

New City(Bangkok) Public Company Limited

Annual Report 2014

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SOCIAL ACTIVITIES

For the year 2014, New City (Bangkok) Public Co., Ltd. has joined activities to support the social with organizations as follows.

Cherilon donate the clothes under the
“Give away new clothes to the youth” project

“Leg Bank” Project



Mr. Phiphob Chokewattana has established the “Leg Bank” Project by encouraging the Cherilon’s customers to donate the new and used stockings to make the prostheses, by one pair of stocking will worth 5 Baht. The Cherilon will make donation to the HRH Srinakarintra, Chiangmai District, to be used for of the cost of mobile unit, proving prostheses to disables in both Bangkok, metropolitan and provinces in different points such as:

- Cherilon Sale Counter at department stores
- Bangkok Airways head office and Suvarnabhumi Airport branch
- Air Asia Head Office at Don Mueng Airport
- GMM Grammy Place Building
- C P Tower
- Q House Lumpini Life Centre, on G floor
- All Season Place (CRS Tower)



Receipt of stockings



Mr. Boonyoo Thipay, Director of research, invention and production of Prostheses Foundation has received the stockings under the “Cherilon Leg Bank” Project by in March 2015, Cherilon will bring the contribute money as per all donated stocking value to the foundation, respectively to be used as the expenses for mobile units to provide royal prostheses services to disables in different areas.

OVERALL FINANCIAL STATEMENT

As of 31st December 2014 (Unit: Thousand Baht)
Financial statements showing equity investment details

List	Change Rate %				
	2014	2013	2012	2014/ 2013	2013/ 2012
❖ Total Assets	635,944	642,729	678,501	-1.06	-5.27
❖ Total Liabilities	261,385	290,636	323,563	-10.06	-10.18
❖ Capitals	149,510	149,510	149,510	0	0
❖ Shares Capitals	374,559	352,093	354,938	6.38	-0.80
❖ Sales Income	631,419	673,936	667,985	-6.31	0.89
❖ Gross Income	644,439	684,305	682,954	-5.83	0.20
❖ Initial Profit	224,017	227,986	226,010	-1.74	0.87
❖ Net Profit	28,782	36,764	47,274	-21.71	-22.23
❖ Net Profit per share (Baht)	1.93	2.46	3.16	-21.54	-22.15
❖ Stated Share value (Baht)	10	10	10	10	0
❖ Accounting Share Value (Baht)	25.06	23.55	23.74	6.42	-0.80
❖ Net Profit Rate (%)	4.47	5.37	6.92	-16.76	-22.40
❖ Profit Rate per share value (%)	8.14	10.44	13.32	-22.03	-21.62
❖ Benefit Rate per Total Assets (%)	4.50	5.57	7.40	-19.21	-24.73

Company Financial Statement

List	Change Rate %				
	2014	2013	2012	2014/ 2013	2013/ 2012
❖ Total Assets	656,191	663,870	702,593	-1.16	-5.51
❖ Total Liabilities	261,385	290,636	323,563	-10.07	-10.18
❖ Capitals	149,510	149,510	149,510	0	0
❖ Shares Capitals	394,806	373,234	379,030	5.78	-1.53
❖ Sales Income	631,419	673,936	667,985	-6.31	0.89
❖ Gross Income	647,619	688,968	695,381	-6.01	-0.92
❖ Initial Profit	224,017	227,986	226,010	-1.74	0.87
❖ Net Profit	27,945	29,751	49,115	-6.07	-39.43
❖ Earnings per share (Baht)	1.87	1.99	3.29	-6.03	-39.51
❖ Par Value (Baht)	10	10	10	0	0
❖ Book Value (Baht)	26.41	24.96	25.35	5.81	-1.54
❖ Net Profit Margin (%)	4.32	4.32	7.06	0	-38.81
❖ Return on shareholders' equity (%)	7.28	7.97	12.96	-8.66	-38.50
❖ Return on assets (%).	4.23	4.35	7.40	-2.76	-41.22

REPORT OF THE BOARD OF DIRECTORS

For year 2014, New City (Bangkok) Public Co., Ltd. has tried hard to overcome the results of the year 2013 in terms of sales and compensation, but in the end the target cannot be met. We apologize to shareholders that the revenue and profitability of the Company decreased by about 6%.

Political and economic are main problems of trading, even in the second half of the year 2014 when the political situation was getting better but the economy is still recovering because of the decrease in the productivity of farmers in country were depressing. At the same time, the cost of living was also moved up so that everyone needs to save money, so the purchasing power of consumers is not sufficient, particularly for especially for goods like textiles market in the range of lower prices to survive. Traders make a little profit or no gain at all.

For goods like socks and underwear from China is expanding sales channels in increasing access to markets, but not the only accessory among some customers who use cheap but regardless of quality. However, its' share of the market was at a certain level but it was not the Company's major competitors as the Company has all the reliable trademark for a period of up to 50 years and a better quality product.

Year 2014, the Company has improved the efficiency of the system by changing of the system has been used to prepare better Software to challenge to competitors in the APEC region to expand even more. The Company offers a look forward to see that the year 2015 will be better than the year 2014.

BOARD OF DIRECTORS

REPORT OF THE AUDIT COMMITTEE

Dear Shareholders,

The Audit Committee of New City (Bangkok) Public Co., Ltd. which consists of three independent directors, namely Mr. Somchai Kanchanapisal as Chairman of the Audit Committee, Mr. Suksan Fuengrit and Ms. Waraporn Phekanant as the Directors of the Audit Committee and are in position for period of 3 years and Ms. Sum-ang Jantarima, Finance Manager acting as Secretary the Audit Committee. The Committee has acted upon the duties of the Audit Committee Charter, which was approved by the Board and conducted as authorized by the Board of Directors. For year 2014, the Audit Committee has conducted 5 meetings by all 3 Committee members attended all meetings and has carried the assessments in the following criteria.

1. Audit the financial statement: The Audit Committee has reviewed the quarterly financial statements and

annual financial statements on a regular basis to see whether the financial statements are accurate and in accordance with standard of the disclosure of adequate and reliable information.

2. Internal Audit Plan: The Audit Committee has reviewed the internal audit plan in various departments continuously and found that the company has adequate internal control system and risk management plan and has suggested for improvement in 2014. Following the introduction of the SAP Business One application which work successfully and enables speed of the storage and preparation facilities, and reduce duplication of data collection and monitoring, as well as internal controls more effectively.

In 2015, the Company began developing a system to link the sale of goods at each point using the laptop to store and transmit data to SAP applications, reducing the redundant work and decrease the cost, allowing the determination of the cost of goods sold and a better balance is expected to be completed by the end of 2015.

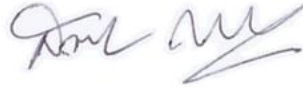
Law Practice: The Audit Committee has reviewed the performance of the company under the laws of the transactions and found that none criminal case was filed. Transactions with related parties as detailed in the 2014 annual financial statements, There is no conflict of interest and conducted in accordance with the requirements of the Securities and Exchange Commission, the Stock Exchange of Thailand. Fiscal year 2014 in its entirety, there is no conflict of interest and to comply with the Securities and Exchange Commission under the terms of the Stock Exchange of Thailand.

In 2014, the Company has considered to sell the idle land without buildings in the Kajornvit Alley, Bangplee, Samutprakan to outside parties who have agreed with Company's land holdings are not intended to be used by the business for a long time and it is the residential area which cannot be used for industry component and there is burden of care. The future is expected for land law imposes a tax on land that is not utilized at a higher rate. The land is a reasonable benefit to the Company. This item is sold to third parties who does not have stakeholder with the Company under the Board of the Stock Exchange of Thailand 21/2008 and trading remuneration does not exceed 15 percent of total assets in accordance with the announcement of the Stock Exchange of Thailand on the disclosure and practices of listed companies in the acquisition or disposition of assets, 2004.

3. Proposed appointment of auditors and the audit fee for the year 2015: The Audit Committee has considered the role of auditors in the past year and found that they are independent, no relationship with the audit company. With their knowledge, professional ability to propose the internal control system to be conducted in accordance with accounting standards and the requirements of the Securities and Exchange Commission. Since the year 2015, the previous auditor which was Mr. Phisit Cheewarungroch who has signed as auditor for the term of 5 years, thus there is request for change to the new auditor but using the same firm. From the meeting of the audit committee No. 1 / 2015 on 18 February 2015 agreed to present to the board of directors of the Company in order to present to the shareholders to appoint Mr. Methree Rattanasrimetha, license number 3425 or you Mr. Phisit Cheewarungroch, license number 2803, or Mr. Akkaradech Pliansakul, license number 5389 of Company M & R Associates Limited, as an auditor of the 2015, by setting the rate for quarterly financial review / annual financial statements review, inspection fees at amount of 800,000 Baht, and the examination information system at 50 000 Baht, totalling for amount at 850,000 baht.

The Audit Committee has concluded that the Company's disclosure of significant financial statement is reasonable and reliable, as well as the disclosure of transactions with related parties. The company also has the sufficient internal control audit and risk management system and has improved the corporate governance standards in accordance with the policy of the Stock Exchange. And there was the corporate governance principles to meet standard and in according to the policy of the stock exchange.

On behalf of the Audit Committee
New City (Bangkok) Public Co., Ltd.

A handwritten signature in blue ink, appearing to read 'Somchai Karnjanapaisarn', with a stylized flourish at the end.

(Mr. Somchai Karnjanapaisarn)
Chairman to Audit Committee
9th March 2015

NATURE OF BUSINESS

Policy and overall business operations

New City (Bangkok) Public Co., Ltd. is a supplier of clothing products such as stockings, socks, underwear, exercise wears and pajamas as well as cosmetic products under its own brand.

The company is engaged in the following manner.

- Sell in department store (large retailers) in the Bangkok Metropolitan areas and other provinces in the retail sales and cash sales (PAYMENT ON SALE) by the counter at department stores. The company has sales representatives at each department store to be centre of company products sales.
- Sold to department stores, modern trade (Modern Trade) and a general store in the Bangkok metropolitan area and other provinces as a wholesale product in package (Packaging Unit) as a dozen-pack carton, depends on customer's requirements. Majority, client will request in cartons. The type of sales prices are lower than retail prices and focus on big volume of sales (BIG LOT) to wholesalers who will have opportunity to make more profit. The trade credit terms are 30 days, 60 days and 90 days, depending on the suitability of each customer.
- Distributor of products for export to countries in Asia such as Malaysia, India, Singapore and China.

Distribution center and showroom. The centers are available to customers and general public in the form of self-service retail where buyers make payment by cash or credit cards. Our showrooms are as follows.

1. Suriwongse Showroom, located at No. 293/16-17, Surawongse Road, Suriwongse Sub District, Bangrak, Bangkok, Tel: 02-237 8460-1.
2. Chiangmai Showroom, located at No. 47, Wat Saen Fang Road, Changmoi Sub District, Muang, Chiangmai, Tel: (053) 251 362.
3. Khon Kaen Showroom, Khon Kaen Branch, located at 250/1, 1st Floor, Com Kosa Complex, Srichan Road, Naimuang Sub District, Khon Kaen, Tel: (043) 389 021.
4. Kard Suan Kaew Chiangmai Showroom, located 21, Huaykaew Road, Suthep Sub District, Muang, Chiangmai, Tel: (053) 894 301.
5. Bumrungrad Hospital Showroom, located at 33/3, 1st Floor, Bumrungrad Hospital Building, Sukhumvit 3, Klongtoey Sub District, Klongtoey, Bangkok, Tel: 0-2667 1248.
6. Korat Showroom, located at The Mall Korat, 1242/2, 2nd Floor, Room No. 2 S-34, Mittaparb Road, City Road, Muang, Nakhonratchasima, Tel: (044) 288 175.
7. Central Plaza Khon Kaen Showroom, located at Central Plaza Khon Kaen Shopping Centre, Room 245, 2nd Floor, 99 Srichan Road, City Road, Muang, Khon Kaen, Tel: (043) 288 114.
8. The Mall Bangkai Showroom, located at 275, Unit GSL 4 B, 1st Floor, Moo 1, Petchakasem Road, Bangkai Nua, Bangkai, Bangkok, Tel: (0)-2454 9386.
9. Central Plaza Udonthani Showroom, No. A114, Prajaksilapakom, Makkaeng Sub-district, Muang District, Udonthani Province, Telephone 042-110 555, extension 1202.

Vision

"Committed to developing a wide range of products to be Thai famous Brand"

Obligation

- Development to growth and widely known in the leading fashion industry, domestic and internationally.
- Management to maximize benefits to the organization, for shareholders, society and the environment.
- Business to continue growing and bearing in mind of loyalty, fair and ethical trade
- Commitment to the advancement of the organization
- Focus on modern technology used to produce benefits to the organization.

Objectives and targets

- The company is targeting sales to grow steadily from year to year to develop products to market in the upper and lower levels in order to maintain market share. And have expanded their sales in the domestic and international sales of billions of comparable companies in the Saha Group. Committed to leading the organization to remain sustainable as well as its technology to process the data for marketing policy.

Strategy implementation

The company has done analysis and market research to develop products to market to meet the needs of customers and the preparation of Road Show and Event to get information directly from targeted customers. For development and create a brand that is widely recognized.

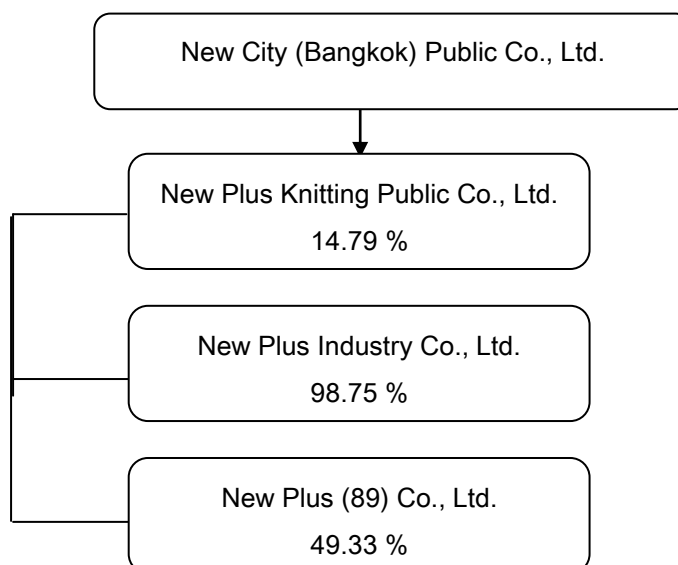
Changes and Developments

New City (Bangkok) Public Co., Ltd. is a subsidiary of Sahapattanaphibul Public Co., Ltd. was established in 1964 as a partnership, located on the Rachawong Pier with a registered capital of 1 million Baht, doing business by selling cosmetics and stockings imported from overseas. The Partnership has grown every year, and was registered and limited company in 1968. Then moved the office to Surawongse Road and increased its registered capital to 3 million Baht. In 1977, the company was registered as a company listed on the Stock Exchange of Thailand with the registered capital of 20 million Baht. The company was transformed from New City (Bangkok) Co., Ltd to a public limited company on 31 May 1994 with registered capital of 120 million Baht and paid fully counted as the first company in Thailand to distribute products such as stockings, socks, underwear and cosmetics.

In 2013, the resolution of the Board of Directors No. 5/2013 on September 13, 2013 approved the sale of the common shares of Seree Control Co., Ltd. to Mizaza International Limited total of 110,000 shares, at a price of 100 baht per share, for the total money of 11 million Baht, with a stake of 11.83 % of the share capital. This is to reduce the management load of the company.

In 2014, the accounting system was improved by using SAP Business One program to record the accounts in the accounting system, stock, debtors, creditors and classification to the prepare and develop in all the tasks to be compliance with international standards. There was a resolution of the Board of Directors Meeting No. 5/2014 held on November 10, 2014 approved the sale of land in Soi Kajornvit, Bangplee, Samutprakan to the third parties, with total area of 390 square meters at a price of 35,000 baht per square, with total amount of 13.65 Million Baht, with profits from the sale of 1.56 Million Baht to reduce the burden of care.

Group Shareholding Structures

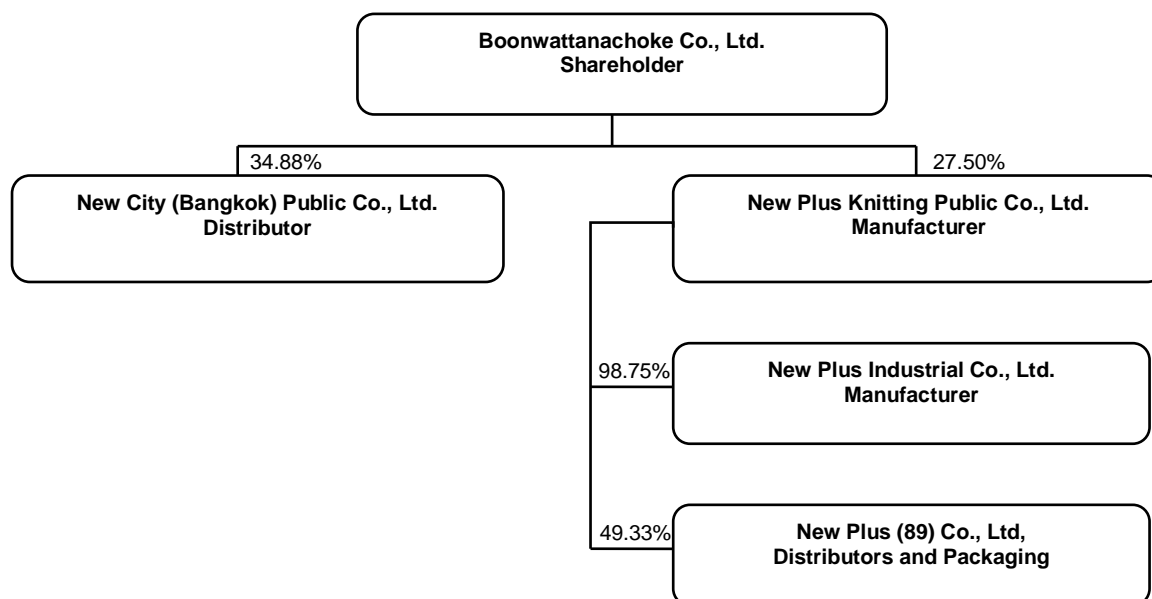


The company has one joint company, namely New Plus Knitting Public Co., Ltd., with a shareholding 14.79%, and New Plus Knitting Public Co., Ltd. has 2 subsidiaries, New Plus Industrial Co., Ltd. holds 98.75% shares and New Plus (89) has 49.33% stake, respectively.

New City (Bangkok) Public Co., Ltd. is a distributor of raiment goods such as stockings, socks, underwear, gymnastics and pajamas which purchase from New Plus Knitting Public Co., Ltd. who are manufacturer of the same type goods above and distribute of orders to two subsidiaries, New Plus Industrial Co., Ltd. and New Plus (89) Co., Ltd.

Relationship with the group of major shareholders

The company is a distributor of garment with 83.52 % of goods order from factory in associate with New Plus Group, which is a manufacturer under the same trade mark which New Plus Group has Boonwattanachoke Co., Ltd. as major shareholder which has the business structure as follows.



The New Plus Group has a policy allowing affiliates, each with its own policies and administration. New City (Bangkok) Public Co., Ltd. is a supplier of raiment goods, with 80-85 % of goods purchased from the affiliated companies, the price set are in accordance with market prices and not different from other action items unrelated to free trade . Negotiation depends on the mechanism of the market in general.

Nature of Business

The company is a distributor of clothing and cosmetics under its own brand, categorized by product lines as follows.

1. Clothing Production Line

- 1.1 Product Line of stockings / socks under the brand of Cherilon and GOLDENLEGS.
- 1.2 Product Line of nightwear and underwear, under the brand Kara and CHERILON INTIMATE.
- 1.3 Product Line of simulated exercises clothes and ballet clothes, under the brand of CHERILON-EX and DANS MATE
- 1.4 Product Line of fashion shirts and trousers under the brand of Cherilon Basic and Cherilon Leggings.
- 1.5 Product Line of men's underwear under the brand of SANREMO.

2. Cosmetic Products

- 2.1 Facial cares Products under "MISASA" brand, e.g. powders, lipsticks, eyeliners, mascara and skin care set.
- 2.2 Body Care Products under the "SCRUPLE" brand e.g. show cream, shower creams, gel soap with bee milk, body lotion with bee milk, body lotion with pearl extracts, hygienic gel, etc.
- 2.3 Skin Care Product, imported from Korea under the brand of DEOPROCE which consist of face care cream and kin care.

Revenue Structure

Products Line/Business Group	2014		2013		2012	
	Million Baht	%	Million Baht	%	Million Baht	%
Clothing	608.77	96.41	645.04	95.71	636.79	95.33
Cosmetics	22.65	3.59	28.90	4.29	31.19	4.67
Total revenue from sales	631.42	100	673.94	100	667.98	100
Increase (Decrease) Rates	-6.31		0.89		9.21	

Marketing and Competition

The Company recognizes the importance of trade competition in the market, so we have carefully studied the comparative analysis of the competitors of the similar type of products, especially the clothing business which have high competitive in price reductions, product imitative, and the falsely popularize of the brand. The company is focusing the market sustainability and ready for the changes in circumstances that may occur very carefully and focus on customer satisfaction in the following.

1. Products:

The Company has proprietary design and develops the product design to meet quality standards continuously throughout the year by producing new products into the market each year. For the year 2014, the Company has brought innovative fiber stockings that are running resistance, under the model "NO Fear" is the best ever stockings from Cherilon. The main elements of innovative fiber combined with techniques to help stop knitting stockings were on the run or not to run the legs out and shy out and lack of confidence with a light body stockings that leaves skin soft, smooth, beautiful skin in discovering the wonders of fiber called "Run-resistant Elastane". The fibers are fine, reinforced base sticking to the knitting techniques in 4 COURSES SYSTEM followed by Run-resistant Elastane for all 4 lines to get stockings to be soft smooth and elastic, coupled with durability. Besides, also focus on products such as compact ergonomic shape Legendary Hip-up pant under Cherilon brand with Lycra fibers woven soft touch focus, but keep fit and ready to tighten the waist up to 3 levels to suit pretty much limitless and Control Full Slip, shape up from waist to thigh, curves for both front and rear and Cherilon Perfect Curves Joy to the world of curves lingerie of Cherilon Intimate held 5 stars Shapewear, a choice of 4 styles with fabric tightening, elastic and fabrication technique of 2 layer fabric Double Power Fit to increase the team 2 times with a sewing store leaner, more focus on the highlighted for the obvious waist, flat stomach with every design curves around the body

2. Product Brand:

The Company recognizes its own products under the brand strength and popularize in the market. For example, Cherilon is well known in the fashionable stockings sustained over more than 50 years and has developed a brand and symbols under its own trademark. Such brands include CHERILON, GOLDENLEGS, ACCEMT, ANFANA, ANNABEL, AMANDA, ANGELY, AZIRA, DANS, CARA, DANS MATE, SANREMO and SCRUPLE, etc.

3. Pricing:

The company has set the prices to fit the model and can be appropriate adjusted to suit the market competition.

4. Marketing:

The company has implemented a marketing strategy through various public media, e.g. advertising in biweekly and monthly magazines, billboard, television such as variety shows and brochure and advertising and performing a variety of exhibitions (Road Show) at places, both public and private sector to make our products more widely known.

5. Sales Promotion:

The company promote the sales by joining sales promotion activities with associated companies under the Saha Group companies in the public and private sectors in order to meet demand of the customers with low income. In addition, there are promotions to trading stores as follows.

5.1 Premium(Giveaway)

The company is targeting for the customer who orders the product in the large volume to get free product, this contributes to higher sales and an incentive to order from this customer will get the attention of a wholesaler group.

5.2 Services

The company focuses on training staff to be efficient and capable in servicing customers by providing training on the company's products to ensure that the customers are confident in buying our products.

5.3 Trade Discounts

We have offered the discount for the customers who purchase our products in the big volume and for those credit customers who make payment before due dates. The discount will be 3% on the top of original sell prices to enable to increase their profit respectively.

