statement of financial position for:</b>				
Defined benefit obligations	482,043	524,754	446,879	524,754
<i>For the year ended 31 December</i>				
<b>Statement of comprehensive income:</b>				
<b>Recognised in profit or loss:</b>				
Defined benefit obligations	19,116	45,943	18,506	45,943
<b>Recognised in other comprehensive income:</b>				
Actuarial gain recognised in the year	(96,380)	-	(96,380)	-

**Defined benefit plan**

The Group operate a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Movement in the present value of the defined benefit obligations

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Defined benefit obligations at 1 January	524,754	478,811	524,754	478,811
Acquisition through business combination	34,553	-	-	-
<b>Include in profit or loss:</b>				
Current service costs	50,981	53,644	49,701	53,644
Past service credit	(3,938)	-	(3,938)	-
Interest on obligation	10,608	17,965	10,347	17,965
<b>Included in other comprehensive income</b>				
Actuarial gain	(96,380)	-	(96,380)	-
<b>Others</b>				
Benefits paid by the plan	(38,535)	(25,666)	(37,605)	(25,666)
<b>Defined benefit obligations at 31 December</b>	<b>482,043</b>	<b>524,754</b>	<b>446,879</b>	<b>524,754</b>

The expense is recognised in the following line items in the statement of comprehensive income:

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Selling expenses	12,305	21,104	12,305	21,104
Administrative expenses	6,811	24,839	6,201	24,839
<b>Total</b>	<b>19,116</b>	<b>45,943</b>	<b>18,506</b>	<b>45,943</b>

Actuarial gains recognised in other comprehensive income arising from:

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Demographic assumptions	6,395	-	6,395	-
Financial assumptions	(27,986)	-	(27,986)	-
Experience adjustment	117,971	-	117,971	-
<b>Total</b>	<b>96,380</b>	<b>-</b>	<b>96,380</b>	<b>-</b>

#### *Actuarial assumptions*

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

(%)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Discount rate	2.49-2.65	3.71	2.65	3.71
Future salary increases	2.00-7.00	3.00-7.00	3.00-7.00	3.00-7.00

#### *Sensitivity analysis*

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

(in thousand Baht)

<i>Defined benefit obligation 31 December 2015</i>	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(29,519)	33,191	(27,455)	30,902
Future salary growth (1% movement)	32,599	(29,543)	30,234	(27,373)
Average age (1year movement)	1,282	(1,277)	1,188	(1,183)
Turnover rate (1% movement)	(31,621)	19,339	(29,403)	18,141

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

**22 Share capital**

(thousand shares / thousand Baht)

	Par value per share (in Baht)	2015		2014	
		Number	Baht	Number	Baht
<b>Authorised</b>					
At 1 January					
- ordinary shares	1	500,000	500,000	500,000	500,000
<b>At 31 December</b>					
- ordinary shares	1	500,000	500,000	500,000	500,000
<b>Issued and paid-up</b>					
At 1 January					
- ordinary shares	1	290,634	290,634	290,634	290,634
<b>At 31 December</b>					
- ordinary shares	1	290,634	290,634	290,634	290,634

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

**Share premium**

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

**23 Reserves**

Reserves comprise appropriations of profit and/or retained earnings

**Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

**General reserve**

The Company distributed a general reserve equal to 10% of profit for the each year in order for the company has strength on general reserve base to be maintain stability and increase the Shareowner's wealth.

**Other components of equity****Currency translation differences**

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

**Fair value changes in available-for-sale investments**

The fair value change in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

**Movements in reserves**

Movements in reserves are shown in the statements of changes in equity.

## 24 Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The business operation involves 3 principal segments; Cosmetics toiletries & perfumeries, Women's apparel and Men's apparel. Segment performance is considered by using the measure operating profit in the financial statements. The Company has not report segment assets and segment liabilities due to the management believe that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

### Information about reportable segments

(in million Baht)

	Cosmetics toiletries & perfumeries		Women's apparel		Men's apparel		Total reportable segments		Others		Total		Elimination of inter-segment revenue		Total		
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	
<i>For the year ended 31 December</i>																	
Revenue from sale of goods	1,296	1,387	4,175	3,701	3,236	3,253	8,707	8,341	3,682	3,693	12,389	12,034	(46)	(1)	12,343	12,033	
Segment operating profit	186	181	466	416	306	256	958	853	147	129	1,105	982	(10)	-	1,095	982	
Other income															537	530	
Unallocated expenses															(869)	(860)	
Share of profit (loss) of equity -accounted investees															45	(50)	
Profit before tax															808	602	

The Group is managed and operated principally in Thailand, There are no material revenues derived from, or assets located in foreign countries. The Group has no major customer

**25 Selling expenses**

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Distribution	1,360,344	1,387,666	1,358,359	1,387,666
Personnel	1,246,735	1,294,636	1,242,303	1,289,889
Marketing	422,812	432,538	422,481	432,538
<b>Total</b>	<b>3,029,891</b>	<b>3,114,840</b>	<b>3,023,143</b>	<b>3,110,093</b>

