

New City (Bangkok) Public Company Limited

Annual Report 2015

INDEX

- 1. Financial information**
- 2. Report of the Board of Directors**
- 3. Report of the Audit Committee**
- 4. Nature of Business**
- 5. Risk factors**
- 6. Shareholding Structure**
- 7. Dividend Payment Policy**
- 8. Management**
- 9. Corporate Governance Policies**
- 10. Corporate Social Responsibilities**
- 11. Internal audit control system and risk management**
- 12. Transactions**
- 13. Definition and Financial Status Analysis and Performance**
- 14. Company General Information**
- 15. Annual Report of the Board of Directors for the financial report**
- 16. Financial statements**

SOCIAL ACTIVITIES

For the year 2015, 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



New City (Bangkok) Public Co., Ltd. held a luncheon for girls and the 48th Anniversary Celebration School (48th Anniversary Chalermprakiat School) at Lampoon province together with donating Cherilon Products such as undershirts, socks, etc. to children and also creating fun activities and events for children to join and distributed gifts to the children before school break period.



This school is girl boarding school with major students come from poor or problem families, for example, an orphan who lack someone to take care of. This school provides education to children for grant so students do not have to pay for any costs.



PROVIDED FOODS AND DONATED MONEY TO THE ELDERLY AT BANGKAE ELDERLY HOME



EXECUTIVES AND EMPLOYEES OF NEW CITY (BANGKOK) PUBLIC CO., LTD HAVE ATTENDED VOLUNTEERED ACTIVITIES TO HEEL THE LONELINESS AND PROMOTED THE MENTAL HEALTH FOR THE ELDERLY AT A NURSING HOME BANGKAE AND DONATE NECESSITIES ON 28TH NOVEMBER 2015

OVERALL FINANCIAL STATEMENT

As of 31st December 2015 (Unit: Thousand Baht)
 Financial statements showing equity investment details

List	2015	2014	2013	Change Rate %	
				2015 /2014	2014 /2013
❖ Total Assets	610,901	635,944	642,729	-3.94	-1.06
❖ Total Liabilities	244,946	261,385	290,636	-6.29	-10.06
❖ Capitals	149,510	149,510	149,510	0	0
❖ Shares Capitals	365,954	374,559	352,093	-2.30	6.38
❖ Sales Income	628,879	631,419	673,936	-0.40	-6.31
❖ Gross Income	637,425	644,439	684,305	-1.09	-5.83
❖ Initial Profit	216,188	224,017	227,986	-3.49	-1.74
❖ Net Profit	10,800	28,782	36,764	-62.48	-21.71
❖ Net Profit per share (Baht)	0.72	1.93	2.46	-62.69	-21.54
❖ Stated Share value (Baht)	10	10	10	0	0
❖ Accounting Share Value (Baht)	24.48	25.05	23.55	-2.28	6.42
❖ Net Profit Rate (%)	1.69	4.47	5.37	62.19	-16.76
❖ Profit Rate per share value (%)	2.92	7.92	10.40	-63.13	-23.85
❖ Benefit Rate per Total Assets (%)	1.73	4.50	5.57	-61.56	-19.21

Company Financial Statement

List	2015	2014	2013	Change Rate %	
				2015 /2014	2014 /2013
❖ Total Assets	631,543	656,191	663,870	-3.76	-1.16
❖ Total Liabilities	244,946	261,385	290,636	-6.29	-10.06
❖ Capitals	149,510	149,510	149,510	0	0
❖ Shares Capitals	386,597	394,806	373,234	-2.08	5.78
❖ Sales Income	628,879	631,419	673,936	-0.40	-6.31
❖ Gross Income	642,409	647,619	688,968	688,968	-6.00
❖ Initial Profit	216,188	224,017	227,986	-3.49	-1.74
❖ Net Profit	11,153	27,945	29,751	-60.09	-6.07
❖ Earnings per share (Baht)	0.75	1.87	1.99	-59.89	-6.03
❖ Par Value (Baht)	10	10	10	0	0
❖ Book Value (Baht)	25.86	26.41	24.96	-2.08	5.81
❖ Net Profit Margin (%)	1.74	4.32	4.32	-59.72	0
❖ Return on shareholders' equity (%)	2.85	7.28	7.97	-60.85	-8.66
❖ Return on assets (%).	1.73	4.23	4.35	-59.10	-2.76

Year 2015 was that year that the economy continues to slump and recession from previous year, resulting in a sluggish market, the decline in purchasing power for several consumer sector, many businesses closing down, although the government accelerated the investment in the private sector but general traders did not response to the policy. The private sector is large businesses that have advantage with the ability to have sufficient capability to invest with government policy.

The company performance for year 2015 was the year that we trade carefully to prevent losses and maintain cash flow level. The company made the sales of 628.87 Million Baht down from year 2014 at the amount of 2.54 Million Baht or equivalent to 0.40%. Although trading were difficult in year 2015, however, the company has organized many promotional activities at many exhibition venues at both government and private sectors to sell products at cheap prices. The company has changed for renovation of the the sell areas and counter furniture at the shopping malls, resulted in increase in selling costs at the amount of 12.61 Million Baht, or equivalent to 8.38%. The remaining profit from trade before finance costs amounting to 14.91 Million Baht, the amount paid in year 2015 at the amount of 2.90 Million Baht. After income tax payment, balances as net income in the financial statements at the amount of 11.15 Million Baht.

The Company saving policy and cutting costs on unnecessary work and to promote and develop the staff to be efficient and focused on the importance of research and to design and develop products to market to potential quality and under its own brand.

Besides the Cherilon brand, the company has development of other brands to be strong and reputed and widely known. In addition, we have improve our warehouse system and development of the logistics for the expansion of future business expansion.

For year 2016, the Directors have no confidence that the economy is improving, but the company is striving to make sales target to be increased by 10% and profit increased from the year 2015.

BOARD OF DIRECTORS

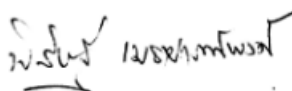
Dear Shareholders

The Audit Committee of the New City (Bangkok) Public Company Limited composed the three independent qualified Directors under the terms and conditions, namely Mr. Pisit Metapakornpong (Formerly known as Mr. Somchai Karnjanapaisarn) as Chairman; Mr. Sooksan Fuengrit and Miss Waraporn Phekanant as Audit Committee. The term of each position is three years, and Ms. Sam-ang Chantharima, the Finance Manager acting as Secretary to the Audit Committee. The Audit Committee has performed its obligations under the Charter of the Audit Committee which were approved and authorized by the Board of Directors of the Company. For year 2015, the Audit Committee has held 4 meetings and three members have attended all meetings and have duty to review the issues which can be summarized as follows:

1. Review the financial statements: The Audit Committee has reviewed the quarterly and annual financial statements regularly to see whether the financial statements are accurate in the preparation of financial statements in conformity with accounting changes each year. There is adequate disclosure which are reliable and generally accepted by accounting principles.
2. Internal Audit Plan: Audit Committee has reviewed the internal audit plan and found that the company has good internal control systems, internal audit and risk management measures are adequate and to focus on implementation of the policy of good governance. The recommendations to improve the effectiveness of even better for year 2015 that has improved corporate governance in order to better comply with ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard). Given the importance of the project alignment private practice in Thailand to anti-corruption, to prepare for the announcement of its intention to join the project in the near future, taking into account to follow 71 principles.
3. Legal Compliance: The Audit Committee has reviewed the performance of the company and found that the company has complied with the laws without being lawsuit against litigation or legal disputes have occurred. The company had the transaction as depicted in detailed notes to the annual financial statements for year 2015 in its entirety without controversy of the benefits and compliance with the law on securities and stock exchange requirements of the Stock Exchange of Thailand.
4. Proposal for appointment of the Auditors and the Auditing Fees for the year 2016: The Board of Directors has considered the change of auditor and the audit firm. The meeting of the Audit Committee No. 2/2016 dated 9th March 2016 has resolved to propose to the Board of Directors to propose to the AGM the appointment of Mr. Jessada Hangsapruk, Auditor License No. 3759 and / or Mr. Jiroj Siriroraj, Auditor License No. 5113 and / or Ms. Kannika Wipanurat, Auditor License No. 7305 and / or Miss Nongluck Pattanabundit, Auditor License No. 4713, of Karin Audit Company Limited as the Auditors for the year 2016 by establishing the rates for quarterly reviews of the financial statements / audited the annual financial at the cost of 900,000 Baht and other expenses (paid against actual amount spent), but not exceeding 15,000 Baht.

The Committee is of the opinion that the company has appreciate and reliable disclosure of material information in the financial statements. There are disclosures of data of the related transaction, has appropriate internal control system and risk management. Besides, the company has conducted the good corporate governance principles to the policies of the Stock Exchange.

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



(Mr. Pisit Metapakornpong)
Chairman to Audit Committee
11th March 2016

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, 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, Goals, Objectives or Strategies for operations

The company is aware of the fashion apparel business has changed over the years. The Board has considered reviewing on a regular basis every year to reflect the popularity of consumers.

Vision

"Committed to developing products up to date, Creating Thai Brand to Global, Creating Jobs and Build Sustainable Society"

Mission

- Develop products to become widely known in the leading level of fashion industry in the country and abroad
- Management to maximize benefits to the organization, Shareholders, society and the environment.
- Business growth by continuing to take loyalty, fairness and ethical trade into account.
- Commitment to strengthening of the organization.
- Focused on bringing new technology to the benefit of the organization.
- Communication through social networks as an alternative to international

Objectives and Goals

- Targeted sales to grow 20% from the previous year.
- Develop products to market in the upper and lower levels in order to maintain its market share at 50-70%.
- Opening new stores to expand distribution channels 20% domestically and 10% abroad.
- Establish online customers by the year 2016-2017.
- Send information on product receiving - delivery and report individual sales point using internet operating software to directly link to SAP system software by the year 2016.

Implementation Strategy

- Corporate Strategy: operate sustainable business practices by separating the responsibilities of each department.
- Business Strategy: building products brand to be widely known, focusing on product quality to be accepted standards for both quality and price. Developing new and unique products and to strive for being a fashion leader, learning weaknesses and strengths of the competitors to develop competitive strategies.
- Functional Strategy: apparel business is highly competitive in terms of price and imitative, so the company has get set and prepare the appropriate strategies which can be categorized as follows.

Marketing

- **Product:** Focus on bringing in unique design innovation focused on bringing their own unique design, sourcing for quality materials for product manufacturing to superior that product over other similar products to that users can recognize and feel the pride in using our quality products and focus on dressing fashion.
- **Price:** breakdown by products which sell in department stores, distributors and wholesalers. The calculation of the cost, plus direct and indirect costs, plus expected profit based on company structures.
- **Distribution:** Distribution through agents and directo distribution centers.
- **Sell Promotion:** Advertising via public medias and exhibitions.

