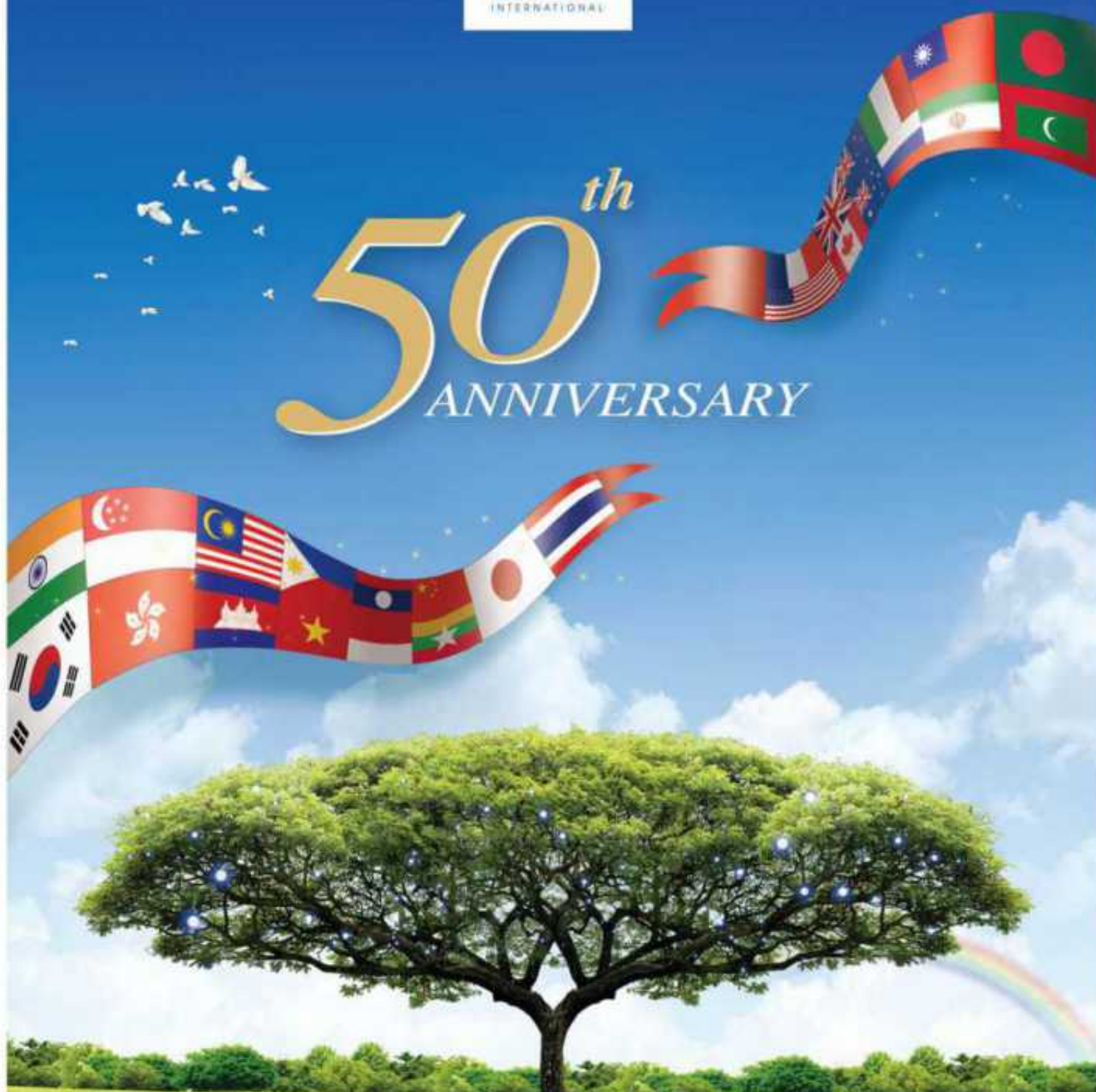




50th ANNIVERSARY



WE MAKE PEOPLE HAPPY AND BEAUTIFUL

Annual Report 2013

I.C.C. International Public Company Limited



50th ic INTERNATIONAL ANNIVERSARY

50 YEARS OF ICC REFRESH

Think Anew ; Think Afar ; Think Everlasting future

Half a century has, year by year, ticked by
Since the inception of this business empire,
When ICC found its first footing
On Sathupradit Road.

With seven employees at the start
Who paved the way and built the foundations,
With one cosmetic product its specialty,
Dispensed with valuable beauty advice.

After seven years and with just seven staff
A new product line of ladies' lingerie was introduced
Under the now-ubiquitous brand Wacoal.
Incrementally it found success in the domestic market.

Another six years passed and a third product was launched
In men's garments, leading the market
Under the Arrow brand name
Exclusively designed for men's fashion.

From these three flagship names
Many brands have emerged and enjoyed popularity
In response to market need
And with a great reputation to maintain.

ICC has thus progressed remorselessly
Through the diligence of its work force
Joining hands for its advancement
Expanding its business growth

With more than a hundred brands now under its wing
Crafting the company into a monument of conglomerates.
Conscientiously dedicated, as ever, to forge ahead
ICC has upheld the ethics of a good corporation

Time to REFRESH! after this half-century of good measures
Think anew; think afar
Think everlasting future
And more glorious success!

Dr. Thiam Chokwatana's Philosophy



Dr. Thiam Chokwatana
Founder & First Chairman of Saha Group

Ethical and Sustainable Entrepreneurship

The inclination towards doing good, working hard, being active and fully undertaking one's responsibilities together with good business ethics makes for corporate respectability and reputation. These qualities must be fostered from the start of a business enterprise because they project a good public image and enjoy recognition at large. They also help in facilitating contacts with other associates, partnerships and clients.

You must begin by working hard and keeping your word. Never fail your customers or go back promises. Be modest, civil and polite, so that customers have confidence in you. With your customers' acceptance and their preference in doing business with you, sales will come easily and be plentiful. A sound reputation will automatically follow.

People who enjoy a well-earned reputation will be able to reap sustainable rewards and prosperity.

Born : June 14, 1916 in Bangkok.

Died : June 29, 1991 in Chonburi.

Honors Received :

1. Decorations

- 1963 : The Most Noble Order of the Crown of Thailand (Fifth Class)
- 1978 : The Most Noble Order of the Crown of Thailand (Fourth Class)
- 1979 : The Most Exalted Order of the White Elephant (Fourth Class)
- 1981 : The Most Exalted Order of the White Elephant (Third Class)
- 1982 : The Most Noble Order of the Crown of Thailand (Second Class)
- 1985 : The Third Order of the Sacred Treasure from Japan.

2. Other Honors

- 1985 : An Honorary doctorate degree in Business Administration from Srinakharinwirot University.
- 1988 : A Thai Marketing Man of The Year Award (Hall of Fame)
- 1989 : An Outstanding Thai Industrialist Award.

Message from the Chairman

In 2013, Thailand needed to face another challenging year from the unsettled global economy. Additionally, the domestic economy suffered from a lack of progress of viable national policies, contributing to both a poor fiscal economic situation, and escalating political unrest. Furthermore, resulting street protests in Bangkok, inevitably had a negative impact on ICC's annual performance. Notwithstanding, the Company's management and staff worked closely together, to find suitable solutions to keep the business as buoyant as possible, during what was a particularly difficult year.


However, the Administration of ICC brought to mind some key remarks pointedly made by the previous president of the Company, the late Dr. Thiam Chokwatana, in dealing with, and managing in, especially difficult economic situations. These were that "whatever the hardship is, it can be reversed, and recovery achieved", and also "nothing is beyond human endeavour". Such words of wisdom helped guide the management in closely monitoring corporate performance, as well as being able to be constantly vigilant in tackling related issues, and finding the best-possible solutions for the business going forward. As a result, the Company was able to achieve satisfactory results. In consideration, I would like to express my admiration for the persistence and hard work of all ICC executives and staff, for all their dedicated time, and effort in such difficult times.

Hence, it is my pleasure to declare to shareowners a satisfactory performance amounting to 6.60% annual return on investment, being a 2.58 Baht profit per share, and a 39.00 Baht market share price on the SET.

For New Year 2014, I would like to invite the grace of the Triple Gems to bestow blessings on the shareowners, board members, and executives, as well as on all ICC personnel. Moreover, may you all have everlasting happiness, prosperity success, and all you might wish for.



Som Chatusripitak Ph.D.
Chairman



For New Year 2014, I would like to invite the grace of the Triple Gems to bestow blessings on the shareowners, board members, and executives, as well as on all ICC personnel. Moreover, may you all have everlasting happiness, prosperity success, and all you might wish for.

Board of Directors

Som Chatusripitak Ph.D.
Chairman



Boonsithi Chokwatana
Vice Chairman



Boonkiet Chokwatana
President and Executive Chairman



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



Thamarat Chokwatana
Director and Executive Vice President



Amorn Asvanunt
Independent Director and
Audit Committee Member



Pol.Gen. Somchai Prabhasabhakdi
Independent Director and
Audit Committee Member



Duangphorn Sucharittanuwat
Independent Director and
Audit Committee Member



Vira Ua-Arak
Director



Manu Leelanuwatana
Director



Somphol Chaisiriroj
Director

Executive Committee



Boonsithi Chokwatana
Advisor to the Executive Board of Directors



Boonkiet Chokwatana
President and Executive Chairman



Thamarat Chokwatana
Director and Executive
Vice President and
Vice President Divisions G, P, X



Somphol Chaisiroj
Vice President Division W



Somkid Chakawannorasing
Vice President Division J



Pisamai Chunmanu
Vice President Division I



Pennapha Dhanasarnsilp, D.B.A
Vice President Division V



Pairoj Hirunwongsawang
Vice President Division R and
Vice President Sales Administration



Nuttaphat Petchratanaporn
Vice President Accounting
and Finance Division



Munchusa Terapongpipat
Vice President Company Administration Division



Ramida Russell Maneesatien
Vice President Division B



Kityaporn Chaithavornsathien
Vice President Division D



Chailert Manoonpol
Vice President Division S

Company Advisor

Samreng Manoonpol

Advisor

Experience

1. Director of Saha Pathana Inter-Holding Plc.
2. Member of the Advisory Committee of Saha Pathanapibul Plc.



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Investor can study additional information of the companies issuing assets from the Form 56-1 via www.sec.or.th, or the company website : www.jcc.co.th



The Profiles of Directors, Executives and Regulators

Name/Position/Appointment Date	Age (Years) **	Education	Training Background	*Proportion of Shareowning
*1. Som Chatusripitak, Ph.D. Chairman and Independent Director 21 November 1997	74	Ph.D. (Finance), MBA, The State University of New York, U.S.A.	DAP, DCP	-
*2. Boonsithi Chokwatana Vice Chairman and Advisor to the Executive Board of Directors Year 1991	77	Honorary Doctorate Degrees - In Business Administration 1. Burapha University 2. Thammasat University 3. The National Institute of Development Administration 4. University of the Thai Chamber of Commerce - In Engineering 1. Khon Kaen University - In Laws 1. Waseda University, Japan - In Science (Textiles and Garments) 1. Rajamangala University of Technology Krungthep	DAP, DCP	2.26
*3. Boonkit Chokwatana President and Executive Chairman Year 1973	67	1. Honorary Doctorate Degree in Business Administration (Management) from Sripatum University 2. Honorary Doctorate in Business Administration College of Commerce from Burapha University 3. Honorary Doctorate in Business Administration from Naresuan University 4. B.S. Mechanical Engineering, Worcester Polytechnic Institute, Massachusetts, U.S.A.	DAP, DCP	1.39

Note : * Director binding to the Company as in the Company's certificate.

** 31 March 2013 (calendar year)

*** Including shares held by the spouses and minor children



Relationship of Directors and Executives	No. of companies engaged as director		Work Experience in the past 5 years	
	Listed Company	Non-Listed Company	Period	Major Experience
-	-	2	Present	- Senator, Royal Thai Senate. - Honorary Director, Thai Chamber of Commerce. - Director, Po Teck Sang Tsung Foundation. - Advisor, Board of Trade of Thailand. - Director of Seacon Development Plc. - Director of Wiseda Education (Thailand) Co., Ltd.
			Former	- Senator, Royal Thai Senate. - Minister of Commerce. - Advisor to the Prime Minister. - Advisor to the Speaker of The Parliament. - Chairman, Thai Bankers Association. - Advisor to the Stock Exchange of Thailand
- Father of	5	32	1972-Present	Chairman of Thai President Foods Plc.
Thammarat			Present	Honorary Chairman of Sahapathanapibul Plc.
Chokwatana			1995-Present	Vice Chairman of I.C.C.International Plc.
- Brother of			2003-Present	Director of Saha Pathana Inter-Holding Plc.
Boonkit			2010-Present	Advisor Director of Thanlux Plc.
Chokwatana			2002-Present	Director of Sahacogen Plc.
- Brother of	5	50	1986-Present	Director of Saha Pathana Inter-Holding Plc.
Boonsithi			1993-Present	Chairman of S & J International Enterprises Plc.
Chokwatana			1995-Present	President and Executive Chairman of I.C.C.International Plc.
- Uncle of			1994-Present	Chairman of People's Garment Plc.
Thammarat			1996-Present	Chairman of Sahacogen (Chonburi) Plc.
Chokwatana			Present	Chairman of Pan Asia Footwear Plc.



The Profiles of Directors, Executives and Regulators (Continue)

Name/Position/Appointment Date	Age (Years) **	Education	Training Background	*Proportion of Shareowning
4. Thiraphong Vikitsat Ph.D. Independent Director and Audit Committee Chairman 26 April 1999	68	Ph.D. (Economics), West Virginia University, U.S.A.	DAP, DCP, ACP FND, OFR	-
*5. Thiamrat Chokwatana Director and Executive Vice President and Vice President Divisions : G, P, X 24 March 1999	45	B.A., Bachelor of Arts, Assumption University	DAP, DCP	0.13
6. Anom Asvanunt Independent Director and Audit Committee Member 26 May 1999	66	1. MBA Bowling Green State University, U.S.A. 2. Bachelor of Accountancy Chulalongkorn University	DAP	-
7. Pol Gen.Sornchai Prabhakabhai Independent Director and Audit Committee Member 17 December 2004	72	MPA, National Institute of Development Administration	DAP, DCP ACP, RCP	-



Relationship of Directors and Executives	No. of companies engaged as director		Work Experience in the past 5 years	
	Listed Company	Non-Listed Company	Period	Major Experience
-	-	1	Present	- Professor, School of Development Economics National Institute of Development Administration (NIDA) - Member, Energy Conservation Fund Evaluation Subcommittee - Director of Better Way (Thailand) Co., Ltd.
			2001-2002	Administration of National Institute of Development Administration (NIDA)
			1995-1997	Member, Academic Council
			1986-1991	Vice President for Academic Affairs
			1985-1986	Dean, School of Development Economics
			1984-1985	Associate Dean, School of Development Economics
			1986-1991	Member, Subcommittee on Energy Policy Formulation
			1991	Member, Subcommittee on Energy Planning for the 7th Development Plan
- Son of Boonsithi Chokwatana	1	34	2001-Present	Director of Thai Wacoat Plc.
- Phew of Boonlert Chokwatana				
-	5	3	Present	- Audit Committee Chairman of People's Garment Plc. - Audit Committee of Far East DDB Plc. - Audit Committee of Sahacogen (Chonburi) Plc. - Director & Risk Management Committee of Krungthep Sophon Plc. - Director of the Board, Executive Director, Risk Management and Credit Committee of Thai Military Bank - Director of BNH Medical Center Co., Ltd. - Independent Director of P.A. Capital Co., Ltd. - Independent Director of WBLP Co., Ltd.
			Former	Senior Executive in Banking, Real Estate, Hotel and Construction
-	1	-	Present	Independent Director and Audit Committee Member of
				- I.C.C. International Plc. - Sahacogen (Chonburi) Plc.
			Former	- Qualified AMLO Board Member - Audit Committee Chairman of MCOT Plc. - Advisor, Office of the Prime Minister - Assistant Commissioner-General - Commander in Chief Province Police region 2 - Commander in Chief Province Police region 1 - Deputy Commissioner Metropolitan Police



The Profiles of Directors, Executives and Regulators (Continue)