**26 Administrative expenses**

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Personnel	881,615	787,296	869,657	787,296
Office management	562,003	573,488	558,268	572,252
Loss from foreign exchange rate	538	-	479	-
<b>Total</b>	<b>1,444,156</b>	<b>1,360,784</b>	<b>1,428,404</b>	<b>1,359,548</b>

**27 Employee benefit expense**

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Wages and salaries	1,945,500	1,865,307	1,912,094	1,860,560
Pension costs - defined benefit plans	19,116	45,943	18,506	45,943
Pension costs - defined contribution plans	23,278	22,954	22,937	22,954
Others	121,911	109,453	116,389	109,453
<b>Total</b>	<b>2,109,805</b>	<b>2,043,657</b>	<b>2,069,926</b>	<b>2,038,910</b>

*Defined benefit plans*

Details of the defined benefit plans are given in note 21.

*Defined contribution plans*

The defined contribution plans comprise provident funds established by the Company for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates of 3% of their basic salaries and by the Company at rates of 3% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

**28 Expenses by nature**

The statement of income included an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Purchase of finished goods		7,492,028	7,198,269	7,530,388	7,187,325
Changes in inventories of finished goods		79,682	237,202	68,013	238,109
Personal expenses	27	2,109,805	2,043,657	2,069,926	2,038,910
Advertising costs and promotional expenses		440,359	452,595	440,054	452,595
Rental and service expenses		346,614	349,940	348,492	349,940
Depreciation and amortisation expenses	14, 15, 17	175,755	171,301	172,606	168,860
Transportation expenses		130,181	133,374	130,067	133,374
Others		1,340,531	1,324,757	1,298,140	1,325,962
<b>Total</b>		<b>12,114,955</b>	<b>11,911,095</b>	<b>12,057,686</b>	<b>11,895,075</b>

**29 Income tax expense***Income tax recognised in profit or loss*

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Current tax expense</b>					
Current year		77,838	54,886	77,838	54,886
Adjustment for prior years		24,022	34,821	24,022	34,821
		101,860	89,707	101,860	89,707
<b>Deferred tax expense</b>					
Movements in temporary differences	18	3,597	(30,559)	3,597	(30,559)
		105,457	59,148	105,457	59,148

*Income tax recognised in other comprehensive income*

(in thousand Baht)

	Note	Consolidated and separate financial statements					
		2015			2014		
		Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Available-for-sale financial assets	(264,201)	52,840	(211,361)	317,300	(63,460)	253,840	
Actuarial gains	96,380	(19,276)	77,104	-	-	-	
<b>Total</b>	<b>(167,821)</b>	<b>33,564</b>	<b>(134,257)</b>	<b>317,300</b>	<b>(63,460)</b>	<b>253,840</b>	

*Reconciliation of effective tax rate*

	Consolidated financial statements			
	2015		2014	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		808		602
Income tax using the Thai corporation tax rate	20	162	20	120
Difference in effective tax rate of investment in associates		9		19
Income not subject to tax		(78)		(66)
Difference in tax and accounting treatment of income and expense		(12)		(49)
Adjustment for prior years		24		35
<b>Total</b>	<b>13</b>	<b>105</b>	<b>10</b>	<b>59</b>

	Separate financial statements			
	2015		2014	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		784		697
Income tax using the Thai corporation tax rate	20	157	20	139
Income not subject to tax		(78)		(66)
Difference in tax and accounting treatment of income and expense		2		(49)
Adjustment for prior years		24		35
<b>Total</b>	<b>13</b>	<b>105</b>	<b>8</b>	<b>59</b>

*Income tax reduction*

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

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

The Group has applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2015 and 2014 in accordance with the clarification issued by the FAP in 2012.

**30 Earnings per share***Basic earnings per share*

The calculations of basic earnings per share for the years ended 31 December 2015 and 2014 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

(in thousand Baht / in thousand shares)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Profit attributable to ordinary shareholders of the Company	703,195	545,186	678,418	637,564
Number of ordinary shares outstanding	290,634	290,634	290,634	290,634
Basic earnings per share (in Baht)	2.42	1.88	2.33	2.19

**31 Dividends**

At the annual general meeting of the shareholders of the Company held on 27 April 2015, the shareholders approved the appropriation of dividend of Baht 1.05 per share, amounting to Baht 305.17 million and general reserve 10% of income for the year 2014, amounting to Baht 63.76 million. The dividend was paid on 26 May 2015.

At the annual general meeting of the shareholders of the Company held on 21 April 2014, the shareholders approved the appropriation of dividend of Baht 1.20 per share, amounting to Baht 348.76 million and general reserve 10% of income for the year 2013, amounting to Baht 72.19 million. The dividend was paid on 20 May 2014.

**32 Financial instruments***Financial risk management policies*

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue immaterial derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

*Capital management*

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

*Interest rate risk*

The interest rate risk arises from the fluctuation of the market rate which has affected business performance and cash flow. Hence, the Group's financial data mostly bear the interest rate adjusted according to the market interest rate.