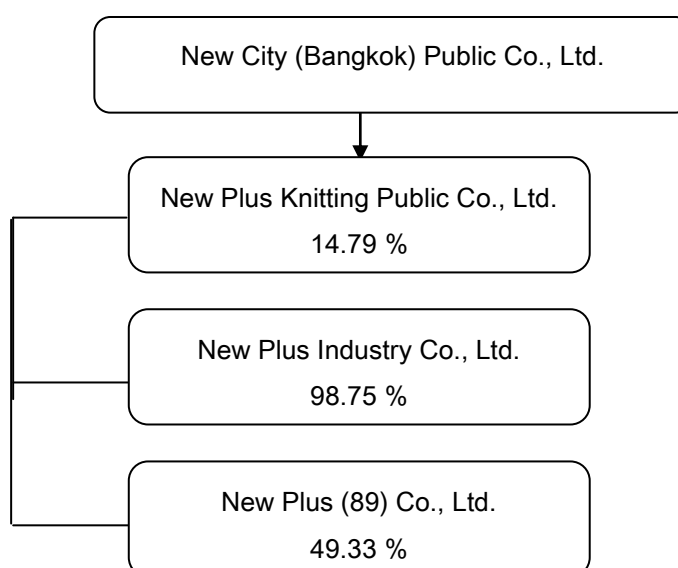
Changes and Developments

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

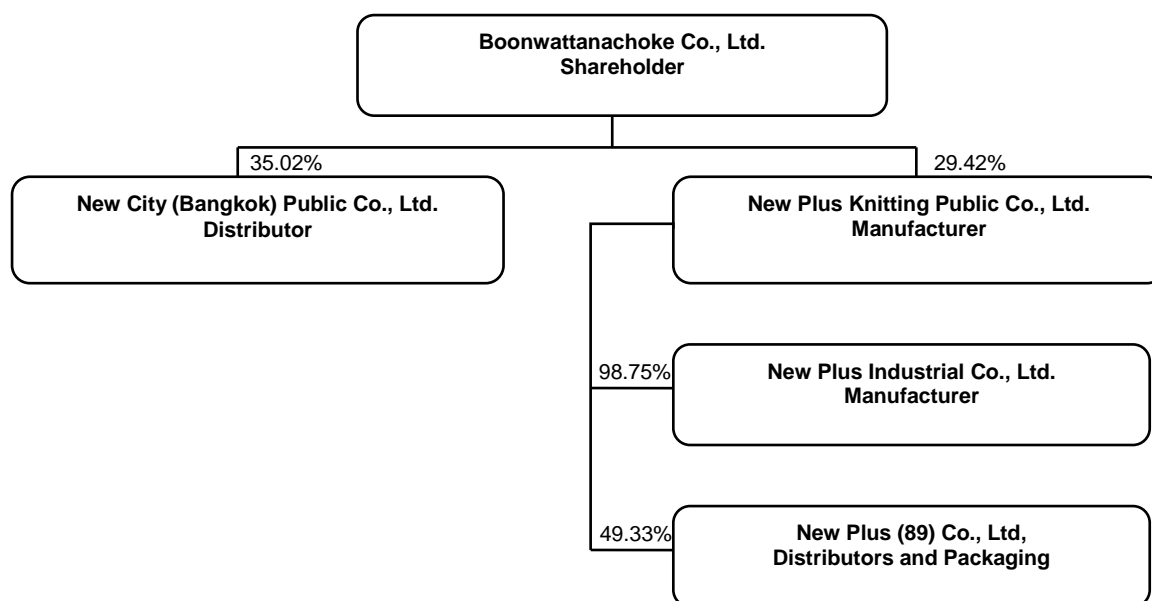


The company has one joint company, namely New Plus Knitting Public Co., Ltd., with a shareholding 14.79%, and New Plus Knitting Public Co., Ltd. has 2 subsidiaries, New Plus Industrial Co., Ltd. holds 98.75% shares and New Plus (89) has 49.33% stake, respectively.

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 79.59 % 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	2015		2014		2013	
	Million Baht	%	Million Baht	%	Million Baht	%
Clothing	579.09	96.41	608.77	95.41	645.04	95.71
Cosmetics	49.79	3.59	22.65	3.59	28.90	4.29
Total revenue from sales	628.88	100	631.42	100	673.94	100
Increase (Decrease) Rates	-0.40		-6.31		0.89	

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 invented the design and development of products to be the qualified standard and recognized in fashion dress steadily each year.

For year 2015, the company has brought innovative fibers balance in the body to accelerate fat level of Slimming Cherilon Intimate unparalleled and innovative with fabrics intelligent Innergy Fabric stimulates body heat to convert the wave energy FIR (Far Infrared Rays) and reflected back into the body again with a gentle heat wave. This helps balance the flow of blood and increase the breakdown of fat so that fat volume was reduced gradually when worn regularly with the ENERGY WEAR FIRM with FIR and the innovative Lycra Nude stockings are nude model stockings collection of applications that can make your legs look so chic and help outside look as well. There are two designs to choose from, a common standard and smooth all the way along from waist to toe. There is also special thin of only 15 denier fabric with Lycra fiber which provides a high concise and flexible as per slogan of "Most beautiful and comfortable!"

For summer, we have brought Summer Socks which are socks with good ventilation with thin layer Sheer Support weaved with Cool Filament with excellent ventilation and moisture transfer, add a woven edge fit around the ankle and add more durable fabric with a thick heel and the toe. The colors are fun and full of seven colors, consisting of nude, black, blue, sea-green, pink and white. There are also Comfort & Basic shirts, Cherilon Basic vest with a white shirt with 100% cotton fabric which provides a soft texture with light weight and breathable, well release sweat and heat from the super neat cutting which you can pick up at any time with no trend and not need to worry that it will be out of fashion. This can be used for mix and match for all occasions with flexible shape jacket which is ergonomic fit despite its standard size, however, and only for the convenience of choice for this Cherilon Basic vest.

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

In 2015, the company has cut prices to maintain market share and brought product innovations that are beneficial to health of the target group of customers with the dealers to push products to customers by introduction of its neck undershirt with 100% cotton fabric, that delivers a soft feel, light weight with breathable of releasing sweat and heat with super neat cutting to post an item that a customer can take at any time from the 7-11 convenience store and seasonal products as its Summer Socks are breathable socks with Sheer Support material with Cool Filament sheer weave, which is excellence in ventilation and moisture transfer. The company is developing products under its own brand and makes it very competitive in the market and hard to defeat. Besides, the company is also act as a Distributor of other unique products to enable to expand the range of products. The selection of good quality products to enhance sales channels to be in line with the plan for a defined and selected group of customers, such as wholesalers like Modern Trade and retailers which this group does not rely on commercial staff (PC) to receive payments on payment terms and conditions, and avoiding traders with debt payment risks.

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 operations of the Company which can be summarized as follows.

1. The Risk of Textile Business Operations

Its main business of fashion apparel for women and men, with a total revenue of 579.09 Million Baht, or 92.08% as the business changed by the mod is always the risk of doing business directly caused counterfeit products and competitive prices drastically. Product placement in order to market a diverse and far more than the market needs resulting in a race to dominate the market share increase and the risk of indirect caused by the economic downturn and the ongoing recession. Political stability Measures to increase the country's trade partners and free trade policy. These two factors are influencing consumer purchasing power decline negatively affect textile products, affect the company's revenue decline, prudence and patience in the business of textiles. The experience gained from doing this kind of business for a period of over 50 years, it has developed a great product quality under its own brand and strengthen the company's brand, which is known in fashion industry for women is widespread under the name of Cherilon. The company is also focusing on the quality and price of goods. Each year, the company has developed products in limited quantities and obsolete and produce the goods to meet the customer's requirements to be used to expand its sales channels to increase sales each year.

2. The risk of reliance on major customers or revenue

In the past year, the company sold products such as textiles, fashion dress with a major customer of 7 customers of Modern Trade, with value worth at a total of 165.01 Million Baht, or 26.23% of total revenue in 2015 was depending on doing business in this segment which has the risk of goods imported into the country each year with the cost of it first imported fee per item worth of 300,000 Baht per each transaction. This is negotiable depending on the product type and pay fees based on sales target set. If the annual sales met target, 1% will be paid. If the sales does not meet the target, only 0.50% will be paid. The fee is based on one year contract. If the company loses Modern Trade group of customers will affect the company's revenues significantly.

The company has good relationship with Modern Trade group of customers, and is a long time partnership from the start of business operations, and sales increased on each year and still partnership till this day. Dependence on customers in Modern Trade is selling products that do not rely on the company's salespersons. The sales are subject to the payment terms of 30-60 days. Current shops of this group have expanded trading into convenience stores and have effect on company trade expansion. However, the company increased its sales channel system to wholesalers in Social Network Website and the company has development and education to prepare to sell products online to add sales value in the future and can compensate this group of customers.

3. The risk of dependence on sales (PC) for the mall

The company has sold its products at department stores and consignment by a counter salesperson and the company has incurred costs, including employee salaries, percentage, allowances, gratuities and overtime. The total cost in 2015 in the amount of 27.78 Million Baht in sales, number of employees of 297 people and has paid for the shopping mall in the trade discounts (GP) ranging from 25-30%, the total GP paid for year 2015 is 10.14 Million Baht. The costs for furniture and decorations at sales counters, effect on loss from the sale in a department stores, and salesman are shortages. The company plans for the sales in shopping malls by focusing on counter sales with high sales volumes, and does not expand the sales areas unnecessarily. Besides, seeking more sales area at the exhibitions of the Saha Group, selling products directly to consumers in order to expand sales channels replacing the sales in the shopping malls and increase sales through online social network sites to reduce cost of sales and make profit from the sale to rely on technology to help sales to replace sales without relying on salespersons and department stores.

4. The risk of the relying on single manufacturer

The company has ordered products, such as stockings, socks from New Plus Knitting Public Co., Ltd. and its subsidiaries in the amount of 324.82 Million Baht, accounting for 79.59%, which is a subsidiary and Associates which this in risk of relying on only one major manufacturer. If the manufacturer cannot keep up production by a given time, this will result in sales decline. In 2015, the company had sales of products manufactured by the New Plus Knitting and subsidiaries in the amount of 519.26 Million Baht, or 82.56%. Ordering products from New Plus Knitting Public Co., Ltd. which is a subsidiary of New Plus Group of companies and a joint venture with the joint shareholders and directors and the factory was established together to classify trades systematically by the manufacturers and distributors to facilitate the administration of each type clearly. Ordering products each year, it is planned together for 6-9 months in advance to prevent the production delays and problems can be solved together. Working in the same direction with the trust and confidence in the quality management standard ISO 9001, the company is a distributor under purchase for sell model which has variety of non-exclusive to the manufacturers if the product meets the company's needs if required. For the subsidiary that holds a joint company to support the trade business to manufacturers and distributors to grow evenly.

5. The risk of products obsolescence

The company is a distributor of the product in the form of purchase - to sell. Textile goods such as fashion apparel for women and men have to be sold to meet the needs of the consumer. The fashion industry is changing rapidly, resulting in the inventory risk. In 2015 the company had inventory in the amount of 263.90 Million Baht or 65.13% of current assets and 41.79% of total assets in the consolidated financial statements, and the rate of inventory turnover of 232 days, affecting the distribution of products out late, affecting inventory obsolescence and high management cost, resulting in a reduction bills that affect net income by for year 2015 has been reduced in the amount of 5.37 Million Baht, or 48.11% of net profit. However, the company is aware of this and takes responsibility and prevents the product obsolete by preparing the management plan for these products.

- For new imported goods, the company is planning to order in accordance with the sales target and

pre-order plans to allow Supplier to be able to shift the goods on time and the company has delivered the new imported goods to customers immediately without stock-keeping

- For slow-moving or keeping in the stock for long time, the company has plan to reduce the cost and sell at a cheaper price at the trade shows in the public or private exhibition to help consumers with low incomes, such as the flagship discounts exhibition and annual cheap products sales of the Saha Group of companies. The amount of the decreased valued goods for year 2015 was 5.37 Million Baht, a decrease from year 2014 at the amount of 1.99 Million Baht or 27.08%.