Name/Position/Appointment Date	Age (Years) **	Education	Training Background	*Proportion of Shareowning
8. Duangphorn Sucharitranuwat Independent Director and Audit Committee Member 25 April 2011	62	1. MBA, Thammasat University 2. Bachelor (2nd Class Honor) Faculty of Commerce and Accountancy, Chulalongkorn University 3. Certified Public Account (CPA) No. 5228	DCP, RCP, ACP, CMA8, ASMP2, TPL 1, TEPCOT3	-
*9. Manu Leelanuwatana Director 26 April 2004	69	Bachelor of Mechanical Engineering, Chiba University, Japan	DAP, DCP	0.37
*10. Vira Ua-Arak Director 26 April 2004	72	1. Bachelor of Law, Thammasat University 2. Barrister - at - law	DAP, DCP	0.211
*11. Somphol Chaisirong Director and Vice President Division W 29 September 2009	57	Master of Arts, Ohio University, U.S.A.	DAP, DCP	0.022
12. Somkid Chakawannorasing Vice President Division J Year 1996	64	Bachelor of Communication Arts, Sukhothai Thammathirat University	DAP, DCP	0.034
13. Pisamai Chummanu Vice President Division I Year 2000	65	Bachelor of Communication Arts, Chulalongkorn University	DAP	0.007
14. Pennapha Dhanasamsilp, D.B.A. Vice President Division V Year 2003	60	Doctorate of Business Administration Nova Southeastern University, U.S.A.	DAP, DCP	0.006



Relationship of Directors and Executives	No. of companies engaged as director		Work Experience in the past 5 years	
	Listed Company	Non-Listed Company	Period	Major Experience
-	1	-	2012-Present	Chairman of Lease IT Co., Ltd.
			2013-Present	Director Foundation of 50 Pansa Hospital.
			1997-Present	Financial Management Group, Councilor of Thailand Management Association
			2005-Present	Director, Committee of Energy of The Thai Chamber of Commerce
			Former	- Senior Vice President, Accounting Department of Asia Credit Co., Ltd.
				- Managing Director of Siam Asia Leasing Co., Ltd.
				- Director of Krungthai Thanakit Plc.
				- Chairman of KTT Leasing Co., Ltd.
				- Chairman of BT Securities Co., Ltd.
				- Senior Executive Vice President of CIMB Thai Bank Plc.
-	4	28	1990-Present	Chairman of Thai Wacoal Plc.
			1980-Present	President of Textile Prestige Plc.
			1987-Present	Director of O.C.C. Plc.
			2007-Present	Director of Saha Pathana Inter-Holding Plc.
-	-	10	Present	Managing Director of Vira Law Office Co., Ltd.
-	-	6	1989-2006	Director of Thanulux Plc.
			Present	Vice President Business Division of Thanulux Plc.
			1990-Present	Vice President Division W Of I.C.C. International Plc.
			2009-Present	Director of I.C.C. International Plc.
-	-	4	1987-Present	Director of Total Way Image Co., Ltd.
			1993-Present	Chairman of Koraj Wattana Co., Ltd.
-	1	4	1983-Present	Director of People's Garment Plc.
			1984-Present	Managing Director of Thai Arun Co., Ltd.
			1996-Present	Managing Director of DF Inter Co., Ltd.
-	1	6	1996-Present	Director of President Rice Products Plc.
			2003-Present	Director and Vice President Division V of I.C.C. International Plc.
			2010-Present	Chairman of Pons Marketing and Distribution Co., Ltd.
			2005-Present	Director of Bunka Fashion Co., Ltd.
			2003-Present	Director of Thai Son Foods Co., Ltd.
			2012-Present	Director of Healthy Mania Co., Ltd.
			1990-2011	Director of Thai President Foods Plc.
			2003-2010	Director Manager of Otsuka Saha Asia Research Co., Ltd.
			2000-2010	Director of Sahapathanapit Plc.



The Profiles of Directors, Executives and Regulators (Continue)

Name/Position/Appointment Date	Age (Years) **	Education	Training Background	*Proportion of Shareowning
15. Pairuj Hirunwongsawang Vice President Divisions R and Sales Administration 1 July 2005	61	Bachelor of Science in Statistics Ramkhamhaeng University	-	0.002
16. Nuttaphat Petchratanaporn Vice President Accounting and Finance 25 May 2010	55	Bachelor of Science (Accounting) Bangkok University	DCP	0.012
17. Munchusa Terapongpipat Vice President Company Administration Division 25 May 2010	56	Bachelor of Public Administration, Ramkhamhaeng University	-	0.035
18. Ramida Russell Maneasatien Vice President Division B 25 May 2010	45	1. Bachelor in Business Administrations BBA Assumption University 2. Master in Communication arts (Mass Communications) Chulalongkorn University	FSD	0.003
19. Kityaporn Chaithavornsatien Vice President Division D 24 May 2011	39	Bachelor in Business Administrations BBA Assumption University	DCP	2.56
20. Chalert Mahoonpol Vice President Division S 22 May 2012	55	Master of Management Abilene Christian University, U.S.A.	DAP, FND	0.0005
21. Khanisorn Suyanand Vice President Division A 1 June 2010	69	1. Bachelor of Economics, Thammasat University 2. Master of Art, Economics (Monetary) Northeastern University, Boston Mass. U.S.A.	-	0.0001



Relationship of Directors and Executives	No. of companies engaged as director		Work Experience in the past 5 years	
	Listed Company	Non-Listed Company	Period	Major Experience
-	-	10	Present	- Chairman of Eastern I.C.C. Co., Ltd. - Chairman of Paknumpo Wattana Co., Ltd. - Director of Intanin Chiangmai Co., Ltd. - Director of Intersouth Co., Ltd. - Director of Can Co., Ltd. - Director of Sun and Sand Co., Ltd. - Director of Koraj Wattana Co., Ltd. - Director of Maharachapreuk Co., Ltd. - Director of Tiger Distribution & Logistics Co., Ltd.
-	-	8	1999-Present 2001-Present 2013	Director of Vira Law Office Co., Ltd. Director of Sukhatesana Co., Ltd. Managing Director of PA Capital Co., Ltd.
-	-	3	2000-Present 2000-Present 2011-Present	Director of Train Time Test Co., Ltd. Director of Sun and Sand Co., Ltd. Director of Eastern I.C.C. Co., Ltd.
-	-	4	Present	- Director of Sukhatesana Co., Ltd. - Director of Thai Itokin Co., Ltd. - Director of Isara United Co., Ltd. - Director of Shop Global (Thailand) Co., Ltd.
- Daughter of Boonkiet Chokwatana - Niece of Boonsithi Chokwatana	-	6	Present	- Director of International Laboratories Corp., Ltd. - Director of H & B Intertex Co., Ltd. - Director of Intanin Chiangmai Co., Ltd. - Director of Isara United Co., Ltd. - Director of Vira Law Office Co., Ltd. - Director of Sukhatesana Co., Ltd.
-	2	5	1987-Present 2001-Present 1985-Present	Director of O.C.C. Plc. Director of People's Garment Plc. Managing Director of Champ Ace Co., Ltd.
-	-	1	2008-Present Former	Director & Advisor of International Leather Fashion Co., Ltd. - Manager, Bank of Ayudhya Public Company. - Director, Bunnrungrad International Hospital.



The Profiles of Directors, Executives and Regulators (Continue)

Name/Position/Appointment Date	Age (Years) **	Education	Training Background	*Proportion of Shareowning
22. Somchitt Thiticharonsak Vice President Division H 16 April 2011	55	Bachelor of Science, Mahidol University	-	0.0004
23. Nonglaks Techaboonanok Vice President Divisions M, O 1 September 2005	59	1. Bachelor of Communication Arts, Chulalongkorn University 2. Bachelor of Marketing, Ramkhamhaeng University	DAP	-
24. Surat Wongratnapassorn, Ph.D. Vice President Information Technology Divisions 1 May 2013	48	1. Master Of Engineering (Computer) Assumption University 2. Ph.D (Business Administration) Nova, Southeastern, U.S.A.	DAP	-
25. Anuchit Jureegasa Vice President Division 1 June 2013	55	Bachelor of Marketing University of Hartford, Connecticut, U.S.A.	-	-



Relationship of Directors and Executives	No. of companies engaged as director		Work Experience in the past 5 years	
	Listed Company	Non-Listed Company	Period	Major Experience
-	-	-	-	-
-	-	4	Present	- Executive Director of Thai Wacost Plc. - Managing Director of SRP Advertising Co., Ltd. - Managing Director of MIT Pathana Homeshopping Co., Ltd.
-	-	2	2011-Present	Director of Thai Italin Co.,Ltd.
			2009-Present	Director of Wien International Co.,Ltd.
-	-	-	Former	- Director of AEC Center - Vice President, Office of the President - Vice President, Office of Corporate Communication Thai Beverage Plc. - Marketing Director Siam Pan Plc. - President of Video International Company Limited



Highlight of the Year

DATA	2013	2012	2011
Per share data (baht)			
Net profit	2.48	3.61	2.95
Book value	52.56	54.59	47.59
Market price	39.00	42.00	45.00
Dividend	*1.20	1.25	1.10
Financial position analysis			
Liquidity ratios (times)			
Current ratio	3.42	2.69	2.84
Quick ratio	1.02	0.81	0.99
Leverage ratios (times)			
Debt-equity ratio	0.17	0.21	0.20
Time interest earned ratio	112.11	248.55	-
Efficiency ratios			
Accounts receivable turnover (times)	6.73	6.90	7.04
Collection period (days)	53.47	52.20	51.14
Inventory turnover (times)	1.90	2.04	2.36
Inventory coverage (days)	189.13	176.30	152.56
Fixed assets turnover (times)	4.16	4.44	4.36
Total assets turnover (times)	0.75	0.80	0.84
Profitability ratios			
Net profit (millions baht)	721.91	1,050.44	857.55
Return on sales (%)	5.18	7.29	6.41
Return on equity (%)	4.64	7.07	6.36
Return on total assets (%)	3.89	5.85	5.37
Price-earning ratio	15.73	11.63	15.25
Growth (%)			
Percentage increase (decrease) of sales	(2.55)	6.64	13.55
Percentage increase (decrease) of net profit before tax	(33.58)	15.97	0.77
Percentage increase (decrease) of total assets	(7.61)	15.71	9.17
Percentage increase of equity	(3.73)	14.73	5.29
Percentage increase (decrease) of numbers of employees	(2.60)	3.68	0.09

* The Board of Directors' Meeting has resolved to pay dividend Baht 1.20 per share and to submit this agenda for approval at the Annual General Shareowners' Meeting to be held on April 21, 2014.



Company Milestone

The I.C.C. International Public Company Limited was established in 1964, under the name of International Cosmetics (PIAS) Part., Ltd., with registered capital of 100,000 Baht and 7 employees. The office was located at Sathupradit road, as a legitimate distributor of PIAS cosmetics from Japan. It was renamed as International Cosmetics (PIAS) Co., Ltd. in 1965. In 1973, it was renamed as International Cosmetics Co., Ltd., with 1,200 employees.

In 1994, the company became a public company limited, registered at the Department of Commercial Registration, Ministry of Commerce. In 1996, its name was changed from International Cosmetics Public Company Limited to I.C.C. International Public Company Limited, under a new logo.

Its head office is now located at a 6-storey twin building, in the same compound of the original building, hiring 7,767 employees. As of December 31, 2013, its total paid-up capital was Baht 290.63 million.

Allied Companies

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

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

Distribution of Products

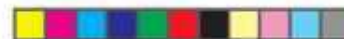
The Company started from being the distributor for "PIAS" cosmetics in 1964, be the distributor for "Wacoal" Lingerie from Japan since 1970 and be the distributor for "Arrow" Men's wears since 1975. From the first establishment until today, the Company is keeping innovate new products and became the distributor for more than 100 product brands including cosmetics, fragrances, women's lingerie, women's apparel, men's apparel, men's underwear, sportswear and equipment, children's wear, leather goods, timepieces, household products, foods, drugs, supplementary foods, drinking water, mineral water etc.

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

- ICC Call Center
- His & Her Plus Point: the program invites the Company's customers to join the program and give the special privileges for members by collecting the points from purchase of the Company's products at sales counters nationwide. Member receives one point for every Baht 25 purchase and the collective points can be redeemed for gifts in catalogue or for other privileges especially prepared only for the members.
- His & Her Shop: The retail shop that congregates the Company's fashion products by decorating the store in modern and warm atmosphere and provides the customers with the best service. At the end of 2013, there are 90 His & Her shops nationwide.
- His & Her ShopSmart: the lifestyle shopping catalogue. Customers can place their order via telephone, website, fax and postal service. The goods can be delivered door to door to response to the modern and comfortable lifestyle.

New Business and Products

- SHOP GLOBAL: a joint-venture between I.C.C. International Public Company Limited, Japan's giant TV shopping Sumitomo Corporation and Central Department Store, established as Shop Global Company (Thailand), has launched the SHOP Channel specializing in leading Japanese quality brands, domestic brands and brands from around the world, on air 24-hour via the PSI satellite channel 62 in the C-Band format.



Company Milestone

- DXS Fashion Sneakers; hand-made products with attractive modern designs and closely-supervised manufacturing. They respond to the need of target groups of all ages and genders who have modern lifestyles and a preference for chic novelties.
- HAZZYS; a Korean imported brand of apparel in British traditional casual styles displaying a perfect blend of the traditional British classic and modern outlook with quality products of distinctive concept and design.
- ENFANT DIAPER; a ready-to-wear diaper with the unique properties of being "Soft, well-fitting and wonderfully absorbent". The softness comes from a smooth textured surface that offers a gentle feel and a fast-drying quality that provides comfort and does not irritate sensitive baby skin. It also comes with an elastic waistband ensuring a good fit and mobility.
- ENFANT NATURAL CLEANSING; a laundry wash and fabric softener for infants, toddlers and the whole family. The product line includes ENFANT Liquid Cleanser, Extra Mild Care, for cleansing babies' bottles, toys and other odds and ends. This latest innovations contain extracts from 100 % Natural Origins such as corn, potato, coconut and palm.

Increasing registered capital

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

Securitization

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

Company's Awards received

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

Executives' Awards received

- | | |
|------|--|
| 1991 | "THE OFFICIER DE L'ORDRE NATIONAL DU MÉRITE" decoration is bestowed on the Chairman, Mr. Boonsithi Chokwatana by the President of France for the promotion of French Products in Thailand. |
| 1994 | An honorary doctorate degree in Environmental Engineering is bestowed on the Chairman, Mr. Boonsithi Chokwatana by Khon Kaen University. |



Company Milestone

- 1995 An honorary doctorate degree in Business Administration is bestowed on the Chairman, Dr. Som Chatusripitak by the Faculty of Commerce and Accountancy of Thammasat University.
- 1996 The Knight Grand Cross (First Class) of the Most Admirable Order of the Direkgunabhorn is Bestowed on Vice Chairman, Dr. Boonsithi Chokwatana.
- 1998 The Prime Minister's Trade Award is bestowed on Dr. Boonsithi Chokwatana, Vice Chairman by Prime Minister of Japan to honor him as a Thai entrepreneur who helps promote trade relationship between Thailand and Japan.
- 1999 Vice Chairman Dr. Boonsithi Chokwatana is honored as "Marketer of the year 1998" for marketing innovation, corporate performance, competence in adapting marketing theories and ethics.
- 2001 Dr. Boonsithi Chokwatana, Vice Chairman, is conferred with an honorary doctorate degree in Business Administration from the College of Commerce, Burapha University.
- 2002
- The Order of the Sacred Treasure, Gold Rays with Neck Ribbon, was conferred on Dr. Boonsithi Chokwatana, Vice Chairman of the Company, in his capacity as a Thai businessman who has long established a good relationship in doing business with Japanese businessmen.
 - An honorary doctorate degree in Business Administration from the Faculty of Commerce and Accountancy, Thammasat University, was conferred on Dr. Boonsithi Chokwatana, Vice Chairman of the Company.
- 2003
- Company's president, Mr. Boonkiet Chokwatana has been bestowed a French decoration "Chevalier dans l'Ordre National de la Légion d'Honneur" as being a Thai business person who has consistently helped promote French products in Thailand.
 - An honorary doctorate degree in Business Administration (Management) is bestowed on the president, Mr. Boonkiet Chokwatana from Sripatum University.
- 2004 Dr. Boonsithi Chokwatana, Vice Chairman, was bestowed an honorary doctorate degree of Business Administration from National Institute of Development Administration.
- 2005
- Dr. Boonsithi Chokwatana, Vice Chairman of the company, received an honorary doctorate degree in marketing, from Thai Chamber of Commerce University.
 - Dr. Boonkiet Chokwatana, Chief Operating Officer, received an honorary doctorate degree in Business Administration from Burapa University.
- 2006 Dr. Boonsithi Chokwatana, Vice Chairman, honoured with election to the 2006 Marketing Hall of Fame by the Marketing Association of Thailand.
- 2009
- Dr. Boonsithi Chokwatana, Vice Chairman, received honorary doctorate degree in Laws from Waseda University, Japan.
 - Dr. Boonkiet Chokwatana, President and Executive Chairman, received honorary doctorate degree in Business Administration from Naresuan University.
- 2012 Dr. Boonsithi Chokwatana, Vice Chairman, received an honorary doctoral degree in Science (Textile and Garment), from Rajamangala University of Technology Krungthep.