*Foreign currency risk*

Due to the small number of foreign trade debtors and creditors, the Group then has entered into a few short-term maturity of forward exchange contracts for hedging such exchange risk as the risk is immaterial.

**Credit risk**

Due to the cautious policy in providing credit facilities with strictly-controlled debt follow up and that most of the debtors have long relationship with the Company, no significant loss from debt collection is expected. As of 31 December 2015 and 2014, the Company has reserved for doubtful accounts amounting to Baht 29.8 million and Baht 26.0 million equivalent to 1.69% and 1.56% of trade accounts and notes receivable respectively. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

**Liquidity risk**

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

**Fair values of financial assets and liabilities**

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

(in thousand Baht)

	Carrying amount	Consolidated and separate financial statements			
		Fair value			
		Level 1	Level 2	Level 3	Total
<b>31 December 2015</b>					
<i>Non-current</i>					
Equity securities available for sale	5,514,594	5,514,594	-	-	5,514,594
Debt securities held to maturity	20,000	-	21,853	-	21,853
<b>31 December 2014</b>					
<i>Non-current</i>					
Equity securities available for sale	5,710,162	5,710,162	-	-	5,710,162
Debt securities held to maturity	65,000	-	66,966	-	66,966

The fair value of cash and cash equivalents, trade and other receivables, short-term loans, other current assets, overdrafts, short-term borrowings, trade and other payables and other current liabilities is taken to approximate the carrying value.

The fair value of investments in equity securities, which are held for trading and available-for-sales, are determined by reference to their quoted bid price at the reporting date.

The fair value of investments in equity and debt securities, which are held for trading, held to maturity and available for sales, is determined by reference to their quoted bid price (Stock Exchange) at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.

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

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

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

The Group determines Level 2 fair values for debt securities using a discounted cash flow technique, which uses contractual cash flows and a market-related discount rate.

Level 2 fair values for simple over-the-counter derivative financial instruments are based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group and counterparty when appropriate.

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

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

Significant valuation issues are reported to the Group Audit Committee.

### 33 Commitments with non-related parties

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b><i>Non-cancellable operating lease commitments</i></b>				
Within one year	44,324	52,675	43,371	52,675
After one year but within five years	30,627	32,583	30,627	32,583
After five years	8,858	4,440	8,858	4,440
<b>Total</b>	<b>83,809</b>	<b>89,698</b>	<b>82,856</b>	<b>89,698</b>
<b><i>Other commitments</i></b>				
Unused bank credit facilities	3,099,000	3,131,670	3,099,000	3,131,670
Unused letters of credit for goods	278,000	272,020	253,000	272,020
Unused bank overdraft	216,000	246,000	216,000	246,000
Bank guarantees	12,988	3,708	3,708	3,708
Development and construction agreements	30,352	-	-	-
Co-invest contract	5,000	-	5,000	-
Services and consulting agreements	1,140	-	-	-
<b>Total</b>	<b>3,642,480</b>	<b>3,653,398</b>	<b>3,576,708</b>	<b>3,653,398</b>

#### ***Rental area and related services agreements***

The Group entered into rental area and related services agreements with many local companies. The Group had paid monthly fees 2,200 - 528,000 per month for agreements had periods of 1-29 years and will be expired in 2024.

### 34 Events after the reporting period

At the Board of directors' meeting of the Company held on 23 February 2016, approved the appropriation of dividend from the income for the year 2015 of Baht 1.05 per share, amounting to Baht 305.17 million and general reserve 10% of income for the year 2015, amounting to Baht 67.84 million. The dividend will be paid to shareholders during the year 2016.

At the Board of directors' meeting of the Company held on 23 February 2016, approved the the Company made an additional investment in Issara United Development Co., Ltd. which is an associate, in total amounting to Baht 67.50 million (675,000 shares at Baht 100 per share) resulting from Issara United Development Co., Ltd. increase its authorised share capital from Baht 90 million to Baht 360 million, which will be called for the first paid-up share capital to the Company in amounting to Baht 16.88 million within February 2016, this bringing the Company's ownership remain the same.

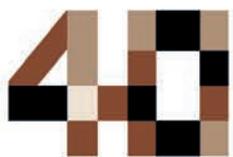
### 35 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's operations, which become effective for annual financial periods beginning on or after 1 January 2016, are set out below. The Group does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 11 (revised 2015)	Construction Contracts
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 33 (revised 2015)	Earnings Per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TFRS 3 (revised 2015)	Business Combinations
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement
TSIC 15 (revised 2015)	Operating Leases - Incentives
TSIC 25 (revised 2015)	Income Taxes - Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease

TSIC 31 (revised 2015)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2015)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 13 (revised 2015)	Customer Loyalty Programmes
TFRIC 14 (revised 2015)	TAS 19 (revised 2015) Employee Benefits - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customers
TFRIC 21	Levies

Management expects to adopt and apply these new and revised TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the Group's consolidated and separated financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.



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# DAKS

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