6. The risk from loss of doing business in cosmetic products

The company is a distributor of cosmetics under its own brand naming Scruples, is used to clean the skin such as cleansers, bath soap, sunscreen, moisturizer and a spa with a loss from operations in year 2015 in the amount of 4.61 Million Baht, with a market share in Bangkok and metropolitan areas at just 10%, this is because of Scruples brand is not well-known in the market due to limited fund used in the advertising and PR. Doing cosmetic business require readiness in product quality, product aging, manufacturing formula, manufacturer, competitors and market researches. The company has changed in such a degree and has ordered the goods from Korea to adapt to the trend of the fashion products like whitening face cream for the youth, affect sales of 30.82 Million Baht in year 2015.

The company carefully used the funds to do business with cosmetics products because there are restrictions in many attempts to minimize losses and make a profit in the future by planning for its replacement of dependency on group subsidiaries supply and order products from leading fashion cosmetics from Korea to increase choice for customers to recognize the brand and the company is the distributor of DEOPROCE products from Korea. For the power made from woods are known under the name of Tanaka brand. The total sales of these products in year 2015 was 29.45 Million Baht or 4.68%

7. Risks from loans

The company has a bank overdraft (OD) with 6 institutions, in the amount of 97.00 Million Baht in 2015, the total used of 29.50 Million Baht or 30.41% and has the short-term loan (P / N) with financial 3 institutions in the amount of 322.00 Million Baht and total amount used is 60.00 Million Baht or 18.63%. These total the debt of 89.50 Million Baht, with the risk of interest rate fluctuations on the global market. In 2015, the company paid interest for loan of overdraft (OD) type in the amount of 1.07 Million Baht in interest rates from 7.25 to 7.75% per annum and pay interest on the loan for P/N type in the amount of 1.83 Million Baht in interest rates from 2.63 to 3.15% per annum. The total interest payment is 2.90 Million Baht.

The company has systems in place to carefully manage finances to ensure the effectiveness of financial to prevent liquidity shortage. The cash flow for year 2015 has net cash provided by operating activities in the amount of 23.40 Million Baht, an increase of 7.30 Million Baht or 45.41% increased from year 2014. Throughout the period of 5-10 year period, the company has not miss any schedule on pay back of the loan agreements with financial institutions and debt.

8. The risk of loss resulting from operations

For each year operations, the company has set a goal to significantly increase sales volume from the previous year and to compare the results to be applied to operations in accordance with set target and compared to the operation taking place to evaluate and measure the target that company has planned throughout the year to be positive. If there are impact of factors outside the company's control, such as the mechanisms of the market is negative the economic fluctuations and recessions, unrest political conditions, and flooding occurred in the country and abroad was a rare event even in unpredictable situations that may affect the company's operating results. This may result in loss to the company operations because the company has selling costs and administrative expenses increased in proportion to the set target for each year sales increase. The company cannot prevent any unforeseen outside factors but was ready for the changes and strive to lead the company get through the crisis to 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.	5,235,940	35.02
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.	776,479	5.19
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. Ms. Worawong Chokwathana	339,000	2.27
10. Mrs.Sirina Pavarolarvidya	303,414	2.03
Total shares of 10 major shareholders	11,515,301	77.02
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	10,821,303	72.38
Expatriate	1	45	0.00
Total Corporations	31	10,821,348	72.38
Individuals			
Thai Nationals	1,001	3,893,285	26.04
Expatriate	8	236,367	1.58
Total Individuals	1,009	4,129,652	27.62
Total	1,040	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.	5,235,940	35.02
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	339,000	2.27
8. Mr. Phiset Chokwathana	50,000	0.33
Total	9,336,873	62.45

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.	-	35.02
(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%.	-	-

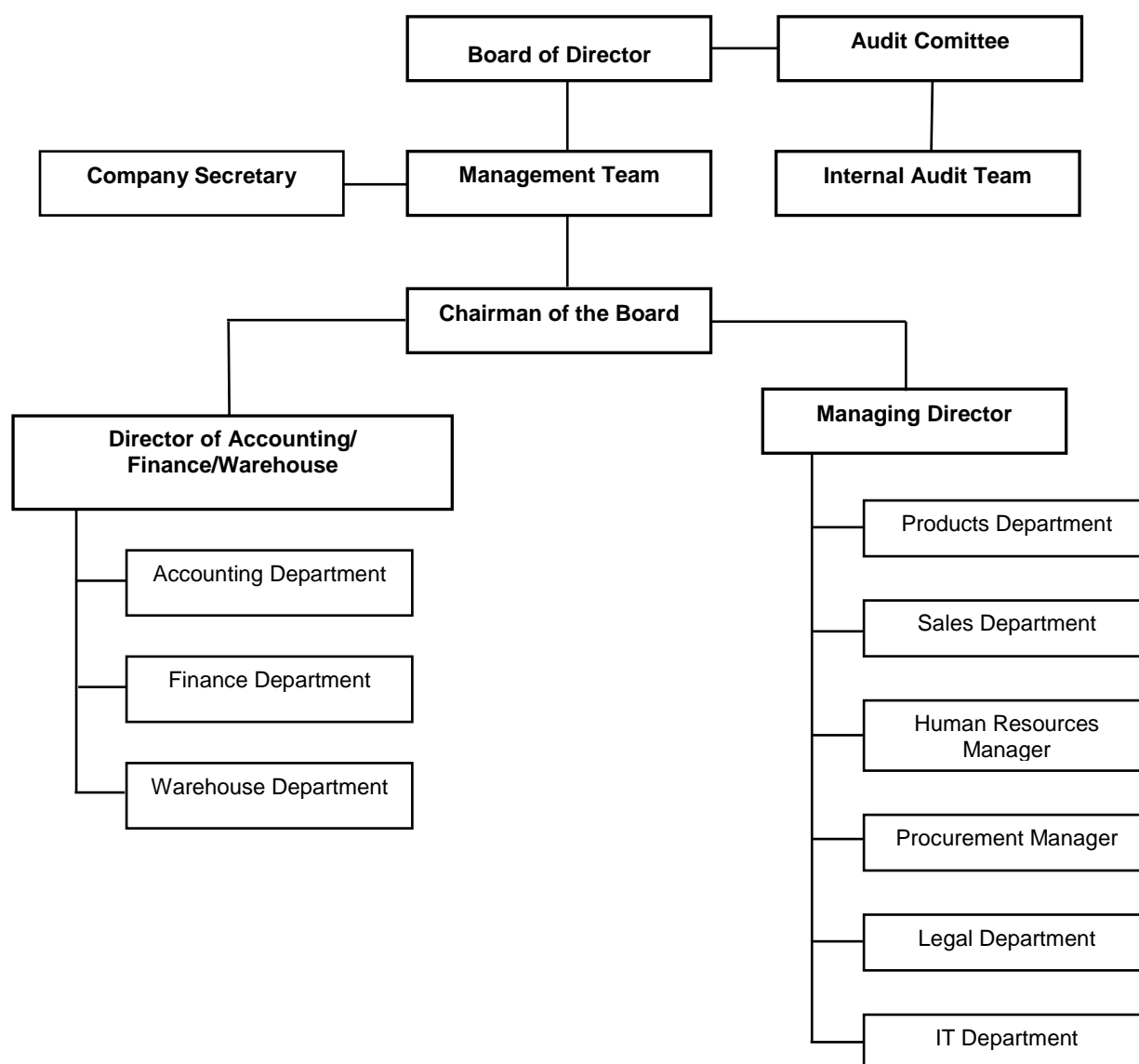
3. Holding share less than 25%	-	-
(1) The other company holding shares of the company not over 25%, the company must not holding share in other company over 25%.	-	-
(2) The company holding other company's shares not over 25%. The other company must not have cross shareholding over 25%.		
1. New Plus Knitting Co.,Ltd.	14.79	-
2. Seree Control Co.,Ltd.	-	5.19
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	2014	2013	2012	2011	2010
Number of Shares (share)	14,951,000	14,951,000	14,951,000	14,951,000	14,951,000
Par Value (Baht)	10	10	10	10	10
Dividend per share (Baht)	0.40	0.45	0.75	0.75	0.70
Total Amount (Baht)	5,980,400	6,727,950	11,213,250	11,213,250	10,465,700
Net earnings allocated (Baht)	27,945,338	29,750,843	52,118,456	54,720,026	25,761,839
Ratio of net profit (%)	21.40	22.61	21.51	20.49	40.62

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.

Changes in Shareholdings of directors and company executives during the year 2558

Name-Surname	Position	No. of shares	Increase (Decrease)	total	Percent
1. Mr. Boonpakorn Chokwathana	Chairman of the Board	604,492	-	604,492	4.04
2. Mrs. Chumnian Chokewathana	Deputy Chairman/Director/Consultant	62,853	-	62,853	0.42
3. Mr. Phiphob Chokwathana	Deputy Chairman/Managing Director	345,882	-	345,882	2.31
4. Ms. Worawan Chokewathana	Director	380,968	-	380,968	2.55
5. Mrs. Duangdao Rattanasopitkul	Director	654	-	654	0.004
6. Ms. Pathaya Ketsatian	Director	36	-	36	0.0002
7. Ms. Jurai-orn Simalawong	Director/Consultant	218	-	218	0.0014
8. Ms. Sam-ang Jantarima	Director/Secretary to Audit Committee	200	-	200	0.001
9. Mr. Pisit Metapakornpong	Chairman of the Audit Committee	-	-	-	-
10. Mr. Sooksan Fuengrit	Audit Committee member	-	-	-	-
11. Ms. Waraporn Phekanant	Audit Committee member	5,000	-	5,000	0.03
12. Dr. Kaweepongse Hirunkasi	Independent Director	-	-	-	-

Note :The total number of shares of spouses and minor children (if any).
: Person No. 1. and 2. Spouses.

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. Worawan Chokewathana	Director	4	4
8. Mr. Pisit Metapakornpong	Chairman to Audit Committee and Independent Director	5	5
9. Mr. Sooksan Fuengrit	Audit Committee member and Independent Director	5	5
10. Ms. Waraporn Phekanant	Audit Committee member and Independent Director	5	5
11. Mr. Kaweepongse Hirunkasi	Independent Director	5	5
12. Ms. Sum-ang Jantarima	Director/Secretary to Audit Committee/Secretary to the Board of Directors	5	5

Note: Director No. 4 has changed the family name from Mrs. Duangdao Anantraringkarn to be Mrs. Duangdao Rattanasopitkul.

: Director No. 8 has changed his name from Mr. Somchai Karnjanapisarn to be Mr. Phisit Methapakornpong

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. Worawan Chokewathana |
| 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 2015, 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 2015, the result has been presented at the Board of Directors Meeting No. 1/2016 on the February 23, 2016 and the resulted has been forwarded the Company Secretary for reference/filing.

Summary of self-assessment results by all 12 members of the committee for the year 2015 are as follows.

Assessment topics	Full Scores	Scored Received (Average)	%
1. Structure and qualifications of the director	52	48	92.31
2. Role and responsibilities of the Board of Directors	80	71	88.75
3. Board of Directors Meeting	36	35	97.22
4. Duties of directors	28	26	92.86
5. A relationship with the management	20	17	85.00
6. Development of directors and executive development.	24	22	91.67
Total	240	219	91.25

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. Sujitra Karnjananant	Human Resources Manager
10. Mr. Adul Srimadee	Legal Manager

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 charger 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. Pisit Metapakornpong | 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 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 2015 (the limit allocate 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 Allowance	
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	450,000	15,000			465,000
4. Ms. Worawan Chokewathana	Director/Consultant	180,000	12,000			192,000
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	12,000	277,000
9. Mr. Pisit Metapakornpong	Chairman of the Audit Committee		15,000	110,000	16,000	141,000
10. Mr. Sooksan Fuengrit	Audit Committee member		15,000	90,000	12,000	117,000
11. Ms. Waraorn Phekanant	Audit Committee member		15,000	90,000	12,000	117,000
12. Dr. Kaweepongse Hirunkasi	Independent Director		15,000	90,000		105,000
13. Mr. Abdul Srimadee	Company Secretary	50,000	15,000			65,000
Total		2,060,000	202,000	470,000	52,000	2,784,000
The amount allocated proportion						92.80%

(b) Executive compensation

Companies paid executives on the basis of the results of Company operations and the performance of each executive in 2015. The Company to pay compensation to executives and 10 operating executives and 2 consultant, by paying by salaries, bonuses in the amount of 14 Million Baht and retirement funds at the amount of 0.459 Million 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 2015, 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 2015 year end, there was 566 staff, divided into categories as follow.