Corporate Social Responsibility

Message from the President and Executive Chairman

Saha Group founder, Dr. Thiam Chokwatana, was an icon for conducting business based on integrity and ethics, and he expressed his views to executives that the key principles for carrying out business should be as follows:

Business is like growing a tree. Never keep the fruit entirely for one's own consumption.

Do your business in good conscience and decently for sustainable profitability.

Do not act, solely, in self-interest at the expense of morality.

Such views, and business practices are Dr. Thiam's intellectual legacy, and now have been passed to generations of executives. Also, they have become a key part of the corporate culture at Saha Group, and emphasise its continuous policy of strong values and principles.

In respect of this, over the past fifty years, I.C.C. International Public Company Limited, as a member of Saha Group, and a proud upholder of the Thai nation, has adopted such a philosophy, and remains true to representing Dr. Thiam's intellectual heritage and business practices.

Dr. Boonkiet Chokwatana
President and Executive Chairman

Corporate Social Responsibility

Policies and strategies on social responsibility for sustainable success

Being fully aware of the fact that any organization that looks for sustainable progress must operate with good policies with regard to interested parties, including customers, business partners, personnel and shareholders and also taking account of the common good of society, the nation and the environment, the Company has prioritized policies on social responsibility in three areas:

Good People : Good Product : Good Society

Good People :

- To encourage good conduct and behaviour in personnel
- To develop human resources to their full potential and to inculcate in personnel a code of ethics for career and life
- To encourage good, ethical business with partners
- To oversee staff undertakings that are based on honesty and integrity towards other staff members, customers, business partners, society and the nation at large.

Good Product :

- To market quality products based on appropriate pricing
- To be receptive to customer feedback on products and services through good customer relations
- To promote innovation in products and services and sustained development.

Good Society :

- To promote conscientious and public spiritedness in personnel
- To consistently encourage events and activities that benefit society, the environment and the common good
- To refrain from any action that may have negative consequences for society and the environment
- To offer opportunities for the underprivileged to have a better living in the society

The Company has set a clear policy of business operation with monitoring procedure to ensure its implementation in various aspects that shall be related to each segment of stakeholders, including other sectors such as community, society, environment, anti-fraud and corruption, intellectual property infringement as well as respect to human right as following details:

Shareowners

The company is committed to see its own business progress with steady growth, as well as reasonable returns for shareowners, protecting the company's best interests and assets just as any reasonable person would protect his/her own property. It is committed to constantly reporting its business performance accurately, fully and truthfully; to carefully and sensibly removing, with discretion, any conflict of interest; to fully disclosing all information; and to paying dividends on a regular and reasonable basis.

In 2013, the dividend payment from the company's business operation for the year 2012 was at the rate of Baht 1.25 per share, calculated as the dividend payout ratio at 35% of the net profits, equal to 125% of the par value per share.

Customers

The company operates its business honesty and fairness by providing accurate information to customers. Feedback and complaints from customers are given appropriate attention and fairly dealt with promptly responding to customers' demand. Products and services are developed in response to customer need. Innovations are constantly developed to increase the quality of the products and services. Also, customers' information is confidentially well-protected.

The company sets up "Call Center" to be a channel for receiving feedback and suggestion from the customers, focusing on reaching customers' actual requirements. The operation processes and the channel for "Call Center" are at the page 53 in this annual report.

In the year 2013, there was no significant complaint from customers. Other comments and suggestions have been analyzed to detect the cause of mistake and conduct any necessary corrective, preventive measures, as well as monitoring the whole system for implementation of the entire organization to prevent the repeated mistake.

Staff

Employees are a very important and valuable resource contributing to the organization's success. Thus, the Company sets as its aims to encourage, promote, train and develop knowledge

Corporate Social Responsibility

and skill of all employees. Employees are encouraged to have a career stability and career opportunities are provided according to individual potential. Furthermore, employees are given the opportunity to participate in corporate direction and progress. Employees are treated as dignified human beings with basic civil rights. Compensation is awarded fairly and suitably for knowledge, ability, responsibility and work performance. The working environment is well maintained to ensure the security of lives, health and property. We have employed security service 24 hours a day, and installed security system in all buildings, together with other safety equipments and fire-engine in case of emergency. The Company also provides training session on fire-fighting drills, evacuation, personal safety kits and safe driving techniques every year in order to create the correct knowledge, understanding and implement to the safety and environmental system standards.

The Company encourage employees to have healthy life in physically, mentally and socially, by providing first-class physician and nurses on station at the company site. These will ensure wellness and healthy environment for our employees, being able to work at their full efficiency and to be happy with their everyday life.

The Company also provides telecommunication services, through audio-visual devices from the headquarters to our employees nationwide. Moreover the Company also provides a variety of welfare as follows:

- Daycare nursery for employees' children
- Infirmary
- Sports club including football field, tennis courts, badminton courts, table tennis, a fully equipped fitness room and a standard swimming pool
- Sports Clubs to promote employees' health, such as
 - Badminton Club
 - Swimming Club
 - Tennis Club
 - Table Tennis Club
 - Aerobics and Weight-Control Club
 - Bowling Club
 - Yoga Club
- Dormitory for employees who travel for work to upcountry
- Uniforms for counter salespersons of all products
- Library
- In-house journal "Sai Yai" to publicise corporate policies to employees nationwide
- Provident fund as savings for the future

- Retirement fund for all employees
- Low interest housing loans in conjunction with the Government Housing Bank and Savings Bank
- Incentives for employees commensurate with their performance
- Annuity for employees according to their performance
- Transportation for employees who work late-night shifts
- Annual lung X-ray and influenza vaccination for employee
- Free bra for female employees with breast cancer.
- Emergency fund for employees who suffered from catastrophe such as flood, fire, storm.
- In-house and outside training and seminars to promote and develop skills
- Activities to promote staff potential and perception such as
 - Business Management Strategy Course 1 (Thinking Concept)
 - Principles of Thought to Success.
 - Target & Marketing Planning
- Trophies and medals recognition ceremony for employees after 10, 20, 30 years of service
- Special price products to subsidize employees' cost of living
- Hardship subsidy for employees who work in the three southern provinces
- The Company launched the "Healthy Worker Happy Workplace" Project, under cooperation with the Occupational Health Disease and Environment Association of Thailand and the Office of National Health Insurance, aiming to provide the annual medical checkups for both male and female employees.



The Company has established an employee welfare committee to provide chances for all employees to participate in welfare service provision and to serve as a channel for thorough welfare services.

Corporate Social Responsibility

Additionally, the Company has opened an opportunity for employees to communicate by giving suggestions or complaints about their work through the company's intranet, besides the written complaints.

Business Partners

The company honours all trade agreements and provides accurate information. It fosters mutual good relationships and understanding as well as exchanging knowledge and jointly developing added value-products and services. It makes no demands nor consents to receiving any property or other benefits outside the trade agreements. It also helps prevent any motivation leading to the afore-said action.

The company emphasizes on the potential development of our trade partners, in parallel with the company's development, under a "Win-Win" situation, by installing an assessment and short-listing system of our trade partners, including the verification and performance monitoring system through the Approved Vendor List that meets ISO 9001 criteria.

Last year, there were no breaches of contracts with trade partners.

Business Creditors

The Company makes payments to creditors in compliance with the trade agreements previously agreed no matter in what situation the economy will change. Payment to creditors shall be done by transferring via banks through the Media Clearing systems. Creditors are given the chance to invoice everyday the dates for closing bills and transferring money, as follows :

<u>Bill closing date</u>	<u>Money transfer date</u>
• Goods payment Every Tuesday	The following Wednesday (next week)
• Other Expenses 20 th of every month	5 th day of the following month

Loan Creditors

The Company adheres to business undertaking policies to ensure confidence among creditors, by strictly abiding by the contracts, agreements and conditions committed to the creditors, and sending advanced notices to the creditors for any unmet commitments in order to seek some reasonable solutions. The Company has always paid interest and principals by due dates.

Trade Debtors

The company clearly sets up the time period in which its clients must pay the debt and payment has also carefully monitored. There are activities to promote and increase sales volume, such as advertising, discounts, distribution of product samples and offering innovations to respond to customer need.

Society and Environment

The company has continually taken into consideration the impact on natural resources and the environment as well as implanting within its work force the consciousness, awareness and responsibility to the community and society.

Responsibility to society and environment has been treated as one of the company's business policies which has also stipulated in the good governance policy. The company undertakes social responsibility and awareness to environment which has been stated in the company's ethics in respect to the society and environment, including the importance to give its support.

Government Sector

The Company makes accurate, full and timely tax payments according to the laws including value added tax, specific business tax, withholding tax, household tax, customs tax, excise tax and corporate income tax.

Business Undertaking with Fairness

Fair Competition

The Company has set a transparent and fair procurement system, a list of median prices of material and equipment, a comparison of purchase prices, and bidding of prices for construction or shop decoration, both in a normal or urgent case. The executives and employees are required to comply with these very strictly, under coordination between the procurement department, finance and accounting department and the responsible functions.

Any cases identified as non-compliance under mala fide are considered as gross negligence.

Policy to Abstain from Intellectual Property Infringement

The company has adhered to the policy, not to get involved in the violation of intellectual property rights, copy or use of unauthorized intellectual property rights. In addition, the company aims to create innovative products and product designs in order to produce the high quality products in response to the needs of customers, through joint development with the factories. The company also encourages employees to send their innovative products to the Chairman Awards contest on a regular basis. The award-winning products each year bring pride and inspiration to employees that always continue creating innovative products. Last year, there was no record of violation of intellectual property rights at the company.

Corporate Social Responsibility



Anti-corruption

The Company has a policy to comply with the laws and anti fraud and corruption, under the operational guideline, as follows:

1. To create awareness, value and attitude among employees as concerns action in compliance with the laws, rules and regulations with integrity;
2. To ensure efficiency and effectiveness of the internal control system, with appropriate checks and balances, in order to prevent fraud and corruption among employees;
3. To prohibit directors, executives and employees to commit themselves to any act, requesting or accepting any asset or interest for their own or other benefits, seen as the lure for actions or omission of actions, resulting in the loss of legitimate interest of the company;
4. To prohibit directors, executives and employees to give or offer to give any asset or interest for outsiders, in order to lure them to act or omit to act considered as illicit or corrupted actions;
5. To provide a mechanism for reporting of transparent and accurate financial status;
6. To provide communication channels for employees and all involved parties to notify any doubtful acts, under assurances of protection and to appoint persons for examining all notifications.

Respect of Human Rights and Fair Labor Treatment

It is a policy of the Company to treat the employees fairly, in terms of employment, the quality of life at work, occupational health, safety in workplace, remuneration and compensation and retirement. Any violation of human rights shall be avoided.

The Company acts in strict compliance with the Labor laws, sets salaries fairly commensurate with individual competency, and enforces the minimum wages according to the government announcement, including payments for overtimes and work during holidays.

The Company gives the right for employees to defend themselves in cases when they are accused of wrongdoings or frauds, without unfair termination of works. The Company treats employees in strict compliance with the laws and human rights. Throughout its long history in business, the unfair treatment for employees has never existed. Nor has it been in court for such an incident.

In addition, the Company avoids hiring persons aged below 18 years old as its employees, except provision of assistance for such persons as deemed necessary, or action under a policy to provide extra income for the youth, such as hiring of students to work during their holidays or vacations, and hiring of students under bilateral projects, etc.

Promotion of Morality and Ethics

In 2013, the Company continued to arrange activities to promote morality and ethics among executives and employees, including the offering of alms for monks, evening prayers, practices of Dhamma during Buddhist holy days, offering of alms in celebration of His Majesty the King's Birth Anniversary, and offering of alms in celebration of anniversary of the Company's establishment. Employees are eligible to take a 5-day leave for practices of their individual religious beliefs, in which a number of employees participated. Many of them have learnt to live their life with consciousness, both in their personal life and at work. In addition, the Company organized the Annual Khathin Robe Presentation to temples every year.

The Company has encouraged employees to "give" to others, through blood donation to the Thai Red Cross Society, 4 times a year, in which more than 500 employees participated.



Corporate Social Responsibility

Human Resource Development

Human Resource Development Policy

I.C.C. International PCL has set a policy to promote potential development of its employees in order that they can change and develop themselves, both conceptual thinking and practices for future business challenges. As a result, emphasis has been placed on the intensive development of conceptual thinking and practices of employees in order that the employees at all levels can apply their knowledge to changes as they deem fit.

Development Activities

As mentioned earlier, the employees are considered major resources. Thus, a primary policy of the Company is to develop competency of its employees. The topic of each seminar will be brought up for due attention by the senior management in order to achieve the highest benefits for its employees and the organization. The development policy will correlate with business strategies of the Company. This year, the Company emphasized fighting for glory, positive thinking, discipline, faith, swiftness and loyalty. The subsequent seminar topics were based on each of these keywords, and the training activities were consistent with practicality at works. The development can be classified, as below:

- **Training for Office Staff:** A primary objective is to upgrade their planning skills for marketing, sales and advertising.

1. Business Management Strategy Training is provided for executives from the levels of business units up to the Chief Executive Officer of each department in order to upgrade their skills in marketing and sales.
2. Development for each Functional Position is provided for functional officers, such as Marketing Manager, Advertising Manager, Brand Manager, Merchandiser and Chief Financial Officer (CFO). The course will provide them with the complete marketing planning knowledge which can be applied at works. There is monitoring of the actual performance results for proper resolutions and development.



3. There will be a course to imbue the positive thinking attitude among the existing and new officers in order to ensure positive thinking about themselves, others, the surrounding and organization.

- **Training for Counter Salespersons**

More than 6,000 counter salespersons will be trained with selling techniques through a role-playing model and unique characters of counter salespersons in order to create differentiation in sales and to promote their unique characters, both the internal and external personalities. These include their dresses, looks, conversation skills and etiquette at work, including knowledge about products.

- **Monitoring of Training Results for Office Staff**

1. There will be testing of knowledge and understanding using questionnaires through an SDS system—an internal learning system of the company.
2. There will be presentation on performances of all business units in terms of sale turnovers, profits and growth.
3. There will be presentation on marketing plan (target and marketing planning) and the performance results in every quarter (3 brand names of each department).

- **Monitoring of Training Results for Counter Salespersons**

1. There will be monitoring of understanding about training among counter salespersons by random phone calls.
2. There will be monitoring of sales turnovers against targets, on a weekly and monthly basis. Any counter salespersons, whose sales turnovers greatly missed the targets, will be monitored closely or retrained.





Corporate Social Responsibility

Responsibility for Consumers

The Company has set up a Customer Relations Center, as a channel for communications with customers. The Center will be equipped with staff members well versed in services, provision of assistance for customers and assurance of the customer satisfaction. The Customer Relations Center will provide information on products and services, accept complaints and recommendations, as well as resolving problems and doubts. As for complaints about quality or services, the Customer Relations Center will monitor the corrective process until the customers are satisfied with the results, for instance, change of products due to quality, delivery of products to home or shops considered convenient for customers in cases where there is no size or color as required by the customers, etc.

Promotion of efficient Use of Resources

The Company promotes the exact times for turning on and off of air-conditioners, installation of automatic lighting switches at particular spots, announcement for turning off the lights and electrical appliances during lunchtime or before they leave office for home, adjustment of water level in tubs for savings, as well as reduction of paper use by encouraging double-paged printing, and use of paperless technology.