6. Customer Group

Competition, trade in customers, the company has a competitive wholesale market and retail market has different products to fit each customer group. Wholesale group such as storeway supply shops who focused

on merchandising brand, and to help this type of stores to compete with competitors for goods imported from China and imitated products. This group of storeway shops has been commercial partner for over 50 years with the market share of 40%. The retail group such as modern trade department stores and convenience stores are sales with high quality and standards brand name that can compete with imported goods, and are in equivalent to 60% of market share.

Industry trends and competition

For year 2014 the Company introduced the SAP software to help prepare accounting information to get to know the information in the inventory system and debtor and creditor status to be determined analytical strategies and make decisions on policy, budgeting, sales growth from a year ago with an increase of 20% from the previous year by targeting for the products in stockings and socks that have special and unique characteristics which competitors do not have to both high and low level markets. To do this by setting the reasonable price so that the customer and distributor who use the products realize that it is a good quality product and not duplicate with other products. This will support the expanding the market group to varieties of products by using selected and qualified products to increase sales channels to be in accordance with set strategy a selected group of customers who is a good partner, such as wholesalers of Modern Trade, Yi Pua and Za Pua, because it is the trade that does not rely on staff (PC) to receive payment on due date set and avoid stores that are vulnerable to debt settlements such as stalls.

Competitiveness

The company is confident in its capability under its own famous and well-known brand for over 50 years in the field of women's fashion under the name of Cherilon, and for fashionable men's brand under the name of SANREMO . They devised strategies for developing products to market continuously each year and be prepared to make changes to the philosophy and up to date is always to advance the organization.

RISK FACTORS

Risk factors may occur in the operation of its business. This can be summarized as follows.

1. The risk of an order from the manufacturer that does not belong to the affiliated group

The Company has an order such as stockings, socks from New Plus Knitting Public Co., Ltd. with total volume of 344.45 Million Baht, representing 83.52%, which is a subsidiary and associate Company which is at risk of depend on only one major manufacturer. If the manufacturer is unable to produce the goods to meet the schedule, this will affect in decline of sale and have major shareholders holds a major share of over 25 per cent, which affecting the other shareholders to vote in the voting agenda for the meeting.

Order of New Plus Knitting Public Co., Ltd., a subsidiary of New Plus Group and an associate of the holders of common shares and management together. The establishment of the factory together to classify trades systematically by the manufacturers and distributors, to facilitate the administration of each type of business clearly. In order for each year are planning together for 6-9 months in advance to avoid production delays and resolve problems together. Working in the same direction have trust and confidence in the administration conforming to ISO 9001 Company, is a leading supplier model purchased - sold out. Have Channels to purchase a variety of non-exclusive goods with the manufacturer if the product meets the needs of the Company, if necessary. For the manufacturers of the group which held a joint Company to support trade between the manufacturer and supplier business to thrive equally.

Major shareholding ratio of more than 25 percent of the votes of the shareholders is only for the purpose of establishment of the factory of the associate Company. The voting gives priority to the minority shareholders with regard to moral and ethical principles without exploitation to the minority shareholders, and to comply with the Stock Exchange of Thailand and the Securities and Exchange Commission. Encourage listed companies to enable the shareholders to propose for inclusion in the agenda and / or nominate a person to be elected as directors each year through its website, and policy with regards to the transactions with directors and major shareholders or the power control authority by having the Audit Committee who are independent directors to examine the transaction in accordance with the Securities and Exchange Commission under the terms of the Stock Exchange of Thailand.

2. The risk of free trade zone and entering to the ASEAN Economic Community (AEC)

The free trade zone and entering to the ASEAN Economic Community (AEC) which may have an impact on sales and costs are as follows.

To enter to the ASEAN Economic Community in 2015, New City (Bangkok) Public Co., Ltd. as a subsidiary of the Saha Group of Companies which is exploring opportunities to invest in ASEAN by establishing an international personnel team to be information center and too educate and provide information and publish to the group to be prepared for investment and working on the free trade is not lose trade balance for the benefit of the organization of the Company has improved internally and have flexibility of processing by using Software SAP to applied in accounting, coupled with the teaching English to sales staff to prepare for readiness on using languages in the trade system.

3. Increased risk of relying on sales (PCs) and business

The company sold goods at department stores, consignment system by a counter and sales staff as the Company has incurred costs include employee. Salaries, commissions, allowances, cash awards and overtime as well as expenses paid in 2014, total of 33.54 million Baht. With the total of 288 sales staff, and expenses to the mall is the trade discount (GP) from 25 -30% of the total paid in 2014, total off 11.83 million Baht as well as the furniture costs and decoration costs for counter points affect the loss of sales. In addition, the Company is lack of sales staff at Department stores.

The company plans to sell in department stores, with a focus on the sales counter at high sales volume and no plan for expanding the area unnecessarily. The Company sourced for the space for the exhibition in conjunction with the Saha Group to directly sales products to customers to sources more sales channels instead of expansion sales area in the department stores.

4. Cosmetics Product Risk

The company is a distributor of cosmetics under its own brand namely Scruples which are skincare products such as face foam cleanser, shower soap, sunscreen lotion and spa, which had loss from operations in 2014 of 5.41 million Baht and had a market in Bangkok and Metropolitan area of only 10%. This is because of branding is not widely recognizable brand for customers. Capital spending on advertising and media are limited, due to doing the cosmetics business, the company need to be ready on product quality, expiry date setting, product formula, manufacturers, competitors, and marketing. Company has changed in such a degree and source for supply of products from Korea in order to adjust to the pace of fashion trend in the skin whitening products for youth, and resulted in the sales of year 2014 for total amount of 30.38 Million Baht

The company carefully use capital to do business with cosmetic products because of restrictions in the effort to minimize losses and are planning to make a profit in the future by finding the substitute products from the affiliated companies to sources a global supplier of products from leading fashion and cosmetics from countries such as Korea to increase choice for customers in brand recognition naming DEOPROCE. In addition, the Company has introduced the products made from woods under the brand of 'Tanaka' by having total sale volume for year 2014 at the amount of 13.94 Million Baht, as a percentage of the sale of cosmetics 45.89%.

5. Risk of Debt

The company has a debt burden of overdraft (OD) and short-term borrowings (P/N) of financial institutions. As ended December 31, 2014 the overdraft from financial institutions of 25.90 million Baht, short-term loans from financial institutions of 75 million Baht, for a total debt of 100.90 million Baht which are in risk of interest rate volatility to the market. In 2014, the company has to pay interest on the loan type OD of 2.17 million Baht in the interest rate from 7.25% to 7.75%. and paying interest on the loan type P/N 2.27 million Baht in the interest rate from 3.12% to 3.45% totaling interest payment of 4.44 million Baht.

The Company has put financial management carefully to achieve Company financial protection of liquidity in year 2014 at the total amount of OD 97.00 Million Baht, and the amount spent was 25.90 Million Baht or equal to 26.70%. The limit of P / N number was 320.00 Million Baht, the amount spent 75.00 million baht or equal to 23.44%.

The Company strives to sell the product to grow to a Billion Baht to strengthen Company's financial status and free of debt.

6. Risk Stock obsolescence

The company carries out the business by trading the products under the purchase-sale basis of textile products for men and women. The products are in stock for sales to sufficiently meet customer's requirements. The fashionable products are also expected to change the demand dramatically, so we are at risk of inventory obsolescence and therefore cannot be sold out. The company has planned to manage this risk as follows.

- For the newly imported product, the company has plan to place the order in accordance with sales goals and has plan to order products in advance for supplier and deliver the products as per delivery schedule to avoid the stock of goods.
- For slow-moving or slow reducing the value of its cost. And sold at a cheaper price. The fairs in the government projects or private exhibition were to help low-income consumers, such as an exhibition to hit the blue flag. And reduce the groundbreaking exhibition, etc.

7. Risk on loss from business operations

The company has set the strategy for each year by targeting for higher income from the previous year and then setting up plan to comply with the set target and then comparing the operations results for assessment, measurement and set the target for positive results. If there is many external factors which are out of the company's control, such as negative market mechanism, the fluctuations and economic downturn, unrest in politics and demonstrations, rebellion and flooding in the country and abroad. These events are unforeseen and unpredictable situations that may affect the company's operations and lead to loss as the company has increasing selling and administration expenses in proportion to the increased sales targets.

The company is not able to prevent the incidents from external factors but are ready and prepared for that changes by the company is preparing for the change and led the organisation through various crises until this day

SHAREHOLDER STRUCTURE

The company has registered paid shares for the value of 149,510,000.00 Baht, dividing into ordinary shares value of 14,951,000 shares with each share value of 10.00 Baht.

Shareholders

The 10 Major shareholders with number shares holding and % ratio are summarized below.

Shares Holding Group	As of 30 th December 2014	
	Number of shares	% Ratio
1. Boonwattanachoke Co.,Ltd.	5,216,140	34.88
2. Sahapattana Interholding Public Co.,Ltd.	2,317,738	15.50
3. Bangkok Insurance Public Co.,Ltd.	788,744	5.28
4. Seree Control Co.,Ltd.	697,079	4.66
5. Mr. Boonpakorn Chokwathana	604,492	4.04
6. Chaopraya Assets Capital Co., Ltd.	422,644	2.83
7. Ms. Worawan Chokwathana	380,968	2.55
8. Mr. Phiphob Chokwathana	345,882	2.31
9. Mr. Phiset Chokwathana	338,000	2.26
10.Ms. Worawong Chokwathana	337,000	2.25
Total shares of 10 major shareholders	11,448,687	75.67
Total Shares	14, 951,000	100

Shareholding's Structure

Shares Distribution categorized by shareholding type

Details	Number of Persons	Number of Shares	Percentage (%)
Corporations			
Thai Nationals	30	10,691,503	71.51
Expatriate	1	45	0.00
Total Corporations	31	10,691,548	71.51
Individuals			
Thai Nationals	990	4,015,085	26.86
Expatriate	9	244,367	1.63
Total Individuals	999	4,259,452	28.49
Total	1,030	14,951,000	100.00

A group of shareholders to influence the policy management are as follows.

List of Major Shareholders	Number of shareholding (share)	Shareholding Ratio (%)
<u>Family Group who has controls authority</u>		
1. Boonwattanachoke Co.,Ltd.	5,216,140	34.88
2. Sahapattana Interholding Public Co.,Ltd.	2,317,738	15.50
3. Mr. Boonpakorn Chokwathana	604,492	4.04
4. Mrs. Chumnian Chokwathana	62,853	0.42
5. Mr. Phiphob Chokwathana	345,882	2.31
6. Ms. Worawan Chokewathana	380,968	2.55
7. Ms. Worawong Chokwathana	337,000	2.25
8. Mr. Phiset Chokwathana	338,000	2.26
Total	9,603,073	64.23

Cross Shareholding

The company has cross shareholding structures between them, but the cross-shareholding has no manner of contrary to the rules of Notification of the Capital Market Supervisory Board No. Tor Jor. 28/2008 "Application for and Approval of Offer for Sale of Newly Issued Shares" Article 14.

Cross Shareholding as of 31st December 2014

Company Names	Shareholding Ratio (%)	
	Company holding other company's shares	Company holding other company's shares
1. Holding shares more than 50%		
1. The other company holding the company's share >50% The company must not have cross shareholding.	-	-
2. The company holding other company's share >50% That company must not have cross shareholding	-	-
3. The company holding other company's share >50%	-	-
2. Holding share more than 25% but not over 50%		
(1) Other company holding share of the company more than 25% but not over 50% must not have cross shareholding over 10% - Boonwattanachoke Co.,Ltd.	-	34.88
(2) The company holding the other company's shares more than 25% but not over 50%. The other company must not have cross shareholding over 10%.	-	-

3. Holding share less than 25%	-	-
(1) The other company holding shares of the company not over 25%, the company must not holding share in other company over 25%.	-	-
(2) The company holding other company's shares not over 25%. The other company must not have cross shareholding over 25%.		
1. New Plus Knitting Co.,Ltd.	14.79	-
2. Seree Control Co.,Ltd.	-	4.66
3. Sahapathanapibul Public Co.,Ltd.	0.55	0.45
4. Sahapattana Interholding Public Co.,Ltd.	0.07	15.50
5. Chokewattana Co.,Ltd.	-	1.99
6. Saipin Wattana.. Co.,Ltd.	-	0.07

Dividend Payment Policy

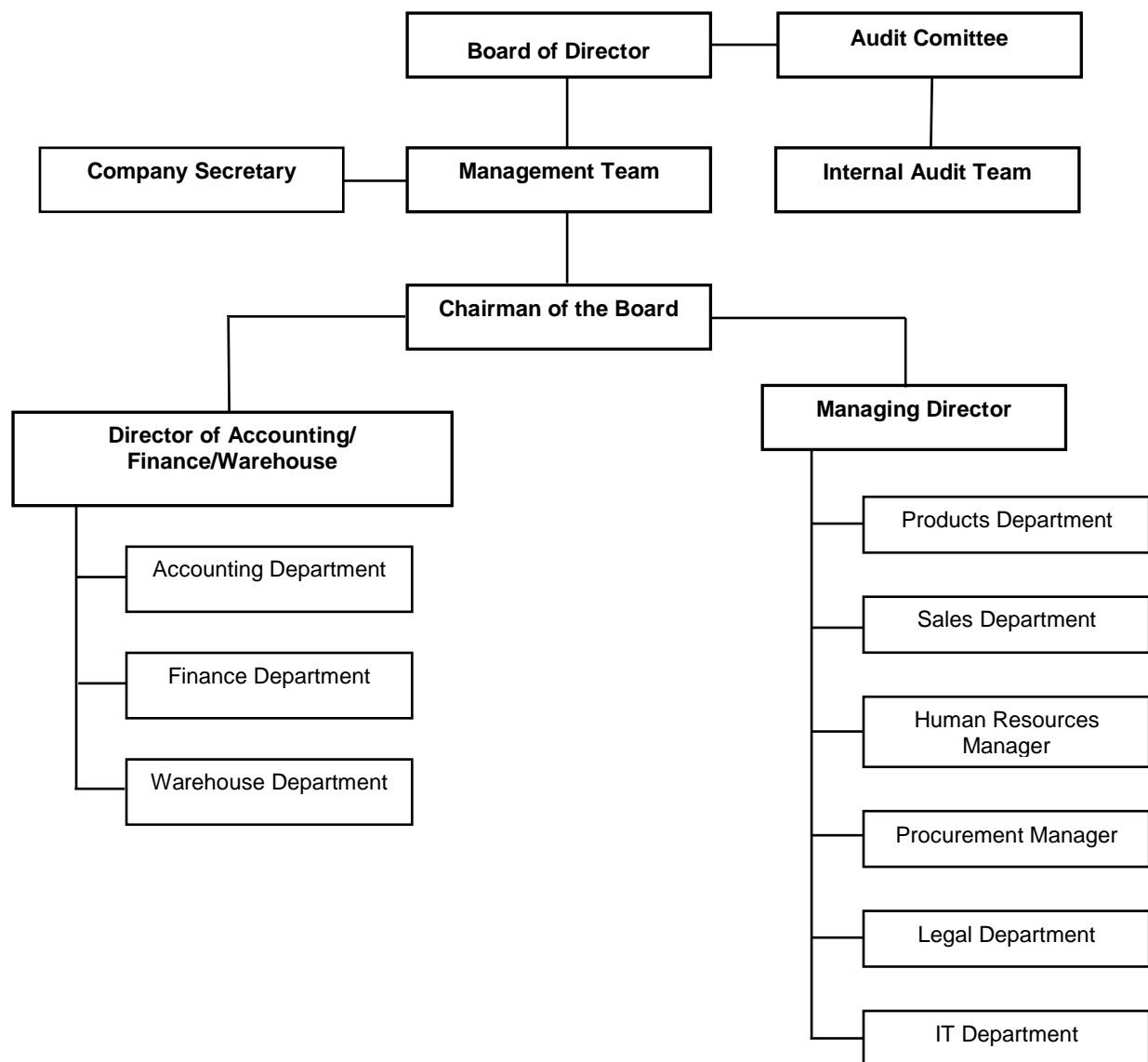
The Company's dividend payment policy is to pay the dividend at the total of not over 50% of net profit of the verified annual financial statements (company's financial statement). The final payment will be made after it has been approved from the annual ordinary shareholders meeting only.

Dividend Payment Details

Description	2013	2012	2011	2010
Number of Shares (share)	14,951,000	14,951,000	14,951,000	14,951,000
Par Value (Baht)	10	10	10	10
Dividend per share (Baht)	0.45	0.75	0.75	0.70
Total Amount (Baht)	6,727,950	11,213,250	11,213,250	10,465,700
Net earnings allocated (Baht)	29,750,843	52,118,456	54,720,026	25,761,839
Ratio of net profit (%)	22.61	21.51	20.49	40.62

MANAGEMENT STRUCTURE

Organisation Structure



Management Structure

The company management structure consists of the Board of Directors, Management Team and the Audit Committee, dividing into following operations.

1. Operating Management Team, consist of Department Manager and Deputy Department Manager and Head of Departments
2. Internal Audit Control consist of Secretary to the Audit Committee and Internal Audit Team

The scope of work for each department was indicated in written charter, dividing into operational authorities and responsibilities. These were approved by the Board of Directors Meeting No. 8/2008, dated 10th November 2008 by having the secretary to act upon the regulations and as assigned by the Board of Directors.

Board of Directors

The Board of Directors consists of 12 Directors, 6 of them are members of the Management Team, 2 are non-Management Team members, and 4 independent Directors as per following details.

Names	Position	Board of Directors Meetings	
		Number of Meetings held	Number of Meetings Attended
1. Mr. Boonpakorn Chokwathana	Chairman and President	5	5
2. Mrs. Chumnian Chokwathana	Deputy Chairman and Director	5	5
3. Mr. Phiphob Chokwathana	Deputy Chairman and Managing Director	5	5
4. Mrs. Duangdao Anansaringkarn	Director	5	5
5. Ms. Pathaya Katesathian	Director	5	5
6. Ms. Jurai-orn Simalawongse	Director	5	5
7. Ms. Panjaporn Dechoorat	Director	5	5
8. Mr. Somchai Karnjanapaisarn	Chairman to Audit Committee and Independent Director	5	5
9. Mr. Sooksan Fuengrit	Audit Committee member and Independent Director	5	5
10. Ms. Waraporn Pekanant	Audit Committee member and Independent Director	5	5
11. Mr. Kaweepong Hirunkasi	Independent Director	5	5
12. Ms. Sum-ang Jantarima	Director/Secretary to Audit Committee/Secretary to the Board of Directors	5	5

* One Director has resigned, named Ms. Panjaporn Dechoorat, effective date was 1st January 2015. The Board of Directors Meeting No. 1/2015 held on 19th February 2015 has approved the appointment of Ms. Worawan Chokwathana to replace, with effective date from 20th February 2015 onwards, and shall hold the position for the remaining term of the resigned Director.

Authorised signatories - 2 Directors signed with company stamp affix.

The names of Directors, two of the seven who can co-sign are as follows.

- | | | |
|-------------------------------|-------------------------------|---------------------------------|
| 1. Mr. Boonpakorn Chokwathana | 2. Mr. Phiphob Chokwathana | 3. Mrs. Duangdao Anansaringkarn |
| 4. Ms. Pathaya Katesathian | 5. Ms. Jurai-orn Simalawongse | 6. Ms. Panjaporn Dechoorat |
| 7. Ms. Sum-ang Jantarima | | |

Authority

1. To appoint, remove, transfer, evaluate and determine compensation and welfare of employees of different levels.
2. Approved for the loan to a company that has a business relationship with the company as shareholders or companies with businesses trade with each other. Or other company In the amount of excess power to the Management Team.
3. Approve the guarantee for the loan to affiliate companies which have shareholding relationship with the company or other company in the amount that exceed the authority of the Management Team.
4. Approve for participate in legal acts which are non-financial related under the amount exceeding authorisation of the Management Team.
5. Approve for investment, sell of Investments in ordinary shares and / or other securities for the amount that exceed the authority of the Management Team.
6. Approve for the procurement and invest in fix assets under the amount exceeding the authority of the Management Team.

7. To approve modification, destruction and disposal of fixed assets and intangible assets which are no longer in use, damaged, lost, destroyed, deteriorated and out of date, for the amount exceeding the authority of the Management Team.
8. To approve modification, change of price and destruction of raw materials and/or remaining inventories which are deteriorated or out of date, which are of the amount greater than the authority of the Management Team.
9. To approve compromise or settlement of dispute by arbitration, complaint, filing of lawsuits and/or any legal proceeding on behalf of the company on matters which are not/or normal business course with an amount exceeding the authority of the Executive Board.
10. To propose to shareholders an increase or a decrease of capital, a change of share value; modification of articles of association, regulations and/or objectives of the company.
11. To approve incorporation, merger or dissolution of subsidiaries.
12. To authorize the management, managerial employees of the company, or any other individual to act on their behalf under the company's board of directors policy.
13. To invite members of the management, executives, or relevant employees to provide explanations, opinions or documents as required.
14. To consult with specialists or company consultants (if any) or hire third-party consultants or specialists if necessary at the expense of the company.
15. To appoint and remove a company secretary.

Duties and Responsibilities

1. Set the strategy, target and policy for of the company.
2. To approve plans and annual budgets, as well as to supervise the performance of the management in order to ensure effectiveness and compliance with the laws and established policies and plans.
3. To encourage the development of the policy of corporate governance, ethics and business code of ethics in written in order for company directors, executives and employees to observe as guideline in the conduct of the business
4. To arrange for a sufficient internal control system in order to ensure that transactions are approved by authorized individuals, reviewed and well recorded; and, to implement systems preventing inappropriate use of company assets
5. Transactions with possible conflict of interests must be carefully reviewed, with a definite guideline to ensure the interests of the company and the shareholders. Individuals with interests may not be involved in the decision-making process. They must observe the requirements on the proper procedure and disclosure of transactions with possible conflict of interests.
6. To approve the reviewed and/or audited financial reports, which have been approved by the Audit Committee
7. To be equally responsible to all shareholders, and to correctly disclose information to shareholders and investors transparently.
8. To acknowledge business management reports from the Management Team.
9. Define dividend payment stating date, time, venue and agenda for the Shareholders Meeting as well as the Board of Directors' opinion on the proposed agenda to the Shareholders, including setting the date for Shareholders who are entitled to attend and to vote, together with the closing date for collecting shareholders' right to receive dividend payment.
10. To prepare the report called "Report on the Company Board of Directors' Responsibilities for Financial Statements" and disclose it in the annual report of the company (Template 56-2) and the annual disclosure template (Template 56-1)
11. To follow up on documents to be submitted to relevant regulatory agencies, in order to ensure that the statements or the items are correct as per the data appearing in the account documents, the registration or any other document of the company and to approve the charter of the Board of Directors and/or other committees
12. To engage in any other action, which is beyond the authority of the Management Team, or which the Board of Directors deems appropriate

The company has described the transactions which the Directors may have conflict with the company's interests. Such transaction which may benefit to the Directors, then they are not allowed to vote for.

The following acts need to be approved by the Board of Directors and shareholder's meeting, with the total vote of not less than 3 out of 4 (3/4) from all attendants who have the right to vote.

- An increase/decrease of capital, issuing bonds, merging or dissolution of the Company
- An amendment to the Memorandum or Articles of Association
- Sale or transfer of the company ownership, wholly or partially
- Buying or take over other company or private company
- Doing, verifying or terminating the contract regarding letting to the other company (wholly for partial), assigning personnel to acting on company behalf or merging the business for the profit/loss sharing purpose.

Tenure Period

At each annual ordinary meeting, at ratio of 1 out of 3 Directors will resign from the position. If the numbers of Directors cannot divided into actual number of 3 portions, the nearest numbers to 1 portion out of 3 portions Directors will be released from the position. The released Directors may be appointed to the position again for another term.

Integration or Segregation

Chairman of the Board of Directors as an independent consultant and a separation of duties in the administration are independent of each other and balance each other. The Chairman of the Company has performed the role of leadership and control of the Board of Directors to ensure efficiency and effectiveness, encourage all Directors and Managers to involve in the meeting, helping and supervising the business operations of the Management Team, but will not intervene or routine business of the management. Besides, also defines the scope of authority of each committee and the management can clearly be checked to ensure transparency in management.