Departments	Number of Staff (person)
Management	15
Sales and marketing	437
Accounting - Finance	38
Warehouse	60
Office	16
Total	566

Employee compensation by category is as follows

	Amount (in thousand Baht)
Salary and bonus	101,527
Director's Bonus	2,784
Overtime and allowances	11,276
Sales Commissioning	6,335
Sales Rewards	4,542
Social Security Fund	3,860
Travel Allowance	4,175
Welfare Allowance	1,109
Uniform	522
Staff Welfare Cost	4,806
Vehicles Cost	2,611
Meetings and Membership Cost	85
Training and Seminar Cost	253
Total	143,885

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

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 2015	Year 2014
The unaudited quarterly financial statements as 1,2,3	390,000.- Baht	360,000.- Baht
Annual finance audit fee	410,000.- Baht	390,000.- Baht
Technology system fee	50,000 .- Baht	50,000 .- Baht
Other fees Annual Information Form (56-1).	-	-
Total	800,000 . Baht	700,000.- Baht

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 2015, 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. 7 on 26th June 2015, 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 of 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 have 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.

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.

The company is supporting the Dr. Thiem Chokwatthana Foundation which aims to promote public activities and developing country in various fields, especially with regard to public health and education of children and youth in the remote area. The Foundation has undertaken a variety of activities continuously. Those activities include establishing school scholarship; donate school supplies to schools in deprived rural areas, donation consumables products for philanthropy and donations to the poor and the victims of disaster, as well as the activities that generate benefits to society by the New City (Bangkok) Public Company Limited taking part of the Foundation in donations throughout the period. It also supports the quality of life to the disadvantaged, the disabled, such as donating old calendars to make learning and teaching braille. For the visually impaired such as supporting the implementation of the Prostheses Foundation, donate blood to Red Cross, etc



Chairman of the Board and employees of the New City (Bangkok) Public Co., Ltd. has joined the merit in the new year occasion and to promote the religious traditional culture



Executives and employees of New City (Bangkok) Public Company Limited has joined the volunteer activities by doing public activities on cleaning the temples, clean the toilets and philanthropy dedicated monks at Wat Bangpakok

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.

The Company has reviewed the assessment the adequacy of the internal control system to manage the risks that may occur each year to prevent the risks that may occur in the future

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	Relationship	Nature of transaction	Transaction Value (Thousand Baht)	General Description
Boonwattachoke Co.,Ltd.	As a major shareholder and a director.	Trade Debtor	120	Amount of outstanding debt owed and are not due yet and not more than 3 months.
		Accrued Income	14	Common services such as garbage collection, electricity and water supply are not to be paid within 1 month.
		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	840	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	3	Purchased Boxer Shorts Price based on outsiders price.
		Other revenues	157	A centralized garbage collection Cleaning the electric bill
New Plus Knitting PCL and subsidiaries	A joint and common directors	Sale	10	Sales of the Cosmetics profit margin 16% credit. 30 days
		Trade Payables	77,829	The purchase of inventories by aging who have not reached the payment term of 90 days.
		Accrued Expenses	29	Expense accrual basis over the term of unpaid debt within 30 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.
		Commission	361	Contact Customer commission from sales abroad
		samples Product	119	samples Product terms of 30 days
Shapattanaphibul PCL	As a shareholder and a director	Dividends	1801	Receive dividend at the rate of 1 baht.
Sahapattana Inter Holdings	As a shareholder and a director	Dividends	82	Receive dividend at the rate of 0.23 baht.
		Accrued expenses	20	Consultancy fee of outstanding payment terms of 30 days.
Jensilp Industry Co., Ltd.	As a shareholder and a director	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	Relationship	Nature of transaction	Transaction Value (Thousand Baht)	General Description
Sahapattanaphibul Public Co.,Ltd.	As a shareholder and a director.	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.	As a shareholder and a director.	Property Maintenance Fee	960	Warehousing and storage rents. Monthly cost of of 80,000 baht / month. Lease term of 2 years from 1 Apr 2015-31 Mar 2017, according to the rental price is based on the area in the vicinity.

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	65,724
Sahapattana Inter Holding Public Co., Ltd.	Shared shareholder and director	1,898	8,771
IT City Public Co., Ltd.	Shared director	3,541	8,144
Total		18,246	82,639

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	1,306
Total	Shared shareholders	8,290	7,306

Name of related parties

Related Companies	Relationship Description
1. New Plus Knitting Public Co., Ltd. and subsidiaries	Associated Company
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. Jensilp Industry Co., Ltd.	Partly Shared Directors
10. Key management member	Authorized persons are planning responsibilities of the company activities both directly or indirectly. This includes company's directors (Whether or not acting in a management level)

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.

Management's Statement and Analysis of Financial Status and Performance for the year 2015

Overview of Business Operations

In year 2015, the company has carried out business carefully to prevent losses and maintaining cash flow to not lacking of liquidity. Sales in department stores had an impact on sales decreased of 41.65% and wholesale decreased by 1.18%, but the shops of Modern Trade surged by 3.10%. Showrooms have increased by 5.57%. However trading for year 2015, the exhibition increased at 15.52% in the trade show. How to trade in 2558 was a tough competition. The company's business is textiles. The company sold less than the target set at 17%, with revenue from sales in the year 58 of 628.87 million baht, a decrease of 57 total 2.54 million baht compared to 0.40% the company is committed to developing products to market continuously. A study of innovation leverage technology into the digital age. Company to develop a progressive growth to be sustainable.

Performance

2558, net profit in the financial statements present investments under the equity method of 10.80 Million Baht, a decrease from year 07 at the total amount of 17.98 Million Baht, or 62.48% and consolidated financial statements net profit of 11.15 Million Baht, down from last year. 57 number of 16.79 million baht, compared to 60.09%. The profit decrease is due to a special accounting are recognized for vacant land. District Nikhom Chonburi amount of land 10 acres, 37.3 square meters, according to the appraised value of the land per square 300 baht for a total amount outstanding of 1.21 Million Baht be accounted for by the value of the land loss on impairment of fixed assets of 3.84. Million Baht (comparison between the purchase price and the appraised value.) Affects net profit fell 28.82%, and other items. What is important to follow

1. Incomes

Major incomes of the company come from domestic products sales, which take 97.85 % and overseas sales of 2.14 %. The textiles and cosmetics are categorized as per production lines as follows.

1. Product Line 1 consists of stockings, socks and underwear under the brands of CHERILON, CHERILON INTIMATE, GOLDENLEGS, and SANREMO – has the total sales of 513.10 Million Baht or 81.58%.
2. Product Line 2 consist of pajamas, lingerie, lady underwear, ballet dress, and fitness wears under the brand of CARA, CHERILON DANZ and DANS MATE, has total sales 65.99 Million Baht or 10.49%.
3. Product Line 3 consists of the domestic cosmetics under the brand of SCRUPLES, MISASA and imports from Korea under the brand of DEOPROCE, with total sales of 49.79 Million Baht or 7.92%.

2.Other Incomes

Other incomes have changed substantially, according to the details below.

Other Incomes Comparison Table

(Unit : Thousand Baht)

Item	Financial statements Investments Equity method				Separate Financial Statements			
	2015	2014	Increase (Reduce)	%	2015	2014	Increase (Reduce)	%
Dividend	3.09	3.82	-0.73	-19.11	3.31	4.05	-0.74	-18.27
Reversal of allowance for impairment of investments in associates	-	-	-	-	4.76	2.96	1.80	60.81
Other Incomes	5.46	9.19	-3.73	-40.59	5.46	9.19	-3.73	-40.59
Total Incomes	8.55	13.01	-4.46	-34.28	13.53	16.20	-2.67	-16.48

Other Incomes for year 2015 amounted to 5.46 Billion Baht, a decrease from year 2014 for the total 3.73 Million Baht or 40.59% fall due to year 2014 had the profit from land sales of 1.63 Million Baht and recognized income from the reversal of allowance for loss from impairment of land at 3.51 Million Baht

3.Cost of Sales

In 2015, cost of sales is at 65.62% comparing to 64.52% in year 2014, an increase of 1.10%, resulting in a gross profit decreased by 1.10% in year 2015 respectively. The cause are also from the sales of goods at reduced prices to activate the market under the economic down falls recession as an incentive for customers to buy a good product at a cheap price.

Gross Profit

(Unit: Thousand Baht)

Item	Financial statements Investments Equity method				Separate Financial Statements			
	2015	2014	Increase (Reduce)	%	2015	2014	Increase (Reduce)	%
Net Sell	628.88	631.42	-2.54	-0.40	628.88	631.42	-2.54	-0.40
Less Sell Costs	(412.69)	(407.40)	5.29	1.30	(412.69)	(407.40)	5.29	1.30
Gross Profit	216.19	224.02	-7.83	-3.50	216.19	224.02	-7.83	-3.50
Sell Costs %	65.62	64.52	1.10	1.70	65.62	64.52	1.10	1.70
Gross Profit %	34.38	35.48	-1.10	-3.10.	34.38	35.48	-1.10	-3.10.

Gross profit for year 2015 are at 34.38% with the reduction of 3.10% from year 2014 due to sluggish market conditions, especially in the textile sector have an impact on competition in the simulation, and lower prices. The company has realized and strategies enable to compete with competitors and maintain at a market top and bottom by virtue of branded products under its own brand and a leading brand of stockings, socks under the brand of CHERILON. This affect to sales increase in 2015, CHERILON products are sold in the shops of Modern Trade, which has resulted in gross margin of 30%, and the discount

activities and fairs in Saha Group has been held annually. The company has leading products in the Outsource Group who is a distributor of powders which has increased sales of 13% as well as 30% of the gross profit margin.

4. Expenses

Details of expenses are summarized as follows;

	Financial Statements Investments Equity method				Separate Financial Statements			
Item	2015	2014	Increase (Reduce)	%	2015	2014	Increase (Reduce)	%
Selling Costs	163.07	150.46	12.61	8.38	163.07	150.46	12.61	8.38
Management Costs	46.60	51.14	-4.54	-8.88	46.60	51.14	-4.54	-8.88
Loss from asset depreciation	3.84	-	3.84	100	3.84	-	3.84	100
Finance Cost	2.90	4.44	-1.54	-34.68	2.90	4.44	-1.54	-34.68

For year 2015, the selling costs has changed for some increase as per following details.

Items	2015	2014	Increase (Reduce)	%
Salary	70,758	66,583	4,175	6.27
Per diem	11,143	10,316	827	8.02
Commission	4,185	3,784	401	10.60
Area Rental	2,265	945	1,320	139.68
Service Charges	8,824	6,208	2,616	42.14
Exhibition Materials	992	664	328	49.40
Advertisements	7,245	6,876	369	5.37
Sales promotion costs	9,018	7,453	1,565	21
Total	114,430	102,829	11,601	11.28

The cost of sales related to increased sales of counters in department stores by sales staff. The indirect cost is to Overtime payment, uniforms and counter space. The Company has adjusted the sales revenue from the payroll to be living cost in order to prevent a shortage of staff. From the past to present the company has faced the staff shortages and scarce. The company is looking for tend to sell products online to substitute dependence on sales counters in department stores to reduce the risk in find sales staff at point of sale over the counter.