In addition, the Company has installed Peak Demand Controller equipment in order to control electricity consumption in office buildings, and improvement of cooling system of air-conditioners, by installing a cooling pad-being pieces of wood fixed alternately for water permeable for cooling in order to cut power use among air-conditioners.

Environmental Conservation Training for Staffs

The company has publicized environmental conservation knowledge through the Company's Intranet system and the Employee Notice Board, including provision of environmental conservation books in the library, and periodical invites guest speakers to provide the knowledge on environmental conservation such as the change in consumption behaviors to reduce global warming, etc.

Participation in Community and Social Development

The Company regards it as a policy to supervise and create relationships with nearby communities through provision of regular supports for community activities, such as provision of fire engines for use in any fire accident, and volunteering projects for the floods. These include invitations of senior monks from different monasteries in community to receive alms and teach Dharma during Buddhist holy days, under participation by community dwellers. The Company allows nearby food vendors to sell fresh and dried foods for alms offering for monks by executives and employees that generate income for nearby communities.

Given the nature of business of the Company, mainly involving sales at counters and stores nationwide, the Company has a policy to hire the local people as salespersons at counters and stores in order that they can work at their hometowns, and live with families that helps maintain the closer family ties.

In addition, for store decoration upcountry, the Company has set a policy to hire the local companies or businesses to enter the bids. If the prices are equivalent, the local companies or businesses will be given top priority, especially construction sub-contractors and store decorating businesses, etc.



Corporate Social Responsibility

Social Activities

Pink Ribbon Wacoal against Breast Cancer

On account of its social campaign of 'the Pink Ribbon Wacoal Against Breast Cancer' in support of the treatment of breast cancer patients, Wacoal's executive received a trophy from HRH Princess Chulabhorn on the occasion of her awarding the benefactors of the International Association of Surgery College under the King's patronage.

With the objective of contributing to a sustainable happiness to Wacoal customers and Thai women, the campaign has a resolution to keep Thai women in good physical and mental health and particularly to be free of breast cancer. In 2013, the campaign organized events and activities for the public good as follows:

- **Pink Ribbon Wacoal's "Endless Hearts", the Third Year**

Wacoal, in conjunction with the Ramathibodi Foundation under the royal patronage of HRH Princess Maha ChakriSirindhorn, organized its third Pink Ribbon Wacoal "Endless Hearts" in order to raise funds amongst Wacoal customers for social benefits. Part of the proceeds from the sales and donations went to the Facility Development and Medical Equipment for Underprivileged Patients project of the foundation. It helped to renew hopes, overturn sufferings and give new life to the needy patients at Ramathibodi Hospital, where more than 1.4 million out-patients and 45,000 in-patients are yearly treated.

- **Charity Mammography for the underprivileged mother in commemoration of Her Majesty the Queen's 81st Birthday Anniversary**

Wacoal has given support to the Charity Mammography for the Underprivileged Mother, in tribute to Her Majesty the Queen. The project is organized in conjunction with the National Cancer Institute and the Regional Cancer Hospital of the Department of Medicine of the Public Health Ministry, on the occasion of Her Majesty's 81st Birthday Anniversary, to give the opportunity to susceptible underprivileged mothers for Mammography and Ultrasound check-ups.

- **"Wacoal Cares for Your Breasts. Mammogram Saves Your Life," the Fourth Year**

Wacoal gave a special privilege to its customers in its anti-breast cancer campaign, so that Thai women would have access to mammography between August and December, 2013. The privilege was given to the customers with a 6,000 Baht Wacoal purchase per receipt for one free mammography and ultrasound examination. The proceeds from the sales during the appointed period, after partial deduction, also benefited the medical facilities for the needy breast cancer patients who sought treatment at the National Cancer Institute, Regional Cancer Hospital, the Bangkok Hospital Group and 19 leading medical facilities nationwide that joined the project.



Corporate Social Responsibility

• The Balancing Bra Donation

Since 2009, Wacoal has given Balancing Bras with artificial breasts to women who have had breast cancer surgery. The donation has been done via such organizations and agencies as presidents of the Red Cross provincial chapters, charity organizations, governmental and private hospitals including department stores and shops nationwide. This bra model is an innovation exclusively designed by Wacoal for post-surgery breast cancer patients, in order to give confidence and proper physical balance to wearers. The project is still ongoing.

• Wacoal Bra Day, "Your old bra; their new livelihood"

Wacoal invited Thai women to donate their old bras, so the materials could be recycled in creation of a new livelihood for other women. The donated bras were delivered to the Association for the Female Status Promotion under the patronage of HRH Princess Soamsavali, where career training was offered to women in order to create new modern designs that could bring proceeds to the Association.

Opportunity for the underprivileged;

Recruiting the Disabled to join the staff

With a policy to offer equal opportunity to the underprivileged, the Company offers openings for the disabled to join the staff. Given the disabled who work side by side, the physically able are likely to have good morale, seeing the ability of the disabled and learning how to give and share. Thus, this project tends to give good morale for everyone involved.

What was done to facilitate the disabled:

1. Ramps for wheelchairs
2. Special restrooms for the wheelchair usage
3. Monthly funds for medical treatment
4. Funds for the purchase of wheelchairs
5. Special parking space for the disabled

Currently, the Company have recruited the disabled for the following positions:

1. Call center operators
2. Telephone operators
3. Service staff at conference and event halls



Call Center operators



Telephone operators

Service staff at conference and event halls



Corporate Social Responsibility

Wheelchair Project

Under the corporate policy of benefits to society, the environment and public good, the Company has supported the RICD Wheelchair Project of the Rajanagarindra Children Development Institute, the Department of Mental Health, with the objective to better the life quality of the disabled for better flexibility and to interact and participate social, as well as to have their own livelihood and career opportunity.

The Company has joined force with the Project since 2011, giving financial support for transportation and import equipment donated by organizations from the U.S.A, Germany, Taiwan and Japan. The project involved assembling, adjustments and repairs all donated wheelchairs and equipment to fit the domestic needs of the disabled throughout the country. Since the beginning of the project, the Company has delivered more than 5,000 units of wheelchairs and other equipment.

SPEEDO in support of the Games for the Disabled

Thailand's Association of Transplants sent in sports delegates to participate in the 19th World Transplant Games at Durban, South Africa, during 28th July and 4th August, 2013, with participation of transplant athletes from 54 member countries all over the world.

SPEEDO gave sponsorship for swimsuits, warm outfits, T-shirts, swimming goggles and training exercise equipment for use of the transplant athletes of the Transplant Association of Thailand in training and competition overseas. Several athletes won medals from the Games.



Corporate Social Responsibility

The Color of New Life ; Women Thinking Positive

The course of Make-up Technique for a New Personality and a Make-up Career for Inmates of Women Penitentiaries Nationwide

BSC Cosmetology by I.C.C. International Public Company Limited, with a campaign of Positive Thinking in Women, together with the International Laboratories Corp. Limited, were recognized and commissioned by the Moral Support Campaign of Princess Pha's initiatives to create a course of make-up techniques in personality enhancing and make-up career to inmates of the women penitentiaries all over the country. The course focuses on positive thinking towards oneself and toward society in order to better one's life and incorporates both theory and practice. It is aimed at self-actualization and career path after being released at the end of their time. Follow-up is also designed to monitor. The project started in 2012 and has continued until now, under the concept of "The Color of New Life; Women Thinking Positive". It has been held at five different venues.



Mission's Life Change

People are born with different destinies. Some are offered good opportunities in life to better themselves and to succeed in their dreams. Yet others have no wherewithal to sustain life on a daily basis. Hence, their future looks bleak and impossible.

Mission's Life Change is another project created by I.C.C. International Public Company Limited in 2010 to offer good opportunities to the underprivileged with decency, gratitude and diligence to alter their lives and their family's for a better future and the common good. The Company is continuously taking care of the underprivileged, giving financial aid for medical treatment and physical rehabilitation, as well as providing funds for livelihood and educational scholarships. Some are likely to be needing aid and support for more than 10 years.





Corporate Social Responsibility

Donation Box Project

Donation Box is the reuse and recycle of shoe boxes. The money deducted from the production cost is donated to social causes. Initially, it was given to the Cardiology Foundation, The Kidney Foundation and Prosthetic Legs Foundation. In addition, it helps deforestation, which helps reduce global warming crisis.

Donation Box has the objective to share philanthropic causes with the customers. When the customer buys shoes and turns down their boxes, he automatically makes a donation of 10 Baht that goes to a good cause, such as relief victims, the needy and the underprivileged. It also benefits the public at large. Besides, the reuse and recycle of the boxes help reduce the wastes and garbage and the exploitation of natural resources, which in turn helps reduce the global warming. Paper used for production of a shoe box needs trees of 10 years of age. Seventeen trees are felled to produce one ton of paper to manufacture 5,000 shoe boxes. In the past year, the Donation Box Project made repeated reuse of the returned boxes. Hence, your shoe purchase with a returned box can indeed help the environment and benefit our world. This project began in 2009 and has continued to this day.



Donation Box Project 2013

Donation Box made a donation to Khun Ach Kalyanakupt, a contestant in Thailand Got Talent to help treat her mother with a heart disease.



Donation Box made donations of 150,000 Baht to the Kidney Foundation under the patronage of HRH Princess Galyani, the Children Cardiology Foundation under the patronage of HRH Princess Galyani and the Prosthetic Legs Foundation under the patronage of HRH Princess Mother.



Donation Box made a donation of 250,000 Baht together with the donation from its customer to BoonmeeSribanyen (NongFa) of Phetchaboon, who owing to foot disability is unable to walk, for financial aid and scholarship until she completes her Bachelor's degree.



ICC International Public Company Limited, a member company of Saha Group, is a legitimate distributor of products of many global brand names, such as WACOAL, ARROW, LACOSTE, BSC COSMETOLOGY, DAKS, ELLE, GUY LAROCHE, MIZUNO, NATURALIZER, ITOKIN, to name a few. It also distributes some original brand names, still remaining popular in the market, for instance, BSC, ST. ANDREWS, RAIN FLOWER, SHEENÉ, BSC PURE CARE, ARTY PROFESSIONAL, etc., all of which show premium quality and complete response to the diverse needs of buyers. They are well known among buyers both at home and abroad.

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

His & Her Plus Point Card

His & Her Plus Point Card that helps the customers to accumulate points and happiness is a second-to-none privileged card. With more than 1,900,000 subscribers nationwide, the card gives top priority to satisfaction of customers in different lifestyles, through the offering of top-up value when purchasing its products with bonus points for redemption of prizes and variable privileges, such as news updates on product and service, as well as exclusive giveaways for members through modern and convenient channels, such as His & Her Call Center, IVR system, SMS services and websites, i.e. www.hisherpoint.com, www.hishermag.com and www.facebook.com/hisherpoint.

ICC also joins hands with business allies to offer plenty privileges, using its potential as a leader in fashion products for variable customer groups, thanks to various renowned brand names at international scale, which will render higher benefits to customers. It will continue with its primary policy to deliver worthy products and offer higher privileges for customers when spending on ICC products available in 60 leading brand names.

Apply for His & Her Plus Point Card at

ICC counters in department stores nationwide

His & Her Call Center 0-2296-9900

www.hisherpoint.com

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

In order to facilitate selection of goods, ICC opens the new and easy shopping channels, through His & Her ShopSmart catalog, TV and website (www.hishershopsmart.com), where there are more than 800 high quality products with exclusive designs, ranged from imported goods with complete functions that meet all lifestyles under the Only @ ShopSmart logo, available only at His & Her ShopSmart. Products offered for sales are, i.e. electrical appliances, kitchenware, home care and décor, IT products, educational toys, as well as health and beauty products. Also available are renowned fashion products of leading brand names, such as WACOAL, ARROW, BSC and many more. Orders can be made 24 hours a day, plus nationwide delivery and guaranteed satisfaction with return option in 7 days. Buyers can also earn 1 His & Her Plus Point from every purchase of 25 Baht.

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





ช้อปครบได้คุ้ม ตอบโจทย์ทุกไลฟ์สไตล์



ลดสูงสุด **10%**

ที่ H.H Shop, His & Her Shop, ICC's Brand Shop, เซ็นทรัล, เซ็นทรัลเวิลด์, สยามพารากอน, เดอะมอลล์ทุกสาขา

สมัครฟรี รับส่วนลดทันที



เปิดตัวลือกลไลฟ์สไตล์ช้อปบิ่ง
ในเครือสหพัฒน์

Smart
Smart Way to Shop



รับประกันความพอใจ
คืนสินค้าได้ภายใน 7 วัน

ขอรับเปิดตัวลือกล **ฟรี**

Tel. 02-264-6226

www.hishershopsmart.com

พบหลากหลายสินค้าคุณภาพ ครบฟังก์ชั่น... ตั้งแต่สินค้านำเข้า Only@shopsmart
สินค้าแฟชั่น ไอที สินค้าดูแลและตกแต่งบ้าน อุปกรณ์เครื่องครัวและเครื่องใช้ไฟฟ้า
สินค้าดูแลสุขภาพ และของเด็กเล่นเสริมทักษะมากกว่า 800 รายการ

3 ช่องทางง่าย ๆ ในการสั่งซื้อ



TV SHOPPING



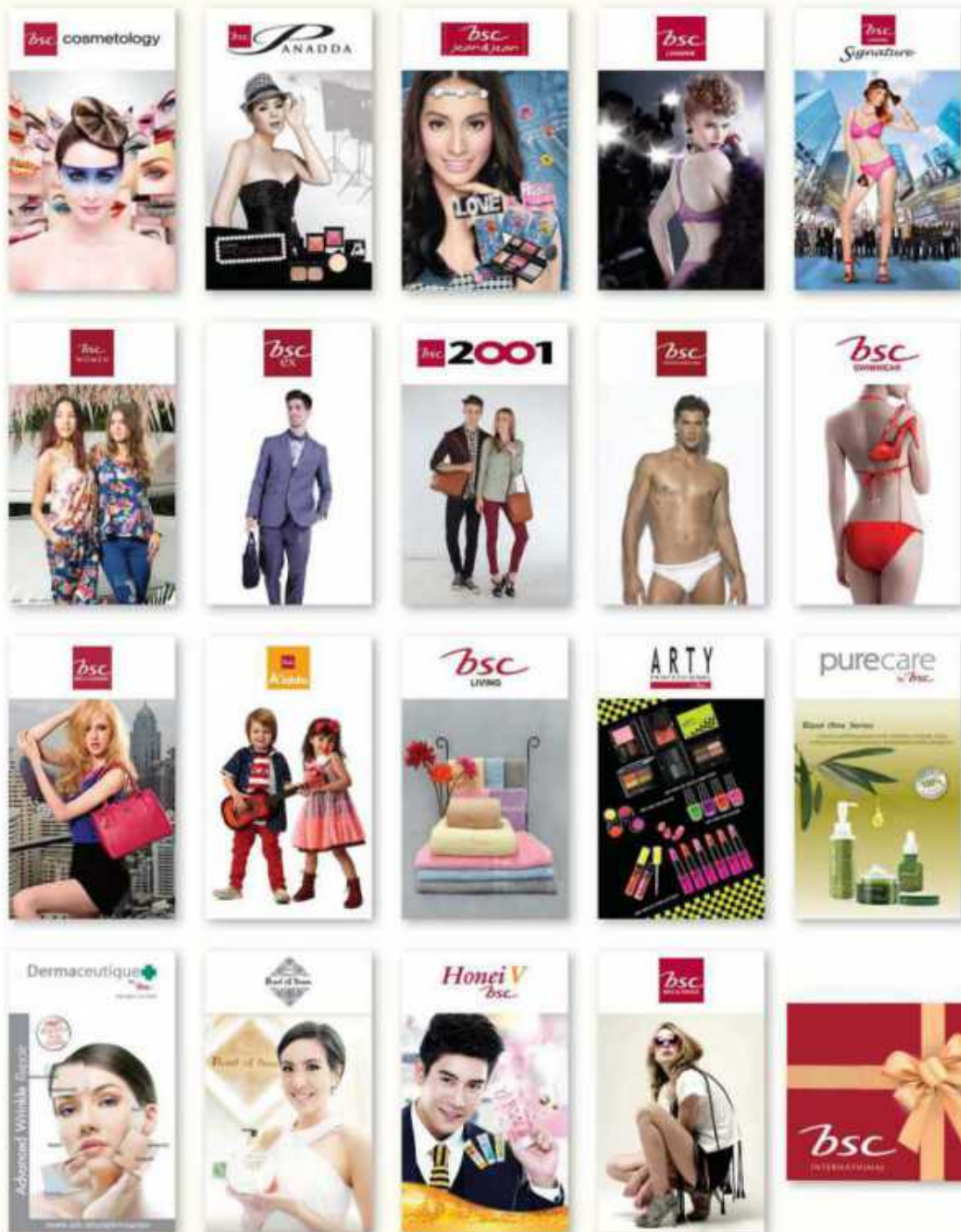
INTERNET



CATALOG

BSC INTERNATIONAL

World trusted brand World quality World choice





COLOR SYMPHONY

BSC SHOES • BSC WOMEN • BSC EX • BSC 2001 • BSC COSMETOLOGY • BSC PANADDA • BSC JEANS&JEANS
ARTY PROFESSIONAL • PURE CARE BY BSC • HONEI V BY BSC • DERMACEUTIQUE BY BSC • BSC BAG
BSC KIDDO • BSC TOWEL • BSC LINGERIE • BSC SIGNATURE • BSC INNERWEAR • BSC SWIMWEAR • BSC PEARL OF SIAM