Board of Directors Meeting

The Board of Directors recognizes the importance of meeting attendance and treats as the responsibilities to endorse and contribute in decision making for the company operations. The company has set the 2 types of meeting; one is to meet every quarterly to review the budget, and other type of meeting in the critical subject and urgent matters. The Secretary the Board of Directors will send meeting invitation together with the agenda, as well as the minutes of previous meeting to the Board of Directors to acknowledge beforehand in accordance the law and regulations. The Directors may raise the addition agenda at the meeting and can express their views openly. The Secretary to the Board of Directors will prepare the minutes of meeting and file the minutes that were approved by the Board of Directors at the place where the Board of Directors and related persons can audit on required basis.

At the review and consideration of any agenda, the President who act as Chairman of the meeting will give opportunity to Directors and Managers to express their opinion freely.

In all Board of Directors Meeting, the executives will attend to clarify the information as directly related to the problem, and all Directors can request for additional information from the President or Secretary to the Board of Directors in all matters.

After the meeting, Secretary to the Board is responsible for preparing the minutes and submit the the President for review and approve with signature. The Board of Directors Meeting to endorse the first agenda of the next meeting. The Directors can express their view to adjust/add the information in the minutes as to ensure the most accuracy.

The approved minutes of meeting will be filed at the company's office and stored in electronic format together with agendas for each meeting, in order to facilitate the search reference.

Directors Self-Assessment

In 2014, company 12 directors has self-assessed using the assessment form provided by the Secretary of the Company in accordance with the principles of good corporate governance and responsibilities of the Board of Directors, including annual measurement and evaluation carried out at the end of December. The results will be

summarized and submitted to the Committee Meeting in the following year. For self-assessment of the Board of Directors for the year 2014, the result has been presented at the Board of Directors Meeting No. 1/2015 on the February 19, 2015 and the result has been forwarded to the Company Secretary for reference/filing.

Summary of self-assessment results by all 12 members of the committee for the year 2014 are as follows.

Assessment topics	Full Scores	Scored Received (Average)	%
1. Structure and qualifications of the director	52	47	90.39
2. Role and responsibilities of the Board of Directors	80	69	86.25
3. Board of Directors Meeting	36	35	97.22
4. Duties of directors	28	26	92.86
5. A relationship with the management	20	16	80.00
6. Development of directors and executive development.	24	22	91.67
Total	240	215	89.58

MANAGEMENT TEAM

The Management Team has the responsibility to management of the business operations as per assigned by the Board of Directors, acting as staff and employee of the company, total of 11 persons as per follow.

Names	Position
1. Boonpakorn Chokwatha	President and Chairman of the Board
2. Mr. Phiphob Chokwatha	Vice President and Managing Director
3. Ms. Worawan Chokwatha	Assistant to Vice President and Director of Accounting/Finance and Warehouse
4. Mrs. Duangdao Anansaringkarn	Products and Advertising Manager
5. Ms. Ms. Pathaya Katesathian	Cosmetics Sales Manager
6. Ms. Sum-ang Chantarima	Accounting Manager
7. Wimonya Prasertprasart	Retail Sales Manager
8. Mr. Tinnachai Jirakijthanakul	Wholesales Manager
9. Ms. Thana Saritwanij	Overseas Sales Department Manager
10. Ms. Sujitra Karnjananant	Human Resources Manager
11. Mr. Adul Srimadee	Legal Manager

- One of the executives has resigned; Ms. Thana Saritvanich, with effect from 1st October 2014.

Authority

1. To appoint, remove, transfer, evaluate and determine compensation and welfare of employees at different levels
2. To appoint and remove any other working committee to carry out actions necessary for the management of the company.
3. Set the working policy and can assign the Director and/or staff at management level to be authorized for disbursement of the company assets.
4. Approve the loan to shareholding or alliance affiliate companies or other companies for the total amount not exceeding 20 Million Baht.
5. Approve the loan guarantee to shareholding or alliance affiliate companies or other companies for the total amount not exceeding 20 Million Baht.
6. To approve engagement in non-financial juristic actions, for total amount not exceeding 20 Million Baht/per action
7. To approve investment, sale of investment capital in ordinary shares and/or any other securities, for the total amount not exceeding 20 Million Baht.
8. To approve sourcing and investment in fixed assets, in total amount not exceeding 20 Million Baht per case.
9. To approve modification, destruction and disposal of fixed assets and intangible assets which are no longer in use, damaged, lost, destroyed, deteriorated and out of date, provided that the book value does not exceed 10 Million Baht per case.
10. Approve the price adjustment for the conditioning destroy of the raw materials and/or deteriorate, obsolete inventories which will make the accounting value reduced to the actual figure.
11. To approve compromise or settlement of dispute by arbitration, complaint, filing of lawsuits and/or any legal proceeding on behalf of the company on matters which are not normal business course, provided that the amount does not exceed 20 Million Baht. In such case of a normal business course, the amount must not exceed 20 Million Baht.
12. To authorize the management level staff of the company or other individual personnel to act on their behalf.
13. Have authorization to invite relevant company staff to attend the meeting to provide the explanation or documents as per necessary on required basis.
14. To consult with specialists or company consultants (if any) or hire third-party consultants or specialists if necessary at the expense of the company.
15. To stipulate any other regulations as deemed appropriate.

Duties and Responsibilities

1. To propose goals, policies, operational plans and annual budgets to the Board of Directors.
2. Responsible for the company business management to meet the target goal and policy of the company.
3. Responsible for strengthen the competitiveness of the company and promote the new innovative continuously.
4. Responsible for the operations to be in accordance with the company policy, objectives and regulations set by the Shareholders Meeting, resolution of the Board of the Directors Meeting, as well as related regulations.
5. The Management Team may distribute the responsibilities among themselves providing that the results of each individual's performance must be reported to the management meeting.
6. Responsible for preparing the financial report for the auditor to audit and/or review before presenting to the auditor committee and the Board of Directors respectively.
7. To review any agenda prior submitting to the Board of Directors for approval.

8. Develop and revise the charter of the Management Team prior submitting the Board of Directors for approval.
9. To engage in any other action as assigned by the Board of Directors.

Authority and Responsibilities of Managing Director

The Board of Directors will appoint the Managing Director who has authority and responsibility as follows.

1. Has authority in company operations management to be in accordance with the company's objectives, regulations, and resolutions of the shareholders' meeting, resolutions of the Board of Directors' meeting, resolutions of the Management Team as well as related regulations.
2. To authorize any necessary and appropriate action to accomplish the deeds under Item 1, and, in the case of any significant matter, the Managing Director needs to report and/or notify the Board of Directors.
3. Has authority to hire, appoint, remove, transfer, reward, issue disciplinary measures against, or issue compensation and welfare for employees, provided that such actions do not conflict with the authority of the Board of Directors.
4. Has authority to issue the company operating regulations which the regulations must not contradict with the policy, regulations, discipline and command of the Board of Directors and/or the Management Team.
5. To source and invest in permanent assets with the total amount not exceeding 10 Million Baht per case.
6. To authorize the company's investment and to sell investment in ordinary shares and/or assets of other companies provided the amount is not exceeding 10 Million Baht per case.
7. To authorize the company's engagement in juristic acts involving non-financial transactions of the amount not exceeding 10 Million Baht per case.
8. To report any proceeding under Items 5, 6 and 7 to the Board of Directors and/or the Management Team as appropriate at the next meeting.
9. To authorize and/or assign another individual or other individuals to perform certain tasks on behalf of the Managing Director.
10. The above authority of the Managing Director cannot be exercised in the case where the Managing Director is a stakeholder or has a conflict of interests in any manner with the company.
11. In case that there is a doubt or an uncertainty regarding the exercise of any of the above authority, the issue must be presented to the Board of Directors for their consideration.
12. To engage in any other action as assigned by the Board of Directors and/or the Management Team.

Company Secretary

Board of Directors has appointed Mr. Adul Srimadee to be the Company Secretary to replace the one who resigned, with effective date of 21st February 2014 with the duties and responsibilities as specified in Section 89/5 and Section 89/16 of the Securities and Exchange Commission (No. 4) Act 2008 which came into enforcement on 31st August 2008 with responsibility, caution and honesty, as well as the requirement to comply with regulations, objectives, Company's policy by the Board resolutions and resolutions of the shareholders' meeting. The qualifications of the person who held position of Company Secretary are shown in in Appendix 1.

The legal duties of the Company are as follows.

1. Prepare and maintain the following documents.
 - Directors Registrations
 - Issue Meeting Invitations of the Board of Directors, minutes of meetings for the Board of Directors meetings and Company annual reports.
 - Issue Meeting Invitations of shareholders' meetings and minutes of meeting for shareholders' meetings.
2. Keeping the reports of interest filed by directors or management and a report on conflicts of interest under Section 89/14, the Chairman of the Board and Chairman of the Audit Committee within 7 days from the date we receive the report.

3. Perform other duties as prescribed by the Capital Market Supervisory Board.
4. Liaise with regulatory agencies such as the Office of the Exchange and maintaining disclosure of information to regulatory agencies and should be specified by law
5. Perform any other duties assigned by the Board of Directors to ensure the Company operations are in accordance in accordance with the standards of good governance

Audit Committee

Audit Committee consists of the 3 company's independent directors, by Mr. Somchai Karnjanapaisarn as personnel with sufficient knowledge and experience to ensure the credibility of the company financial statement.

- | | |
|--------------------------------|--|
| 1. Mr. Somchai Karnjanapaisarn | Independent Director and Chairman to the Audit Committee |
| 2. Mr. Sooksan Fuengrit | Independent Director and Audit Committee member |
| 3. Ms. Waraporn Pekanant | Independent Director and Audit Committee member |

Authority

1. Coordination to ensure the unique understanding of all parties between Auditors, The Board of Directors and Internal Audit Team.
2. Has authority to invite the Management Team, or related company staff to explain, express the opinion, attend the meeting or delivery the documents as appropriate, including has access to all level of organisation's information.
3. Has authority to audit related personnel and related topics under the authority and responsibility of the Audit Committee.
4. To consult with specialists or company consultants (if any), or hire third-party consultants or specialists, if necessary, at the expense of the company
5. Has authority to agree for consideration to appoint, transfer, terminate head of internal audit team or other department who is responsible for internal auditing.

Duties and Responsibilities

1. To check and ensure that the company has the accurate and sufficient financial statements.
2. To check and ensure that the company has the suitable and effective internal control and internal audit system and consider for the freedom of internal audit team, including agreement for appoint, transfer, terminate any internal audit team or other department who is responsible for internal auditing.
3. To check and ensure that the company is complying with the law and regulations regarding the securities and stock exchange market under the Stock Exchange of Thailand and related business operating regulations.
4. Considering the selection of the independent personnel to take care of company accounting audit, and propose the benefits for such personnel and also attend the auditors meeting without the Management Team attendance, at least once a year.
5. Considering the related transactions or the transactions which may have contradiction with the benefits and in accordance with the law and regulations of the Stock Exchange of Thailand and to ensure that all transactions are appropriate and to the maximum benefits of the company.
6. To prepare the report of the Audit Committee for disclosure in the annual report of the company. The report must be signed by the Chairman of Audit Committee and contains the following information as a minimum:
 - a) The opinion on accuracy, completeness and credibility of the company's financial reports.
 - b) The opinion on sufficiency of the company's internal control system.
 - c) The opinion on compliance with the laws on securities and stock exchange, Stock Exchange of Thailand regulations and laws relating to the company's business.
 - d) The opinion on suitability of the auditors.

- e) The opinion on transactions with possible conflict of interests.
 - f) The number of Audit Committee meetings and attendance of each member.
 - g) Overall opinion and observation that the auditors committee recorded from performing in accordance with charter.
 - h) Other matters which the Audit Committee believes that shareholders and investors should be aware of that are within the extent of duties and responsibilities assigned by the Board of Directors
7. In the case where the Audit Committee finds or suspects any of the following matters, which may have significant effect on the financial status and the operations of the company, the Audit Committee must report to the Board of Directors for suitable remedy within a timeframe deemed appropriate by the Audit Committee:
- a) Transactions with conflict of interests
 - b) Fraud, irregularity or significant defect of the internal control system
 - c) Breaching the laws regarding securities and Stock Exchange as per Regulations of Stock Exchange of Thailand or related business laws.
- In the case where the Board of Directors or the responsible executives do not remedy the matter within the timeframe specified by the Audit Committee, a member of the Audit Committee may report such transaction or action to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.
8. Support and follow up to ensure that the company to have an efficient risk management system.
9. Update and revise charter of the Audit Committee and submit the Board of Directors for approval.
10. To engage in any other action as assigned by the Board of Directors at the agreement of the Audit Committee under the authority of company regulations and the laws

Position Tenure

The auditor will be in the position for each period for 3 years from date of position validation date. At the end of assignment, if the Board of Directors has not yet appoint the new set of auditor committee members, the expired auditor committee must carry out the duties until the new committee is appointed. The new auditor committee must be appointed within 2 months after expired date of the previous committee. The previous auditors may be re-appointed as the new auditor committee members.

Independent Director's Qualifications

Definition of "Independent Director" is the person who has complete qualifications and is independent in accordance with regulations of Stock Exchange of Thailand and Securities Exchange Commission.

Qualification of the company's Director as per regulations of the Stock Exchange of Thailand and Securities Exchange Commission are as follow.

1. Holding the shares not more than 1% of the total shares that are entitled for all votes of the company, main company, subsidiary company, or juristic person who might be contradiction. This shareholding includes the shareholding of the person related to that independent shareholder.
2. Not being or never be the Director who take part with the employee's management, staff, permanent consultant, or has authority to control the company, main company, subsidiary company, associated company at the same level or juristic person who has contradiction, except that the person has be obsoleted from being the said person for the period of not less than 2 year before the date of being appointed as Independent Director.
3. Do not have lineage relationship or registered by the law as father, mother, spouse, relatives and children, including the spouse and children of the major shareholders, person who has authority to control or person who will be proposed to be the executive or person who has authority to control the company or subsidiary company.
4. Not have and never have business relationship with the company, main company, subsidiary company, associated company or juristic person who may be contradict in the way that might block the director from expressing the opinion independently. Not being and never be and major shareholder , director which not independent director or executive of the business related company, main company, subsidiary company, associated company or juristic person who might be contradict, except that the person has be obsoleted from the above position for at least 2 year on the date of being appoint as the independent director. The relationship as per the first paragraph including the normal business transaction for the rental business or let of the estates, transaction related to assets or services or providing or receiving the financial assistance by receiving or giving loan, guarantee, giving assets to guarantee the liability, including any other similar habit which will result in the contract party to have liabilities to pay off to other party. The total value is from 3% of assets of the tangible of the requesting person or from 20 Million Baht up, whichever is lower. Liability calculation will use the value calculation of the transaction which is related to each other as per the notice of the Committee of Stock Exchange of Thailand regarding the disclosure of information and follow the regulations of registered company in the allowed transaction. In considering the liability burden, will include the liability that occurred during 1 year before the person has the business relationship with the same person.
5. Not being or never be the company's auditor, main company, subsidiary company, associated company or juristic person which might be contradict and not being the major shareholders of the company. The director who is not independent director, executives or executive partner of the office of auditor which has the company's auditor, main company, subsidiary company, associated company or juristic person, except that the person has been obsoleted from such position or relationship for at least 2 years from the date of being appointed as independent director.
6. Not being or never be the person who providing any professional services, including being legal consultant or financial consultant who earns the income from service providing at the amount of more than 2 Million Baht per annum from the company, main company, subsidiary company, associated company or juristic person which may be contradict. In this case the professional services provider or juristic person include being major shareholder, director who is not independent director, executives or executive partner of the professional services provider, except that the person has been obsoleted from holding the above position for at least 2 years from the date of being appointed as independent director.

7. Not being the director who is appointed as an agent of the company director of the company's major shareholder or shareholder who is related person to the company's major shareholder.
8. Do not have any other characteristics which preventing the directors from expressing the opinion independently regarding the company operations. After being appointed as independent director which will be in accordance with paragraph 1 to 8, the independent director may be assigned from the Board of Directors to make decision with regards to the business operations of the company, main company, subsidiary company, associated company or juristic company which may have contradict by making decision using the collection decision type.

Principles of Independent Director Selection and recruitment process

Recruitment Committee considering the selection of independent director based on principles and qualifications stated by the Stock Exchange of Thailand and Securities Exchange Commission to propose to the company's Board of Directors and Shareholders' Meeting.

Secretary to the Board of Directors

The company has assigned Ms. Sam-ang Jantarima – Director and Manager of Finance and Accounting and IT who has qualifications and experiences and suitable to take care and responsible for being the secretary to the Board of Directors of the company to ensure that the operations went efficiently as per the good corporate governance.

Secretary to the Board of Directors has the following duties and responsibilities.

1. Provide initial recommendations to the Board on legal matters, Rules and regulations of the Company and to ensure compliance with accuracy and consistency, including the significant changes to the Board.
2. Liaison between Board of Directors, Management Team, overseeing and coordinate with regard to the law, related regulations and follow up that all follow the resolution of the Board of Directors.
3. Arrange the Shareholders' Meeting and Board of Directors' Meeting to be in accordance with the law, company's regulations and other related policy.
4. Record the minutes of Shareholders' Meeting and Board of Directors' Meeting, and follow up the actions from resolutions of the Shareholder's Meeting and Board of Directors' Meeting.
5. Overseeing to ensure that there is disclosure of information and report the related information as per regulations and policy of the Stock Exchange of Thailand and Securities Exchange Commission.
6. Communicate with the general shareholders to ensure that they receive all information and aware of any rights and company information.

Sub Management Team

To give shareholders confidence in the operations of company and that the company operates the business transparently by having the moderator to review and make recommendations carefully.

The Board of Directors has appointed various sub management team to do the check and report to the current Board of Directors. This sub management team consists of the Board of Directors and the Audit Committee. The scope of authority and responsibilities of each committee are set independently to assist in the governance of the company.

The top management

The Company's principal in operating executives' successor replaces commander of all units to be retired, and all executives who cannot perform the duties. The Executive Committee has monitored and evaluated the performance of the persons to be promoted to the Executive level on the basis of the following considerations.

1. Select the qualified candidate under the criteria set by the group who was was developed to replace the jobs.
2. Analyze the individually qualification to find out strength and weakness of the person that need to develop further to suit the work placements.
3. Prepare Individual Development Plan to promote the development and empowerment of people who deserve to be selected for the preparation of replacement jobs.
4. Provide leadership to manage the Company to reach strategic goals.

5. Persons who have honesty, justice, moral and ethics, and not being prohibited by law.
6. The persons with visionary, knowledgeable, experienced and understand the business of the Company as well to enable to advise the solutions and the management of the Company efficiently.
7. A person who has gained the respect and confidence of faith from directors and employees, including persons in the business community and the public.

Nomination of Directors

The selection or appointment of a director of the Company is not done through the recruitment process. The company has established guidelines for the appointment of a new Board of Directors to act as the Nominating Committee and the selection of persons to be appointed as a director, by considering the person who has business related knowledge and experience. However, appointment of the new directors will be approved at the meeting of the Board of Directors.

In addition, the nomination of the directors will need to be approved by the shareholder's meeting as per following details.

1. Shareholders have one vote per one share, one vote.
2. Each shareholder must use all his votes in (1) to elect one or many persons to be Directors, but shall not distribute the votes to one more than another.
3. The persons receiving the highest number of votes shall be elected to serve as Directors up to the number of Directors to be elected at the Shareholders' General Meeting. In the case of a persons who has been elected in descending order with an equality of votes exceeded the number of Directors to be elected the Shareholders' General Meeting, the Chairman will have additional casting vote.

In each Annual General Meeting, one-third (1/3) of the directors will resign from the directors. If the number of directors cannot be divided into 3 groups, nearest number to one-third (1/3) ratio will be used.

Directors who will resign in the first and second years after the company registration will be in charge to draw out the names of the directors who will be resigning in the following year. For the years later, the directors who are in the position for longest period will be requested to resign. The resigned directors may be re-elected back to the position again in the future.

In the case of a director becomes vacant other than retirement by rotation. The Committee shall select persons who are qualified and not prohibited by law to fill the vacant position in the next Board of Directors meeting, unless the agenda of the Board is less than two (2) months period, then the replaced director will be in the position for only for the remaining term of the director he represents.

Ratio of Directors who represent shareholders

- None -

Director and Executive Remuneration

Remuneration Committee has set the appropriate remuneration and submits to the Board of Directors for consideration and present to shareholders for approval of such remuneration. The General Meeting of Shareholders No. 46 for the year 2014 on April 22, 2014 has approved the remuneration at the amount of not exceeding 3 million Baht per year and assigned the Remuneration Committee to review and allocate.

Executive compensation is based on the principles and policies of the Remuneration Committee to determine from the performance of each individual executive and pay as per below details.

1. Acting Director
 - Meeting Allowance. To serve as Chairman of 5,000 Baht/time and Company directors 3,000 Baht/person/time.
 - Annual Remuneration is paid to all the Directors and the remuneration paid to the Board within the limits approved budget and authorized by the shareholders' meeting. The directors who perform duties as the Board of Directors and Management Team as well as Sub Management members will not be entitled for this allowance apart from usual salary.

2. Acting Audit Committee

- Meeting Allowance. The allowance will be paid the Chairman of the Audit Committee at 4,000Baht/time and each Audit committee member at 3,000 Baht /time.
- The remuneration of the Chairman of the Audit Committee 110,000 Baht/annum, and the Audit Committee 90,000 Baht / annum, as from the Annual General Meeting of shareholders and until changed by the compensation paid may not exceed the amount approved Shareholder's General Meeting.

Remuneration of Directors

Compensation in cash for year 2014 (the 46th General Meeting of Shareholders approved the limit of 3 Million Baht per year).

(a) Compensation Paid to 12 Directors and a Company Secretary, totaling 13 members, comprise of the remuneration and allowances as follows.

List of Directors	Position	Director's Bonus/Allowance (Baht)				Total
		Board of Directors		The Audit Committee		
		Director's Bonus	Meeting Allowance	Auditor's Bonus	Meeting Allowanc e	
1. Mr. Boonpakorn Chokwathana	Chairman of the Board	750,000	25,000			775,000
2. Mrs. Chumnian Chokewathana	Deputy Chairman/Director/Consultant	200,000	15,000			215,000
3. Mr. Phiphob Chokwathana	Deputy Chairman/Managing Director/Director/Consultant	450,000	15,000			465,000
4. Ms. Panjaporn Dechoorat	Director/Consultant	80,000	15,000			95,000
5. Mrs. Duangdao Rattanasopitkul	Director	110,000	15,000			125,000
6. Ms. Pathaya Ketsatian	Director	80,000	15,000			95,000
7. Ms. Jurai-orn Simalawong	Director/Consultant	80,000	15,000			95,000
8. Ms. Sam-ang Jantarima	Director/Secretary to Audit Committee	160,000	15,000	90,000	15,000	280,000
9. Mr. Somchai Karnjanapisarn	Chairman of the Audit Committee		15,000	110,000	20,000	145,000
10. Mr. Sooksan Fuengrit	Audit Committee member		15,000	90,000	15,000	120,000
11. Ms. Waraorn Phekanant	Audit Committee member		15,000	90,000	15,000	120,000
12. Dr. Kaweepongse Hirunkasi	Independent Director		15,000	90,000		105,000
13. Mr. Adul Srimadee	Company Secretary	50,000	15,000			65,000
Total		1,960,000	205,000	470,000	65,000	2,700,000
The amount allocated proportion						90%

(b) Executive compensation

Companies paid executives on the basis of the results of Company operations and the performance of each executive in 2014. The Company to pay compensation to executives and 11 operating executives and 3 consultant, by paying by salaries, bonuses in the amount of 16,955,915 Baht and retirement funds at the amount of 1,407,344 Baht.

(c) Other compensation

- Other remuneration of directors - without any special privileges and benefits
- Other compensation of executives - without any special privileges and benefits

Development of Directors and Executives

The company encourages all Directors and Executives to develop their knowledge by giving opportunity for all to attend the seminars which will benefit to the management of the Directors. Such seminars include Director Accreditation Program (DAP) and Director Certification Program (DCP).