For rents increased by 139.68% since the company expanded sales channels or cash as think appropriate to various locations to substitute sales by department stores which is in the stage of stagnation and recession. This affect the cost to showcase to increase to 50.60%, and the services cost for exhibition rose to 42.13% of the advertising and promotion to enhance the incentives for the purchase of goods can enter the competition and enhance the customer brand recognition and is widely known for the next.in the

5. Net Profit

(Unit: Thousand Baht)

Item	Financial statements Investments using Equity Method				Separate Financial Statements			
	2015	2014	Increase (Reduce)	% Ratio	2015	2014	Increase (Reduce)	% Ratio
Net profit	10,799	28,782	-17,983	-62.48	11,153	27,945	-16,792	-60.08
Basic earnings per share	0.72	1.93	-1.21	-62.69	0.75	1.87	-1.12	-59.89

Causes for the earnings decline

1. Other income for year 2014 includes a gain from the sale of 1.63 Million Baht and recognized income from reversal of provision for loss on impairment of property, including 3.51 Million Baht, made a total of 5.14 Million Baht.
2. Sales cost for year 2015 was 65.62%, Sales Cost for year 2014 was 64.52%, which was 1.10% higher than year 2014, resulting in a gross margin decline.
3. The cost of sales increased. (Details are shown in the cost to change).
4. There are special items recognized loss on impairment of fixed assets of 3.84 Million Baht due to the recognized evaluate value of the land in Panasniknom District new offense of land 10 acres (rai) and 373 square meters at a price of 300 Baht/sqm., totaling value of 1.21 Million Baht. The purchase price is valued at 5.05 Million Baht (5:05 to 1:21) loss on impairment of fixed assets of 3.84 Million Baht (comparison between the purchase price and the evaluation value) affecting net profit fell 28.82%.

Financial Status

Assets		Separate Financial Statements		
Item	2015 (Million Baht)	2014 (Million Baht)	Increase (Decrease)	% Ratio
Total Current Assets	405.20	414.93	-9.73	-2.34
Total Fix Assets	226.34	241.26	-14.92	-6.18
Total Assets	631.54	656.16	-24.65	-3.76

6. Decreased Current Assets consisting of the following

- 6.1 Trade accounts receivable decreased from year 2014 in the amount of 5.58 Million Baht or equivalent to 4.04 % for a period of 8 days collection fee and have allowance for doubtful accounts in the amount of 5.73 Million Baht in relation to total sales decreased.
- 6.2 Inventories decreased from year 2014 in the amount of 4.48 Million Baht, or equivalent to 1.67%. There is inventory turnover rate of 1.55 times with the sale duration of 232 days. The company focused on the inventories with slow motion or held in the stock for a long period. The company will perform the price reduction from the cost price and sold at a cheaper price at the exhibitions of both government and private sector to distribute cheap product directly to customers.

7. Decreased Non-Current Assets consisting of the following.

- 7.1 Investment securities available for sale decreased from year 2014 in the amount of 16.73 Million Baht due to the price index fell.
- 7.2 Idle land is vacant land at Panasnikon District, Chonburi, at the area of 10 rai and 37.3 acres with the estimation value by the Department of Land at 300 baht per square wah, so total value of 1.21 Million Baht.

Finance the investment using the equity method

Item	2015 (Million Baht)	2014 (Million Baht)	Increase (Decrease)	% Ratio
Total Current Assets	405.20	414.93	-9.73	-2.34
Total Fix Assets	205.70	221.02	-15.32	-6.93
Total Assets	610.90	635.95	-25.05	-3.94

Note: The total assets of the financial statements for the investment using the equity method are recognized in venture capital in proportion to their holding of 17.79%.

Current Liabilities

Separate Financial Statements

Item	2015 (Million Baht)	2014 (Million Baht)	Increase (Decrease)	% Ratio
Total Current Liabilities	207.96	223.89	-15.93	-7.12
Total Fix Liabilities	36.99	37.50	-0.51	-1.36
Total Liabilities	244.95	261.39	-16.44	-6.29

8. Decreased Current Liabilities and Non-Current Liabilities consist of the following.

- 8.1 Bank overdrafts and short-term loans from financial institutions decreased by from year 2014 in the amount of 11.40 Million Baht, or equivalent to 11.30%.
- 8.2 Trade payables to related parties decreased from year 2014 in the amount of 6.37 Million Baht, or equivalent to 7.57% from the stock balance control with the total purchases and sales.
- 8.3 Corporate income tax payable, a decrease from year 2014 in the amount of 1.86 Million Baht, or equivalent to 48.61%, resulting from operations profit decreased by 60.09%.
- 8.4 Liabilities Deferred decrease from year 2014 in the amount of 3.35 Million Baht, or equivalent to 20.03%, resulting from the index securities decreased affecting the allowance for changes in the fair value of the securities, a decrease from year 2014 in the amount of 16.73 Million Baht, or equivalent to 20.03% decrease.

The statements show that the money invested by stakeholders.

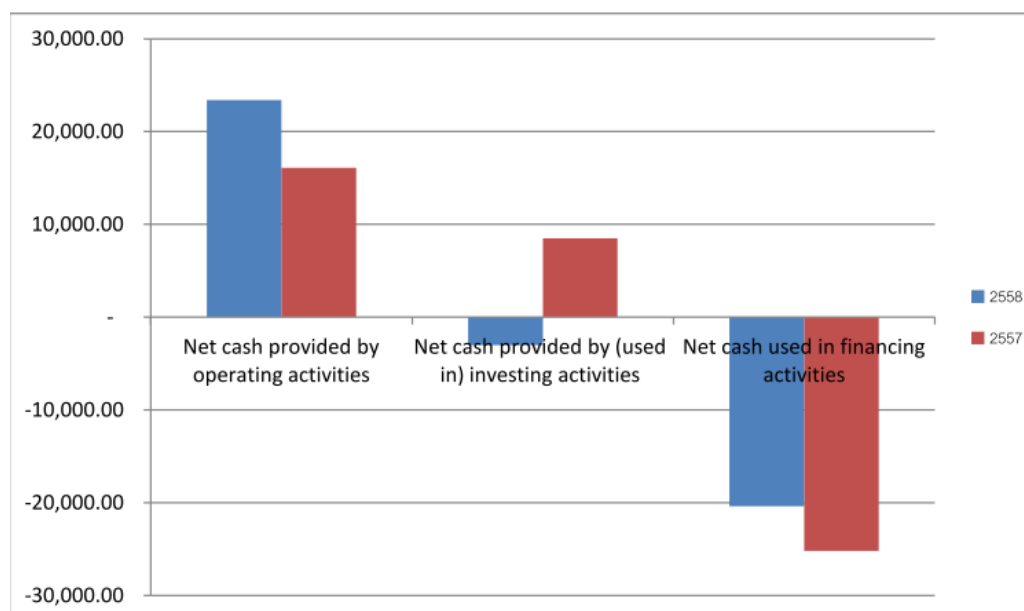
Separate Financial Statements

Item	2015 (Million Baht)	2014 (Million Baht)	Increase (Decrease)	% Ratio	2015 (Million Baht)	2014 (Million Baht)	Increase (Decrease)	% Ratio
Part of Shareholders	365.95	374.56	-8.61	-2.30	386.60	394.81	-8.21	-2.08
Book Value (THB)	24.48	25.05	-0.57	-2.28	25.86	26.41	-0.55	-2.08

9. Shareholder's Parts

- 9.1 Other elements of Shareholder's part decreased from a gain evaluation of sell investment, faced a decreased of from year 2014 in the amount of 13.42.Million Baht, resulting from the decrease of the stock exchange index as per Article 8.4.
- 9.2 Annual Profit, in respect of the financial statements presenting investments under the equity method decrease from year 2014 in the amount of 17.98 Million Baht, or equivalent to 62.48%, and a consolidated financial statements decrease from year 2014 in the amount of 16.79 Million Baht, or equivalent to 60.09%, resulting from decreased on operating result under Article 5.

10. Liquidity of Cash Flow Statement



- 10.1 Net cash provided by operating activities in 2015 was positive at 23.39 Million Baht, an increase of 7.31 Million Baht, or 45.41%, resulting from the repayment period average of 75-days trade receivables decreased by 5.75 Million Baht, or equivalent to 4.15%. For the repayment period average of 81-day trade payables decreased by 0.47 Million Baht, or 0.51%, and is payable of other current liabilities decreased by 2.19 Million Baht or 8.57%. For year 2015, it is planned to purchase products in relating to the sale, resulted in the decrease of stock for year 2015 in the amount of 4.48 Million Baht or 1.67%, this affecting cash flow increased by 7.30 Million Baht or 45.41% although profits fell by 60.08%.
- 10.2 Net cash provided by (used in) investing activities in 2015. The company had to change the furniture at the department stores , resulting in furniture expense in the amount of 4.19 Million Baht, and paid for the office equipment and development program in the merchandising linked by a number of shops in the amount of 2.20 Million Baht, resulting in cash used in investing activities in the amount of -3.02 Million Baht.
- 10.3 Net cash used in financing activities in 2015, the company repaid an overdraft in the amount of 11.40 Million Baht, resulting in reducing of debt burden down at 11.30%, affect in interest payments fell by 1.43 Million Baht or 32.31%

11. Liquidity and Capital Adequacy

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

(Unit :Thousand Baht)				
Type	Amount	Used Amount		Remaining Amount
		Amount	% Ratio	
Overdrafts (OD)	97,000	29,498	30.41	67,502
Short Term Loan (P/NX	322,000	60,000	18.63	262,000
Total	419,000	89,498	21.36	329,502

A credit balance of 329 Million Baht to be used as capital is adequate and carefully payment is resulting in the likely to be free of debt burden.

Liquidity Ratio Analysis is as follows.

Item	<u>Financial statements of investments using the equity method.</u>		<u>Separate Financial Statements</u>	
	2015	2014	2015	2014
Current ratio	1.95 times	1.85 times	1.95 times	1.85 times
Quick ratio	1.13 times	1.15 times	1.13 times	1.15 times
Ratio of cash flow Accounts receivable	0.11 time	0.07 time	0.11 time	0.07 time
Turnover ratio	4.46 times	4.26 times	4.46 times	4.26 time
The average collection period	81 days	85 days	81 days	85 days
Inventory Turnover Ratio	1.55 days	1.53 times	1.55 times	1.53 times
Gross margin	34.38%	35.48%	34.38%	35.48%
Operating margin	1.04%	3.55%	1.04%	3.55%
Return on equity	2.92%	7.92%	2.85%	7.28%

Factors affecting results of future operations

The company with main business in fashion clothing for ladies and gentlemen is a business that has changed upon the modern time will have an impact on operating results in the future as follows.