"We make people happy and beautiful"

39



FIRST bra



Mood



MATERNITY



Shape Beautiflier



SPORTS



DIAMOND



Beauty Inside
ผู้หญิง...สวยที่สุดจากข้างใน

ARROW



USA • 1851

EXCELLENCY



make people happy and beautiful®




LACOSTE





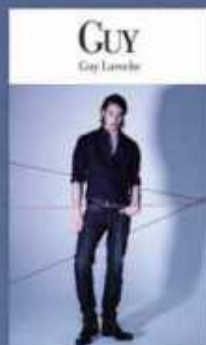
DAKS
LONDON

"We make people happy and beautiful"

43

Guy Laroche

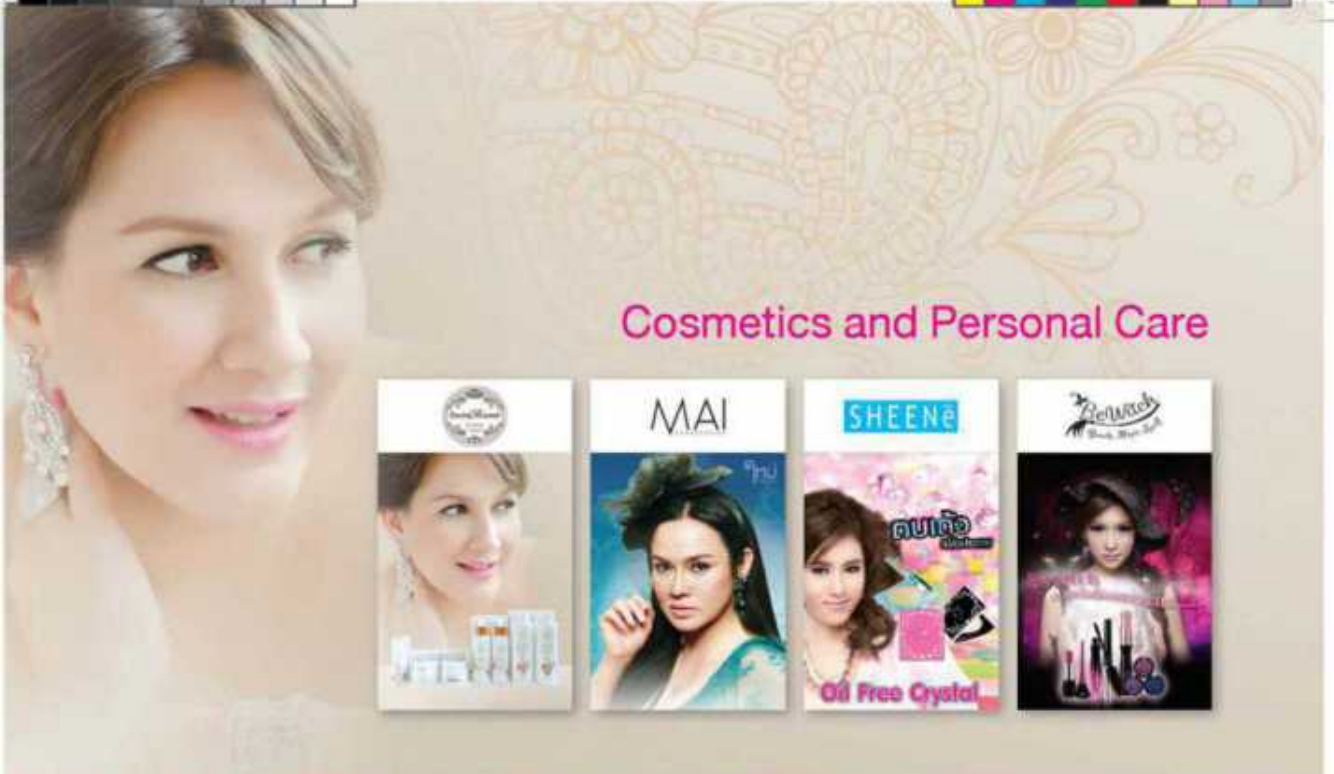
PARIS



ELLE & ELLE HOMME







Men's Apparel



Women's Apparel





Women Lingerie



Men's Inner Wear



"We make people happy and beautiful"

Children's Apparel and aBaby Equipment



Sport Goods

speedo 





Bags

DAKS
LONDON



MOHEL KLEIN
PARIS
100% COTTON



Becky Russell



naturalizer
SHOES FIT THE FEET



REGAL



DXS
The World's Most of Shoes



Shoes

LOUIS FONTAINE



PARI PASSU



JEAN-LOUIS SCHERRER
PARIS



How
The House of the Future



PRU



Household Product



Service





Customer Relations Center

Realizing cordial relationships with the customers, the I.C.C. International Public Company Limited has always used their best effort in developing services continuously, giving top priority to the creation of the highest satisfaction among customers. ICC has therefore established its customer relations center for communications with the customers, under a primary target to increase responsiveness to the customer demands for both products and services. All these imply that the highest satisfaction of the customers is the thematic business operation of the company.

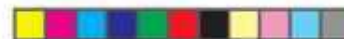
The Customer Relations Center mainly provides information services and accepts recommendations on products and services, as well as complaints, including provision of assistance in resolving problems of customers and answering any questions raised by the customers in order to achieve the highest satisfaction among them.

Customer Relations Center will accept suggestions or complaints from customers, and monitor corrective actions of said complaints through cooperation with relevant business departments of the Company. If the Customer Relations Center can answer questions or resolve complaints, it will take action promptly. Any business related issues will be passed on to relevant parties for corrective actions.

Customers can contact the Customer Relations Center at telephone number 0-2294-4999 or reply mail provided by the Company at sales counters all over the country, which can be sent by mail without postal stamp.

In addition, the customers can contact the Customer Relations Center by e-mail address: services@icc.co.th, under responsibility of the Information Technology Department. This is a channel to receive information from customers and buyers in order to improve product and service quality.

For shareholders, the Customer Relations Center will be a channel for acquiring more information on investment or notification of any problem issues and suggestions for the Company.



Business Policy

Corporate Business

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

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

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

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

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

- ICC Call Center

- His & Her Plus Point : the program invites the Company's customers to join the program and give the special privileges for members by collecting the point from purchase of the Company's products at sales counters nationwide. Member receives one point for every Baht 25 purchase and the collective points can be redeemed for gifts in catalogue or for other privileges especially prepared only for the members.
- His & Her Shop : The retail shop that congregates the Company's fashion products by decorating the store in modern style.
- His & Her ShopSmart: the lifestyle shopping catalogue. Customers can place their order via telephone, website, fax and postal service. The goods can be delivered door to door to response to the modern and comfortable lifestyle.

New Business and Products 2013

- SHOP GLOBAL; a joint-venture between I.C.C. International Public Company Limited, Japan's giant TV shopping Sumitomo Corporation and Central Department Store, established as Shop Global Company (Thailand), has launched the SHOP Channel specializing in leading Japanese quality brands, domestic brands and brands from around the world, on air 24-hour via the PSI satellite channel 62 in the C-Band format.
- DXS Fashion Sneakers; hand-made products with attractive modern designs and closely-supervised manufacturing. They respond to the need of target groups of all ages and genders who have modern lifestyles and a preference for chic novelties.
- HAZZYS; a Korean imported brand of apparel in British traditional casual styles displaying a perfect blend of the traditional British classic and modern outlook with quality products of distinctive concept and design.
- ENFANT DIAPER; a ready-to-wear diaper with the unique properties of being "Soft, well-fitting and wonderfully absorbent". The softness comes from a smooth textured surface that offers a gentle feel and a fast-drying quality that provides comfort and does not irritate sensitive baby skin. It also comes with an elastic waistband ensuring a good fit and mobility.
- ENFANT NATURAL CLEANSING; a laundry wash and fabric softener for infants, toddlers and the whole family. The product line includes ENFANT Liquid Cleanser, Extra



Business Policy

Mild Care, for cleansing babies' bottles, toys and other odds and ends. This latest innovations contain extracts from 100 % Natural Origins such as corn, potato, coconut and palm.

Vision / Mission / Target or Strategy of work

Vision / Mission

The Board of Directors recognizes the significance of company operation, thereby participating in determination process of the company's vision / mission as to ensure that both executives and staffs at all levels having the same business goals direction, and is reviewed on a yearly basis.

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

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

1. Fight for Glory
 - Deciding to fight
 - Fighting alone can win
 - Fighting without expectation from others
 - Fighting as example for others
 - Finding strategies to fight at all times
 - Monitoring fighting results continuously and regularly
 - Always adjusting fighting plan
2. Think positive
 - With yourself
 - With others
 - With the organization
 - With the situation
3. Having discipline
 - In thinking
 - In listening
 - In speaking
 - In practicing
 - In monitoring
 - In time
 - In financial matter
4. Having faith
 - In yourself
 - In supervisor
 - In subordinates
 - In colleagues
 - In the organization
 - In nation

5. Readiness in

- Thinking
- Awareness of Change
- Assessment
- Decision Making
- Summarization
- Response
- Action
- Improvement

6. Integrity

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

7. Unity

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

Apart from human resources development, the company has continued to initiate or seek new business opportunities in both existing and other ones suitable for the future market conditions.

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

Business Target

The Company aims to establish new brand products and to develop both in quality and design of its current products to meet the changing needs of customers. It also aims to expand the number of the existing channels into new areas, such as On-Line Business, OMNI Channel, retail shops, specialty shops, etc., in order to enhance the competitiveness of our key main products, such as apparel, cosmetics, bags, shoes, sport equipment, lingerie, products for kids and washing products, as well as extending the distribution network to both domestic and international markets. ICC also provides domestic and imported products with reduced production costs including internationally outsourcing lower-price products, so as to retain a larger proportion of the budget for boosting marketing potential which will help increase profits.

Business Policy

Future Project

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

Conglomerate Structure

1. The Company has no subsidiary company, but acquiring six affiliated companies. Namely:
 - 1.1 Thai Itokin Co.,Ltd. : manufacturing and distributing women's wear
 - 1.2 Worldclass Rent a Car Co.,Ltd. : operating car rental business
 - 1.3 International Leather Fashion Co.,Ltd. : manufacturing genuine and artificial fashion leather goods
 - 1.4 Issara United Co., Ltd. : Properties development
 - 1.5 Boon Capitalholding Co., Ltd. : operating investment business
 - 1.6 Shop Global (Thailand) Co., Ltd. : TV Shopping (selling products via Satellite TV)
2. Shareowning in the company that may have conflicts of interest per notes of investment in related companies on page 156-163 of this Annual Report
3. Information about related and affiliated companies that operate the similar or related business and cross-shareowning as of December 31, 2013 is as following:

Name of companies	Shares held by ICC (%)	The company's shares held in ICC (%)	Similar or related business	Cross-Shareowning	Affiliated Companies
1. Saha Pathana Inter-holding Plc.	9.72	22.10	-	✓	-
2. Sahapathanapibul Plc.	10.56	8.51	✓	✓	-
3. Thai Wacoal Plc.	4.83	3.80	✓	✓	-
4. Thanulux Plc.	10.26	3.44	✓	✓	-
5. O.C.C. Plc.	19.73	0.55	✓	✓	-
6. S & J International Enterprises Plc.	14.61	0.35	✓	✓	-
7. Textile Prestige Plc.	10.43	0.44	✓	✓	-
8. People's Garment Plc.	5.25	0.12	✓	✓	-
9. Far East DDB Plc.	10.64	0.29	✓	✓	-
10. First United Industry Co., Ltd.	9.12	0.35	-	✓	-
11. I.D.F. Co., Ltd.	9.00	9.45	-	✓	-
12. Tiger Distribution & Logistics Co., Ltd.	19.90	0.39	✓	✓	-
13. International Laboratories Co., Ltd.	19.56	1.10	✓	✓	-
14. Thai Arusu Co., Ltd.	4.17	0.03	✓	✓	-
15. Pattaya Manufacturing Co., Ltd.	5.33	0.14	✓	✓	-
16. Lion Corporation (Thailand) Co., Ltd.	12.00	0.07	✓	✓	-
17. Kai I.T. Service Co., Ltd.	10.00	0.005	✓	✓	-
18. Thai Itokin Co., Ltd.	27.90	-	✓	-	✓
19. Worldclass Rent a Car Co., Ltd.	25.00	-	-	-	✓
20. International Leather Fashion Co., Ltd.	28.00	-	✓	-	✓
21. Issara United Co., Ltd.	25.00	-	-	-	✓
22. Boon Capitalholding Co., Ltd.	32.00	-	-	-	✓
23. Shop Global (Thailand) Co., Ltd.	32.00	-	✓	-	✓

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



Nature of Business

1. Nature of Corporate Business

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

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

- Cosmetics and Perfumeries Industry

From the start of its incorporation in 1964, the Company's core business has been involved in the sale of cosmetics under the Japanese brand name PIAS. Since then, the Company has expanded our cosmetic business by continuously introducing various other brands, such as BSC PURE CARE, SHEENE[®], ARTY PROFESSIONAL, HONEI V, ST. ANDREWS. In October 2005, the Company introduced a new cosmetic brand-BSC COSMETOLOGY, under Saha Group brand for international marketing. The compact powder is the main product for advertising to create brand awareness within the target group. The celebrity and testimonial marketing approaches have been adopted by using celebrities as its presenter to stimulate trial need. In 2010, new cosmetics in Korea trend were introduced, with combination of BB (Blemish Balm). BSC COSMETOLOGY launched BSC WHITE PINK BB for a pink-white face. In 2013, the Company added more varieties of anti-aging products-"BSC Platinum Deluxe Series", the only innovation in the world for effective wrinkle reduction. SHEENE[®], for instance, introduced "SHEENE[®] make up collection" to seize the bigger market share and boost the sales volume, BSC COSMETOLOGY emphasized the strategies to take a lead in the colorful cosmetic market and to promote product image as an international cosmetic brand in the market.

- Women's Wear Industry

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

- Men's Wear Industry

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



Nature of Business

2. Revenue Structure

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

Product line	2013	%	2012	%	2011	%
Cosmetics toiletries & perfumeries	1,545	11.33	1,643	11.40	1,621	12.08
Women's apparel	4,021	29.49	4,150	28.80	3,900	29.07
Men's apparel	3,725	27.32	3,742	25.97	3,448	25.70
Other	4,038	29.62	4,142	28.75	3,856	28.74
Other income						
Dividend income	385	2.82	352	2.44	298	2.22
Gain on disposal of assets	67	0.49	109	0.76	7	0.05
Share of profit-equity accounted						
investees in associates	-	-	10	0.07	46	0.34
Other	153	1.12	261	1.81	240	1.79
Total	13,934	100.00	14,409	100.00	13,416	100.00

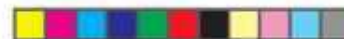
3. Major changes and activities in 2013

• BSC COSMETOLOGY

Founded : October 2005

BSC COSMETOLOGY : Korean Cosmetics trends now very popular in the market. Most of them reported continuous growth in sales and the very good feedback from the buyers. BSC COSMETOLOGY presented a new marketing concept as "Adorned By The Most Beautiful Women In The World", by having Miss Universe 2005 Natalie Glebova as the Brand Ambassador to promote the concept and brand image of BSC COSMETOLOGY as an international cosmetic brand with the marketing concept to be well known as the colorful cosmetics for the makeup product. As for the skincare products, its skincare segment introduces a world-class innovation for skin brightening "BSC Expert White Vit-C Concentrate Serum", filled with extraction of Vitamin C Concentrate that can brighten your skin within 14 days. This product will be promoted via leading magazines, ICC innovated the best wrinkle reducing products-"BSC Platinum Deluxe Series" that effectively reduce wrinkles with C-5 ring to look up younger look of your skin. It integrates nourishing elements of Platinum-the most precious mineral on earth, which rejuvenates your skin condition, guaranteed by world-class skin physician. The results can be felt only in 4 weeks. This is a series of innovative products for marketing of wrinkle-free segment among prestige customers.