Internal Information Management

There is policy that all directors are responsible for reporting the change of assets' ownership of the company to the Securities and Exchange Commission under Section 59 of the Securities and Exchange Commission Act.

There is regulations to prevent the misuse of the company internal information by the Directors, Managers and all staff which is published internally, this regulations covers the spouse and children who do not become sui juris of the said persons. This is to prevent usage of company's internal information person's own benefits including trading all company's assets, especially during the period of 1 month prior to the release of company's financial statement to public by stating clearly in the staff's Code of Conduct.

In year 2014, there is report on stake holding of the Directors and Managers or related person for the benefit on taking care of stake holding of such persons under the rules and regulations of the Board of Directors to be in accordance with the good government of the company under the new Stock Exchange's Royal Decree. The formal policy to preventing misuse of company's internal information is in written and was distributed to all personnel in the organisation to act upon and this is monitored on regular basis.

There is policy in considering the approval of the related transaction, there is disclosure of stake holding of the Directors, Managers and related person, value of transactions, view of independent Directors and related information for the decision of the Directors/ Shareholders for the company's benefits as a whole.

There is policy preventing the Directors/Shareholders who is stakeholders or related person on company's decision making with such stake holding. The person who is stake holder is not allowed to attend the meeting to make decision on such related agenda to prevent using of internal information for own benefit. All Directors/Shareholders must inform the Stock Exchange on the shareholding change and change on directorship of any companies. Besides, the Company also has a policy on disclosure of critical information to be disclosed only by the persons involved and need to use such information only. However, such information will be disclosed to all Managers together with releasing the information to public.

Personnel

As of 2014 year end, there was 545 staff, divided into categories as follow.

Departments	Number of Staff
Management	17
Sales and marketing	413
Accounting - Finance	38
Warehouse	60
Office	17
Total	545

Employee compensation by category is as follows

Salary and bonus	102,069,485.76 Baht
Overtime and allowances	10,664,956.33 Baht
Sales Commissioning	6,393,425.89 Baht
Sales Rewards	4,096,070.00 Baht
Social Security Fund	3,934,419.00 Baht
Travel Allowance	3,784,095.16 Baht
Welfare Allowance	929,904.58 Baht
Uniform	65,439.16 Baht
Staff Welfare Cost	4,705,254.06 Baht
Vehicles Cost	2,756,859.11 Baht
Meetings and Membership Cost	50,330.33 Baht
Training and Seminar Cost	355,860.25 Baht
Total	139,806,099.63 Baht

Staff Development Policy

New City (Bangkok) Public Co., Ltd. has policy to develop staff at all levels to enable staff to have skills and experience as per requirements of the company. Then the staff will bring success to the company steadily. All staff development will be in accordance with requirements of each function for both offices and stores staff, importantly all training can be evaluated and drastically improved.

There is evaluation process on all training, both before and after the sessions. If found that the training is not effective, there will be improved and repeated, especially for those services and products trainings. Other trainings course will be evaluated based on the effectiveness; especially the seminars will be based on each group's requirements. Besides, providing training, the company provides assistance to the staff as follows.

Staff Welfare

- Annual bonuses.
- Retirement Pension
- Group Accident Insurance
- Staff Uniform
- Accident Allowance

- Dead Pension
- Spouse and parent death pension
- Other allowances, such as marriage, childbirth, etc.
- Purchase company products in welfare's prices

31...Health and welfare Services

- Promote traditional activities such as give food offerings to a Buddhist monk, watering merit wishes to executives, etc.
- Promote health knowledge
- Promote and encourage employee to exercise
- Outdoors Seminars

Audit Fee

The company pays the audit fee to the Auditors as follows.

Description	Year 2014	Year 2013
The unaudited quarterly financial statements as 1,2,3	360,000.- Baht	360,000.- Baht
Annual finance audit fee	390,000.- Baht	340,000.- Baht
Technology system fee	50,000.-	-
Other fees Annual Information Form (56-1).	-	-
Total	800,000 . Baht	700,000.- Baht

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 organisation'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, Executive Officers and all employees.

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

Corporate Governance principles are divided into 5 chapters, as follows:

1. Rights of Shareholders

1.1 The Board of Directors appreciates and respects the ownership rights of shareholders. No actions are taken to violate or infringe the rights of shareholders. The interests of shareholders are fairly safeguarded and the exercise of rights by all shareholder groups are supported and promoted, whether domestic or foreign, major shareholders, minority shareholders or institutional shareholders, incorporating both the fundamental rights of shareholders, access rights to information in a sufficient and timely manner, and the right to attend shareholders' meetings to determine directions for operations and decisions on matters having a significant impact on the Company.

1.2 The Board of Directors provides opportunities for shareholders to propose items to be included in the meeting agenda and submit questions prior to the shareholders' meeting day. Rules for the proposal of agenda item and advance submission of questions have been published in the Company website.

1.3 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 notice of the general meeting of shareholders. The shareholders' meeting venue shall be conveniently accessible.

1.4 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.

1.5 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.

1.6 The Board of Directors publishes shareholders' meeting resolutions along with the voting results for each agenda on the Company website on the day following the meeting.

1.7 The Board of Directors prepares minutes of the shareholders' meeting. The minutes provide an explanation of voting procedures, list of Company Directors, members of Company Committees, and

Executive Officers present and absent from the meeting, the voting results in each agenda together with questions and answers. Items which have not been specified in the meeting notice are not added to the agenda. The minutes are published on the Company website.

2. Equitable Treatment of Shareholders

2.1 The Board of Directors treats all shareholders fairly and equitably. Shares of the same class carry equal voting rights, i.e. one vote per share.

2.2 The Board of Directors encourages shareholders who are unable to attend a meeting in person to grant proxies to attend the meeting and vote on their behalves. The proxy form used allows shareholders to determine voting directions and at least 1 independent director will be provided as an alternative for the grant of shareholder's proxy.

2.3 The Board of Directors provides an opportunity for minority shareholders to nominate candidates for election to become Company Directors in the annual general meeting of shareholders.

2.4 The Board of Directors publishes the shareholders' meeting notice in both Thai and English on the Company website at least 30 days in advance of the shareholders' meeting day.

2.5 The Board of Directors encourages all shareholders to exercise their shareholders' rights. Meeting notices as well as supporting documents are sent to shareholders in advance. An English version is also prepared for foreign shareholders.

2.6 The Board of Directors pursues a policy to prevent the use of inside information and has implemented measures to prevent the exploitation of inside information for wrongful interests of oneself or of others. Company Directors, Executive Officers and employees who are in units which expose them to inside information are prohibited from trading in the Company shares in the one month period prior to the public disclosure of financial statements.

2.7 The Board of Directors has directed Company Directors and Executive Officers to declare their interests and the interests of connected persons, to act prudently in regard to the management of conflicts of interests and to comply with rules of the Office of the Securities and Exchange Commission.

3. Role of Stakeholders

3.1 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.

3.2 The Board of Directors supports the social responsibility reporting which has been an integral part of the Annual Report.

3.3 The Board of Directors provides channels and procedures for all stakeholder groups to report or file a complaint on any matter which poses a risk of loss to the Company, the accuracy of financial statements or an unfair treatment.

3.4 The Board of Directors has prescribed policies or guidelines for protecting employees or informants of matters which pose a risk of loss to the Company or an unfair treatment.

4. Disclosure and Transparency

4.1 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 good corporate governance principles 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.

4.2 The Board of Directors provides the agency or person responsible for the acts of Investor Relations. Appointing Mr. Adul Srimadee, to be responsible for investor relations to provide the news, information of the Company to investors and other interested persons. These are done via contacting the website of the Company that www.newcity.co.th under the Investor Relations section.

In 2014, the Company and the companies under the Saha Group, together with the Stock Exchange of Thailand has organized the "Analysts and Investors Meet the Saha Group" No. 6 on 27th June 2014, at the Queen Sirikit National Convention Centre. It has prepared a summary of the history and performance to give to investors and participants, as well as discuss and exchange the business perspective which attracted many participants.

5. Responsibilities of the Board

5.1 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.

5.2 The Board of Directors has provided a definition for an Independent Director which meets the minimum requirements of the Office of the Securities and Exchange Commission.

5.3 The Board of Directors has appointed Company Committees to screen key matters prior to submission to the Board of Directors.

5.4 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 management.

5.5 The Board of Directors has a policy which require Company Directors and Executive Officers holding directorial positions in other companies to make a disclosure to the Company Chairman and Chairman of the Audit Committee.

5.6 The Board of Directors has provided for a Company Secretary to perform duties prescribed by law and as entrusted. The qualifications of a Company Secretary should be a person possessing knowledge of law or accounting, or who has completed training relating to the performance of company secretarial duties. Continual training and knowledge development are also continually provided.

5.7 The Board of Directors has prescribed policies for governance, business ethics and codes of conduct for Company Directors, Executive Officers and employees to ensure a harmonized approach.

5.8 The Board of Directors has prescribed a Company vision and mission so that the Company Directors, Executive Officers and employees would strive towards the same goal.

5.9 The Board of Directors has a policy of continually promoting and sponsoring the development of knowledge amongst Company Directors, Executive Officers and employees.

5.10 The Board of Directors prescribes an annual meeting schedule in advance every year. The determination of agenda takes into account the fair interests of shareholders and all stakeholders. All Company Directors enjoy independence in the expression of opinions. A Company Director having an interest in an agenda shall not have the right to vote in such agenda.

5.11 The Board of Directors prescribes a duty for Company Directors to attend all Board Meetings unless there is a necessary cause.

5.12 The Board of Directors has a policy of encouraging senior Executive Officers to attend Board Meetings.

5.13 The Board of Directors provides Non-Executive Directors with opportunities to meet among themselves in the absence of the management when necessary. The Managing Director shall be notified of the meeting outcome.

5.14 The Board of Directors has a policy of promoting the Company Directors' access to essential additional information from the Managing Director, Company Secretary or other assigned Executive Officer within the scope of the set policies. In the event of necessity, the Board of Directors may obtain independent opinions from advisors or external professionals on the Company's expenses.

5.15 The Board of Directors has implemented measures pertaining to conflicts of interest which are prudent, rational and in compliance with the rules and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

5.16 The Board of Directors prohibits Company Directors and Executive Officers from trading in Company shares in the 1-month period prior to the public disclosure of financial statements.

5.17 The Board of Directors has directed Company Directors and Executive Officers 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.

5.18 The Board of Directors has directed Company Directors and Executive Officers to disclose personal interests and interests of connected persons in accordance with the prescribed rules.

5.19 The Board of Directors has established an internal audit unit as an internal agency accountable to the Audit Committee.

5.20 The Board of Directors requires an annual assessment of the Board of Directors' performance.

5.21 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.

5.22 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.

5.23 The Board of Directors has prescribed a succession plan for employees in various positions in view of their advancement to higher positions.

5.24 The Board of Directors provides an orientation for first term Company Directors.

5.25 The Board of Directors has established an internal control system and risk management system.

5.26 The Board of Directors has provided for the monitoring and assessment of corporate governance by establishing a corporate governance committee.

Business Ethics

1. Responsibilities to Stakeholders

1.1 Shareholders

The Board of Directors performs duties responsibly, prudently, earnestly and honestly in order to generate good returns to shareholders on a continual and sustainable basis. In this regard, the following policies and practice guidelines have been prescribed.

1. The ownership rights of shareholders are equitably and fairly respected.
2. Operations are undertaken in accordance with good corporate governance principles, which will foster the trust and confidence of shareholders and eventually lead to sustainable growth.
3. The Company's businesses are continually advanced to ensure proper returns to shareholders.
4. Significant information which affects or potentially affects shareholders' interests shall be disclosed, whether reports made pursuant to the accounting period or situation reports, pursuant to the relevant laws and notifications. However, no action shall be taken to restrict shareholders' access to Company information.
5. A report of the Board of Directors' responsibility for the financial statements in the Annual Report shall be prepared.
6. Minority shareholders shall be given an opportunity to propose matter for inclusion in the meeting agenda and/or to nominate persons for election as Company Directors in the Annual General Meeting of Shareholders.
7. Shareholders are given an opportunity to submit questions relevant to the meeting prior to the shareholders' meeting.
8. Shareholders' meeting notices in both Thai and English are published on the Company website at least 30 days prior to the shareholders' meeting day as information for shareholders and to enable the study of information prior to meetings.
9. Shareholders' meeting shall be facilitated. The date, time, venue and procedure must not pose an obstacle to the shareholders' attendance of the meeting. Shareholders who are not able to attend in person must have the opportunity to grant a proxy to other persons to attend the meeting and vote on their behalves.
10. Conflicts of interests must be dealt with prudently, rationally and information must be fully disclosed.
11. The Company's interests and assets shall be safeguarded as a reasonable person would safeguard his/her property. Wrongful interests, whether obtained by direct or indirect means, shall be eliminated.

1.2 Customers

The Board of Directors realizes that customer satisfaction and confidence are key factors which contribute to the Company's sustainable success. The following policies and guidelines have been prescribed in this regard:

1. The Company operates the businesses of manufacturing, product distribution and services which are safe for consumers and environmentally friendly.
2. Businesses are operated with commitment to develop goods and services, introduce new innovations and add value to goods and services in order to continually meet the demands of customers along with the disclosure of necessary information for decision-making without concealment or distortion of facts.
3. Businesses are operated in earnest, honest and fair values and no action is taken that would violate the rights of customers. The confidentiality of customer trade secrets are maintained and not exploited for wrongful personal gains or for the gains of others.
4. The Company does not demand, receive or consent to the direct or indirect receipt of properties or other dishonest benefits from customers.
5. The Company adheres to trade agreements. In the case where adherence is not possible, the customer would be notified in advance in order to jointly find a remedy and prevent loss.
6. The Company provides communication channels to enable customers to file complaints to the Company. Complaints are processed with care and dealt with fairly.

1.3 Trading Partners

The Board of Directors treats trading partners equitably and takes into account mutual interests by prescribing the following policies and guidelines.

1. The Company has a system for screening trading partners in the value chain who operate businesses in compliance with the law, safety and occupational hygiene standards, and friendliness to the environment. Trading partners are treated on the basis of fair competition, equality and mutual respect.

2. The confidentiality of secrets or communications of trading partners are maintained and not exploited for wrongful gains of oneself or of others.
3. Relationships and good understandings are fostered. Knowledge is exchanged. Developments and value adding to goods and services are jointly undertaken to promote mutual growth.
4. The Company adheres to trade agreements and makes proper representations of data. In the event that an agreement cannot be complied with, the Company will expeditiously engage in early negotiations with trading partners in order to reach a mutual remedy and loss prevention solution.
5. The Company does not demand, receive or consent to the receipt of properties or any other benefits outside trade agreements.

1.4 Competitors

The Board of Directors operates businesses in accordance with the provisions of law. In this regard, the following policies and guidelines have been prescribed.

1. The Company shall conduct its businesses within the rules of fair competition with due regard to business ethics and trade competition laws of various countries in which the Company operates.
2. The Company will not damage the reputation of its trade competitors.

1.5 Creditors

The Board of Directors is committed to undertaking business operations in a principled and disciplined manner in order to build the trust of creditors by prescribing the following policies and guidelines.

1. All creditor groups shall be treated equitably and fairly.
2. Contracts and terms will be strictly adhered to.
3. Operations will be administered to ensure the confidence of creditors in the Company's financial standing and credit rating.
4. Financial standings shall be accurately and timely disclosed.
5. In the event of an inability to comply with a particular term, the creditor will be forthwith notified in advance in order to enable a joint solution for remedy and loss prevention.

1.6 Employees

The Board of Directors regards employees as valuable resources and a key factor to the Company's success. The following policies and guidelines have been prescribed in this regard.

1. Human dignity and fundamental rights of employees are respected at work. Employee data or confidential information is not disclosed or transmitted to third parties or unrelated persons.
2. Employees are treated in accordance with the provisions of law, regulations and articles governing the Company's operations.
3. Employment equality is promoted. There is no discrimination on the grounds of gender, skin colour, race, religion, age, disability or other status that is not directly related to the works.
4. Training and knowledge exchange are sponsored and promoted to encourage learning and skill development throughout, strengthen career security and offer opportunities for advancements pursuant to each person's potential.
5. Employee participation in the determination of the Company's direction and development are promoted.
6. Fair compensation is given as suitable for the knowledge, skill, duties, responsibilities and performance.
7. Appropriate welfare and benefits are given to employees, e.g. medical expenses, Insurance, Bonus, Pension and Employee assistance
8. Channels are provided for employees to communicate suggestions and complaints pertaining to work. These suggestions are considered and remedies will be determined in the interest of all parties and in view of the creation of good working relations.

9. Facilities necessary for work operations are provided and working conditions are maintained with due regard to safety and occupational hygiene as a means of promoting and raising the quality of lives of employees.

10. Employees of all levels are encouraged to participate in social responsibility activities

1.7 Community and Society

The Board of Directors operates businesses with due regard for the duties and responsibilities owed to the nation, community and society as well as local traditions in order to maintain a desirable society and participation. In this regard, the following policies and guidelines have been prescribed.

1. A business which could lead to a deterioration of society shall not be undertaken and the rights of others in the community and society shall not be violated.

2. Consciousness of responsibilities towards the community and society as a whole shall be instilled continuously for the benefit of the Company and all levels of employees.

3. Measures shall be provided for the prevention and remedy of impact on the community and society as a consequence of the Company's operations.

4. The preservation of local culture and traditions shall be promoted.

5. Cooperation shall be entered into with various agencies for the development of communities.

6. Public benefit activities shall be sponsored.

7. Incomes shall be generated and the community economy shall be promoted through employment of community members and use of community products.

8. Good relations shall be fostered between the Company and the community and society on the basis of propriety, transparency and fairness.

1.8 Environment

The Board of Directors undertakes businesses with due regard for responsibilities to the environment. In this regard, the following policies and guidelines have been prescribed.

1. Businesses shall be undertaken in accordance with laws, regulations and policies on the environment with due regard for the impact on natural resources and the environment and regular revisions and assessments of performance results shall be undertaken.

2. An organisational culture and consciousness of employees at all levels shall be promoted to encourage cooperation and responsibility for the efficient and sustainable management of the environment and utilization of resources.

3. Knowledge promotion and environmental training shall be extended to employees.

4. Environmental management system shall be promoted, from the economical use of resources to the sustainable treatment and rehabilitation, replacement, monitoring and prevention of impact on natural resources.

5. There is a system for selection of trade partners in the value chain who undertake businesses in an environmentally friendly manner.

6. Environmentally friendly technology are developed and published.

1.9 State Sector

The Board of Directors undertakes businesses in compliance with the rules and regulations enacted by the State. In this regard, the following policies and guidelines have been prescribed.

1. Knowledge and understanding of the laws governing operations are acquired and no activities are undertaken which would be inconsistent with the law.

2. Proper action shall be taken when conducting transactions with an official or agency of the State.
3. Good relations are fostered between the Company and the State sector within suitable bounds.
4. Relevant laws and business traditions are observed in each country or locality.

2. Conflict of Interests

The Board of Directors has a policy for dealing with conflicts of interests. The following guidelines have been prescribed.

1. The administration of conflicts of interests or connected transactions is undertaken prudently, fairly and rationally. There is a transparent system for approving transactions which primarily takes into account the Company's interests. Interested Company Directors do not have the right to vote and must make a full disclosure in accordance with the rules of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.
2. The Company's interests shall be upheld subject to legality. No action shall be taken that would be a conflict with the Company's interests, and no benefits or privileges will be given to any person.
3. Company Directors and Executive Officers must disclose personal interests and the interests of related persons in accordance with the prescribed rules.
4. Company Directors, Executive Officers and employees who acquire inside information are prohibited from trading in Company shares in the 1-month period prior to public disclosure of financial statements.
5. Company Directors, Executive Officers as well as their spouses and children who have not yet attained legal age shall have the duty to report Company shares holdings and changes in such holdings to the Board of Directors in the subsequent Board Meeting.
6. Company information or secrecy acquired or acknowledged shall not be disclosed or transmitted to third parties or unrelated persons.
7. Disclosure shall be made by authorised Company personnel. Classes of secrecy may be prescribed in accordance with the significance of the information. Disclosure shall be made within the assigned scope of duties and responsibilities.

3. Receptions, receipts and grants of gifts

The Board of Directors aspires to undertake the Company's businesses in line with fair competition. Nevertheless, receptions, receipts and grants of gifts or attendance at receptions in accordance with traditions and practices to maintain good relations are necessary and desirable. In this regard, the following guidelines have been prescribed.

1. No receipts or grants of gifts, tokens or receptions which may influence a decision shall be made. If there is a necessity to receive or grant a gift, token or reception in accordance with tradition to a value in excess of normal circumstances, a report shall be filed with the respective supervisors.
2. In the case of an assignment or authorisation by a supervisor to assist in an external agency, monies, objects or gifts may be received in accordance with the generally applicable rules or standards prescribed by such an agency, e.g. gifts, tokens or lucky draws.
3. In the case where an agent, contractual party, partner or any other person wishes to grant a gift, token or reception to the Company, prior authorisation must be obtained from the Company.
4. Expenses pertaining to these matters shall be maintained within a reasonable budget.

4. Combating Dishonest Acts and Corruption

The Board of Directors has a policy of compliance with the law on combating dishonest acts and corruption. In this regard, the following guidelines have been prescribed.

1. A consciousness, value and attitude to comply with laws and regulations honestly and in good faith shall be instilled in employees.
2. An internal control system which is efficient and effective shall be in place. There shall be suitable oversight and checks of powers to prevent employee abuses or involvements in dishonest acts or corruption.
3. Company Directors, Executive Officers and employees are prohibited from performing any act which amounts to a demand or acceptance of properties or other benefits for oneself or for others as an inducement to wrongfully perform or refrain from performing a duty or which could result in a loss of the Company's legitimate benefits.
4. Company Directors, Executive Officers and employees are prohibited from giving or offering to give properties or any other benefits to third parties to induce such person to unlawfully or wrongfully perform or refrain from an act.
5. There shall be a financial reporting system which is transparent and accurate.
6. There shall be a channel for employees and related persons to provide notices of causes for suspicion with confidence of protection. Personnel must be appointed to examine all notices of suspicion given.

5. Non-infringement of Intellectual Property

The Board of Directors pursues a policy of non-infringement of intellectual property by prescribing the following guidelines.

1. Business undertakings shall be consistent with laws, regulations and contractual obligations governing intellectual property rights.
2. Intellectual property works of the Company shall be maintained. Such intellectual properties shall not be used or allowed to be used by others without authorisation.
3. The intellectual property rights of others shall be respected. The works of others shall not be infringed or applied to personal use except where a license has been obtained or a fee paid to the owner of the work.
4. Intellectual property of creative works produced by employees shall vest in the Company. Upon termination of employment, such intellectual property works must be returned to the Company regardless of the form which it is stored.

6. Non-violation of Human Rights

The Board of Directors respects human rights. In this regard, the following policies and guidelines have been prescribed.

1. There shall be no activities or support of activities which violate human rights.
2. Employees are provided with knowledge and understanding of human rights which are applied to work operations.
3. There are no limitations to independence or differences in ideology, gender, race, religion, politics or other matters. The expression of opinions which could cause conflicts or divisions should be avoided.
4. Channels shall be provided for employees or persons who believe that their personal rights have been violated or that they have been treated unfairly to file a complaint with the Company. Such complaints shall be given attention and processed fairly.

7. Safety and Occupational Hygiene

The Board of Directors attaches importance to safety and occupational hygiene. In this regard, the following guidelines have been prescribed.

1. Business undertakings shall comply with laws, regulations and policies on safety, occupational hygiene and working environment with due regard to the safety of life and properties as well as to the impact on the health of employees, trading partners and stakeholders. Regular monitors and safety assessments must be conducted.
2. Occupational safety shall be promoted. Work regulations, procedures and standards are prescribed to ensure working safety consistent with risks. Working environment and safe work procedures are improved. Tools and equipment for safety protection are also provided to employees.
3. Preparations are made for emergency events. An emergency plan has been devised and regular drills and improvements are carried out. This is to prevent and minimize any loss to life or properties of the Company, employees, trading partners and related persons.
4. A safe working culture has been built for the entire organisation to ensure sustainably safe work operations.

