

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, 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.

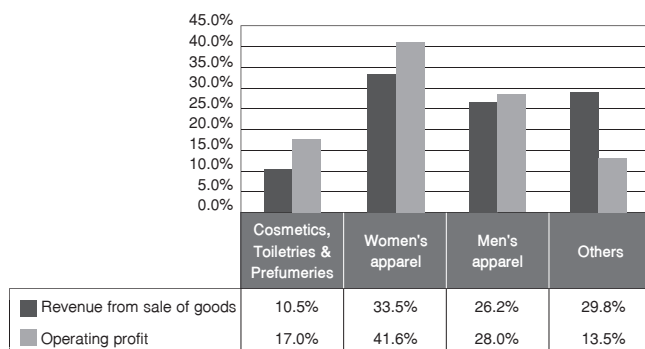
In 2015, the Company invested in 3 following companies;

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

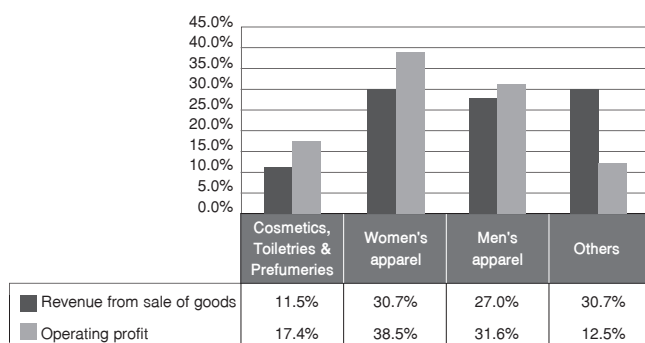
and 9,000 shares respectively, as a result the Company now had increased its holding percentage in Thai Itokin Co., Ltd. from 53.14 percent to 58.16 percent as at December 31, 2015.

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
Total	12,342.82	12,033.00	2.57	1,094.89	981.67	11.53

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

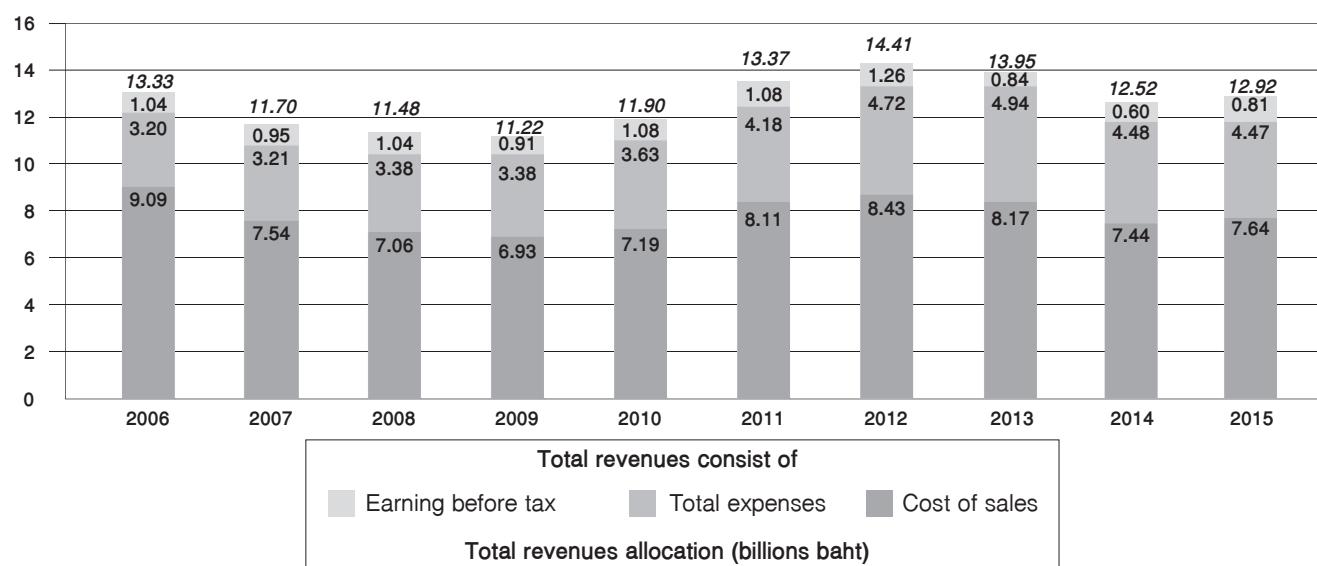
effective and increase channels of sale via online TV Shopping channel together with enhancing lower-cost sales promotion which yielded in higher margin in 2015.

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 for fashion goods, apparels, cosmetic products and also develop the website 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 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.

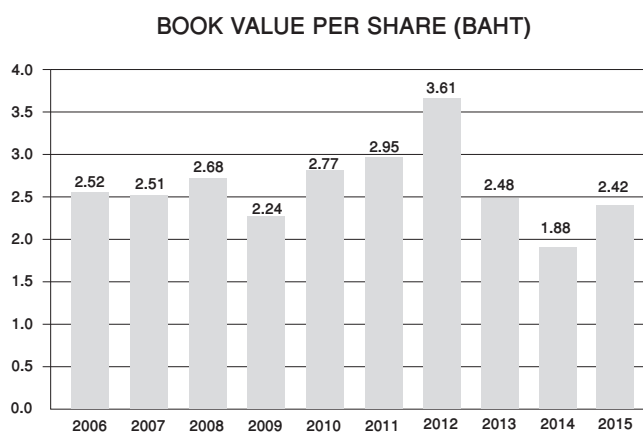
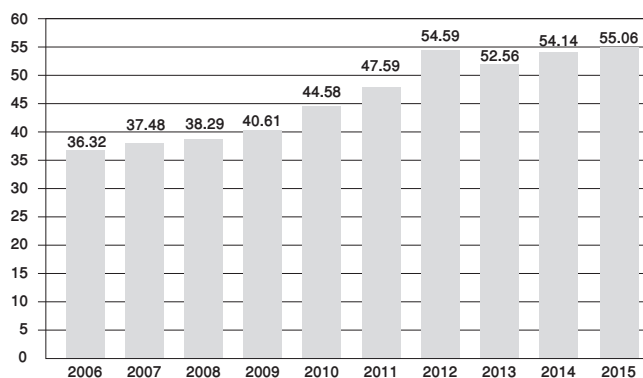
6. In 2015, the Company had less cash received after deduction of operating expenses by 91.44 million baht.

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

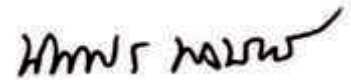
Though the Company has established many improvements to develop such systems as production, the purchase of goods from manufacturers and the transportation and delivery of goods to stores all over the country, increased sales channels of Direct Marketing through online media, TV Shopping, Catalog sales, 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