- **SHEENE** : SHEENE introduced an oil-free foundation powder cake, as "SHEENE Oil Free Crystal" that can brighten your face with crystal shine for longer than 12 hours, with 9 in 1 qualifications. The products are available in three series. "SHEENE Oil Free Crystal BB Powder Cake" is a new innovative product from Japan, "Oil Free Plus Whitening Up Pearl & Serum Catching" can brighten your face with aura, and "SHEENE Oil Free Crystal Clear Compact"-foundation powder cake with natural extracts for sun protection. SHEENE Oil Free Double Matte-a foundation power cake with Oil Free Plus Lumiskintrm & Super Oil Absorber and a new matte look. More products were included in all categories of makeup line, such as face colors, lipstick, mascara and eyeliner, which have been marketed since early 2012. The Company made an unprecedented incident in marketing communications by introducing a wide variety of makeup products, emphasizing overall growth of the brand name, and applied consumer behaviors as the primary concept for advertising in order to create brand awareness in the Korean trend. Five female cheerleaders from renowned universities joined the ad as presenters. They were, namely Ms. Sirapa Kanjanasupawong (Nong Bua) from Thammasat University, Ms. Jiranai Traipitayakorn



Nature of Business

(Nong Luktan) from Chulalongkorn University, Ms. Natcha Sutjit (Nong Peach) from Chulalongkorn University, Ms. Ruthaipa Songthamjitti (Nong Pooppup) from Thammasat University and Ms. Supadi Siriruekwipat (Nong Noon) from Thammasat University. They would become idols of the core target group of buyers for SHEENE[®] as the market leader of oil-control powder cake. Its leadership has been reassured with continuous marketing campaigns, both in mass and online media. The online media, in particular, now exhibit substantial growth, and the company's campaigns have been shifted in this direction when most consumers have increasingly used online channels in their daily lives.

- **Royal Recognition for WACOAL Contribution**

Her Royal Highness Princess Chulabhorn granted an audience for WACOAL executives to receive commemorative coin for their supports for the activities of the Royal College of Surgeons of Thailand, under Royal Patronage of His Majesty the King.

- **International Awards for WACOAL Pink Ribbon fight against breast cancer "The Love Project"**

WACOAL was granted with the Asia Responsible Entrepreneurship Awards (AREA AWARDS) 2013 for regional health promotion of Southeast Asia from Enterprise Asia. Enterprise Asia is a Non-governmental organization, aimed at promoting activities that benefit society. Enterprise Asia granted AREA AWARDS 2013 for WACOAL Pink Ribbon fight against breast cancer "The Love Project" for its intensive and high-quality campaigns to fight against cancer for more than a decade. The project has helped women in terms of prevention, treatment and life balancing in a clear and complete manner.

- **WACOAL Pink - Ribbon : Giving Everlastingly**

WACOAL, in cooperation with the Ramathibodi Hospital Foundation, under Royal Patronage of Her Royal Highness Princess Sirindhorn, has launched a project, entitled "Wacoal Pink Ribbon-Giving Everlastingly" for three years in a row, by inviting WACOAL customers to continue giving to society. Partial proceeds from sales of WACOAL products will be donated to the Ramathibodi Hospital Foundation for the development of building and procurement of medical equipment for needy patients. The "Wacoal Pink Ribbon-Giving Everlastingly" project invites women to take part in the donation for needy patients to receive proper treatments, which will save them from suffering and give new life for them. Each year, Ramathibodi Hospital treats more than 1.4 million out-patients and more than 45,000 in-patients.

- **WACOAL Pink Ribbon Fight against Breast Cancer**

WACOAL supports Charitable Mammogram Project for Underprivileged Moms, in celebration of the 81st Birth Anniversary of Her Majesty the Queen, under cooperation with the National Cancer Institute and Regional Cancer Hospitals, under the Department of Medical Services, Ministry of Public Health. The project granted assistance for diagnosis of breast cancer using mammogram and ultrasound for the underprivileged moms, identified as risk groups for the deadly disease.

- **Year 4 of WACOAL Cares Your Breast Cancer. Mammogram Saves Your Life**

WACOAL gives privilege for its customers, urging Thai women to undergo breast cancer screening with mammogram during August-December 2013. The WACOAL Pink Ribbon fight against breast cancer "The Love Project" still adheres to its resolution to save the Thai women from breast cancer, which is the top threat for the Thai women and the tendency to detect new patients is increasing every year. The project aims primarily to create public awareness of the threat and the need for regular breast examination. Breast cancer, if it is detected sooner, can be cured, and the current medicine believes mammogram is the most efficient tool to detect breast cancer.

The WACOAL Pink Ribbon fight against breast cancer "The Love Project" is campaigning for a widespread acceptance of mammogram examination, by giving free coupon for mammogram and ultrasound examination for any purchase of WACOAL products of Baht 6,000. Buyers will also participate in the donation by WACOAL through deduction of its sales proceeds to hospitals taking care of poor patients suffering from breast cancer, from August to December 2013. Mammogram and ultrasound examination service is available at the National Cancer Institute, Regional Cancer Center, Bangkok Hospital Chain, and Samitivej Hospital Chain only at Sinakharin and Si Racha, including other 19 leading hospitals nationwide.

- **Balancing Bras Donation**

Since 2009, WACOAL has given balancing bras with breast prosthesis, worth over Baht 5 Million, which was given to women directly undergoing breast-removing operations, together with donation to relevant organizations and units, such as



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Heads of Provincial Red Cross Chapters, charitable organizations, both public and private sector hospitals, and stores nationwide. WACOAL has initiated Balancing Bras for those experiencing breast removal operations in order to fill up the gap, both mentally and physically. Those who wear balancing bra will feel more confident, with greater balance in their body, and free from backache. This is different from breast prosthesis made from sponge or pieces of cloth, which will result imbalance of breast, backache and lack of self-confidence. WACOAL will continue giving these special bras.

- **Organizing Bras Day, your used bras and their new occupation**

WACOAL organized "Your Used Bras and their new Occupation" Project, Year 2, inviting the Thai women to donate their used bras, and WACOAL will pass on these bras to the Association for the Promotion of the Status of Women, under Royal Patronage of Her Royal Highness Princess Soamsawali in order to develop occupations for women participating in this project. They will use parts of the used bras for creative works for sales for earning income.

- **ARROW : FABRIC-DESIGN INNOVATION**

"Wrinkle Free Express Shirt" is made of special material which easy to iron and difficult to get wrinkles.

"Cotta silk Shirt" is a perfect combination of natural silk and high quality cotton.

"Eco friendly wear" is a premium-quality shirt to help minimize the impacts of global warming because it is made from special thread of recycled material (plastic bottles.)

- **ARROW SOCIAL INNOVATION**

"ARROW" asks for Unused Shirts for Flood Victims" third years is a project to persuade the public to donate unused clothes for flood victims through ARROW which has been implemented in continuation from 2010. ARROW then donates all clothes to the media and relevant charity organizations nationwide.

- **LACOSTE : SOCIAL INNOVATION**

LACOSTE cooperated with René Lacoste Foundation of France in supporting social activities, by selecting 12 children from Child Creation Foundation to learn playing tennis like professionals, in order to let them make use of free time and stay away from drugs.

- **LACOSTE : NEW CREATION**

LACOSTE created a new shop decoration in Lacoste Polo Bar to present Polo shirts sold in stores, inspired by Refreshing Bar in order to meet lifestyles of the new generation of people.

- **LACOSTE : CREATIVE INNOVATION**

LACOSTE presents a new innovation for recycle PET water bottle and weave it for producing light and moist-preventing shoes.

- **MINERAL WATER : MAI CHAROENPURA**

The marketing began in October 2011. It is a 100% mineral water from underground hot spring at the mountaintop in Phop Phra district, Tak province. The hot spring is found of over 10,000 feet under the ground, very close to the geothermal power in the inner structure of the earth. The geothermal power will vaporize underground water until it permeates through mineral layers and comes up as hot spring above the ground. It contains many types of minerals that benefit human body. This is a new product that target on the health-concern consumers, by recruiting a famous songstress-MAI CHAROENPURA as a presenter, and brand awareness has been created through the mass media for quicker realization among target buyers. Throughout 2013, MAI CHAROENPURA Mineral Water emphasized expansion in distribution channels in order to achieve the higher sale turnover. Throughout 2013, Mai Charoenpura mineral water emphasized expansion of distribution channels for higher sales.

Industries and Competition State

1. Cosmetics and Perfumeries Industry

- **State of Competition**

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

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

The market grows continuously every year, The intense market competition continued, in line with a higher number of players in



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the market whereas brand loyalty was tending to drop despite the outbreaks of economic and political crises in 2012, thanks to the expansion of the discount and convenience stores which have become easily accessible for buyers. A more proactive marketing approach has been adopted to the consumer base expansion of each brand. Counter brand cosmetics used the Integrated Marketing Communication tools for arrangement of promotions, advertising and new product launch, including other activities and expansion of channels tailored for particular groups of customers. In 2013, counter brand cosmetics increased advertising budget on TV in order to promote brand awareness among viewers, as they can see both motions and voices to let them know the brand and understand products. Nationwide coverage of TV signals will also expand greater brand awareness upcountry. New products are increasingly introduced continuously at theatres, by Internet and in department stores, given the continuous and prevalent popularity of said channels. BSC COSMETOLOGY and SHEENE[®] spent more on advertising on Internet. Following growth in E-Commerce business, distribution channels are no longer restricted among sales counters. Amid greater emergence of the digital world, there is greater popularity of online shopping in all categories of goods, including cosmetics. Cosmetics reported the second highest of growth in online sales after clothes, which will be very beneficial to the cosmetic market. Thailand is now more ready for online trading, due to availability of communication facilities, from EDGE to 3G and 4G going forward. Customers will enjoy more accesses to Internet, seen as a crucial factor for growth in e-Commerce business. Shopping will be much easier. Sales on Internet are only in the beginning process and more marketing strategies will follow soon. Although online sales are not the main sources of income for the current brands, it is undeniable that the trend has already begun, and trading value is worth pursuing. Online sales of various brand names will grow substantially in the next 5 years and advertisement in theatres, and department stores which can bring the higher attention and exposures to the consumers which will help maintain sales volume and expand new consumer base. Counter sales brands have adopted different marketing strategies and organized more activities to promote sales, as seen in higher frequencies and provision of product gift sets at reasonable prices to stimulate the sales. Each brand has launched Value Sets for trial usage and attracting new buyers. Modern technology plays a greater role in sales promotions in order to get more intention from buyers. Most counter brands increasingly use modern technology to promote sales especially skin testing devices. It takes approximately 3-5 minutes for the skin diagnosis. New technology enhances reliability of each brand, which will justify if it is worthwhile to purchase. One of the current strategies adopted by most counter brands is to promote love and loyalty among buyers at all times and the products must well respond to their needs, adding up together with other marketing activities and development of new products to boost the sales.

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

For the skincare category, BSC COSMETOLOGY introduced a world-class innovation for skin brightening "BSC Expert White Vit-C Concentrate Serum" which contains extraction of Vitamin C Concentrate that can brighten your skin within 14 days. As for anti-wrinkle products, BSC COSMETOLOGY launched its top innovation of "BSC Platinum Deluxe Series", that effectively reduces wrinkles with C-5 ring to lock up younger look of your skin. It integrates nourishing elements of Platinum-the most precious mineral on earth, which rejuvenates your skin condition, guaranteed by world-class skin physician. The results can be felt only in 4 weeks. This is a series of innovative products for marketing of wrinkle-free segment among prestige customers.

SHEENE[®] a market leader in oil-control powder cake, reconfirmed its leadership with continuous marketing through both mass and online media, in line with the current behavior among consumers who have increasingly used online media in their daily lives. Expanding its market base, SHEENE[®] introduced an oil-free foundation powder cake, as "SHEENE[®] Oil Free Crystal BB Powder Cake" available in 3 series, i.e. "SHEENE[®] Oil Free Crystal Clear" to brighten your face, "SHEENE[®] Oil Free Crystal BB" for beauty and a shining face, and "SHEENE[®] Oil Free Double Matte" for a neat and confident look.



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2. Discount Store : since the big transition in discount store industry when CARREFOUR announced sale of its business, and the CASINO Group was the winner to takeover CARREFOUR business. The CASINO Group is a majority shareholder of the BIG C Supercenter Public Company Limited, thus immediately enabling BIG C to the top chart in discount store business. The mentioned business takeover led to higher competition among discount stores because there are only BIG C and TESCO LOTUS as the main two players in the market. The consumers still enjoy the highest benefits from the competition because discount store operators are trying hard to maintain their corporate image in the industry. Most of them have engaged in a fiercely price war that has driven small players be kicked out of the market. Trying to keep the prices below the market level, both have controlled negotiation powers with suppliers, thus leading to request for proactive profit sharing and other strategies that shift both selling and marketing costs to trade partners. Both discount stores are operated by multinational corporations, with solid capital status, that contribute to continuous expansion of branches, especially convenience stores and compact supermarkets in communities in order to gain higher negotiation powers with suppliers. Discount store business line continued to expand partnerships for bill payment services with more than 70 suppliers, and more will be included for thorough coverage. These will be marketing tools to attract customers, in line with the changing consumer behaviors focusing on convenience for one-stop shopping and services. Aside from bill payment, the discount store looked for other types of partners, especially Thai Ticket Major for sales of bus ticket and admission ticket for concerts, as well as postal service, etc. It also launched some marketing campaigns in parallel with sales of goods, such as pay bills, and get discount coupons. These are under a full marketing approach to ensure greater efficiency in marketing communications. Then, the discount store plans to launch a full shopping online to cope with the intense market competition and changing consumer behaviors.

The result is that the supplier or trade partner must face conditions that benefit the group of discount stores rather than are beneficial to both parties as in a win-win situation. Since discount stores use the strategy of lowering prices to draw in consumers, the trade partner is left with the burden of demand for higher margins for the chance of sales in that store. To this situation, the Company has the measure to create balance by avoiding price reduction but using other methods such as hand out free gift so that the local shops are not affected. It is also our balanced marketing implemented with trade partners.

It is expected that the discount store business will continue to grow in line with the domestic economic recovery. The proprietors tend to expand their branch to medium and small-sized provinces where show high purchasing power. The size of new branches seems to be smaller and must be at the nearest possible location to a community. The product discount tends to be the marketing strategy that is always implemented to attract the customers, such as the discount on daily consumer products. This price reduction is likely to be their main policy that were applied as the permanent promotional campaigns rather than being only a seasonal campaigns.

- Product Acquisition

In terms of production, currently 90% of all of the Company's cosmetic products are manufactured in the country, mostly by the International Laboratories Corp. Ltd., and S & J International Enterprise Plc., both of which belong to the Saha Group and are under the quality management of ISO 9001. Another 10% of the Company's products are imported. In terms of product development, global sourcing involves the search for ingredient and packaging from all over the world.

- Industrial Trend and Future Competition

The cosmetic market still recorded growth by 5 percent, reaching total sales turnover of approximately Baht 44,000 million because it now becomes basic necessity for women. Skincare products, particularly anti-aging products, now top the chart, constituting more than half of the total sale turnover in this segment, due to widespread popularity among buyers. The current market trend also focuses on product image promotion, which will eventually lead to higher sales. The Corporate Social Responsibility (CSR) activities have increasingly become a marketing strategy to boost favorable image of the products and company, and it will soon become a global strategy.



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2. Women's Wear Industry

- State of Competition

1. Competitive Situation

Competitive strategies in 2013 included the followings:

- R&D for Women's Lingerie

The Company has placed great significance on technology and new innovation through continuous R&D to produce lingerie that fits the body of women and meet their needs most. R&D activities comprised two major parts, body and behaviors.