1. Applying innovative technology to the operations in the form of Social Network on the Internet is linked to the network to get information simultaneously creating new connection begins to take the important role of the business, which will affect businesses that are not ready to change. The company has realized the importance of this and get ready for the change by bringing SAP program in to be used in accounting and internal controls for effectiveness and prevent repetitive work and can process work quickly and in time, together with the trials of product sales through social networks to prepare for the future which stepping into the digital age, to develop the company to flourish sustainable growth.
2. Political Stability is external factor which result in lack of confidence in the expansion plan
3. Economic equilibrium is a measure of supply and demand of the economic to be good or to be downturn, a positive or negative effect on the business and cannot be controlled.
4. The policy of trade liberalization affects price competition. Counterfeit goods are violent and new competitors increased in the future increases and changes in consumer behavior from the dress of women to wear trousers rather than skirts affect the company's core products such as stockings. The Company is aware of this and trying to find alternative products to replace each year.
5. Traditional type stores and stalls facing uncertainty in the family trading system and in a risk of expanding the market in the future.
6. Quality, model and brand of the products are important. If the product is not as widely known and quality and model do not meet the consumer's requirement, this will directly affects the business in the current and future. The company can survive because of its' widely recognized brand for nearly 50 years under the name of Cherilon and other brands which the company attempt to create a strong and well-known, but it is not very successful at the moment. However, there is continuous researches to progress and pace for the success in the 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 Bangkai Showroom, Room GS-L B Room, 275 Moo 1, Petchkasem Road, BangkaiNua, Bangkai, 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. 93 Ratchadapisek Road, Dindaeng, Bangkok 10400, Thailand Telephone: (02) 009-9000, Facsimile (02) 009-9991
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) Relationship with the executive (3) Relationship with the executive (4)	80	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	5 non-listed companies
2	Mrs. Chamnian Chokwathana Position: Deputy Chairman and Director Family relationship with executive (1) Relationship with the executive (3) Relationship with the executive (4)	66	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	39	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.Vorawan chokvathana Position: Director	42	Master of Managrment Information System Eastern Michigan University , Bachelor of accounting Assumption Uiversity	2.55	2015-present	Director	New City (Bangkok) Public Company Limited
						Director	3 non-listed company
5	Ms. Pataya Khetsatsira Position: Director	64	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	54	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	65	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.
					1989-present	System Planning Consultant	Zabmic 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
8	Mr.Pisit Metapakornpong Position: Chairman to the Audit Committee	64	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 Rattanasophitkul Position: Director	60	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	68	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	51	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	66	Bachelor of Commerce Thammasart University Master of Business Management, International Kasetsart University Ph.D. Social Economic Administration Magach University, India Certificate of Public Economics	-	2009-present	Independent Director	New City (Bangkok) Public Company Limited
					1984-2010	Vice Governor	The Metropolitan Power Board
					Present	Director	Student Alumni Association Triam Udomsuksa under the royal patronage
					2005-present	Director	Commerce and Accounting Student Alumni Association Thammasart University

Item No.	Name-Surname/ Position	Age (Year)	Education Qualifications	Shareholding Ratio (%)	Work Experience for the past 5 years		
					Period	Position	Company/ Business Type
			Management for high level executives Kind Mongkut Institute, Class 5 (Por.Sor.Sor.5) Certificate of Director Accreditation Program (DAP)		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	51	Bachelor of Law, Ramkhamhaeng University. Diploma of Law, Lawyer Council		1992-Present	Company Secretary	Legal New City (Bangkok) Public Company Limited

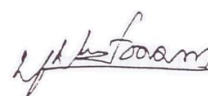
ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL REPORT

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 2015 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, 2015, and the statement of comprehensive income in which the equity method is applied, statement of changes in shareholders' equity in which the equity method is applied and statement of cash flows in which the equity method is applied 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, 2015, and the separate statement of comprehensive income, separate statement of changes in shareholders' equity and separate statement of 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 in the financial statements, in which the equity method is applied, using the equity method. The investment as at December 31, 2015, and share profit of the associate and share of the comprehensive loss for the year then ended were based on the consolidated financial statements for the year ended December 31, 2014, and for the nine-month period ended September 30, 2015 of New Plus Knitting Public Company Limited and its subsidiaries audited and reviewed, respectively, by another auditor. The carrying value of the investment as at December 31, 2015 amounted to Baht 28.9 million. The Company's share of profit of the associate for the year ended December 31, 2015 amounted to Baht 3.7 million. The Company's share of other comprehensive loss of the associate for the year ended December 31, 2015 amounted to Baht 0.04 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.

Qualified 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, 2015, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Other

The comparative financial statements in which the equity method is applied of Newcity (Bangkok) Public Company Limited for the year ended December 31, 2014 and the comparative separate financial statements of Newcity (Bangkok) Public Company Limited for the year ended December 31, 2014 were audited by another auditor in my office who expressed a modified opinion on those statements with respect to the non-audit of the financial statements of the associate on February 19, 2015.

Methee Ratanasrimetha

(Mr. Methee Ratanasrimetha)
Certified Public Accountant
Registration No. 3425

M.R. & ASSOCIATES CO., LTD.
Bangkok
February 23, 2016

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015 AND 2014

ASSETS

		In Baht			
		Financial statements in which the equity method is applied		Separate financial statements	
	Note	2015	2014	2015	2014
CURRENT ASSETS					
Cash and cash equivalents		551,089	562,396	551,089	562,396
Trade accounts receivable					
- Related parties	4, 5	120,182	280,426	120,182	280,426
- Other companies	5	132,494,553	138,071,393	132,494,553	138,071,393
Inventories	6	263,899,930	268,380,032	263,899,930	268,380,032
Other current assets	4	8,134,200	7,634,403	8,134,200	7,634,403
Total current assets		405,199,954	414,928,650	405,199,954	414,928,650
NON-CURRENT ASSETS					
Available-for-sale investments	7	101,400,039	118,127,773	101,400,039	118,127,773
Investment in associate	8	28,853,780	25,438,770	44,386,650	39,624,071
Other long-term investments	9	12,884,526	12,660,087	12,884,526	12,660,087
Property, plant and equipment	10	28,293,555	27,122,325	28,293,555	27,122,325
Unused land	11	1,211,190	5,046,625	1,211,190	5,046,625
Leasehold rights	12	6,483,367	7,380,856	6,483,367	7,380,856
Deferred tax assets	13	18,193,528	16,475,773	23,302,681	22,537,442
Other non-current assets	4	8,380,939	8,763,289	8,380,939	8,763,289
Total non-current assets		205,700,924	221,015,498	226,342,947	241,262,468
TOTAL ASSETS		610,900,878	635,944,148	631,542,901	656,191,118

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015 AND 2014

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Baht			
		Financial statements in which the equity method is applied		Separate financial statements	
	Note	2015	2014	2015	2014
CURRENT LIABILITIES					
Bank overdrafts and short-term					
loans from financial institutions	14	89,497,601	100,900,227	89,497,601	100,900,227
Trade accounts payable					
- Related parties	4	77,829,797	84,202,834	77,829,797	84,202,834
- Others		15,251,525	9,352,666	15,251,525	9,352,666
Income tax payable		1,963,158	3,820,201	1,963,158	3,820,201
Other current liabilities	4	23,417,232	25,611,915	23,417,232	25,611,915
Total current liabilities		207,959,313	223,887,843	207,959,313	223,887,843
NON-CURRENT LIABILITIES					
Deferred tax liabilities	13	13,354,623	16,700,170	13,354,623	16,700,170
Employee benefit obligations	15	21,486,135	19,220,889	21,486,135	19,220,889
Other non-current liabilities		2,146,329	1,575,969	2,146,329	1,575,969
Total non-current liabilities		36,987,087	37,497,028	36,987,087	37,497,028
Total liabilities		244,946,400	261,384,871	244,946,400	261,384,871

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015 AND 2014

LIABILITIES AND SHAREHOLDERS' EQUITY
(Continued)

		In Baht			
		Financial statements in which the equity method is applied		Separate financial statements	
	Note	2015	2014	2015	2014
SHAREHOLDERS' EQUITY					
Share capital - common share					
14,951,000 shares, Baht 10 par value					
Authorized share capital		149,510,000	149,510,000	149,510,000	149,510,000
Issued and paid-up share capital		149,510,000	149,510,000	149,510,000	149,510,000
Retained earnings					
- Legal reserve	16	11,150,000	10,500,000	11,150,000	10,500,000
- Unappropriated		152,159,446	147,990,143	172,518,007	167,995,566
Other components of					
shareholders' equity		53,135,032	66,559,134	53,418,494	66,800,681
Total shareholders' equity		365,954,478	374,559,277	386,596,501	394,806,247
TOTAL LIABILITIES AND					
SHAREHOLDERS' EQUITY		610,900,878	635,944,148	631,542,901	656,191,118

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

		In Baht			
		Financial statements in which the equity method is applied		Separate financial statements	
	Note	2015	2014	2015	2014
REVENUES					
Net sales	4	628,879,449	631,419,047	628,879,449	631,419,047
Dividend income	4	3,087,771	3,824,946	3,309,630	4,046,805
Reversal of impairment loss on investment in associate		-	-	4,762,579	2,958,124
Other income	4	5,457,377	9,194,638	5,457,377	9,194,638
Total revenues		637,424,597	644,438,631	642,409,035	647,618,614
EXPENSES					
Cost of goods sold	4	412,691,643	407,401,985	412,691,643	407,401,985
Selling expenses	4	163,071,506	150,458,195	163,071,506	150,458,195
Administrative expenses	4	46,602,173	51,137,443	46,602,173	51,137,443
Impairment loss on assets	11	3,835,435	-	3,835,435	-
Finance costs		2,901,790	4,443,345	2,901,790	4,443,345
Total expenses		629,102,547	613,440,968	629,102,547	613,440,968
Share of profit of associate	8	3,678,784	3,425,104	-	-
Profit before income tax		12,000,834	34,422,767	13,306,488	34,177,646
Tax expense	13	1,201,172	5,640,683	2,153,688	6,232,308
Profit for the year		10,799,662	28,782,084	11,152,800	27,945,338

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
STATEMENTS OF COMPREHENSIVE INCOME (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

		In Baht			
	Note	Financial statements in which the equity method is applied		Separate financial statements	
		2015	2014	2015	2014
Other comprehensive income	2, 18				
Items that will be reclassified subsequently to profit or loss					
- Gain (loss) on measurement of available for sale investments		(13,382,187)	354,889	(13,382,187)	354,889
- Share of other comprehensive income (loss) of associate		(41,915)	57,201	-	-
Other comprehensive income (loss) for the year		<u>(13,424,102)</u>	<u>412,090</u>	<u>(13,382,187)</u>	<u>354,889</u>
Total comprehensive income (loss) for the year		<u><u>(2,624,440)</u></u>	<u><u>29,194,174</u></u>	<u><u>(2,229,387)</u></u>	<u><u>28,300,227</u></u>
Basic earnings per share		<u><u>0.72</u></u>	<u><u>1.93</u></u>	<u><u>0.75</u></u>	<u><u>1.87</u></u>
Weighted average number of common shares (shares)		<u><u>14,951,000</u></u>	<u><u>14,951,000</u></u>	<u><u>14,951,000</u></u>	<u><u>14,951,000</u></u>

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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			Total shareholders's 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, 2014	149,510,000	9,000,000	127,436,009	66,445,792	(298,748)	66,147,044	352,093,053
Total comprehensive income							
for the year	-	-	28,782,084	354,889	57,201	412,090	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	149,510,000	10,500,000	147,990,143	66,800,681	(241,547)	66,559,134	374,559,277
Balance as at January 1, 2015	149,510,000	10,500,000	147,990,143	66,800,681	(241,547)	66,559,134	374,559,277
Total comprehensive income (loss)							
for the year	-	-	10,799,662	(13,382,187)	(41,915)	(13,424,102)	(2,624,440)
Appropriation for legal reserve	16	-	650,000	(650,000)	-	-	-
Dividend payment	19	-	(5,980,359)	-	-	-	(5,980,359)
Balance as at December 31, 2015	149,510,000	11,150,000	152,159,446	53,418,494	(283,462)	53,135,032	365,954,478

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

		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, 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
Balance as at January 1, 2015		149,510,000	10,500,000	167,995,566	66,800,681	394,806,247
Total comprehensive income (loss) for the year		-	-	11,152,800	(13,382,187)	(2,229,387)
Appropriation for legal reserve	16	-	650,000	(650,000)	-	-
Dividend payment	19	-	-	(5,980,359)	-	(5,980,359)
Balance as at December 31, 2015		149,510,000	11,150,000	172,518,007	53,418,494	386,596,501

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	In Baht			
	Financial statements in which the equity method is applied		Separate financial statements	
	2015	2014	2015	2014
Cash flows from financing activities				
Interest paid	(2,994,028)	(4,423,235)	(2,994,028)	(4,423,235)
Decrease in bank overdrafts and short-term loans from financial institutions	(11,402,626)	(14,054,974)	(11,402,626)	(14,054,974)
Dividend paid	(5,980,359)	(6,727,950)	(5,980,359)	(6,727,950)
Net cash used in financing activities	<u>(20,377,013)</u>	<u>(25,206,159)</u>	<u>(20,377,013)</u>	<u>(25,206,159)</u>
Net decrease in cash and cash equivalents	(11,307)	(620,739)	(11,307)	(620,739)
Cash and cash equivalents at beginning of the year	<u>562,396</u>	<u>1,183,135</u>	<u>562,396</u>	<u>1,183,135</u>
Cash and cash equivalents at end of the year	<u><u>551,089</u></u>	<u><u>562,396</u></u>	<u><u>551,089</u></u>	<u><u>562,396</u></u>

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

December 31, 2015 and 2014

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.