Code of Conduct for Company Directors, Executive Officers and Employees

1. Formal Responsibilities

The Board of Directors appreciates the importance of good governance. Continual undertakings are implemented to ensure that Company Directors, Executive Officers and employees are aware and comply with standards under the framework of the Code of Conduct and conduct oneself honestly, cautiously and prudently for the greatest benefit of the Company and all related parties. As a consequence, the following Code of Conduct has been prescribed.

Company Directors and Executive Officers

1. Duties shall be performed responsibly, prudently, honestly and in good faith in compliance with the law, Company Articles and relevant notifications.
2. Duties shall be performed to the utmost of ability in order to generate the greatest returns to the Company. This includes attendance at all meetings, except where there is an unavoidable necessity.
3. Duties shall be performed impartially. In a Board Meeting, Company Directors and Executive Officers shall not vote on matters which they have interests.
4. Conflicts of interests shall be administered prudently and reasonably, in adherence to the Company's interests, to ensure transparent management of operations.
5. The acquisition or disposal of assets of the Company, Company Directors and Executive Officers, including their spouses and children who have not attained legal age, shall comply with the relevant rules and a disclosure shall be made to the Board Meeting in the subsequent meeting.
6. Company Directors and Executive Officers are prohibited from buying or selling Company shares in the 1-month period prior to the public disclosure of financial statements.

7. Company Directors and Executive Officers must disclose personal interests and those of related persons in accordance with the prescribed rules.

8. There shall be regular appraisals of the Board of Directors' performance every year.

Employees

1. Employees must support and cooperate in the Company's activities on a regular basis. Assigned tasks must be performed to the best of ability in order to ensure good results and advancement of the Company and employees.

2. Employees must comply with the relevant law, policies, terms of employment, regulations and notifications.

3. Persons contacting the Company must be treated courteously, hospitably and provided with an excellent service in order to preserve the Company's image and reputation.

4. Trade secrets must be kept and the Company's inside information must not be disclosed to third parties.

5. Loans shall not be obtained from customers, persons connected to customers or business counterparts of the Company, except for loans obtained from a bank or financial institution.

6. Lawful orders of supervisors shall be complied.

7. There shall be a commitment to teamwork, mutual assistance, harmony and mutual respect for the benefit of the Company and employees.

8. Co-workers must be treated generously and with good human relations. No groundless allegations shall be made against others. Credit shall not be claimed for the works of others.

9. Duties shall be performed with determination, in earnest and honesty, and the roles and responsibilities in the Company shall not be abused for the purpose of acquiring wrongful benefits for oneself or for others.

10. Duties shall be performed responsibly, cautiously and without neglect in such a manner which could cause a loss to works or properties of the Company.

11. Employees should conduct themselves as good citizens who comply with the Constitution and relevant laws. Political rights shall be exercised appropriately. Employees shall also avoid any involvement in an activity which is unlawful or inconsistent with public order or the good morals of the people.

2. Maintenance of Company Assets

Company Directors, Executive Officers and employees are under a duty and responsibility to efficiently maintain Company assets and assets under the care of the Company. In this regard, the following guidelines have been prescribed.

1. Assets shall be used for business operations and not used for personal gains or for the gains or third parties.

2. Interests shall be protected and assets shall be cared to prevent loss, damage or wrongful use pursuant to the standards of a reasonable man caring for one's property. Direct or indirect wrongful exploitation of benefits shall be eliminated.

3. Sufficient insurance protection from losses shall be obtained for assets.

4. The use of computers to harass, infringe, spy, corrupt other person's personal data or fabricate evidence which could lead to data theft shall be prohibited. An information security system consistent with international standards shall be installed.

5. E-mails and internet access provided shall be used for business purposes. They shall be used cautiously and not prejudice the Company's reputation.

6. Passwords for access to the Company's data shall be kept secret and shall not be disclosed to unauthorized persons.

7. The Company's intellectual property works shall not be reproduced, adapted or used for personal benefit or for the benefit of others without authorisation from the Company.

8. The supervisor shall be reported of any finding of rights infringement or acts which could lead to a rights infringement or any act which could potentially lead to a dispute relating to the Company's intellectual property.

9. The safekeeping of important documents of the Company shall be overseen to ensure full compliance with the relevant laws and regulations. Upon the lapse of the safekeeping period, the relevant employee must oversee that the documents are destroyed by appropriate means.

3. Informants and Complaints

The Board of Directors gives employees and stakeholders an opportunity to give information or file a complaint on a matter which could constitute a violation of the law, dishonest or wrongful act of an employee, including irregular behaviour which could cause a problem or loss to the Company. The Company also receives complaints on cases where the rights of an employee or stakeholder has been infringed or where they have been treated unfairly. Suitable channels and procedures have been provided by the Company in this regard.

The Company will hear and process all complaints impartially, transparently and fairly. Systematic and just measures for the protection of complainants are provided. Information provided by the complainant is kept confidential in the Company.

Measures for the Protection of Complainants

1. A complainant may choose to remain anonymous if he/she deems that disclosure could lead to insecurity or loss concerns.

2. The Company will keep relevant information secret and take into account the safety of the complainant. Measures have been prescribed for the protection of complainants who are employees, including those who cooperate in the investigation of facts. These persons will be protected from unfair treatment as a consequence of the complaint, e.g. disturbances during work, reassignment or termination of employment.

4. Interpretations

A supervisor shall be under a duty to take responsibility and give advice to subordinates to ensure knowledge and understanding as well as compliance with the prescribed Code of Conduct. If the Code of Conduct does not provide for any instance, or if there remains a question which renders performance not possible or that a decision cannot be made, the matter shall be consulted with the respectively higher level superior. In the case of a conflict, the decision of the Managing Director, Executive Board and Board of Directors shall be final.

These Good Corporate Governance Principles (First Revision) Approval was granted to this edition in Board of Directors Meeting No. 1/2014 on 21 February 2014, which came into force as of 21 February 2014.

CORPORATE SOCIAL RESPONSIBILITIES: CSR

Overall Policies

The Company operates on the principle of good governance and its ethics in business, and focus on social and environmental and anti-corruption by taking into account the interests of all stakeholder groups. We recognize and believe that it will develop and increase the efficiency and effectiveness of improvement across all sectors, literally, which will result in a stable and sustainable business success.

Implementation and reporting

The Company operates under strict compliance with the relevant laws, do not violate or circumvent the legal practice according to the principles of corporate governance as well as the Stock Exchange of Thailand.

Fair Business Operations

The Company recognizes the fair in business, not exploit or take advantage of invalid selfish interests. We operate with equality and fair treatment under the terms of trade that is fair to all trading partners. This will encourage competition and contributes to the development of new types of products and services.

Anti-corruption

The Company emphasizes in the fight against corruption and has written policy set out in the regulations and ethical business practices in the Company's policy to guide the practice for employees, including creating awareness of all staff in honesty, not used for the benefit of dishonest, not to receive payments or other benefits in addition to the trade agreement.

Respect of Human Rights

No action or avoid actions that might cause problems, or affect the the human rights by providing a better understanding of human rights, freedom, equality under the law, and respect for human dignity and equality, regardless of any differences, such as gender, race, religion, etc.

To treat all employees fairly

The Company treats employees fairly and equally, by providing entitled benefits under labor law, Social Security Law and other laws and regulations. The Company provides a reasonable and fair compensation based on knowledge, abilities and performance, by provide training programs and seminars for staff welfare. Provide safe and healthy workplace as well as care to create a good relationship and create no labor dispute between the Company and the employees.

Consumer Responsibility

The Company sale quality products with reasonable price and the products are safe and not harmful to consumers. The products have correct and clear label on product information and items in accordance to law and regulations. No hype that mislead consumers. The staff provides information to consumers, both before and after the sale and receiving feedback from customers, as well as solves the issue raised by customer fairly.

Environmental care

The Company has policy to use invaluable resources for the benefit of reducing waste. The internal communications of the Company is focused on materials recycled or reuse and encourages employees to raise awareness of the importance of environmental conservation. There are various forms of energy saving measures, both in the office and logistics, for example by switching power supplies, change air conditioner to be energy saving type, having decent area and disposal of sewage system, not pollute the environment by avoid using the products that support the nature destruction, etc.

Community and Environment Development

The Company has joint activities in the community by engaging the children's day each year, joining traditional philanthropy event to provide awareness and support to employees of public consciousness and be generous in contributing to society and the community. Also providing cleanliness care event of the Company and nearby areas the keep clean and provide well landscaped.



Board of Directors, executives and staff of the New City (Bangkok) Public Co., Ltd. has organized an annual New Year's merit to maintain the culture and religious traditions.

The innovation and the dissemination of innovation, which operates in responsible to the social and environmental stakeholders

The Company has a policy to improve all stages of the operation based on the principles of social responsibility to create change to the new things that are useful in the improvement of the quality of goods and services, and improve the work process within the Company to use the material well worth the benefits, and when there is a new innovation that benefits the economic value will be published for the benefit of society.

Business practices that affect social responsibility

The Company operates business as apparel distributors, which is classified as management business, not the manufacturer. Therefore, nature of the business is not affiliated or affecting social responsibility or the environment significantly

Social responsibility and environmental for non-core business processes (CSR after process).

The Company and Saha Group of companies have donated money to the Dr. Thiem Chokwathana Foundation, which aims to promote the public activities and support the development in various fields, especially in matters relating to public health and education of children and youth in remote areas, the Foundation has undertaken various activities. Current and ongoing activities include, giving scholarships and supplies for schools in the rural, donations of consumables to the poor and the victims of disaster, as well as activities that generate benefits to society and support the implementation of the Prostheses Foundation.

Prevention of corruption involvement

The Company adheres to the principles of good governance in the business that is fair, honest, transparent and verifiable by providing a written form in the Good Corporate Governance which has been approved by the Board of Directors. The Company recognizes the importance of the fight against corruption which was

written in the Good Corporate Governance under the browse ethics in the business section on anti-corruption. It also rules to measures against corruption, alignment of private practice in Thailand against Corruption (Collective Action Coalition) as a guide to further practice. The Board of Directors, management and employees acknowledged and adopt a common practice.

The Board of Directors recognizes the importance of internal controls and financial performance, operations and governance by appointing the internal audit unit to monitor the performance of such systems, including computing systems, as well as providing guidance to ensure the implementation of the guidelines effectively and can independent check and balance effectively.

At the Board of Directors Meeting No. 1/2015 dated 19th February 2015, the Board reviews the assessment of the adequacy of the internal control system of the Assessment Report of the Audit Committee, concluded that the evaluation system of internal control of the 17 elements of adequate facilities as follows.

1. The organization demonstrates a commitment to the values of integrity and ethics
2. The Committee is independent from the executive and carry out duty to oversight and the development of the internal control.
3. The management has established the structure of reporting system to determine the appropriate power of command and responsibility to achieve the objective under the oversight of the Committee.
4. The organization demonstrates its commitment to the attraction, developing and retaining the capable staff
5. The organization set the duty and responsibility of the employees who are in charge of internal control to achieve the objectives of the organization.
6. The organization has set objectives clearly enough to be able to identify and assess risks related to the objectives of the organization.
7. The organization identifies and analyzes all kinds of risks that may affect the achievement of the objectives set for an entire organization.
8. The organization has considered the chance of fraud risk assessment to achieve organizational objectives.
9. The organization is able to identify and assess the changes that may affect the internal control system.
10. The organization has control measures to reduce the risk of not achieving the objectives of the organization to be at an acceptable level.
11. The organization chooses and develops the general control system technology to support the achievement of objectives.
12. The organization has control activities over the policy which sets out the expectations and procedures to ensure that the policy can lead to actions.
13. The related and quality Organization information to support the quality of internal control to be proceed as scheduled.
14. The organization internal communication information which include objectives and responsibilities of internal controls that are necessary to support the internal control to proceed as planned.
15. The organization has communicated with external organizations on issues that may affect internal controls.
16. The organization are monitoring and evaluate the internal control performance to ensure that internal controls are carried out to fully appropriate.
17. The organization assesses and communicates deficiencies of the internal control in time to the responsible person. This includes the high level management and committee, as appropriate.

Opinion of the Audit Committee has followed the introduction of the SAP Business One application which made the data logging and reporting faster and more convenient, reduce duplication of storage and helps to monitor and control the Company's internal efficiency.

Auditors of the Company are Mr. Pisit Chiwaruangroch, Auditor License No. 2803 of the R & L Associates Limited who has audited the financial statements on quarterly and annually for year 2014, has comments on the auditor's report as follows.

"Risk assessment of information that is contrary to facts which are material to the financial statements, whether due to fraud or error in the assessment of risk, the auditor considers internal control relevant to the preparation and presentation of the financial statements of the Company as it should be. "

TRANSACTIONS

The Company has transactions which are categorized under related transactions under the notice of Stock Exchange of Thailand regarding the disclosure of information and operations of the registered Company for related transactions no. 2, year 2004 and in accordance with the notice of the investment control committee number Tor.Jor.21/2008 by diving into categories as follows.

Type 1 – Business as Usual Transactions

Related Person	Nature of transaction	Transaction Value (Thousand Baht)	General Description
Boonwattachoke Co.,Ltd. <i>Relationship: As a major shareholder and a director</i>	Trade Debtor	280	Amount of outstanding debt owed and are not due yet and not more than 3 months.
	Accrued Income	42	Common services such as garbage collection, electricity and water supply are not to be paid within 1 month.
	Deposit	472	The deposit for rental and is payable 12 Feb 2015.
	Trade Payables	1	For goods purchased in according to age of the accounts that have not reached the condition of payment of 90 days.
	Goods Sale	666	My shop stocking branded MARYTEX plus the cost. 5-6% is the design and plant sales as the carrier. The Company does not cost a gain of 5-6%.
	Goods Purchase	2	Purchased Boxer Shorts Price based on outsiders price.
	Other revenues	162	A centralized garbage collection Cleaning the electric bill
New Plus Knitting PCL and subsidiaries <i>Relationship: A joint and common directors</i>	Accrued Income	77	Slip fee
	Trade Payables	84,202	The purchase of inventories by aging who have not reached the payment term of 90 days.
	Accrued Expenses	45	Expense accrual basis over the term of unpaid debt within 90 days.
	Goods Purchase	344,448	Purchase at market price, which is not acceptable to act different from the other parties unrelated to free trade negotiations based on the mechanism of the market in general terms of 90 days.
	Dividends	222	Receive dividends at a rate of 0.15 baht / share.
	Other revenues Other expenses	607 221	Commission from sales to customers abroad. The packing fees for Company which is a supplier and manufacturer to sell the goods.
Shapattanaphibul PCL <i>Relationship As a shareholder and a director</i>	Goods purchase	9	Buy products like cosmetics for sales referred to the market price and the sale price of the common external customers.
	Dividends	1,801	Receive dividend at the rate of 1 baht.
Sahapattana Inter Holdings	Dividends	82	Receive dividend at the rate of 0.23 baht.
	Accrued expenses	20	Consultancy fee of outstanding payment terms of 30 days.
	Other incomes	12	The discount coupons to customers and collected by the mutual agreement of the promotion.
Jensilp Industry Co., Ltd. <i>Relationship As a shareholder and a director</i>	Accrued expense	86	Property rental services at outstanding payment 30 days.

Type 3 – Transactions on short term rental or lease of real estate

Related Person	Nature of transaction	Transaction Value (Thousand Baht)	General Description
Sahapattanaphibul Public Co.,Ltd. <i>Relationship: As a shareholder and a director.</i>	Rental fee	1,682	Rate headquarters building Price / month, 140,160 Baht / month. Contract period of one year starting from 1 January 2015-31 Dec. 2015, according to the rental agreement.
Jensilp Industry Co., Ltd. <i>Relationship: As a shareholder and a director</i>	Property Maintenance Fee	960	Warehousing and storage rents. Monthly cost of of 80,000 baht / month. Lease term of 2 years from 1 Apr 2013-31 Mar 2015, according to the rental price is based on the area in the vicinity.
Boonwattachoke Co.,Ltd. <i>Relationship: As a major shareholder and a director.</i>	Rental fee	178	Commercial rents to a branch in the Chiangrai district and furniture in the rental building at 15,000 baht / month. Contract period of 25 years commencing 1 June 1992-31 May 2018, but has stopped the sale in December. Jul. 2014, because it is prepared to sell the building and sold in January 2015.

Type 4 – Transactions on Assets or Services

Related Person	Relationship	Nature of Transaction	Transaction Value (Thousand Baht)	General Characteristic
Sahapattana Inter Holdings PCL	As a shareholder and a director.	Business Consultant Fee	240	Business consulting fee 20,000 Baht/month

Type of Securities: Investment in stock market for sale.

List of Securities	Relationship	Cost of acquisition (Thousand Baht)	Market Value (Thousand Baht)
Sahapattanaphibul Public Co.,Ltd.	Shared shareholder and director	12,807	73,377
Sahapattana Inter Holding Public Co., Ltd.	Shared shareholder and director	1,898	8,628
IT City Public Co., Ltd.	Shared director	3,541	9,560
Total		18,246	91,565

Type of Securities: Other long-term investments (Out of stock market)

List of Securities	Relationship	Cost (Thousand Baht)	Fair price / book value (Thousand Baht)
Supatnee Co., Ltd.	Shared shareholders	6,000	6,000
Advance Agrotech Co.,Ltd.	Shared shareholders	2,290	1,394
Total	Shared shareholders	8,290	7,394

Name of related parties

Related Companies	Relationship Description
1. New Plus Knitting Public Co., Ltd. and subsidiaries	Associated Company

Related Companies	Relationship Description
2. Suphatnee Co., Ltd.	Shared Shareholders
3. Advance Agrotech Co., Ltd.	Partly Shared Directors
4. IT City Public Co., Ltd.	Partly Shared Directors
5. Sahaphattanaphibul Public Co., Ltd.	Partly Shared Directors
6. Sahaphattana Interholding Public Co., Ltd.	Partly Shared Directors
7. Ekpakorn Co., Ltd.	Partly Shared Directors
8. Boonwattanachoke Co., Ltd.	Partly Shared Directors
9. Jensiip Industry Co., Ltd.	Partly Shared Directors

Related Transaction Approval Process

The related transaction is proposed to the Audit Committee and/or independent Director for review and makes recommendations to the Board of Directors' Meeting for approval to the appropriate and most beneficial to the organization. Then measure of the NTA to be compliance with the Capital Market Supervisory Board meeting. 21/22008, and in accordance with the Notification of the Stock Exchange of Thailand on the information disclosure and practices of the listed companies on the acquisition or disposition of assets, 2004.

Audit Committee's opinion on the related transaction

The Audit Committee has reviewed the transaction with regard to the appropriate transaction and found that it is a typical of commercial business transaction and to best interest of the Company. The items that received different opinion from the usual list are item on selling products to Boonwattanachoke Co., Ltd. The selling price added 5- 6% from usual purchase price, which is considered the profitability of products, specifically product under the brand of MARYTEX 5-6% due do noncommercial cost. The buyer that purchases the goods has directly delivered the goods to the Boonwattnachoke Co., Ltd. It is considered to add on the design cost of the factory to the manufacturing Company who have manufactured under the design of the Company. There is no cost incurred, it is reasonable to assume that there is profit at the level of 5-6%.

Policy or related transactions trend in the future

The transaction is a commercial transaction with the size of the increase or decrease of the overall business climate. To enter into a transaction with a person who may have conflicts of interest in the future, this is divided by category below.

- **Business As Usual:** Transaction Type 1, the transaction continues to promote and support the continued trade in the same group. The Company has ordered about 80 - 85% of goods per year from affiliates of New Plus Group, a manufacturer of textiles and has a common trade policy to conduct business ethically and have independent business management by pricing policy terms of trade and trade agreements, as well as the customers that can make comparison as in general. A bargain is depending on the size of the market in the future as a Type 1 are ongoing and recurring. The order quantity is more or less based on the Company's performance and the overall economy.
- **Short-term lease or rental of property.** Transaction Type3. The Company operated under the leases agreement. The Company has its headquarters office building lease, with a lease period of 1 year with an option to renew annually. In the future, the Company will construct a head office building on Suwinthawongse Road, Saladaeng Sub-district, Bangnampreaw District, Chachoengsao, on an area of 12.84 acres. The Company also rent a warehouse to store the products for the period of 2 years and is renewable every two years. In the future, the Company will also move the warehouse to the headquarter at Suwinthawongse

The Company realized its responsibilities to the shareholders and all concerned parties under the principles of good corporate governance in the event of a change in the related transaction. The Company has followed the rules of the Stock Exchange of Thailand on the disclosures and other acts of Listed Companies concerning the related transaction No. 2 year 2014 and the Regulation of the Stock Exchange of Thailand 21/2008.

Overview of business operations

In 2014, the company has set a sales target of 800 Million Baht, but the actual sales was 631.42 Million Baht, 21.07% lower than the target. The customers who do not meet the goals are the wholesalers such as Yi Pua and Sa Pua in the Bangkok Metropolitan Area. In the first quarter, slowing down of the purchase or hold the order because some sentinel unusual Thai political. The transportation in Bangkok for logistics were very slow due to Bangkok Shut down period, affecting the stop on the products delivery to many promotion places, and the slowdown of the economics continuously of the previous year of the textile industry, which is 90% of the company's products, such as stockings/socks. The sales volume on the first quarter was 8.16% less than the previous year. However, the net profit in the first quarter was 2.21% increased from previous year because the company sold the goods at usual price without any promotional discount price, and resulted in net profit of 36.69% and 4.22% increased form previous year. After the situation was back to normal, there were promotion activities with the department stores and there was store decoration to promote the sales volume but the results did not meet the target and there were higher costs.

The company has improved the office by applying the Sap Business One program successful. There was cost for program and computer for a total of 5 Million Baht to prepare for the liberalization of trade and to achieve the ASEAN Economic Community (AEC) and the future is likely to bring the technology to be used in all segments for flexibility in the workplace and company's success.

Performance

Net profit as shown in the financial statements for year 2014 is 27.95 Million Baht, which 1.81 Million Baht or equivalent to 6.07 percent reducing from year 2013. Financial statements of investment under the equity method, has net profit of 28.78 Million Baht, which decrease at the amount of 7.98 Million Baht or equivalent to 21.72 percent from previous year. The change in performance can be summarized as follows.

Revenue

Main revenue of the company came from domestic sales, with ratio of 97.67% and export sales with ratio of 2.34%, which consist of sales of textiles and cosmetics. These can be categorized by products as follows.

1. Product Line 1, consist of stockings, socks, lady underwear, under the brand of under the brand of CHERILON, GOLDENLEGS, and socks under the brand of SANREMO, with total sales of 532.59 Million Baht, equivalent to 84.35%
2. Production Line 2, consist of nightwear, lady underwear and ballet clothes, under the brand of CARA, CHERILON DANZ, and exercise clothes under the brand of DANS MATE, with total sales of 76.18 Million Baht, equivalent to 12.07%
3. Product Line 3, consist of cosmetics, under the brand of SCRUPLES, MISASA, and import products from Korea under the brand of DEOPROCE, with total sales of 22.65 Million Baht, equivalent to 3.59%

Total revenues from the sale of goods in 2014 was 631.42 Million Baht, and other revenues in the consolidated financial statements at the amount of 16.20 Million Baht, and in the financial statements on financing, the investment under the equity method, amount of 16.44 Million Baht. These items can be described significantly by the following table.

For the consolidated financial statements

Description	2014 (Million Baht)	2013 (Million Baht)	Increase (Decrease)	%
Sales Income	631.42	673.94	-42.52	-6.31
Other Incomes				
Dividends	4.05	4.60	-0.55	-11.96
Reverse of allowance for impairment of investments in associates	2.96	5.84	-2.88	-49.32
Reverse of allowance for loss on impairment of property.	3.51	-	+3.51	+100
Income from Sales of property	1.63	-	+1.63	+100
Other Incomes, etc.	4.05	4.59	-0.54	-11.76
Total income	647.62	688.97	-41.35	-6.00

The decrease of sales revenue at the amount of 42.52 Million Baht from year 2013, and equivalent to 6.31% reduction because the reduction of products distribution to the mall and wholesalers due to global down turn of economics continuously which affect to the textile industry for year 2014. The company has renovated and changed the furniture at the counters in all department stores in Bangkok and provinces to promote the sales and to compliance with the shopping malls' policy. In the first quarter, we sold the products in original prices and avoid the sales and sales promotion at the places due to the uncertainly political status in Bangkok. For the provincial wholesalers have delayed the orders and did not keep the stock until the second and third quarters of the year when the sales promotions were launched for Bangkok and Metropolitan areas and there were direct sales promotion at department stores. In the fourth quarter of the year, the shops in Bangkok and provinces have ordered the products in the large volume and the company was in the shortage in supply of the products in the value of 10 Million Baht.