- On the body side, the Company has promoted R&D for more than 30 years in order to survey and compile data on buyers' body and dispatched relevant teams for study tours in Japan in order to learn about new technology and innovation for improvement and development of lingerie to match with the body of the Thai women in different ages and occasions.

- As for consumer behavior, the Company has emphasized research on consumer behavior, by arranging panel discussions and study tours on fashion trends in Europe (France) and Asia (Japan and Korea) in order to obtain useful data for consumer behavior research. Fashion trends in foreign countries will be applied for product development to meet the diverse needs of buyers in different ages and lifestyles, based on high quality and trendy products.

- Online Sales

Presently, online markets are mostly acclaimed, due to substantial growth in Internet users, tending to increase continuously in Thailand, thanks to the emergence of smart phone technology. A number of users in social media have been increasing very rapidly. The same is true for online shopping, now showing high growth potential. Realizing this opportunity, the Company has forged allies in online sales, i.e. www.wacoal.co.th and www.facebook.com/wacoalthailand.

- Regular New Products Launch

As buyers in most ages, teenagers, puberty and adult (main market segment with high purchasing power) tend to favor fashionable products, the Company has to launch new products on a regular basis in order to meet up with their needs at all times. The Company has to select the proper product launching period to fit the target buyers of each product, including sale period for each product category. The launching period should be frequent in order to stimulate continuing sales for greater brand loyalty. The new products will enliven the selling booths, considered outstanding, dynamic and attractive for buyers.

- Systematic Retention of Existing Customer Base

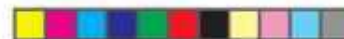
The Company has realized the retention of cordial relationships with the existing buyers in order to maintain brand loyalty. It aims at assuring the highest satisfaction of customers in every touch point by offering products with high quality, reasonable prices and impressive service. The Customer Relation Management (CRM) system has been adopted in forms of His & Her Plus Point member card. There will be special activities for members in order to create brand loyalty and Retain Program, offering of privileges for the highest satisfaction, which will lead to bonds and loyalty of the products.

- Integrated Product Management for Higher Efficiency

The Company has improved and developed the integrated product management approach, by conducting research on the target customers before the product launch, production and distribution planning and auto replenishment through the Quick Response Management System (QRMS). This will lead to higher efficiency in inventory management at each point of sales in order to meet the needs of buyers. Balance in inventory will minimize loss of opportunity in sales. These include quicker and timely transportation of goods to stores and proper management of remaining products in stocks in order to ensure higher efficiency and effectiveness for the highest customer satisfaction.

2. Number and Size of Competitors

The lingerie industry has encountered many obstacles when entering the market. Players who wish to survive must have a full-cycled business, beginning with the importation of raw materials, the production of some raw materials, sewing, and the sale of products. Furthermore, lingerie is a product where consumers are usually rather attached to brands and so building brand awareness is an expensive process. Additionally, sales channels require a middleman, such as a department store or a discount store, which requires strong discussion and negotiation. With these factors in mind, entrance into the women's lingerie market is not at



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all easy. However, the customer group of ICC seven brands including WACOAL, BSC, BSC SIGNATURE, ELLE, VR, POP LINE and KULLASTRI, can be expanded to cover every target group with different needs, holding more than 60% of the total market share through main distribution channels.

3. Status and Potential for Corporate Competition

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

- Product Acquisition

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

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

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

- Industrial Trend and Future Competition

The Thai population in 2013 showed the comparable proportions between male and female. Female population totaled 33.19 million, from the total population of 64.82 million, or 51.35 percent. Factors influencing purchasing decision will differ in different ages. Teen buyers will focus on designs. Puberty or new hires will focus on prices, whereas the adult and elderly will focus on quality of lingerie, especially fitting and balancing.

Nonetheless, factors influencing purchasing decision differ in different ages, but the common and primary factor for purchasing decision will involve the product functions (wearing comforts). Another emerging trend in Thailand can be seen in terms of healthcare, consumption and exercises. In the last 3-5 years, there were greater concerns among the Thai people. The trend keeps increasing over years, not focusing only among the elderly. One of the major target groups in this respect include the early teens, aged from 13 years old, up to the age of 27 years old, now showing the clearest changes.

As for 2014 trend, it is likely that the overall economy will slow down, amid the higher cost of living and political uncertainties, which will prompt most buyers to tighten their budgets for luxurious items. The Company and peers tend to focus on pricing strategy and sales promotions. Pricing competition will be unavoidable. However, the Company will focus more on differentiation of products and leadership in innovation and technology in lingerie design that fits the body of the Thai women. This includes trendiness, comforts and reasonable prices, seen as the fundamental factors for selection of lingerie. Greater attention will also be given to those caring for their slimness and health.

3. Men's Wear Industry

- State of Competition

In the past year, there was shrinkage of growth by 8 percent, especially during the political unrests in Q4/2013. Most buyers lacked confidence and postponed their buying decision. Some were more selective in buying. Most producers have to focus on competitive cost management and search for new technology. Supply management should be efficient, with more focus on value products. There will be greater and continuous communications to urge buyers to realize the value and utilities in order to seize the higher share in the market. Meanwhile, Corporate Social Responsibility activities will be another crucial factor influencing buying decision, which will require greater attention among entrepreneurs.



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

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

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

- Product Acquisition

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

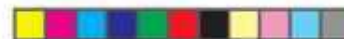
1. Thanulux Plc., manufacturer of shirts, T-shirts, suits, bags and leather goods.
2. People's Garment Plc., manufacturer of T-shirts and trousers.
3. Champ Ace Co., Ltd. manufacturer of undergarments and bags.
4. Thai Itokin Co., Ltd. manufacturer of shirts, T-shirts and trousers.
5. Bangkok Tokyo Socks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

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

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

- Industrial Trend and Future Competition

Given the sluggish buying power, political uncertainties and a possibility for bearish growth or slowdown, although buyers will be more selective in their dresses, market competition will tend to rise, due to foreign rivals and products. The local producers will have to analyze the market and consumer behavior in each area, and develop strengths of each product for each target group of buyers in order to survive in the market amid the more intense competitions.



Risk Factors

1. Manufacturing Risks

Corporate dependence on a few major suppliers.

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

- Preventive measures

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

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

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

2. Risks from in-store inventory management

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

- Preventive measures

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

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

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

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



Risk Factors

3. Distributional Risk

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

- Preventive measures

1. The Company has a policy of expanding sales into discount stores by means of producing new products specially-produced for this channel, which is aimed to meet the requirement and purchasing power of the discount store target group. This method shall be mainly implemented with the cosmetics products. The new measure also includes the launch of new brand with price and quality appropriate with the target group, especially the apparel group which is fashion-conscious in style and color.
2. Distribution channels have been enlarged by expanding more outlets managed by ICC in the form of specialty store in order to reduce dependence on major department stores.

4. Risk from the change of consumer behaviour

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

- Preventive measures

1. Quality products at reasonable prices have been consistently developed in response to the increasingly changing demands of specific target groups. This helps create the company's good image among consumers. Moreover, attractive marketing campaigns influence consumer purchases and must be directed to the specific target groups to retain the existing customer base and expand it to potential markets. A strong customer relations management system has also been established under the name "His & Her Membership".
2. Product diversification has been made to serve the rapidly-changed customers' need and also to expand market into new customers who have never used some kinds of cosmetic products. This practice helps increase frequency of product usage by existing customers as well.
3. Currently, there are changes in communications, from conventional channels, such as television, magazine and radio, to modern media, especially digital and online media, prompting relevant parties to develop marketing tools for digital and online channels in order to expand customer base and sales. These modern channels can help stimulate significant growth in future sales.
4. The Company has set an R&D team to conduct consumer behavioral research, through panel discussion with customers on a regular basis. These include making a research before launching any products in order to meet the diverse and changing needs of customer

5. Risk from the government's FTA policy

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

Effect

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



Risk Factors

- Preventive measures

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

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

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

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

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

6. Repercussions from Accounting Standards

The impact of normal operations of the company.

According to the TFRS no. 12 on the Income taxes, the Company had deferred tax liabilities of 25.40 million baht as at December 31, 2013, compared with 186.53 million baht as at December 31, 2012, a decrease of 161.13 million baht as shown in liabilities in the statement of financial position. There are recognized the deferred tax on income tax expense for the year 2013 and 2012 amount to 76.46 million baht as loss and 81.54 million baht as profit, respectively on the statement of comprehensive income.

According to the TFRS no.19 on the Employee Benefits, the company had a debt employee benefits of 478.81 million baht as at December 31, 2013 compared with 427.81 million baht in 2012, an increase of 51.00 million baht as shown in equity in the statement of financial position.

According to the TFRS no.36 on the Loss from the Impairment of Assets, the company reserved losses of 33.26 million baht from the impairment of investment in 2013 compared with the reversal of its amount to 46.29 million baht in 2012, an increase of 79.55 million baht as shown in the statement of comprehensive income.

According to the TFRS no. 40 on the Accounting for Investment in Debt and Equity Securities, the company gained an unrealized profit from the adjustment of marketable securities of 2,996.00 million baht registered as at December 31, 2013, compared with 3,946.33 million baht as at December 31, 2012, a decrease of 950.33 million baht as shown in equity in the statement of financial position.

The above four transactions effected to the company's increasing expenses of 160.72 million baht or only 3.26 percent of the operating expense in the statement of income 2013.

7. Obsolete stocks

The company is selling products which are fashion items where interest in the products changes quickly.

In 2013, the company had inventories of 4,099.48 million baht or 60.40 percent of its total current assets and 23.02 percent of its total assets. It had inventory coverage of 189 days. Having a lot of inventory may result on inability to sell out in time which makes for obsolete stock, a high cost to manage the inventory and the need to set up an allowance for obsolete stocks which has the effect of decreasing net income and the liquidity of the company. However, the company has a management policy to prevent the build up of inventory over time if products are moving slowly, the company will accelerate the release of such goods by planning and performing promotional activities.



Risk Factors

In addition, the company uses an information system that analyzes product sales and the needs of consumers by different distribution channels in order to reduce the quantities of products and the inventory coverage.

In 2013, the company's inventories were reduced at the amount of 389.69 million baht compared with 4,488.17 million baht on December 31, 2013.

8. Investment

The company has invested in the business of other 136 affiliated and other companies at a shareowning ratio of not over 50 percent of registered capital of each particular company. Shareowning is in a crisscross or reverse manner among the affiliated companies and the company has no authority to take control of any business in the invested companies. The business administration of these companies depends on each company's Board of Directors.

The company's management and making decision in business investment is in the manner of joint-ventures in related business or business synergy and also of risk diversification investment.

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

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

9. Loan and guarantee

The company has a policy to mitigate the risks of both facilities and to encourage affiliated companies to be able to stand on their own feet. Provision of loans has been reduced by which all loans shall be directly sought out from financial institutions by each company. Additionally, the number of unnecessary guarantee facilities has been reduced by allowing the responsible affiliated companies to guarantee the credit lines in place of the company.

As at December 31, 2013, the company has provided loans totaling 100.00 million baht to two Saha Group companies and related companies, including the guarantee facilities to eleven companies totaling 169.47 million baht with total amount of 269.47 million baht. Compared with the year 2012 the total amount of these facilities is 391.72 million baht, mainly decrease from received loan of 140.00 million baht.

Synopsis of Operations

(Millions Baht)

DATA	DETAILS	2013	2012	2011
Net revenues	Deriving from	13,944.19	14,405.56	13,373.18
	• sales	13,328.68	13,677.44	12,825.31
	• dividends	395.60	359.02	300.86
	• gain from disposal of assets	66.72	108.53	7.28
	• gain from disposal on investment	-	19.38	15.85
	• interest income	10.18	13.39	30.90
	• recovery of doubtful debt	0.06	0.06	0.80
	• other revenues	142.95	227.74	192.18
Net profit	After deducting	721.91	1,050.44	700.92
	• cost of sales	8,173.14	8,425.24	8,105.86
	• selling and administrative expenses	4,894.63	4,717.05	4,177.51
	• loss from impairment of investments	33.26	-	4.87
	Total expenses	13,101.03	13,142.29	12,288.24
	• finance costs	7.39	5.04	-
	• corporate income tax	113.86	207.79	384.02
Total assets	Consisting of	17,804.82	19,271.81	18,655.39
	• current assets	6,786.08	7,413.76	6,829.56
	• non-current assets	11,018.74	11,858.05	9,825.83
Current assets	Consisting of	6,786.08	7,413.76	6,829.56
	• cash and cash equivalents	170.41	184.40	520.16
	• trade accounts receivable	1,852.37	2,043.63	1,862.64
	• short-term loans to related parties	165.00	165.00	169.00
	• inventories	4,099.48	4,488.17	3,763.69
	• other current assets	498.82	532.56	514.07
Non-current assets	Consisting of	11,018.74	11,858.05	9,825.83
	• long-term loans to related parties	10.00	10.00	-
	• long-term loans given to employee	8.57	9.52	6.57
	• available-for-sale investments	5,358.54	6,595.80	4,881.48
	• investment in associated companies			
	• cost method	336.59	215.99	159.99
	• other long-term investments	1,704.16	1,573.12	1,355.11
	• investment properties	1,065.63	965.63	1,064.36
	• property, plant & equipment	2,276.86	2,252.01	2,000.64
	• intangible assets	9.04	12.12	15.20
	• leasehold	37.62	78.95	97.57
	• other non-current assets	211.73	144.91	244.91



Synopsis of Operations

(Millions Baht)

DATA	DETAILS	2013	2012	2011
Property, plant & equipment	Consisting of	2,276.86	2,252.01	2,000.64
	• land	1,665.57	1,665.33	1,491.43
	• building and improvements	739.01	727.37	727.05
	• office equipment and vehicles	771.16	750.60	676.66
	• furniture and fixtures	888.96	796.33	669.57
	• accumulated depreciation	(1,787.84)	(1,687.62)	(1,564.07)
Current liabilities	Consisting of	1,983.80	2,751.95	2,408.19
	• short-term loans from financial institution	-	464.00	-
	• trade accounts payable	1,235.60	1,444.16	1,524.32
	• others payable	748.20	760.14	715.58
	• income tax payable	-	83.65	168.29
Non - current liabilities		545.79	652.92	416.90
Equity	Consisting of	15,275.22	15,866.94	13,830.30
	• capital	290.63	290.63	290.63
	• premium on ordinary shares	1,487.14	1,487.14	1,487.14
	• premium on treasury stock	51.43	51.43	51.43
	• legal reserve	50.00	50.00	50.00
	• general reserve	1,502.92	1,406.03	1,335.94
	• unappropriated retained earnings	8,897.10	8,635.38	7,974.73
	• unrealized gain for fair value adjustment			
	in marketable securities	2,996.00	3,946.33	2,640.43
Cash flow cycle	The Company's cash flow cycle	183.58	165.08	140.47
	commences with the purchase and resale			
	of merchandise and ending with the collection			
	of cash resulting from			
	• collection period	53.47	52.20	51.14
	• inventories coverage	189.13	176.30	152.56
	deducted payment period	59.02	63.42	63.23
Total employees	Consisting of	7,767	7,974	7,691
	• counter sales force	5,787	6,004	5,805
	• office work force	1,980	1,970	1,886
Net revenues per capital		1,795.31	1,806.57	1,738.81
Net profit per capital		92.95	131.73	111.50