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, 2014 for being the comparative information in the financial statements for the year ended December 31, 2015 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 Federal of Accounting Professions (FAP) had issued several Notifications which were announced in the Royal Gazette during 2014 and 2015, 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 for the accounting period beginning on or after January 1, 2015.

Adoption of the 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. Significant changes relate to presentation of financial statements in accordance with TAS 1 (revised 2014) Presentation of Financial Statements and recognition of actuarial gains and losses in other comprehensive income in accordance with TAS 19 (revised 2014) Employee Benefits, and fair value measurement in accordance with TFRS 13 Fair value Measurement as summarized below:

TAS 1 (revised 2014) Presentation of Financial Statements

This revised standard requires additional grouping of items of Other Comprehensive Income that, in accordance with other TFRS, (a) will not be reclassified subsequently to profit or loss; and (b) will be reclassified subsequently to profit or loss.

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
Notes to Financial Statements (Continued)
December 31, 2015 and 2014

TAS 19 (revised 2014) Employee Benefits

This revised standard requires actuarial gains and losses be recognized in other comprehensive income.

TFRS 13 Fair Value Measurement

This standard applies when another TFRS requires or permits fair value measurements or disclosures about fair value measurement and requires disclosures about fair value measurements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Principal market is the market with the greatest volume and level of activity for the asset or liability. Market participants comprise buyers and sellers in the principal or most advantageous market for the asset or liability whereby market participants are independent of each other, knowledgeable and having a reasonable understanding, able to enter into a transaction for the asset or liability, and willing to enter into a transaction for the asset or liability.

To increase the consistency and comparability in fair value measurements and related disclosures in the financial statements, the fair value hierarchy is categorized into 3 levels with respect of the inputs to valuation techniques used to measure the fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities ("Level 1 inputs"), secondary priority to other observable inputs ("Level 2 inputs"), and the lowest priority to unobservable inputs ("Level 3 inputs").

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

As at December 31, 2015, the Company had available-for-sales investments that are measured at fair value (both on a recurring or non-recurring basis) in the statement of financial position, amounting to Baht 101 million (Level 1 inputs).

However, the Company has financial assets and liabilities not measured at fair value in the statements of financial position as at December 31, 2015 but for which the fair value is disclosed in Note 21.

FAP has additionally issued several Notifications which were announced in the Royal Gazette during 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, 2016 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 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
Notes to Financial Statements (Continued)
December 31, 2015 and 2014

TAS 10 (revised 2015)	Events after the Reporting Period
TAS 11 (revised 2015)	Construction Contracts
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2015)	Earnings per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TAS 41 (revised 2015)	Agriculture
TFRS 2 (revised 2015)	Share-based Payment
TFRS 3 (revised 2015)	Business Combinations
TFRS 4 (revised 2015)	Insurance Contracts
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement
TSIC 10 (revised 2015)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2015)	Operating Leases - Incentives
TSIC 25 (revised 2015)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
Notes to Financial Statements (Continued)
December 31, 2015 and 2014

TSIC 29 (revised 2015)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2015)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (revised 2015)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 "Financial Reporting in Hyperinflationary Economies"
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2015)	Service Concession Arrangements
TFRIC 13 (revised 2015)	Customer Loyalty Programmes
TFRIC 14 (revised 2015)	TAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customers
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2015)	Levies

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, 2015 and 2014

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, 2015 and 2014

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.

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 losses (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 losses.

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
Notes to Financial Statements (Continued)
December 31, 2015 and 2014

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 obligation in respect of post-employment benefits, which are compensations under labor protection acts, is recognized as liability and expense in the financial statements based on the amount calculated, using the projected unit credit method by a qualified actuary. Expenses from the estimated liability for post-employment benefits are recognized in profit or loss and comprise of current service cost and interest cost. Actuarial gain or loss is recognized in other comprehensive income. This employee benefit plan is unfunded and has no any incurred plan asset.

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, 2015 and 2014

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 financial reporting 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, 2015 and 2014

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>Associate</u>	
New Plus Knitting Pcl. and its subsidiaries	Associate
<u>Other related parties</u>	
Supathanee Co., Ltd.	Common shareholder
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
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

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
Notes to Financial Statements(Continued)
December 31, 2015 and 2014

Significant outstanding balances of assets and liabilities with its related parties as at December 31, 2015 and 2014 were as follows:

	In Thousand Baht	
	2015	2014
<u>Trade accounts receivable</u>		
<i>Related party</i>		
Boonwatanachok Co., Ltd.	120	280
<u>Other current assets (other receivables from related parties)</u>		
<i>Associate</i>		
New Plus Knitting Pcl. and its subsidiaries	-	77
<i>Related party</i>		
Boonwatanachok Co., Ltd	14	42
Total	14	119
<u>Available-for-sale investments</u>		
<i>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	64,393	73,319
Total	82,639	91,565
<u>Other long-term investments</u>		
<i>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	(984)	(896)
Net	7,306	7,394
<u>Other non-current assets (deposit)</u>		
<i>Related party</i>		
Boonwatanachok Co., Ltd.	-	472
<u>Trade accounts payable</u>		
<i>Associate</i>		
New Plus Knitting Pcl. and its subsidiaries	77,829	84,202
<i>Related party</i>		
Boonwatanachok Co., Ltd.	1	1
Total	77,830	84,203

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
Notes to Financial Statements(Continued)
December 31, 2015 and 2014

	In Thousand Baht	
	2015	2014
<u>Other current liabilities (accrued expense)</u>		
<i>Associate</i>		
New Plus Knitting Pcl. and its subsidiaries	29	45
<i>Related parties</i>		
Chensin Industry Co., Ltd	86	86
Saha Pathana Inter-Holding Pcl.	20	20
Total	135	151

Significant transactions with related parties for the years ended December 31, 2015 and 2014 were as follows:

	In Thousand Baht	
	2015	2014
<u>Sale</u>		
<i>Associate</i>		
New Plus Knitting Pcl. and its subsidiaries	10	-
<i>Related party</i>		
Boonwatanachok Co., Ltd.	840	666
Total	850	666

<u>Purchase</u>		
<i>Associate</i>		
New Plus Knitting Pcl. and its subsidiaries	324,816	344,448
<i>Related parties</i>		
Boonwatanachok Co., Ltd.	3	2
Saha Pathanapibul Pcl.	-	9
Total	324,819	344,459

<u>Dividend income</u>		
<u>Financial statements in which the equity method is applied</u>		
<i>Related parties</i>		
Saha Pathanapibul Pcl.	1,801	1,801
Saha Pathana Inter-Holding Pcl.	82	82
Total	1,883	1,883

<u>Separate financial statements</u>		
<i>Associate</i>		
New Plus Knitting Pcl. and its subsidiaries	222	222
<i>Related parties</i>		
Saha Pathanapibul Pcl.	1,801	1,801
Saha Pathana Inter-Holding Pcl.	82	82
Total	2,105	2,105

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
Notes to Financial Statements(Continued)
December 31, 2015 and 2014

	In Thousand Baht	
	2015	2014
<u>Other income (commission, rental, etc.)</u>		
<i>Associate</i>		
New Plus Knitting Pcl. and its subsidiaries	361	607
<i>Related parties</i>		
Boonwatanachok Co., Ltd.	157	162
Saha Pathana Inter-Holding Pcl.	-	12
Total	518	781
<u>Selling and administrative expenses</u>		
<u>(rental, warehouse service, etc.)</u>		
<i>Associate</i>		
New Plus Knitting Pcl. and its subsidiaries	119	221
<i>Related parties</i>		
Saha Pathanapibul Pcl.	1,682	1,682
Saha Pathana Inter-Holding Pcl.	1,160	240
Chensin Industry Co., Ltd.	960	960
Boonwatanachok Co., Ltd.	-	178
Total	3,921	3,281
<u>Key management compensation</u>		
Short-term employment benefits	17,178	19,656
Post-employment benefits	459	1,407
Total	17,637	21,063

Guarantee

As at December 31, 2014, the Company guaranteed an associate for credit facilities amounting to Baht 5 million (with no guarantee fee).

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
Notes to Financial Statements(Continued)
December 31, 2015 and 2014

5. TRADE ACCOUNTS RECEIVABLE

Aging analyses for trade accounts receivable as at December 31, 2015 and 2014 were as follows:

	Note	In Thousand Baht	
		2015	2014
<u>Related party</u>			
Current		120	147
Overdue not over 3 months		-	133
Total	4	120	280
<u>Other companies</u>			
Current		103,805	104,454
Overdue			
Not over 3 months		26,728	31,563
Over 3 - 6 months		1,962	2,054
Over 6 - 12 months		1,295	1,025
Over 12 months		4,436	4,498
		138,226	143,594
Less allowance for doubtful accounts		(5,731)	(5,523)
Net		132,495	138,071

6. INVENTORIES

	In Thousand Baht	
	2015	2014
Merchandise	263,900	268,380

7. AVAILABLE-FOR-SALE INVESTMENTS

	In Thousand Baht		
	Related parties (Note 4)	Others	Total
As at December 31, 2015			
Cost	18,246	16,381	34,627
Fair value changes	64,393	2,380	66,773
Total	82,639	18,761	101,400
As at December 31, 2014			
Cost	18,246	16,381	34,627
Fair value changes	73,319	10,182	83,501
Total	91,565	26,563	118,128

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED

Notes to Financial Statements(Continued)

December 31, 2015 and 2014

8. INVESTMENTS IN ASSOCIATE

Investment in associate as at December 31, 2015 and 2014 was as follows:

		In Thousand Baht						
Type of business	Ownership interest (%)		Paid-up share capital	Investments				
	2015	2014		Cost method		Equity method		
				2015	2014	2015	2014	
<u>Associate</u>								
New Plus Knitting Pcl.	Textiles	14.79	14.79	100,000	69,932	69,932	28,854	25,439
Less allowance for impairment loss					(25,545)	(30,308)	-	-
Net					44,387	39,624	28,854	25,439

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

December 31, 2015 and 2014

The Company received dividend from New Plus Knitting Public Company Limited for the years then ended December 31, 2015 and 2014 amounting to Baht 0.2 million.

The Company accounted its investment in associate in the financial statements, in which the equity method is applied, using the equity method.