For other incomes which consist of sales of idle land at Soi Khajornwith, Bangpleeyai, Bangplee, Samutprakarn as per resolution of the Board of Directors Meeting No. 5/2014 dated 10th November 2014 which approved to sales the land with area of 390 sqm., at the price of 35,000 Baht per sqm.,

totaling sales of 13.65 Million Baht, this sales made profit of 1.56 Million Baht as the buying prices on 1994 was 30,990 Baht per sqm.

The recognition of accounting land price is based on the land appraised value by the Land Department at the 22,000 Baht per sqm, comparing with the buying price of 30,990 Baht per sqm. Reverse the appraised value by the Land Department at 22,000 Baht, equal to 8,990 Baht multiply by the number of 390 sqm, as compared to the appraised value is lower than the purchase price of 3.51 million baht and have allowance for losses on impairment of property and recognized as an expense account and the sale of land to an accounting of expenses as income at the amount of 3.51 Million Baht.

The land was sold to Mr. Chai Natheethong and Mr. Pathamintr Natheethong , who are third party and did not have any connection with Company, so does not count as warrant transaction according to the Capital Market Commission at Thor Jor 21/2008, and the size of compensation does not exceed 15% of company total asset following the announcement of the Stock Exchange of Thailand on the disclosure and practices of listed companies in the acquisition or disposition of assets year 2004.

The Audit Committee had stated that the company's land holdings are not intended to be used by the business for a long time, the land is located in the residential area which cannot be used for industrial business and the company has burden in looking after the land. In the future, there are likely to have the estate tax laws applicable tax charges to the idle land at the relatively high rate. This land sales is considered reasonable and benefit to the company.

Financial Statements of the investment under the equity method

Description	2014 (Million Baht)	2013 (Million Baht)	Increase (Decrease)	%
Sales Income	631.42	673.94	-42.52	-6.31
Other Incomes				
Dividends	3.83	4.16	-0.33	-7.93
Reverse of allowance for loss on impairment of property.	3.51	-	+3.51	+100
Income from Sales of property	1.63	-	+1.63	+100
Profit on sale of investments in associates.	-	1.62	-1.62	-100
Other Incomes, etc.	4.05	4.59	-0.54	-11.76
Total income	644.44	684.31	-39.87	-5.83
Income from equity investments	3.43	10.51	-7.08	-67.36

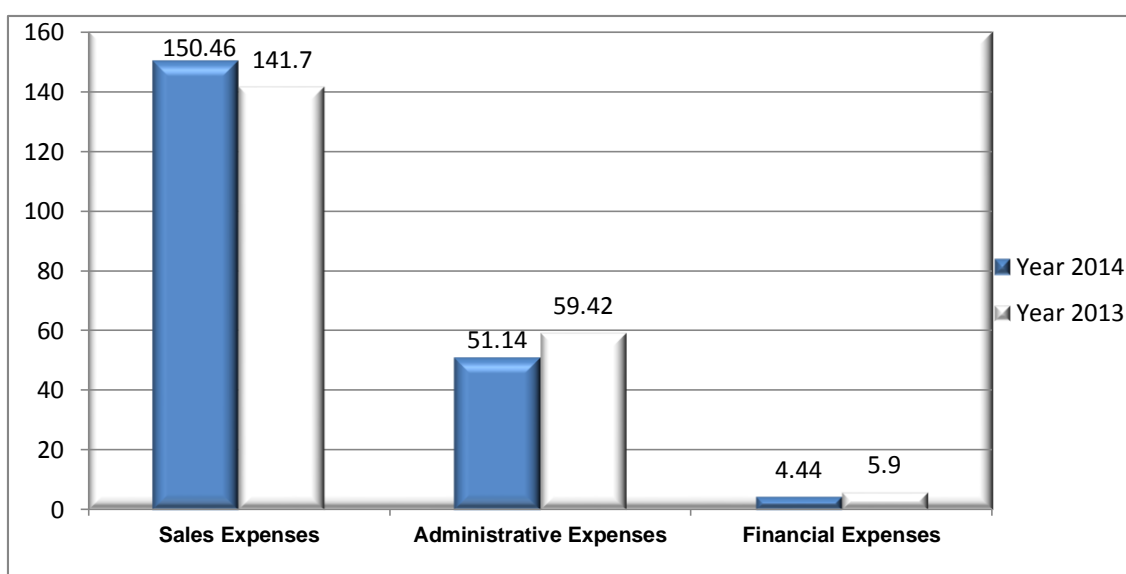
Changes to financial statements as per the equity method, the major profit share from investments associate, which is New Plus Knitting Public Co., Ltd. for year 2014, at the amount of 3.43, reducing from year 2014 for amount of 7.08 Million Baht, equivalent to 67.37%, as per recognized income from the performance as per financial statement ended at 30th September 2014 which resulted in decrease of net profit and the accounting has recognized and recorded as per investment holding ratio of 14.79%

Gross Profit

Description	2014 (Million Baht)	2013 (Million Baht)	Increase (Decrease)	Ratio %
Net Sales	631.42	673.94	-42.52	-6.31
Less Cost	(407.40)	(445.95)	-38.55	-8.65
Gross Profit	224.02	227.99	-3.97	-1.75
% Cost	64.52 %	66.17%	-1.65 %	-
% Gross Profit	35.48%	33.83%	+1.65%	-

Gross profit for the year 2014 was at level of 35.47%, an increase of 1.65%. In first quarter, the company sold products in original prices and omitted price reduction promotions. However, the products which maintain good gross profit are products under the brand of CHERILON, GOLDENLEGS, SANREMO and CARA. The company emphasizes the development of new products to the market to meet customer's requirements in fashion dress for both ladies and gentlemen, under its own brand and also has policy in Distribution of unique products. In 2014 the company tried to sell the Outsource products like sanitary napkins, toothpaste and Tanaka powder to add the product to the stores to increase customer's options.

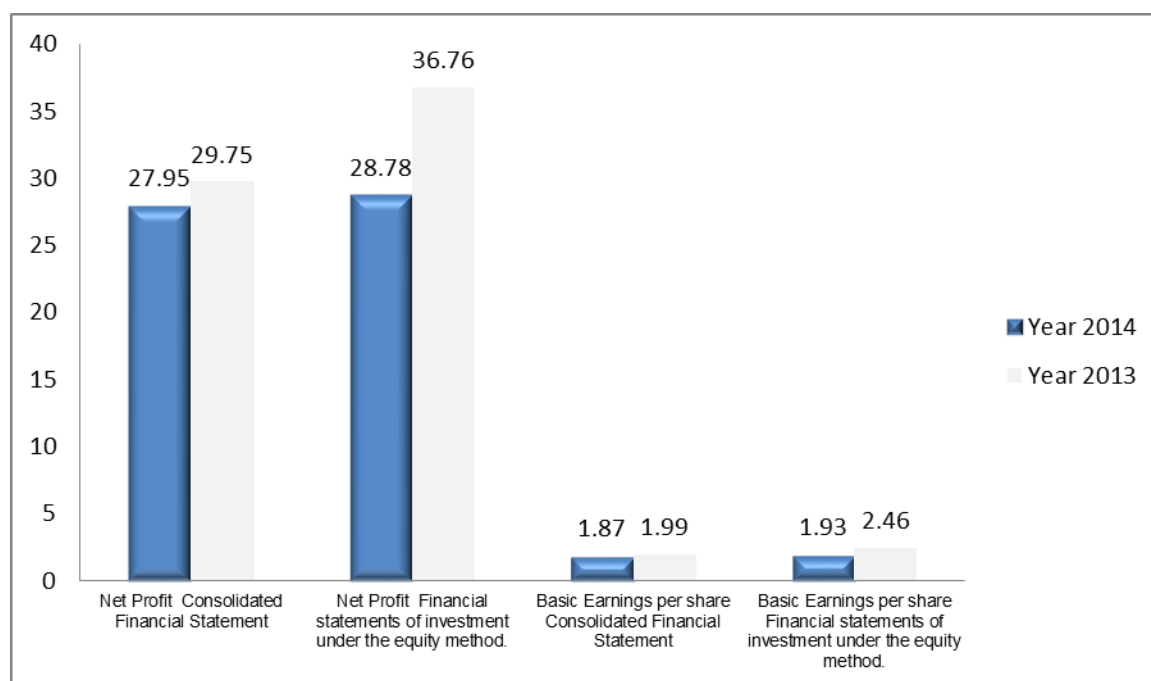
Expenses



Sales Expenses for year 2014 was 150.46 Million Baht, increasing from year 2013 at the amount of 8.76 Million Baht, equivalent to 6.19 percent. The increment consists of Salary, Allowances, Sales Promotion Expenses and Packaging Depreciations.

For decrease of financial costs due to reduction of OD usage, together with the Short-term lending rates were at 3.12 and 3.15 for year 2014, which year 2013 was at 3.15.

Annual Net Profit



Net profit for the financial statements for the year 2014 was 27.95 Million Baht, a decrease from year 2013 at 1.81 Million Baht, equivalent to 6.07%. Basic earnings are at level of 1.87 and the financial statement of investment under the equity method was 28.78 Million Baht, a decrease from year 2013 of 7.98 Million Baht, equivalent to 21.72 %. Main reason is sales decrease of 6.31% and the share of profit from investments in associates decreased by 67.41%.

Financial Status

Assets Consolidated Financial Statement

Description	2014 (Million Baht)	2013 (Million Baht)	Increase (Decrease)	Ratio %
Total Current Assets	414.93	420.48	-5.55	-1.32
Total Non-current Assets	241.26	243.39	-2.13	-0.88
Total Assets	656.19	663.87	-7.68	-1.17

1. The decrease in current assets consist of the following

1.1. Trade accounts receivable decreased from 2014 for the amount of 8.87 Million Baht, equivalent to 6.02%. The debt collection period was 77 days and allowance for doubtful accounts in the amount of 5.52 million baht, equivalent to 1.62% down from year 2013.

1.2. Inventories Increased from year 2014 for the amount of 5.05 Million Baht, 1.92% down from year 2013. The rate of inventory turnover was 1.53 times and the period of 238 days to sell. The company featured in the slow-moving inventories accounted for by the company to reduce the cost and sell at low prices at both government and private exhibitions which sell directly to the customers.

2. Non-current Assets decreases consist of the following

2.1. Idle land, the company has sold the idle land (non-buildings) on Soi Khajornwith, Bangpleeyai, Bangplee, Samutprakarn, at total area of 390 sqm with the sales value of 13.65 Million Baht.

Financial statements of investment under the equity method

Description	2014 (Million Baht)	2013 (Million Baht)	Increase (Decrease)	Ratio %
Total Current Assets	414.93	420.48	-5.55	-1.32
Total Non-current Assets	221.02	222.24	-1.22	-0.55
Total Assets	635.95	642.72	-6.77	-1.05

Total assets for fiscal equity method, the investment in associates are recognized in proportion to their holdings of 14.79%.

Current Liabilities

Description	2014 (Million Baht)	2013 (Million Baht)	Increase (Decrease)	Ratio %
Total Current Liabilities	223.89	257.33	-33.44	-12.99
Total Non-current Liabilities	37.50	33.30	4.20	12.61
Total Liabilities	261.39	290.63	-29.24	-10.06

Decreases of Current Liabilities consist of the following.

1. Bank overdrafts and short-term loans from financial institutions have decreased by 14.05 Million Baht, equivalent to 12.23 %. The company has paid the debt of the cash flow to reduce the OD in bank overdrafts, a decrease from year 2013 at the amount of 9.06 Million Baht, equivalent to 25.90% and short term loan, decrease from year 2013 at the amount of 5.00 Million Baht, equivalent to 6.25% decrease. As of 31st December 2014, the company

has the overdraft and short-term loans from financial institutions with a balance of 316 Million Baht, spent at the amount of 100.90 Million Baht, equivalent to 31.93% spent.

2. Trade Creditors in the related parties decreased from year 2013 at the amount of 9.53 Million Baht, equivalent to 10.17%. The company has 90 days credit term. The other payables creditors decreased from year 2013 at 1.60 Million Baht, equivalent to 14.58%.
3. Other Current Assets consist of accrued expenses, decreased from year 2013 at the amount of 8.75 Million Baht, equivalent to 25.46%.

Equity Shares

Financial statements for the investment using the equity contributed by the shareholders in the amount of 374.56 Million Baht, an increase from year 2013 at 22.47 Million Baht, equivalent to 6.38%. Book value of 25.05 Baht and the consolidated financial statements amounted to 394.81 Million Baht, an increase from year 2013 at the amount of 21.57 Million Baht, equivalent to 5.78% with book value of 26.41 Baht. The substantial of increment is the ability to make a profit each year and changes in fair value of available for sale investments, which fluctuate in according to the price of their securities index.

Cash flows from operating activities

Net cash provided by operating activities amounted to 16.08 Million Baht, down from year 2013 at 29.21 Million Baht, equivalent to 64.49 %. The decrease is due to the lower net profit of the consolidated financial statements at the amount of 1.81 Million Baht, equivalent to 6.07 % and financial statements to the equity method, which amounted to 28.78 Million Baht, a decrease of 7.98 Million Baht from year 2013, equivalent to 21.71%. The company has paid for the goods which increased in the amount of 21.72 Million Baht, equivalent to 205.12% and paid for staff retirement at amount of 1.01 Million Baht.

Cash flows from investing activities

Cash flows from investing activities amounted to 8.50 Million Baht, a decrease of 3.49 Million Baht, equivalent to 29.11%. For year 2014, the company has introduced the SAP Business One program to be used in all accounting system to improve the efficiency of the internal control system and present the data effectively, and the sales of idle land at the amount of 13.65 Million Baht.

Cash flows from financing activities

Net cash used in financing activities amounted to 25.21 Million Baht, a decrease 32.12 Million Baht, equivalent to 56% because the company still has the burden of cost to pay the interest at the rate of 3.12 - 3.14% per year and the company has made the payment to the account overdrafts and loans continuously in accordance profit made each year.

Liquidity and capital adequacy

The company received a loan from a financial institution in the form of an overdraft facility (OD) and short-term loans (P / N) as follows.

(Unit: 1 Thousand Baht)

Type	Amount	Spent		Remaining Amount
		Amount	Percentage (%)	
Overdraft withdrawal (OD)	97,000	25,900	26.70	71,100
Short term loan (P/N)	320,000	75,000	23.44	245,000
Total	417,000	100,900	24.20	316,100

Remaining amount of 316 Million Baht to be used for current capital in the business which is sufficient and the company is spending money carefully and tends to be free of debt.

Liquidity Ratio Analysis is as follows

Description	Year 2014	Year 2013
Liquidity Ratio	1.85 Times	1.63 Times
Quick Liquidity Ratio	1.15 Times	1.03 Times
Cash Flow Ratio	0.07 Times	0.17 Times
Accounts Receivable Turnover Ratio	4.26 Times	4.58 Times
The Average Collection Period	85 Days	79 Days
Inventory Turnover Ratio	1.53 Times	1.65 Times
Margin Ratio	35.48 %	33.80 %
Operating Margin Ratio	4.56 %	5.46 %
Return on Equity	7.92%	10.40 %

Factors affecting future operations results

Sales at department stores are scarce and difficult to recruit even if the minimum wage was adjusted to 300 Baht per day. Furthermore, the sales in department stores has high costs in terms of expenses such as salary, overtime and allowances, trade discounts (GP) and the staff absence cost, affecting the sale of each point is at the risk of loss if the sales are not in sufficient high volume.

Wholesaler such as Yi Pua, Sa Pua and stalls are facing uncertainty in the family trade type as it is vulnerable to future expansion in the market and the internet online sells will have an important role to compensate for the sale of the online world.

Free trade policies affect price competition. The imitation is more violence and new competitors in the future and changing consumer behavior from lady dress to wear pants over skirts, affecting the stockings which are main product of the company. The companies recognized this and try to find other substitutes for each year.

Products' brands were not widely known, so cannot currently make money in the future. The company can survive because the brand is known for nearly 50 years, which is Cherilon and other brands which also attempt to build a strong and well-known, but it is still not achieved the target. However, in the current research, it has been non-stop to the progress and forward to a successful future.

COMPANY GENERAL INFORMATION

Company's Name	:	New City (Bangkok) Public Co., Ltd.
Securities Abbreviation	:	NC
Company's registration number	:	0107537001901 (previously Bor.Mor.Jor. 437)
Office Location	:	666 Rama 3 Road, Bangpongpan, Yannawa, Bangkok 10120 Telephone:02-294-6999, Facsimile02-294-4068
Type of business	:	Selling consumables products, both wholesales and retails
Number and Type of Shares	:	Registered Ordinary Shares, 14,951,000 shares
Registered capital	:	14,951,000 shares, at par value of 10 Baht/share, Total 149,510,000 Baht.
Issued capital and called for payment	:	14,951,000 shares, at par value of 10 Baht/share, Total 149,510,000 Baht.

Branch Locations

Branch 1	:	293/16-17 Surawongse Road, Suriyawongse, Bangrak, Bangkok, Telephone (02) 2378460-1.
Branch 2	:	47, Opposite Saenfang Temple, Chang Moi Sub-District, Muang, Chiangmai, Telephone (053) 251-362.
Branch 3	:	250/1, 1st Floor, Com Kosa Complex, Srichan Road, NaiMuang Sub- District, Muang, Khonkaen, Telephone (043) 389-021.
Branch 4	:	Kardsuankaew Complex, 21 Huaykaew Road, Suthep Sub-District, Muang, Chiangmai, Telephone (053) 894-301.
Branch 5	:	33/3, 1 st Floor, Bamrunrad Hospital, Sukhumvit 3 Road, Klongtoey Sub-District, Klongtoey, Bangkok, Telephone (02) 667-1249.
Branch 6	:	1242/2, 2 nd Floor, The Malls Korat, S-34 Mittraparb Road, Muang Sub-District, Muang, Nakhonratchasima, Telephone (044) 288-175.
Branch 7	:	Central Plaza KhonKaen, 245, 2 nd Floor, 99 Srichan Road, Muang Sub-District, Muang, KhonKaen, Telephone (043) 288-114.
Branch 8	:	The Mall Bangkae Showroom, Room GS-L B Room, 275 Moo 1, Petchkasem Road, BangkaeNua, Bangkae, Bangkok, Telephone (02) 454-9686.
Branch 9	:	Central Plaza Udonthani Showroom, No. A114, Prajaksilapakom, Makkaeng Sub-district, Muang District, Udonthani Province, Telephone 042-110 555, extension 1202.

Juristic Persons who has shareholding value more than 10%

<u>Company's Name</u>	<u>Type of Business</u>	<u>Number of shares</u>	<u>Investment %</u>
Suphatnee Co., Ltd.	Real Estates	60,000	12.00
Advance Agrotech Co., Ltd.	Flower Planting	29,998	18.28
New Plus Knitting Co., Ltd.	Textiles	1,479,062	14.79

Reference Personnel

Registrar	:	Assets Deposit Centre (Thailand) Co., Ltd. 62, Stock Exchange of Thailand Building, Floors 4, 6-7 Ratchadapisek Road, Klongtoey Sub-District, Klongtoey, Bangkok 10110 Telephone: (02) (02) 229-2800, Facsimile (02) 229-2888.
Accounting Auditor	:	Mr. Phisit Cheewaruengrojana M.R. Associates Co., Ltd., Room 705-706, Chaopraya Tower 89 Soi Wat Suanplu, Charoenkrung Road, Bangrak, Bangkok 10500 Telephone: (02) 630-7500, Facsimile (02) (02) 630-7506.
Legal Advisor	:	None
Financial Advisor	:	None
Consultant or Manager under the management contract	:	None

Investors can learn more on the company annual report
(56-1 Type) of the companies listed. www.sec.or.th or the company's website www.NewCity.co.th

Management Details and Authorized Persons

Item No.	Name-Surname/ Position	Age (Year)	Education Qualifications	Shareholding Ratio (%)	Work Experience for the past 5 years		
					Period	Position	Company/ Business Type
1	Mr. Boonpakorn Chokwathana Position: Chairman of the Board, Chief President Relationship with the executive (2) – Wife. Relationship with the executive (3) – Son	79	Bachelor of Economics The University of Nottingham, United Kingdom Certificate of Director Accreditation Program (DAP) Director Certification Program (DCP) Role of Compensation Committee (RCC)	4.04	1969-present	Chairman of the Board	New City (Bangkok) Public Company Limited
					1962-present	Deputy Chairman of The Board	Sahapattanaphibul Public Company Limited/ Consumable products
					1972-present	Deputy Chairman of The Board	Sahapattana Inter Holding Public Company Limited /Investment
					1980-present	Independent Director Audit Committee Member and Chairman to the Procurement Department	Bumrungras Hospital Public Company Limited
					2002-present	Director	IT City Public Company Limited
					Present	Chairman	Dr. Thiam Chokewattana Foundation
						Director	4 non-listed companies
2	Mrs. Chamnian Chokwathana Position: Deputy Chairman and Director Family relationship with executive (1) – husband Family relationship with executive (3) – Daughter	65	Diploma in London in 1969 Certification of Director Accreditation Program (DAP)	0.42	1988-present	Deputy Chairman and Director	New City (Bangkok) Public Company Limited
					1989-present	Chairman of the Board	New Plus Knitting Public Company Limited/Textile
						Director	4 non-listed companies

Item No.	Name-Surname/ Position	Age (Year)	Education Qualifications	Shareholding Ratio (%)	Work Experience for the past 5 years		
					Period	Position	Company/ Business Type
3	Mr. Phiphob Chokwathana Position: Deputy Chairman and Director	38	Bachelor of Management Information System The University of Central Florida, USA Certificate of Director Accreditation Program (DAP)	2.31	2003-present	Director/Vice President and Managing Director	New City (Bangkok) Public Company Limited
					2008-present	Assistance Secretary	Industrial Council of Thailand
						Director	5 non-listed companies
4	Ms. Phunjaporn Dechuratana Position: Director	72	Matthayom 5 (High School) Khemasiri-anusorn Certificate of Director Accreditation (DAP) Program	0.03	1969-present	Financial Consultant	New City (Bangkok) Public Company Limited
						Director	1 non-listed company
5	Ms. Pataya Khetsatsira Position: Director	63	Diploma Certificate Bangkok Accounting College Director Accreditation Program (DAP)	0.0002	1984-present	Sales Manager – Cosmetics Department	New City (Bangkok) Public Company Limited
6	Ms. Jurai-orn Chimalawong Position : Director	53	Bachelor of Arts (Accounting) Sunantha Teacher College Certificate of Director Accreditation Program (DAP)	0.0014	1991-Present	Director	New City (Bangkok) Public Company Limited
					1992-present	Director	Boonwattachoke Company Limited
						Director	2 non-listed companies
7	Mr. Suksan Fuangrit Position: Audit Committee	64	Bachelor of Commerce and Finance (Accounting) Thammasart University Certificate of Director Accreditation Program (DAP)	-	2003-present	Audit Committee	New City (Bangkok) Public Company Limited
					1973-1974	Finance Manager	Krung Thai Bank – Ranong Branch
					1975-1976	Finance Manager	Commercial Motors Co.,Ltd.
					1977-1988	General Manager	Thai Takayama Reed Co.,Ltd.