The investment as at December 31, 2015 and 2014, and share of profit of the associate and share of other comprehensive income (loss) of the associate for the years then ended were based on the consolidated financial statements for the years ended December 31, 2014 and 2013 (audited) and for the nine-month periods ended September 30, 2015 and 2014 (reviewed) of New Plus Knitting Public Company Limited and its subsidiaries by another auditor. The carrying value of the investment as at December 31, 2015 and 2014 amounted to Baht 28.9 million and Baht 25.4 million, respectively. The Company's share of profit of the associate for the years ended December 31, 2015 and 2014 amounted to Baht 3.7 million and Baht 3.4 million, respectively. The Company's share of other comprehensive income (loss) of the associate for the years ended December 31, 2015 and 2014 amounted to Baht (0.04) million and Baht 0.06 million, respectively.

Financial information of the associates were as follows:

	In Thousand Baht	
	2015	2014
As at September 30		
Current assets	206,016	191,249
Non-current assets	201,174	195,228
Current liabilities	94,111	90,527
Non-current liabilities	83,633	98,746
For the years ended September 30		
Revenues	382,904	396,759
Profit	34,026	21,134
Other comprehensive loss	(283)	(399)
Total comprehensive income	33,743	20,735

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED

Notes to Financial Statements (Continued)

December 31, 2015 and 2014

9. OTHER LONG-TERM INVESTMENTS

	In Thousand Baht		
	Related parties (Note 4)	Others	Total
As at December 31, 2015			
Cost	8,290	18,127	26,417
Allowance for impairment loss	(984)	(7,800)	(8,784)
Allowance for loss on reduction of capital	-	(4,749)	(4,749)
Net	7,306	5,578	12,884
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	7,394	5,266	12,660

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
Notes to Financial Statements (Continued)
December 31, 2015 and 2014
10. PROPERTY, PLANT AND EQUIPMENT

	In Thousand Baht				
	Land	Building	Furniture and office equipment	Vehicles	Total
Cost					
At January 1, 2014	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
Additions	-	238	5,412	43	5,693
Disposals	-	-	(787)	(133)	(920)
At December 31, 2015	15,810	42,724	70,628	5,371	134,533
Accumulated depreciation					
At January 1, 2014	-	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
Depreciation charge for the year	-	274	3,784	397	4,455
Disposals	-	-	(787)	(67)	(854)
At December 31, 2015	-	42,189	59,118	4,932	106,239
Net Book Value					
At December 31, 2014	15,810	571	9,882	859	27,122
At December 31, 2015	15,810	535	11,510	439	28,294

The gross carrying amounts of the Company's fully depreciated property, plant and equipment those are still in use as at December 31, 2015 and 2014 amounted to Baht 96.7 million and Baht 76.4 million, respectively

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
Notes to Financial Statements (Continued)
December 31, 2015 and 2014

11. UNUSED LAND

	In Thousand Baht	
	2015	2014
Unused land - at cost	5,047	5,047
Less allowance for impairment loss	(3,836)	-
Net	1,211	5,047

12. LEASED HOLD RIGHTS

	In Thousand Baht
At cost	
At January 1, 2014 and December 31, 2014 and 2015	23,447
Accumulated amortization	
At January 1, 2014	(15,169)
Amortization charge for the year	(897)
At December 31, 2014	(16,066)
Amortization charge for the year	(898)
At December 31, 2015	(16,964)
Net book value	
At December 31, 2014	7,381
At December 31, 2015	6,483

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, 2015 and 2014

13. INCOME TAX

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

Financial statements in which the equity method is applied (In Thousand Baht)							
	At January 1, 2014	Recognized in		At December 31, 2014	Recognized in		At December 31, 2015
		Profit or loss	Other comprehensive income		Profit or loss	Other comprehensive income	
<u>Deferred tax assets</u>							
Allowance for doubtful accounts	1,123	(18)	-	1,105	42	-	1,147
Allowance for impairment loss on Other long-term investments	3,011	(260)	-	2,751	(45)	-	2,706
Unused land	701	(701)	-	-	767	-	767
Post-employment benefit	3,105	739	-	3,844	453	-	4,297
Consignment sales	7,497	1,279	-	8,776	501	-	9,277
Total	<u>15,437</u>	<u>1,039</u>	<u>-</u>	<u>16,476</u>	<u>1,718</u>	<u>-</u>	<u>18,194</u>
<u>Deferred tax liabilities</u>							
Fair value change in available-for-sale investments	16,611	-	89	16,700	-	(3,345)	13,355

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
Notes to Financial Statements (Continued)
December 31, 2015 and 2014

	Separate financial statements (In Thousand Baht)						
	At January 1, 2014	Recognized in		At December 31, 2014	Recognized in		At December 31, 2015
		Profit or loss	Other comprehensive income		Profit or loss	Other comprehensive income	
Deferred tax assets							
Allowance for doubtful accounts	1,123	(18)	-	1,105	42	-	1,147
Allowance for impairment loss on							
Investment in associate	6,653	(592)	-	6,061	(952)	-	5,109
Other long-term investments	3,011	(260)	-	2,751	(45)	-	2,706
Unused land	701	(701)	-	-	767	-	767
Post-employment benefit	3,105	739	-	3,844	453	-	4,297
Consignment sales	7,497	1,279	-	8,776	501	-	9,277
Total	22,090	447	-	22,537	766	-	23,303
Deferred tax liabilities							
Fair value change in available-for-sale investments	16,611	-	89	16,700	-	(3,345)	13,355

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
Notes to Financial Statements (Continued)
December 31, 2015 and 2014

Tax expense

Financial statements in which the equity method is applied

	In Thousand Baht	
	2015	2014
Current tax expense	2,919	6,680
Deferred tax expense		
Movements in temporary differences	(1,718)	(1,039)
Total	1,201	5,641
<u>Reconciliation of effective tax rate</u>		
Profit before income tax	12,001	34,423
Income tax using the corporate tax rate (20%)	2,400	6,885
Income not subject to tax		
Dividend income	(617)	(765)
Share of profit of associate	(736)	(685)
Others	154	206
Total	1,201	5,641

Separate financial statements

	In Thousand Baht	
	2015	2014
Current tax expense	2,919	6,679
Deferred tax expense		
Movements in temporary differences	(766)	(447)
Total	2,153	6,232
<u>Reconciliation of effective tax rate</u>		
Profit before income tax	13,306	34,178
Income tax using the corporate tax rate (20%)	2,661	6,835
Dividend income not subject to tax	(662)	(809)
Others	154	206
Total	2,153	6,232

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
Notes to Financial Statements (Continued)
December 31, 2015 and 2014

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

	In Thousand Baht	
	2015	2014
Bank overdrafts (interest rate at 7.30% - 7.75% p.a. at December 31, 2015 and 7.25% - 7.75% p.a. at December 31, 2014)	29,498	25,900
Short-term loans (interest rate at 2.63% - 3.15% p.a. at December 31, 2015 and 3.12% - 3.45% p.a. at December 31, 2014)	60,000	75,000
Total	89,498	100,900

As at December 31, 2015 and 2014, the Company had remaining of credit lines for bank overdrafts and short-term loans from financial institutions amounting to Baht 329 million and Baht 316 million, respectively.

15. EMPLOYEE BENEFIT OBLIGATIONS

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

(a)	In Thousand Baht	
	2015	2014
Obligations as at January 1	19,221	15,523
Recognized transitional obligations for the year ended December 31	2,324	2,238
Current service cost	1,879	1,776
Interest on obligations	603	691
Employee benefits paid	(2,541)	(1,007)
	2,265	3,698
Obligations as at December 31	21,486	19,221

Principal actuarial assumptions:

	%	
	2015	2014
Discount rate	2.80	3.66
Salary increase rate	4.00	4.00
Disability rate	5.00	5.00

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
Notes to Financial Statements (Continued)
December 31, 2015 and 2014

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	
	2015	2014
Change in finished goods	4,480	(5,054)
Purchase	408,212	412,456
Employee expenses	143,885	139,806
Advertising and sale promotion	16,382	14,329
Service expenses	9,784	7,176
Rental expenses	8,184	5,981
Depreciation and amortization	5,960	5,762
Transportation expenses	4,509	4,347
Utilities	3,684	3,474

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
Notes to Financial Statements (Continued)
December 31, 2015 and 2014

18. OTHER COMPREHENSIVE INCOME

In Thousand Baht					
	2015			2014	
	Amount	Tax income	Net	Amount	Tax expense
<u>Financial statements in which the equity method is applied</u>					
Items that will be reclassified subsequently to profit or loss					
- Gain (loss) on measurement of available-for-sale investments	(16,727)	3,345	(13,382)	444	(89)
- Share of other comprehensive income (loss) of associate (gain (loss) on measurements of available-for-sale investments)	(42)	-	(42)	57	-
Other comprehensive income (loss) for the year	(16,769)	3,345	(13,424)	501	(89)
<u>Separate financial statements</u>					
Items that will be reclassified subsequently to profit or loss					
- Gain (loss) on measurement of available-for-sale investments	(16,727)	3,345	(13,382)	444	(89)

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
Notes to Financial Statements (Continued)
December 31, 2015 and 2014

19. DIVIDEND PAYMENT

At the shareholders' meeting of the Company held on April 22, 2014, the shareholders approved the appropriation of dividends at of Baht 0.45 per share for 14,951,000 shares, amounting to Baht 6.73 million, from the retained earnings as at December 31, 2013.

At the shareholders' meeting of the Company held on April 28, 2015, the shareholders approved the appropriation of dividends at of Baht 0.40 per share for 14,951,000 shares, amounting to Baht 5.98 million, from the retained earnings as at December 31, 2014.

20. SEGMENT INFORMATION

The segmental financial information of the Company for the years ended December 31, 2015 and 2014 were as follows:

	(In Thousand Baht)			
	Financial statements in which the equity method is applied			
	Textile	Cosmetic	Others	Total
2015				
Net sales	513,097	49,792	65,990	628,879
Gross profit	166,879	16,773	32,536	216,188
Unallocated other income				8,545
Unallocated selling and administrative expenses				(209,674)
Unallocated impairment loss on assets				(3,835)
Unallocated finance costs				(2,902)
Share of profit of associate				3,679
Unallocated tax expense				(1,201)
Profit for the year				10,800
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 associate				3,425
Unallocated tax expense				(5,641)
Profit for the year				28,782
Unallocated assets				
As at December 31, 2015				610,901
As at December 31, 2014				635,944

Sales to major customer during the year ended December 31, 2015 and 2014 amounted to Baht 99.8 million and Baht 91.7 million, respectively.

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
Notes to Financial Statements (Continued)
December 31, 2015 and 2014

Sales by geographic for the year ended December 31, 2015 and 2014 were as follows:

	In Thousand Baht	
	2015	2014
Domestic sales	615,263	616,680
Export	13,616	14,739
Total	628,879	631,419

21. DISCLOSURES OF 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

Fair value of investment in associate amounts to Baht 31.9 million (Level 1 inputs).

Cash and cash equivalents, trade and other receivables - the carrying values approximate their fair values due to the relatively short-term maturity of these financial instruments (Level 2 inputs).

Bank overdrafts and short-term loans from financial institutions, trade 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 (Level 2 inputs).

Other long-term investments are not practicable to estimate the proper fair values without incurring excessive expenses and costs.

NEWCITY (BANGKOK) PUBLIC COMPANY LIMITED
Notes to Financial Statements (Continued)
December 31, 2015 and 2014

22. COMMITMENTS

As at December 31, 2015, the Company had commitment under vehicle, building and equipment leased contracts as follows:

	<u>In Thousand Baht</u>
Within one year	6,454
After 1 year but not over 5 years	714
After 5 years	<u>367</u>
Total	<u>7,535</u>

23. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's directors on February 23, 2016.