Item No.	Name-Surname/ Position	Age (Year)	Education Qualifications	Shareholding Ratio (%)	Work Experience for the past 5 years		
					Period	Position	Company/ Business Type
					1989-present	System Planning Consultant	Zabmic Co.,Ltd.
8	Mr. Somchai Kamjanapisarn Position: Chairman to the Audit Committee	63	Bachelor of Commerce and Finance (Accounting) Thammasart University MBA Business Management, USA Certificate of Director Accreditation Program (DAP)	-	2003-present	Chairman to the Audit Committee	New City (Bangkok) Public Company Limited
					2001-2006	Director of Risk Management and Finance Management	Bank of Thailand
9	Mrs. Duangdao Anansaringkarn Position: Director	59	Bachelor of Information Science Chulalongkorn University Certificate of Director Accreditation Program (DAP)	0.0004	1984-present	Manager of Products Department	New City (Bangkok) Public Company Limited
10	Ms. Waraporn Phekanant Position: Audit	67	D.I.P.S.T. Nicholas Teacher Training Centre for the Montessori Method of Education	0.03	1999-present	Audit Committee	New City (Bangkok) Public Company Limited
					Present	Executive Director	Association (Sor.Por.Tor.Thor.) 4 Army Preparatory School
						Director	1 non-listed company
11	Ms. Samang Chantrima Position: Director, Secretary to the Board and Secretary to Audit Committee	50	Certificate of High Vocational in Accounting Silom Accounting College Certificate of Director Accreditation Program (DAP)	0.001	1994-present 2002-present	Director Finance Manager Secretary to the Board Secretary to the Audit Committee	New City (Bangkok) Public Company Limited
12	Mr. Kaweepong Hirunkasi Position: Independent Director	65	Bachelor of Commerce	-	2009-present	Independent Director	New City (Bangkok) Public Company Limited
			Thammasart University Master of		1984-2010	Vice Governor	The Metropolitan Power Board

Item No.	Name-Surname/ Position	Age (Year)	Education Qualifications	Shareholding Ratio (%)	Work Experience for the past 5 years		
					Period	Position	Company/ Business Type
			Business Management, International Kasetsart University Ph.D. Social Economic Administration Magach University, India Certificate of Public Economics Management for high level executives Kind Mongkut Institute, Class 5 (Por.Sor.Sor.5) Certificate of Director Accreditation Program (DAP)		Present	Director	Student Alumni Association Triam Udomsuksa under the royal patronage
					2005-present	Director	Commerce and Accounting Student Alumni Association Thammasart University
					2007-present	Director	Returning Elephant to Nature Foundation
					2009-present	Chairman of Audit Committee	AI Energy Public Co., Ltd.
13.	Mr. Adul Srimadee Company Secretary	50	Bachelor of Law, Ramkhamhaeng University. Diploma of Law, Lawyer Council		1992-Present	Company Secretary	Legal New City (Bangkok) Public Company Limited

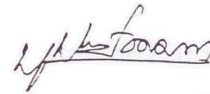
ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL REPORT

New City (Bangkok) Public Co., Ltd.'s financial statement is prepared under the policy of the Board of Directors which is in accordance with the generally accepted accounting principles and carefully records the accounting transactions by using the judgment in preparing the financial statement to reflex the actual.

In this regard, the Board of Directors recognized the importance of financial statement's quality by using verification of the financial statement and arrange for disclosure of sufficient important additional information in the notes, definition and analysis of the financial statement for the benefit of the shareholders and general investors in using financial statement.

In addition, the Board of Directors has appointed the Auditor's Committee which consists of the Independent Director, and non-executive Director to be directly in charge for the quality of the financial statement. The opinions and views of the Auditor's Committee are included in the Annual Report.

From the management structure and internal control system together with the report of certified accounting auditor, the Board of Directors are ensured that the New City (Bangkok) Public Co., Ltd.'s financial statement as at 31 December 2014 presenting the financial status, business' s performance and cash flow to be accurate and in accordance with generally accepted accounting principles.



Mr. Boonpakorn Chokwathana
Chairman of the Board

REPORT OF CERTIFIED PUBLIC ACCOUNTANT

To the Shareholders and the Board of Directors of Newcity (Bangkok) Public Company Limited

I have audited the accompanying financial statements in which the equity method is applied of Newcity (Bangkok) Public Company Limited, which comprise the statement of financial position in which the equity method is applied as at December 31, 2014, and the statements in which the equity method is applied of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. I have also audited the accompanying separate financial statements of Newcity (Bangkok) Public Company Limited, which comprise the separate statement of financial position as at December 31, 2014, and the separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of 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 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 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 qualified audit opinion.

Basis for Qualified Opinion

As described in Note 8 to the financial statements, the Company accounted its investment in the associate (New Plus Knitting Public Company Limited) in the financial statements, in which the equity method is applied, using the equity method. The investment for the year ended December 31, 2014 was based on the consolidated financial statements for the year ended September 30, 2014 of New Plus Knitting Public Company Limited and its subsidiaries reviewed by another auditor. The carrying value of the investment as at December 31, 2014 amounted to Baht 25.4 million. The Company's share of profit of the associate for the year ended December 31, 2014 amounted to Baht 3.4 million. The Company's share of other comprehensive income of the associate for the year ended December 31, 2014 amounted to Baht 0.06 million. The management of the Company does not have the authority to allow me to audit the financial statements of the associate. I was unable to determine whether any adjustments to these amounts were necessary

Opinion

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Newcity (Bangkok) Public Company Limited as at December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

(Mr. Pisit Chiwaruangroch)
Certified Public Accountant
Registration No. 2803

M.R. & ASSOCIATES CO., LTD.
Bangkok
February 19, 2015

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014 AND 2013

ASSETS

		In Baht			
		Financial statements in which		Separate	
		the equity method is applied		financial	
	Note	2014	2013	statements	2013
		2014		2014	
CURRENT ASSETS					
Cash and cash equivalents		562,396	1,183,135	562,396	1,183,135
Trade accounts receivable					
- Related parties	4, 5	280,426	721,094	280,426	721,094
- Other companies	5	138,071,393	146,498,391	138,071,393	146,498,391
Inventories	6	268,380,032	263,325,638	268,380,032	263,325,638
Other current assets	4	7,634,403	8,756,244	7,634,403	8,756,244
Total current assets		414,928,650	420,484,502	414,928,650	420,484,502
NON-CURRENT ASSETS					
Available-for-sale investments	7	118,127,773	117,684,161	118,127,773	117,684,161
Investment in associate	8	25,438,770	22,178,324	39,624,071	36,665,947
Other long-term investments	9	12,660,087	11,662,587	12,660,087	11,662,587
Property, plant and equipment	10	27,122,325	26,147,502	27,122,325	26,147,502
Unused land	11	5,046,625	13,626,625	5,046,625	13,626,625
Leasehold rights	12	7,380,856	8,278,344	7,380,856	8,278,344
Deferred tax assets	13	16,475,773	15,436,699	22,537,442	22,089,993
Other non-current assets	4	8,763,289	7,230,698	8,763,289	7,230,698
Total non-current assets		221,015,498	222,244,940	241,262,468	243,385,857
TOTAL ASSETS					
		635,944,148	642,729,442	656,191,118	663,870,359

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014 AND 2013

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Baht			
		Financial statements in which the equity method is applied		Separate financial statements	
	Note	2014	2013	2014	2013
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from financial institutions	14	100,900,227	114,955,201	100,900,227	114,955,201
Trade accounts payable					
- Related parties	4	84,202,834	93,736,902	84,202,834	93,736,902
- Others		9,352,666	10,948,873	9,352,666	10,948,873
Income tax payable		3,820,201	3,332,299	3,820,201	3,332,299
Other current liabilities	4	25,611,915	34,358,802	25,611,915	34,358,802
Total current liabilities		223,887,843	257,332,077	223,887,843	257,332,077
NON-CURRENT LIABILITIES					
Deferred tax liabilities	13	16,700,170	16,611,448	16,700,170	16,611,448
Employee benefit obligations	15	19,220,889	15,522,895	19,220,889	15,522,895
Other non-current liabilities		1,575,969	1,169,969	1,575,969	1,169,969
Total non-current liabilities		37,497,028	33,304,312	37,497,028	33,304,312
Total liabilities		261,384,871	290,636,389	261,384,871	290,636,389

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014 AND 2013

LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)

		In Baht			
		Financial statements in which the equity method is applied		Separate financial statements	
		2014	2013	2014	2013
SHAREHOLDERS' EQUITY					
Share capital - common share					
14,951,000 shares,					
Baht 10 par value					
Authorized share capital		<u>149,510,000</u>	<u>149,510,000</u>	<u>149,510,000</u>	<u>149,510,000</u>
Issued and paid-up share capital		149,510,000	149,510,000	149,510,000	149,510,000
Retained earnings					
- Legal reserve	16	10,500,000	9,000,000	10,500,000	9,000,000
- Unappropriated		147,990,143	127,436,009	167,995,566	148,278,178
Other components of					
shareholders' equity		<u>66,559,134</u>	<u>66,147,044</u>	<u>66,800,681</u>	<u>66,445,792</u>
Total shareholders' equity		<u>374,559,277</u>	<u>352,093,053</u>	<u>394,806,247</u>	<u>373,233,970</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		<u>635,944,148</u>	<u>642,729,442</u>	<u>656,191,118</u>	<u>663,870,359</u>

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

		In Baht			
		Financial statements in which the equity method is applied		Separate financial statements	
	Note	2014	2013	2014	2013
REVENUES					
Net sales	4	631,419,047	673,935,702	631,419,047	673,935,702
Dividend income	4	3,824,946	4,160,756	4,046,805	4,604,475
Reversal of impairment loss on investments in associates		-	-	2,958,124	5,842,295
Gain on sale of investment in associate		-	1,623,828	-	-
Other income	4	9,194,638	4,585,174	9,194,638	4,585,174
Total revenues		<u>644,438,631</u>	<u>684,305,460</u>	<u>647,618,614</u>	<u>688,967,646</u>
EXPENSES					
	4, 17				
Cost of goods sold		407,401,985	445,949,995	407,401,985	445,949,995
Selling expenses		150,458,195	141,698,406	150,458,195	141,698,406
Administrative expenses		51,137,443	59,415,360	51,137,443	59,415,360
Finance costs		4,443,345	5,898,427	4,443,345	5,898,427
Total expenses		<u>613,440,968</u>	<u>652,962,188</u>	<u>613,440,968</u>	<u>652,962,188</u>
Share of profit of associates	8	<u>3,425,104</u>	<u>10,506,939</u>	<u>-</u>	<u>-</u>
Profit before income tax		34,422,767	41,850,211	34,177,646	36,005,458
Tax expense	13	<u>5,640,683</u>	<u>5,086,156</u>	<u>6,232,308</u>	<u>6,254,615</u>
Profit for the year		<u>28,782,084</u>	<u>36,764,055</u>	<u>27,945,338</u>	<u>29,750,843</u>

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
STATEMENTS OF COMPREHENSIVE INCOME (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

		In Baht			
		Financial statements in which the equity method is applied		Separate financial statements	
	Note	2014	2013	2014	2013
Other comprehensive income					
Gain (loss) on measurement of					
available for sale investments	18	354,889	(24,333,835)	354,889	(24,333,835)
Share of other comprehensive					
income (loss) of associates		57,201	(1,811,440)	-	-
Other comprehensive income					
(loss) for the year		412,090	(26,145,275)	354,889	(24,333,835)
Total comprehensive					
income for the year		29,194,174	10,618,780	28,300,227	5,417,008
Basic earnings per share					
		1.93	2.46	1.87	1.99
Weighted average number of					
common shares (shares)		14,951,000	14,951,000	14,951,000	14,951,000

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Financial statements in which the equity method is applied (In Baht)							
	Note	Issued and paid-up share capital	Retained earnings		Other components of shareholders' equity		
			Legal reserve	Unappropriated	Fair value changes in available-for- sale investments	Share of other comprehensive income (loss) of associates	Total other components of shareholders' equity
Balance as at January 1, 2013		149,510,000	7,350,000	103,535,204	90,779,627	3,763,090	354,937,921
Total comprehensive income							
(loss) for the year		-	-	36,764,055	(24,333,835)	(1,811,440)	10,618,780
Appropriation for legal reserve	16	-	1,650,000	(1,650,000)	-	-	-
Reversal of share of							
income of associate sold		-	-	-	-	(2,250,398)	(2,250,398)
Dividend payment	19	-	-	(11,213,250)	-	-	(11,213,250)
Balance as at December 31, 2013		<u>149,510,000</u>	<u>9,000,000</u>	<u>127,436,009</u>	<u>66,445,792</u>	<u>(298,748)</u>	<u>352,093,053</u>
Balance as at January 1, 2014		149,510,000	9,000,000	127,436,009	66,445,792	(298,748)	352,093,053
Total comprehensive income							
for the year		-	-	28,782,084	354,889	57,201	29,194,174
Appropriation for legal reserve	16	-	1,500,000	(1,500,000)	-	-	-
Dividend payment	19	-	-	(6,727,950)	-	-	(6,727,950)
Balance as at December 31, 2014		<u>149,510,000</u>	<u>10,500,000</u>	<u>147,990,143</u>	<u>66,800,681</u>	<u>(241,547)</u>	<u>374,559,277</u>

**NEWCITY (BANGKOK) PUBLIC COMPANY
LIMITED**

**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

		Separate financial statements (In Baht)				
		Issued and paid-up	Retained earnings		Fair value changes in available-for- sale investments	Total shareholders' equity
	Note	share capital	Legal reserve	Unappropriated		
Balance as at January 1, 2013		149,510,000	7,350,000	131,390,585	90,779,627	379,030,212
Total comprehensive income (loss) for the year		-	-	29,750,843	(24,333,835)	5,417,008
Appropriation for legal reserve	16	-	1,650,000	(1,650,000)	-	-
Dividend payment	19	-	-	(11,213,250)	-	(11,213,250)
Balance as at December 31, 2013		<u>149,510,000</u>	<u>9,000,000</u>	<u>148,278,178</u>	<u>66,445,792</u>	<u>373,233,970</u>
Balance as at January 1, 2014		149,510,000	9,000,000	148,278,178	66,445,792	373,233,970
Total comprehensive income for the year		-	-	27,945,338	354,889	28,300,227
Appropriation for legal reserve	16	-	1,500,000	(1,500,000)	-	-
Dividend payment	19	-	-	(6,727,950)	-	(6,727,950)
Balance as at December 31, 2014		149,510,000	10,500,000	167,995,566	66,800,681	394,806,247

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
STATEMENTS OF CASH
FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	In Baht			
	Financial statements in which the equity method is applied		Separate financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit for the year	28,782,084	36,764,055	27,945,338	29,750,843
Adjustment for				
Depreciation and amortization	5,761,701	4,916,059	5,761,701	4,916,059
Allowance for doubtful accounts (reversal)	(90,564)	610,927	(90,564)	610,927
Reversal of impairment loss on investments				
in associates	-	-	(2,958,124)	(5,842,295)
Reversal of impairment loss on unused land	(3,506,100)	-	(3,506,100)	-
Share of profit of associates	(3,425,104)	(10,506,939)	-	-
Gain on sale of investment in associate	-	(1,623,828)	-	-
Gain on disposals of equipment	(67,374)	(379,231)	(67,374)	(379,231)
Gain on disposals of unused land	(1,563,900)	-	(1,563,900)	-
Unrealized loss (gain) on foreign exchange rate	(12,698)	4,428	(12,698)	4,428
Dividend income	(3,824,946)	(4,160,756)	(4,046,805)	(4,604,475)
Interest income	(12,061)	(62,851)	(12,061)	(62,851)
Interest expense	4,443,345	5,898,427	4,443,345	5,898,427
Tax expense	5,640,683	5,086,156	6,232,308	6,254,615
Provisions for employee benefits	4,705,254	7,543,287	4,705,254	7,543,287
	36,830,320	44,089,734	36,830,320	44,089,734

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	In Baht			
	Financial statements in which the equity method is applied		Separate financial statements	
	2014	2013	2014	2013
Decrease (increase) in operating assets				
Trade accounts receivable	8,958,230	(10,152,385)	8,958,230	(10,152,385)
Inventories	(5,054,394)	14,247,873	(5,054,394)	14,247,873
Other current assets	1,121,841	(1,217,911)	1,121,841	(1,217,911)
Other non-current assets	905,300	(1,076,100)	905,300	(1,076,100)
Increase (decrease) in operating liabilities				
Trade accounts payable	(11,130,275)	10,587,782	(11,130,275)	10,587,782
Other current liabilities	(8,754,299)	(3,235,278)	(8,754,299)	(3,235,278)
Other non-current liabilities	406,000	(83,500)	406,000	(83,500)
Employee benefit obligations	(1,007,260)	-	(1,007,260)	-
Income tax paid	(6,191,856)	(7,866,580)	(6,191,856)	(7,866,580)
Net cash provided by operating activities	16,083,607	45,293,635	16,083,607	45,293,635
Cash flows from investing activities				
Interest received	12,061	62,851	12,061	62,851
Sale of investment in associate	-	11,000,000	-	11,000,000
Increase in other long-term investments	(997,500)	-	(997,500)	-
Acquisitions of equipment and computer program	(8,293,572)	(4,107,851)	(8,293,572)	(4,107,851)
Proceeds from sales of equipment	84,019	433,805	84,019	433,805
Proceeds from sales of unused land	13,650,000	-	13,650,000	-
Dividend received	4,046,805	4,604,475	4,046,805	4,604,475
Net cash provided by investing activities	8,501,813	11,993,280		

		8,501,813	11,993,280
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NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	In Baht			
	Financial statements in which		Separate	
	the equity method is applied		financial statements	
	2014	2013	2014	2013
Cash flows from financing activities				
Interest paid	(4,423,235)	(5,974,457)	(4,423,235)	(5,974,457)
Decrease in bank overdrafts and short-term loans from financial institutions	(14,054,974)	(32,637,760)	(14,054,974)	(32,637,760)
Repayments of short-term loan from related parties	-	(7,500,000)	-	(7,500,000)
Dividend payment	(6,727,950)	(11,213,250)	(6,727,950)	(11,213,250)
Net cash used in financing activities	(25,206,159)	(57,325,467)	(25,206,159)	(57,325,467)
Net decrease in cash and cash equivalents	(620,739)	(38,552)	(620,739)	(38,552)
Cash and cash equivalents at beginning of the year	1,183,135	1,221,687	1,183,135	1,221,687
Cash and cash equivalents at end of the year	562,396	1,183,135	562,396	1,183,135

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED

Notes to Financial Statements

December 31, 2014 and 2013

1. GENERAL

Newcity (Bangkok) Public Company Limited ("the Company") is incorporated in Thailand and has registered office at 666 Rama 3 Road, Bangpongpan, Yannawa Bangkok, Thailand. The Company was listed on the Stock Exchange of Thailand on September 30, 1977.

The Company engages in the distribution of pantyhose, cosmetics, innerwear and exercise outfits.

2. BASIS FOR FINANCIAL STATEMENT PREPARATION

The accompanying financial statements are prepared in Thai Baht in the Thai language in accordance with the financial reporting standards in Thailand. Accordingly, the accompanying financial statements are intended solely to present the financial position, results of operations and cash flows in accordance with the financial reporting standards in Thailand.

Except as disclosed in the accounting policies, the accompanying financial statements have been prepared under the historical cost convention.

The Company disclosed information for the year ended December 31, 2013 for being the comparative information in the financial statements for the year ended December 31, 2014 in the form of corresponding figures.

For convenience of the readers, an English translation of the financial statements has been prepared from the Thai language statutory financial statements that are issued for domestic financial reporting purposes.

Revision and issuance of new accounting standards, financial reporting standards, and interpretations

The Federation of Accounting Professions (FAP) issued several Notifications which were announced in the Royal Gazette during 2013 and 2014, regarding the revision and issuance of new Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), Thai Accounting Interpretation (TSIC), and Thai Financial Reporting Interpretation (TFRIC) with the effective periods as follows:

- a) Effective for the accounting period beginning on or after January 1, 2014:
- | | |
|-----------------------|--|
| TAS 1 (revised 2012) | Presentation of financial statements |
| TAS 7 (revised 2012) | Statement of Cash Flows |
| TAS 12 (revised 2012) | Income Taxes |
| TAS 17 (revised 2012) | Leases |
| TAS 18 (revised 2012) | Revenue |
| TAS 19 (revised 2012) | Employee Benefits |
| TAS 21 (revised 2012) | The Effects of Changes in Foreign Exchange Rates |
| TAS 24 (revised 2012) | Related Party Disclosures |
| TAS 28 (revised 2012) | Investment in Associates |
| TAS 31 (revised 2012) | Interest in Joint Ventures |
| TAS 34 (revised 2012) | Interim Financial Reporting |
| TAS 36 (revised 2012) | Impairment of Assets |

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

December 31, 2014 and 2013

TAS 38 (revised 2012)	Intangible Assets
TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Disclosure - Service Concession Arrangements
TSIC 32	Intangible Assets - Web Site Costs
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 "Financial Reporting in Hyperinflationary Economies"
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

b) Effective for the accounting period beginning on or after January 1, 2016:

TFRS 4	Insurance Contracts
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Adoption of the aforesaid new and revised TAS and TFRS as well as TSIC and TFRIC did not have any material effect to the financial statements of the Company.

However, FAP has additionally issued several Notifications which were announced in the Royal Gazette during 2014 and 2015, regarding the revision and issuance of new TAS, TFRS, TSIC, and TFRIC with the effective for the accounting period beginning on or after January 1, 2015 whereby the Company has not yet adopted in the preparation of the accompanying financial statements and have no policy to early adopt before the effective period, which are as follows:

TAS 1 (revised 2014)	Presentation of Financial Statements
TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of Cash Flows
TAS 8 (revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2014)	Events after the Reporting Period

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

December 31, 2014 and 2013

TAS 11 (revised 2014)	Construction Contracts
TAS 12 (revised 2014)	Income Taxes
TAS 16 (revised 2014)	Property, Plant and Equipment
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 19 (revised 2014)	Employee Benefits
TAS 20 (revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2014)	Borrowing Costs
TAS 24 (revised 2014)	Related Party Disclosures
TAS 26 (revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2014)	Separate Financial Statements
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures
TAS 29 (revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2014)	Earnings per Share
TAS 34 (revised 2014)	Interim Financial Reporting
TAS 36 (revised 2014)	Impairment of Assets
TAS 37 (revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2014)	Intangible Assets
TAS 40 (revised 2014)	Investment Property
TFRS 2 (revised 2014)	Share-based Payment
TFRS 3 (revised 2014)	Business Combinations
TFRS 4 (revised 2014)	Insurance Contracts
TFRS 5 (revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2014)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement
TSIC 10 (revised 2014)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2014)	Operating Leases - Incentives
TSIC 25 (revised 2014)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2014)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

December 31, 2014 and 2013

TSIC 29 (revised 2014)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2014)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2014)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2014)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2014)	Applying the Restatement Approach under TAS 29 "Financial Reporting in Hyperinflationary Economies"
TFRIC 10 (revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2014)	Service Concession Arrangements
TFRIC 13 (revised 2014)	Customer Loyalty Programmes
TFRIC 14	TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2014)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2014)	Transfers of Assets from Customers
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

Management of the Company has preliminarily assessed and believed that there will be no material effect to the financial statements of the Company upon adoption of the aforesaid new and revised TAS and TFRS as well as TSIC and TFRIC.

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

December 31, 2014 and 2013

3. SIGNIFICANT ACCOUNTING POLICIES

The significant principle accounting policies adopted in the preparation of these financial statements are as follows:

Basis of the financial statements in which the equity method is applied

Associates are those companies in which the Company has significant influence, but not control, over the financial and operating policies. The financial statements in which the equity method is applied include the Company's share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Company's share of losses exceeds its interest in an associate, the Company's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments.

Trade and other receivables

Trade and other receivables are stated at their invoice values less allowance for doubtful accounts.

The Company provides an allowance for doubtful accounts equal to the estimated collection losses that may be incurred in the collection of all receivables. The estimated losses are based on the historical collection experience coupled with a review of the current status of existing receivables.

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

December 31, 2014 and 2013

Inventories

Inventories are stated at the lower of cost (after deduction of allowance for obsolete and slow-moving of inventories) or net realizable value.

Cost is calculated using weighted average cost and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less necessary selling expenses.

Allowance for slow-moving and obsolete inventories is based on the ages and conditions of inventories and the historical experience.

Investments

Investments in associates in the separate financial statements of the Company are accounted for using the cost method less impairment losses. Investments in associates in the financial statements in which the equity method is applied are accounted for using the equity method.

Marketable equity securities other than securities held for trading or intended to be held to maturity, are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognized in other comprehensive income.

The fair value of financial instruments classified as available-for-sale is determined as the quoted bid price at the reporting date.

Equity securities which are not marketable are stated at cost less impairment losses.

Property, plant and equipment

Property, plant and equipment are stated at cost net of accumulated depreciation and allowance for impairment loss (if any).

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of an item of property, plant and equipment. Depreciation is calculated based on cost of the property and equipment less residual value. Useful lives and residual values are reviewed at each year-end. The estimated useful lives are as follows:

	<u>Period (years)</u>
Buildings	20
Furniture, and office equipments	5
Vehicles	5

No depreciation is provided on land or assets under construction.

Unused land

Unused land is stated at cost net of allowance for impairment loss.

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

December 31, 2014 and 2013

Leasehold rights

Leasehold rights are stated at cost less accumulated amortization and allowance for impairment losses.

Amortization is recognized in profit or loss on a straight-line basis over the lease life of 24 - 27 years.

Impairment of assets

The carrying amounts of the Company'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 (the higher of an asset's net selling price or value in use) are estimated. The review is made for individual assets or for the cash-generating unit.

In case that the carrying value of an asset exceeds its recoverable amount, the Company recognizes the impairment losses by reducing the carrying value of the asset to be at its recoverable amount and recording the devaluation in profit or loss. The reversal of impairment losses recognized in prior years is recorded as part of other income when there is an indication that the impairment losses recognized for the assets no longer exist or are decreased.

Trade and other accounts payable

Trade and other accounts payable are stated at cost.

Employee benefits

The Company's obligations in respect of post-employment benefits are calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods; that benefits are discounted to determine their present value. The calculation is performed by an independent actuary using the projected unit credit method. Expenses from the estimated liability for post-employment benefits are recognized in profit or loss and comprise of current service cost, interest cost, past service cost, and actuarial gains and losses.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, 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, where appropriate, the risks specific to the liability.

Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Revenue is recognized 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 cost or the probable return of goods.

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

December 31, 2014 and 2013

Interest income is recognized in profit or loss as it accrues.

Dividend income is recognized in profit or loss on the date the Company's right to receive payments is established.

Other income is recognized on an accrual basis.

Expenses

Payments made under operating leases are recognized in profit or loss on a straight line basis over the term of the lease.

Interest expense and similar costs are charged to profit or loss for the period in which they are incurred.

Income tax

Tax expense for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized 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 measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted by the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. 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 realized.

Use of estimates

In order to prepare financial statements in conformity with generally accepted accounting standards in Thailand, management needs to make estimates and set assumptions that affect income, expenditure, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used.

The estimates and underlying assumptions used in the preparation of these financial statements are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Basic earnings per share

Basic earnings per share are determined by dividing the profit for the year by the weighted average number of common shares outstanding during the year.

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

December 31, 2014 and 2013

4. TRANSACTIONS WITH RELATED PARTIES

Related party is a party controlled by the Company or has power control over the Company, directly or indirectly, or has significant influence over the financial or operating policies of the Company.

Name of entities	Nature of relationships
<u>Associates</u>	
New Plus Knitting Pcl. and its subsidiaries Seri Control Co., Ltd.	Associate Associate (up to September 13, 2013, however still remain common shareholder)
<u>Other related parties</u>	
Supathanee Co., Ltd.	Common shareholder
Misasa International Co., Ltd.	Common directors (up to August 26, 2013)
Advance Acrotech Co., Ltd.	Common directors
IT City Pcl.	Common directors
Saha Pathanapibul Pcl.	Common directors
Saha Pathana Inter-Holding Pcl.	Common directors
Ekpakorn Co., Ltd.	Common directors
Boonwatanachok Co., Ltd.	Common directors
Chensin Industry Co., Ltd.	Common directors
Ms. Vorawong Chokvathana	A daughter of director
Mr. Pipope Chokvathana	Director
Mr. Boonpakorn Chokvathana	Director
Key management personnel	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.

The pricing policies are as follows:

Type of transactions	Pricing policies
Sale	Market price
Purchase	Market price
Commission income	Market price
Rental income	Market price
Other income	Negotiated price
Rental expense	Market price
Service for inventory	Market price
Other expense	Negotiated price
Interest expense	Market price

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

December 31, 2014 and 2013

Significant outstanding balances of assets and liabilities with its related parties as at December 31, 2014 and 2013 were as follows:

	In Thousand Baht	
	2014	2013
<u>Trade accounts receivable</u>		
<i>Other related party</i>		
Boonwatanachok Co., Ltd.	280	721
<u>Other current assets (other receivables from related parties)</u>		
<i>Associate</i>		
New Plus Knitting Pcl. and its subsidiaries	77	54
<i>Other related party</i>		
Boonwatanachok Co., Ltd	42	17
Total	119	71
<u>Available-for-sale investments</u>		
<i>Other related parties</i>		
Saha Pathanapibul Pcl.	12,807	12,807
IT City Pcl.	3,541	3,541
Saha Pathana Inter-Holding Pcl.	1,898	1,898
	18,246	18,246
Add fair value changes	73,319	78,112
Total	91,565	96,358
<u>Other long-term investments</u>		
<i>Other related parties</i>		
Supathanee Co., Ltd.	6,000	6,000
Advance Acrotech Co., Ltd.	2,290	2,290
	8,290	8,290
Less allowance for impairment loss	(896)	(896)
Net	7,394	7,394
<u>Other non-current assets (deposit)</u>		
<i>Other related party</i>		
Boonwatanachok Co., Ltd.	472	590
<u>Trade accounts payable</u>		
<i>Associate</i>		
New Plus Knitting Pcl. and its subsidiaries	84,202	93,737
<i>Other related party</i>		
Boonwatanachok Co., Ltd.	1	-
Total	84,203	93,737

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

December 31, 2014 and 2013

	In Thousand Baht	
	2014	2013
<u>Other current liabilities (accrued expense)</u>		
<i>Associates</i>		
New Plus Knitting Pcl. and its subsidiaries	45	10
<i>Other related parties</i>		
Chensin Industry Co., Ltd	86	86
Saha Pathana Inter-Holding Pcl.	20	20
Total	151	116

Significant transactions with related parties for the years ended December 31, 2014 and 2013 were as follows:

	In Thousand Baht	
	2014	2013
<u>Sale</u>		
<i>Other related party</i>		
Boonwatanachok Co., Ltd.	666	1,252

<u>Purchase</u>		
<i>Associate</i>		
New Plus Knitting Pcl. and its subsidiaries	344,448	358,841
<i>Other related parties</i>		
Saha Pathanapibul Pcl.	9	18
Boonwatanachok Co., Ltd.	2	5
Total	344,459	358,864

Dividend income
Financial statements in which the equity method is applied

<i>Other related parties</i>		
Saha Pathanapibul Pcl.	1,801	1,801
Saha Pathana Inter-Holding Pcl.	82	82
Total	1,883	1,883

Separate financial statements

<i>Associate</i>		
New Plus Knitting Pcl. and its subsidiaries	222	444
<i>Other related parties</i>		
Saha Pathanapibul Pcl.	1,801	1,801
Saha Pathana Inter-Holding Pcl.	82	82
Total	2,105	2,327

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

December 31, 2014 and 2013

	In Thousand Baht	
	2014	2013
<u>Other income (commission, rental, etc.)</u>		
<i>Associate</i>		
New Plus Knitting Pcl. and its subsidiaries	607	861
<i>Other related party</i>		
Boonwatanachok Co., Ltd.	162	163
Saha Pathana Inter-Holding Pcl.	12	-
Total	781	1,024
 <u>Finance costs</u>		
<i>Other related party</i>		
Ms. Vorawong Chokvathana	-	13
 <u>Selling and administrative expenses</u> <u>(rental, warehouse service, etc.)</u>		
<i>Associates</i>		
New Plus Knitting Pcl. and its subsidiaries	221	244
Seri Control Co., Ltd.	-	489
<i>Other related parties</i>		
Saha Pathanapibul Pcl.	1,682	1,693
Chensin Industry Co., Ltd.	960	960
Saha Pathana Inter-Holding Pcl.	240	240
Boonwatanachok Co., Ltd.	178	180
Total	3,281	3,806
 <u>Key management compensation</u>		
Short-term employee benefits	19,656	20,456
Post-employee benefits	1,407	1,918
Total	21,063	22,374

Guarantee

As at December 31, 2014 and 2013, the Company guaranteed an associate and its subsidiary for credit facilities totaling Baht 5 million and Baht 38 million, respectively (with no guarantee fee).

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

December 31, 2014 and 2013

5. TRADE ACCOUNTS RECEIVABLE

Aging analyses for trade accounts receivable as at December 31, 2014 and 2013 were as follows:

		In Thousand Baht	
	Note	2014	2013
<u>Related parties</u>			
Current		147	98
Overdue not over 3 months		133	623
Total	4	280	721
<u>Other companies</u>			
Current		104,454	118,208
Overdue			
Not over 3 months		31,563	26,448
Over 3 - 6 months		2,054	1,842
Over 6 - 12 months		1,025	1,074
Over 12 months		4,498	4,540
		143,594	152,112
Less allowance for doubtful accounts		(5,523)	(5,614)
Net		138,071	146,498

6. INVENTORIES

	In Thousand Baht	
	2014	2013
Merchandise	<u>268,380</u>	<u>263,326</u>

7. AVAILABLE-FOR-SALE INVESTMENTS

	In Thousand Baht		
	Related parties (Note 4)	Others	Total
As at December 31, 2014			
Cost	18,246	16,381	34,627
Fair value changes	<u>73,319</u>	<u>10,182</u>	<u>83,501</u>
Total	<u>91,565</u>	<u>26,563</u>	<u>118,128</u>
As at December 31, 2013			
Cost	18,246	16,381	34,627
Fair value changes	<u>78,112</u>	<u>4,945</u>	<u>83,057</u>
Total	<u>96,358</u>	<u>21,326</u>	<u>117,684</u>

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

December 31, 2014 and 2013

8. INVESTMENTS IN ASSOCIATE

Investment in associate as at December 31, 2014 and 2013 was as follows:

					In Thousand Baht			
	Type of business	Ownership interest (%)		Paid-up share capital	Investments			
		2014	2013		Cost method		Equity method	
					2014	2013	2014	2013
<u>Associate</u>								
New Plus Knitting Pcl.	Textiles	14.79	14.79	100,000	69,932	69,932	25,439	22,178
Less allowance for impairment loss					(30,308)	(33,266)	-	-
Net					39,624	36,666	25,439	22,178

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

December 31, 2014 and 2013

The Company received dividends from New Plus Knitting Pcl. for the years ended December 31, 2014 and 2013 amounting to Baht 0.2 million and Baht 0.4 million, respectively.

The Company accounted its investments in two associates (New Plus Knitting Public Company Limited and Seri Control Company Limited) in the financial statements, in which the equity method is applied, using the equity method. The investment for the year ended December 31, 2014 was based on the consolidated financial statements for the year ended September 30, 2014 of New Plus Knitting Public Company Limited and its subsidiaries reviewed by another auditor. The investments for the year ended December 31, 2013 were based on the consolidated financial statements for the year ended September 30, 2013 of New Plus Knitting Public Company Limited and its subsidiaries reviewed by another auditor; and the financial statements for the six-month period ended June 30, 2013 of Seri Control Company Limited reviewed by another auditor. The carrying value of the investments as at December 31, 2014 and 2013 amounted to Baht 25.4 million and Baht 22.2 million, respectively. The Company's share of profit of the associates for the years ended December 31, 2014 and 2013 amounted to Baht 3.4 million and Baht 10.5 million, respectively. The Company's share of other comprehensive income (loss) of the associates for the years ended December 31, 2014 and 2013 amounted to Baht 0.06 million and Baht (1.8) million, respectively.

On September 13, 2013, the Company sold investment in Seri Control Co., Ltd. amounting to Baht 11 million. Financial information of the associates were as follows:

	In Thousand Baht			
	Total assets	Total liabilities	Total revenues	Profit
<u>2014</u>				
New Plus Knitting Public Company Limited and its subsidiaries	457,139	189,274	396,759	21,134
<u>2013</u>				
New Plus Knitting Public Company Limited and its subsidiaries	495,790	247,916	402,827	26,568

9. OTHER LONG-TERM INVESTMENTS

	In Thousand Baht		
	Related parties (Note 4)	Others	Total
As at December 31, 2014			
Cost	8,290	18,127	26,417
Allowance for impairment loss	(896)	(9,112)	(10,008)
Allowance for loss on reduction of capital	-	(3,749)	(3,749)
Net	<u>7,394</u>	<u>5,266</u>	<u>12,660</u>
As at December 31, 2013			
Cost	8,290	18,429	26,719
Allowance for impairment loss	(896)	(10,412)	(11,308)
Allowance for loss on reduction of capital	-	(3,749)	(3,749)
Net	<u>7,394</u>	<u>4,268</u>	<u>11,662</u>

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

December 31, 2014 and 2013

10. PROPERTY, PLANT AND EQUIPMENT

	In Thousand Baht					
	Land	Building	Furniture and office equipment	Vehicles	Construction in progress	Total
Cost						
At January 1, 2013	15,810	42,173	64,824	6,413	234	129,454
Additions	-	79	3,255	91	-	3,425
Transfers	-	234	-	-	(234)	-
Disposals	-	-	(678)	(962)	-	(1,640)
At December 31, 2013	15,810	42,486	67,401	5,542	-	131,239
Additions	-	-	5,425	-	-	5,425
Disposals	-	-	(6,823)	(81)	-	(6,904)
At December 31, 2014	15,810	42,486	66,003	5,461	-	129,760
Accumulated depreciation						
At January 1, 2013	-	40,449	57,772	4,636	-	102,857
Depreciation charge for the year	-	755	2,589	475	-	3,819
Disposals	-	-	(678)	(907)	-	(1,585)
At December 31, 2013	-	41,204	59,683	4,204	-	105,091
Depreciation charge for the year	-	711	3,260	463	-	4,434
Disposals	-	-	(6,822)	(65)	-	(6,887)
At December 31, 2014	-	41,915	56,121	4,602	-	102,638
Net Book Value						
At December 31, 2013	15,810	1,282	7,718	1,338	-	26,148
At December 31, 2014	15,810	571	9,882	859	-	27,122

The gross carrying amounts of the Company's fully depreciated property, plant and equipment those are still in use as at December 31, 2014 and 2013 amounted to Baht 76.4 million and Baht 79.8 million, respectively.

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

December 31, 2014 and 2013

11. UNUSED LAND

	In Thousand Baht	
	2014	2013
Unused land - at cost	5,047	17,133
Less allowance for impairment loss	-	(3,506)
Net	5,047	13,627

12. LEASED HOLD RIGHTS

	In Thousand Baht
At cost	
At January 1, 2013 and December 31, 2013 and 2014	23,447
Accumulated amortization	
At January 1, 2013	(14,271)
Amortization charge for the year	(898)
At December 31, 2013	(15,169)
Amortization charge for the year	(897)
At December 31, 2014	16,066
Net book value	
At December 31, 2013	8,278
At December 31, 2014	7,381

The Company entered into three lease agreements for building for 24 years to 27 years ending in January 2027. Under the term of the agreements, the Company paid Baht 23.4 million as leasehold rights on buildings.

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

December 31, 2014 and 2013

13. INCOME TAX

Movements in deferred tax assets and deferred tax liabilities during the year were as follows:

	Financial statements in which the equity method is applied (In Thousand Baht)					
	At January 1, 2013	Recognized in		At December 31, 2013	Recognized in	
		Profit or loss	Other comprehensive income		Profit or loss	Other comprehensive income
<u>Deferred tax assets</u>						
Allowance for doubtful accounts	1,001	122	-	1,123	(18)	-
Allowance for impairment loss on Other long-term investments	3,011	-	-	3,011	(260)	-
Unused land	701	-	-	701	(701)	-
Post-employment benefit	1,596	1,509	-	3,105	739	-
Consignment sales	7,793	(296)	-	7,497	1,279	-
Total	14,102	1,335	-	15,437	1,039	-
<u>Deferred tax liabilities</u>						
Fair value change in available-for-sale investments	22,695	-	(6,084)	16,611	-	89

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

December 31, 2014 and 2013

	Separate financial statements (In Thousand Baht)						
	At	Recognized in		At	Recognized in		At
	January 1, 2013	Profit or loss	Other comprehensive income	December 31, 2013	Profit or loss	Other comprehensive income	December 31, 2014
<u>Deferred tax assets</u>							
Allowance for doubtful accounts	1,001	122	-	1,123	(18)	-	1,105
Allowance for impairment loss on							
Investment in associates	7,822	(1,169)	-	6,653	(592)	-	6,061
Other long-term investments	3,011	-	-	3,011	(260)	-	2,751
Unused land	701	-	-	701	(701)	-	-
Post-employment benefit	1,596	1,509	-	3,105	739	-	3,844
Consignment sales	7,793	(296)	-	7,497	1,279	-	8,776
Total	21,924	166	-	22,090	447	-	22,537
<u>Deferred tax liabilities</u>							
Fair value change in							
available-for-sale investments	22,695	-	(6,084)	16,611	-	89	16,700

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

December 31, 2014 and 2013

Tax expense

Financial statements in which the equity method is applied

	In Thousand Baht	
	2014	2013
Current tax expense	6,680	6,421
Deferred tax expense		
Movements in temporary differences	(1,039)	(1,335)
Total	5,641	5,086
<u>Reconciliation of effective tax rate</u>		
Profit before income tax	34,423	41,850
Income tax using the corporate tax rate (20%)	6,885	8,370
Income not subject to tax		
Dividend income	(765)	(832)
Share of profit of associate	(685)	(2,101)
Gain on sale of investment in associate	-	(325)
Others	206	(26)
Total	5,641	5,086

Separate financial statements

	In Thousand Baht	
	2014	2013
Current tax expense	6,679	6,421
Deferred tax expense		
Movements in temporary differences	(447)	(166)
Total	6,232	6,255
<u>Reconciliation of effective tax rate</u>		
Profit before income tax	34,178	36,005
Income tax using the corporate tax rate (20%)	6,835	7,201
Dividend income not subject to tax	(809)	(921)
Others	206	(25)
Total	6,232	6,255

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

December 31, 2014 and 2013

14. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

	In Thousand Baht	
	2014	2013
Bank overdrafts		
(interest rate at 7.25% - 7.75% p.a. at December 31, 2014 and 7.20% - 7.50% p.a. at December 31, 2013)	25,900	34,955
Short-term loans		
(interest rate at 3.12% - 3.45% p.a. at December 31, 2014 and 3.40% - 4.50% p.a. at December 31, 2013)	75,000	80,000
Total	100,900	114,955

As at December 31, 2014 and 2013, the Company had remaining of credit lines for bank overdrafts and short-term loans from financial institutions amounting to Baht 316 million and Baht 302 million, respectively.

15. EMPLOYEE BENEFIT OBLIGATIONS

Movement in the present value of the obligations (unfunded) was as follows:

	In Thousand Baht	
	2014	2013
Obligations as at January 1	15,523	7,980
Recognized transitional obligations for the year ended December 31, 2014 and 2013	2,238	2,238
Current cost	1,776	1,352
Interest on obligations	691	585
Actuarial loss	-	3,368
Employee benefits paid	(1,007)	-
	3,698	7,543
Obligations as at December 31	19,221	15,523

Principal actuarial assumptions:

	%	
	2014	2013
Discount rate	3.66	3.66
Salary increase rate	4.00	4.00
Disability rate	5.00	5.00

The Company's obligations in respect of post-employment benefits as at January 1, 2011 amounted to Baht 11.2 million. The Company has opted to recognize this amount as an expense on a straight-line basis over five years from the date of adoption of TAS 19, in accordance with the transitional provisions of TAS 19. As at December 31, 2014 and 2013, unrecognized transitional obligations amounted to Baht 2.2 million and Baht 4.5 million, respectively.

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

December 31, 2014 and 2013

16. LEGAL RESERVE

Section 116 of the Public Limited Companies Act, B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the authorized share capital. The legal reserve is not available for dividend distribution.

17. EXPENSES BY NATURE

Significant expenses by nature are as follows:

	In Thousand Baht	
	2014	2013
Change in finished goods	(5,054)	14,248
Purchase	412,456	431,702
Employee expenses	139,806	141,163
Advertising and sale promotion	14,329	11,657
Service expenses	7,176	7,806
Rental expenses	5,981	6,472
Depreciation and amortization	5,762	4,916
Transportation expenses	4,347	4,376
Utilities	3,474	4,019

18. OTHER COMPREHENSIVE INCOME

Gain (loss) on measurement of available-for-sale investments

	Note	In Thousand Baht	
		2014	2013
Gain (loss) on measurement of available-for-sale investments		444	(30,418)
Tax income (expense)	13	(89)	6,084
Net		355	(24,334)

19. DIVIDEND PAYMENT

At the shareholders' meeting of the Company held on April 23, 2013, the shareholders approved dividend payment from profit for the year ending December 31, 2012 amounting to Baht 11.2 million (14,951,000 shares of Baht 0.75 per share).

At the shareholders' meeting of the Company held on April 22, 2014, the shareholders approved dividend payment from profit for the year ending December 31, 2013 amounting to Baht 6.7 million (14,951,000 shares of Baht 0.45 per share).

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

December 31, 2014 and 2013

20. SEGMENT INFORMATION

The segmental financial information of the Company for the years ended December 31, 2014 and 2013 were as follows:

	Financial statements in which the equity method is applied (In Thousand Baht)			
	Textile	Cosmetic	Others	Total
2014				
Net sales	532,591	22,646	76,182	631,419
Gross profit	179,830	9,661	34,526	224,017
Unallocated other income				13,020
Unallocated selling and administrative expenses				(201,596)
Unallocated finance costs				(4,443)
Share of profit of associates				3,425
Income tax expense				(5,641)
Profit for the year				28,782
2013				
Net sales	592,388	28,898	52,650	673,936
Gross profit	189,018	12,328	26,639	227,985
Unallocated other income				10,370
Unallocated selling and administrative expenses				(201,114)
Unallocated finance costs				(5,898)
Share of profit of associates				10,507
Income tax expense				(5,086)
Profit for the year				36,764
Unallocated assets				
As at December 31, 2014				635,944
As at December 31, 2013				642,729

Sales to major customer during the year ended December 31, 2014 and 2013 amounted to Baht 91.7 million and Baht 88.5 million, respectively.

Sales by geographic for the year ended December 31, 2014 and 2013 were as follows:

	In Thousand Baht	
	2014	2013
Domestic sales	616,680	650,174
Export	14,739	23,762
Total	631,419	673,936

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

December 31, 2014 and 2013

21. FINANCIAL INSTRUMENTS

Financial risk management policies

The Company 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 Company does not issue derivative financial instruments for trading purposes.

Interest rate risk

Interest rate risk incurs from the future interest rate instability, which may affect the Company operating result and cash flow. The Company also incurs interest rate risk from investment in financial institutes, bank overdraft, loan from banks, and promissory note - financial institute.

Since the financial assets and liabilities are held primarily in short-term and have fixed interest rates in relation with the current market interest rate, the Company has not used financial derivative to protect against such risk.

Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

Fair values

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. In determining the fair value of its financial assets and liabilities, the Company takes into account its current circumstances and the costs that would be incurred to exchange or settle the underlying financial instrument.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments

Cash and cash equivalents, trade accounts receivable and other receivables - the carrying values approximate their fair values due to the relatively short-term maturity of these financial instruments.

Bank overdrafts and short-term loans from financial institutions, trade accounts payable and other payables - the carrying amounts of these financial liabilities approximate their fair values due to the relatively short-term maturity of these financial instruments.

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Notes to Financial Statements (Continued)

December 31, 2014 and 2013

22. COMMITMENTS

As at December 31, 2014, the Company had

Commitment under vehicle, building and equipment leased contracts with 1-27 years term starting from year 1991 to 2027. As at December 31, 2014 the Company has commitment liability arising from the leased contracts as follows:

	<u>In Thousand Baht</u>
Within one year	7,055
After 1 year but not over 5 years	1,468
After 5 years	466
Total	<u>8,989</u>

23. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's directors on February 19, 2015.