A Unit shows number of days

B Unit shows number of employees

C Unit shows thousand baht per headcount



Financial Statistics and Financial Ratios 2013-2007

Transactions	2013	%	2012	%	2011	%
Operating results						
Revenues	13,944,190	100.00	14,405,599	100.00	13,373,186	100.00
• from sales	13,328,678	95.59	13,677,439	94.95	12,825,315	95.90
• from other income	615,512	4.41	728,120	5.05	547,871	4.10
Gross profit	5,155,542	36.97	5,252,197	36.46	4,719,459	35.29
Expenses	13,108,422	94.01	13,147,333	91.27	12,288,244	91.89
Profit before income tax and finance cost	843,157	6.05	1,263,268	8.77	1,084,942	8.11
Profit before income tax	835,768	5.99	1,258,226	8.73	1,084,942	8.11
Net profit	721,905	5.18	1,050,435	7.29	857,549	6.41
* Income per capital (baht/headcount)	1,795,312.26		1,806,566.22		1,738,809.80	
* Net profit per capital (baht/headcount)	92,945.16		131,732.51		111,500.31	
* Interest coverage (times)	122.11		248.55		A	N.M.
* Degree of financial leverage (times)	1.00		1.00		1.00	
Financial position						
Current assets	6,786,075	38.11	7,413,757	38.47	6,829,562	41.01
Investments	7,399,289	41.56	8,384,910	43.51	6,396,579	38.41
Fixed assets	3,389,154	19.04	3,308,704	17.17	3,177,786	19.08
Other assets	230,301	1.29	164,440	0.85	129,484	0.78
Total assets	17,804,819	100.00	19,271,811	100.00	16,555,396	100.00
Current liabilities	1,983,799	11.14	2,751,950	14.28	2,408,190	14.46
Other liabilities	545,793	3.07	652,915	3.39	416,898	2.50
Equity	15,275,228	85.79	15,866,946	82.33	13,830,308	83.04
* Number of shares	290,633,730		290,633,730		290,633,730	
* Par value per share	1.00		1.00		1.00	
Financial ratios						
* Current ratio (times)	3.42		2.69		2.84	
* Quick ratio (times)	1.02		0.81		0.99	
* Debt-equity ratio (times)	0.17		0.21		0.20	
* Inventory coverage (days)	189.13		176.30		152.56	
* Collection period (days)	59.02		63.42		63.23	
* Operating cycle days (days)	183.58		165.08		140.47	
* Return on total revenues (%)	5.18		7.29		6.41	
* Return on equity (%)	4.64		7.07		6.36	
* Return on total assets (%)	3.89		5.85		5.37	
* Earnings per share (baht)	2.48		3.61		2.95	
* Dividend per share (baht)	B	1.20	1.25		1.10	
* Book value per share (baht)	52.56		54.59		47.59	

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

A Result is not materialized

B The Board of directors' Meeting has resolved to pay dividend Baht 1.20 per share and to submit this agenda for approval at the General Shareowners' Meeting to be held on April 21, 2014

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



Financial Statistics and Financial Ratios 2013-2007

2010	%	2009	%	2008	%	2007	%
11,889,730	100.00	11,218,809	100.00	11,479,781	100.00	11,685,531	100.00
11,294,419	94.99	10,648,588	94.92	10,947,020	95.36	11,232,102	96.12
595,311	5.01	570,221	5.08	532,761	4.64	453,429	3.88
4,100,078	34.48	3,725,760	33.21	3,888,645	33.87	3,702,418	31.68
10,813,127	90.95	10,313,509	91.93	10,437,110	90.92	10,731,537	91.84
1,076,603	9.05	905,301	8.07	1,042,671	9.08	953,994	8.16
1,076,603	9.05	905,301	8.07	1,041,925	9.08	953,471	8.16
803,844	6.76	652,293	5.81	776,613	6.78	730,388	6.25
1,547,336.02		1,437,367.55		1,545,682.16		1,567,685.94	
104,612.70		83,573.73		104,835.50		97,986.07	
A N.M.		A N.M.		A N.M.		A N.M.	
1.00		1.00		1.00		1.00	
6,719,055	44.56	6,293,298	45.22	5,854,806	44.10	5,120,929	39.95
5,286,711	35.06	4,611,854	33.14	4,359,558	32.84	4,430,192	34.56
2,958,936	19.63	2,911,056	20.92	2,956,888	22.27	3,101,576	24.20
112,367	0.75	101,443	0.73	105,431	0.79	164,794	1.29
15,077,069	100.00	13,917,651	100.00	13,276,683	100.00	12,817,491	100.00
2,084,612	13.83	2,076,476	14.92	2,105,749	15.86	1,862,506	14.53
35,555	0.24	37,997	0.27	41,576	0.31	61,809	0.48
12,956,903	85.94	11,803,178	84.81	11,129,357	83.83	10,893,176	84.99
290,633,730		290,633,730		290,633,730		290,633,730	
1.00		1.00		1.00		1.00	
3.22		3.03		2.78		2.75	
1.44		1.41		1.21		1.18	
0.16		0.18		0.19		0.18	
151.16		147.41		136.38		125.86	
57.19		62.80		61.62		68.33	
144.41		143.99		134.50		124.59	
6.76		5.81		6.78		6.25	
6.49		5.69		7.07		6.81	
5.57		4.79		5.97		5.63	
2.77		2.24		2.68		2.51	
1.10		1.00		1.00		1.00	
44.58		40.61		38.29		37.48	

Financial Statistics and Financial Ratios 2013-2007

Distribution of shareownership

based on the number of shares held in succeeding periods.

Periods	2013		2012	
	No. of shareowners	%	No. of shareowners	%
1 - 50	252	17.03	252	16.87
51 - 100	243	16.42	243	16.27
101 - 500	419	28.31	424	28.38
501 - 1,000	99	6.69	99	6.63
1,001 - 3,000	130	8.78	136	9.10
3,001 - 5,000	48	3.24	45	3.01
5,001 - ๕ ล้าน	289	19.53	295	19.74
Total	1,480	100.00	1,494	100.00

Distribution of shareownership

based on different categories of shareowners.

Categories	2013		2012	
	No. of shares	%	No. of shares	%
Limited companies and limited public companies	82,339,590	28.33	79,199,590	27.25
Commercial banks and financial institutions	16,780	0.01	16,980	0.01
General public	22,973,453	7.90	23,685,243	8.15
Company employees	21,451,530	7.38	21,308,070	7.33
Thailand Securities Depository Company Limited				
- For local depositors	160,617,767	55.27	163,183,427	56.15
- For foreign depositors	3,234,610	1.11	3,240,420	1.11
Total	290,633,730	100.00	290,633,730	100.00



Shareowners

Top ten major shareowners as of the closing date on March 15th 2013 (shareowner categories being sorted in accordance with the Section 258)

Name	No. of Shares	%
1. Saha Pathana Inter-holding Plc.	64,231,640	22.10
2. I.D.F. Co.,Ltd.	27,480,010	9.45
3. Mr. Weerapat Punsak-udomsin	25,602,030	8.81
4. Saha Pathanapibul Plc.	24,727,100	8.51
5. Thai Wacoal Plc.	11,097,070	3.82
6. Thanulux Plc.	10,006,070	3.44
7. Universe Beauty Co.,Ltd.	9,334,720	3.21
8. U.B. Chemical Industries Co.,Ltd.	9,187,200	3.16
9. Uniwealth Co.,Ltd.	9,070,550	3.12
10. Mrs. Kityaporn Chaithavornsathien	7,450,260	2.56
Total	198,166,650	68.18

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

Dividend Payment Policy

- Company

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

- Subsidiaries

-None-

Data of Dividend Payment

	*Year 2013 pay 2014	**Year 2012 pay 2013	**Year 2011 pay 2012	Year 2009 pay 2011	Year 2008 pay 2009
Earning per share (baht)	2.48	3.61	2.95	2.77	2.24
Dividend per share (baht)	1.20	1.25	1.10	1.10	1.00
Payout ratio (%)	48.39	34.63	37.29	39.71	44.64

Remark : * The Board of directors' Meeting has resolved to pay dividend Baht 1.20 per share and to submit this agenda for approval at the General Shareowners' Meeting to be held on April 21, 2014.

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

Management Discussion and Analysis

1. Overview of Operations

In the past year, the domestic economy has been slowly declining due to the effects of fluctuations in the world economy, the financial crisis of the U.S. and Europe, as well as a slowdown in the Chinese economy, and a reduction in the total exports of Thailand. As a result, the income of entrepreneur which involve in export market has decreased. The purchasing power of consumers has declined; household debt has soared; thus spending has declined this year. People are spending more cautiously on only what is necessary. The adjustment of the minimum wage in 2012 to 300 baht continues to have an effected in the year 2013: the personnel costs of the company have increased by approximately 9.8 percent.

In addition, the competitive situation in the country has increased. There are more branded products available from overseas which makes it necessary for the company to budget the cost of marketing and promotion during the year in order to maintain its market share and to manage its inventory more efficiently.

In 2013, the company's revenue from sales was 13,328.68 million baht, a decrease of 2.55 percent, and its net profit was 721.91 million baht, a decrease of 31.28 percent, compared to last year. The company has adapted to comply with the economy and its policy and marketing strategy in 2013, by reducing unnecessary costs as well as promoting the encouragement to save resources and energy in order to reduce the costs of the company in the long run.

The company has expanded its sales channels in retail shops, an increase of 22 shops, in addition to channels for e-commerce, social networking, and catalog sales. Budgets were also allocated for marketing to hold its market share. This is based on the policies of business year 2013 to expand sales channels and increase marketing during the economic slowdown and the decline in purchasing power.

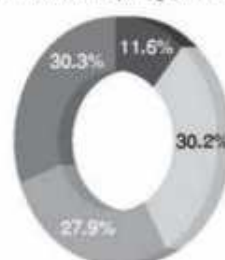
The company had multi-channel marketing promotional activities in the year 2013. It partnered with Kasikornbank Public Co., Ltd. in a business alliance by issuing KBank-His & Her credit cards for use in purchasing the leading brands of the company. Points can be accumulated to win a fortune and receive many discounts. This will increase His & Her members and stimulate increased purchasing.

With a joint venture partnership, Shop Global (Thailand) Co., Ltd., consisting of Sumitomo Corporation; the TV shopping giant Japan, Central Department Store Co., Ltd. which specializes in the retail sales and ICC International Public Co., Ltd. whose

products cover a wide range of consumer demand, the company foresees sales channels via TV-online systems and future multimedia systems and an increase in sales from these channels to give more broad access to customers.

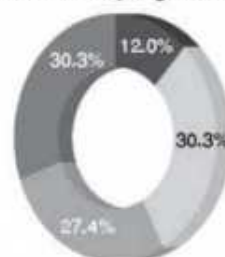
2. Analysis of Operating Results

Sale Revenue by segment 2013



■ Cosmetic, Toiletries & Perfumeries ■ Women's apparel
■ Men's apparel ■ Other

Sale Revenue by segment 2012



■ Cosmetic, Toiletries & Perfumeries ■ Women's apparel
■ Men's apparel ■ Other

Sales revenue

In 2013, the Company reported sales revenue of 13,328.68 million baht, dropping 348.76 million baht, or 2.55 percent, as against the record of last year of 13,677.44 million baht.

Sales revenue mainly came from 3 segments, i.e. cosmetics, toiletries and perfumeries, women's apparel and men's apparel. Sales revenue in 2013, as against 2012, can be summarized, as below:

(In million Baht)

Product lines	Net Sales		%	Operating profits		%
	2013	2012		2013	2012	
Cosmetics, Toiletries & Perfumeries	1,544.52	1,633.52	(6.02)	136.51	228.72	(13.32)
Women's apparel	4,020.17	4,160.32	(3.12)	430.17	460.50	(3.18)
Men's apparel	3,795.15	2,741.31	(0.46)	357.72	479.32	(25.31)
Other	4,039.23	4,141.79	(2.50)	141.67	204.98	(30.95)
Total	13,328.67	13,677.44	(2.55)	1,132.07	1,361.00	(16.92)

Management Discussion and Analysis

Cosmetics, Toiletries and Perfumeries

In 2013, the company had revenues from cosmetics toiletries and perfumes of 1,544.52 million baht, decrease 99.00 million baht or 6.02 percent compared to last year. The reduction of revenue from these was due to high competitive in local market and many new international brands that required sales promotion and marketing activities. This affected a decrease of operating profit to 13.32 percent.

Women's Apparel

In 2013, the company had revenue from women's apparel of 4,020.77 million baht, decrease 129.55 million baht or 3.12 percent. The operating profit decreased to 14.33 million baht or 3.18 percent when compared to last year. The decrease was due to the current economic conditions which impact the purchasing decisions of consumers together with the competition in this group of products which are much more in various channels including through the internet, social networks, and other markets.

Men's Apparel

In 2013, the company had revenues from men's apparel of 3,725.15 million baht, down 16.66 million baht or 0.45 percent. The operating profit decreased to 121.20 million baht, representing 25.31 compared to last year. In 2013, the company increased its distribution channels by opening retail shops which have higher operating costs. However, the company's overall sales volume has been maintained.

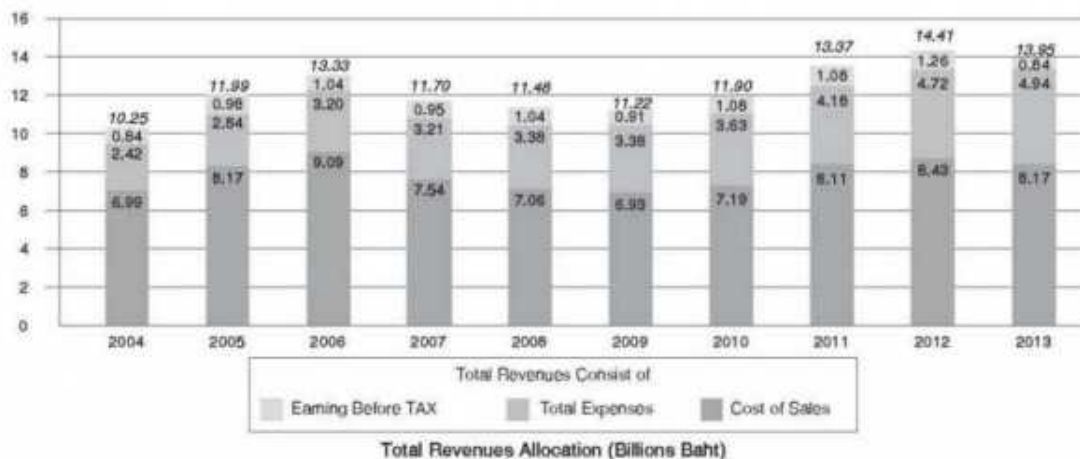
Others

Other major income of the company consist of children's apparel, sportswear, leather goods and fabric care.

In 2013, the company reported other income which include these type sales revenue from these products of 4,038.23 million baht, down 103.56 million baht or 2.50 percent, and profit from operations which decreased by 63.21 million baht or 30.85 percent compared to last year due to economic slowdown.

Other incomes

In 2013, the Company has other incomes of 615.51 million baht consisting of dividend income of 395.60 million baht, gain on disposal of assets 66.72 million baht and rental income of 46.55 million baht. Other income dropped from the previous year by 112.61 million baht, or 15.47 percent due to the lower gain from disposal investment of 19.38 million baht, lower gain from disposal of assets 41.81 million baht and the lower gain from reverse the impairment loss of investment of 46.29 million baht.



Cost of goods sold

In 2013, the Company had total cost of goods sold of 8,173.14 million baht, dropping 252.11 million baht from last year, equal to a drop in sales of about 2.99 percent. Ratio between cost of goods sold and sales volume stood at 61.32 percent in 2013, as against 61.60 percent in the prior year, which was rather stable, due to an efficient management on cost of goods sold and promotional activities with lower costs steadily from last year.

Management Discussion and Analysis

Selling and Administrative Expenses

The Company had selling expenses of 3,502.34 million baht in 2013, up from 3,391.56 million baht recorded in the year before, representing an increase of 110.78 million baht, or 3.27 percent, mainly due to the higher sales personnel expenses from the previous year following the minimum wage to 300 baht increase and annual salary increase.

Management expenses in 2013 totaled 1,425.56 million baht, up 100.07 million baht from 1,325.49 million baht, or 7.55 percent, mainly due to the higher salaries among office personnel at the amount of 33.45 million baht, loss from impairment on investment 33.26 million baht, and loss from impairment on immovable assets for investment 8.84 million baht.

Income Tax Expense

In 2013, corporate income tax expense totaled 113.86 million baht, down 93.93 million baht or 45.20 percent compared with 207.79 million baht in previous year. The result of profit before income tax expense decreased due to lower sales and increase in operating expenses, including the 2013 tax rate decreased to 20% from 23% in 2012.

Net Profits

In 2013, the Company reported net profits of 721.91 million baht, down 31.26 percent from last year's record at 1,050.44 million baht, due to no growth in revenue, coupled with increased expenses and effect from the minimum wage increase.

Summary Review of 2012 Operations Compared with 2011.

Company revenues for 2012 totalled 14,405.96 million baht, representing an increase of 7.72% compared with the 2011 figure of 13,373.18 million baht. This resulted from 8.64% increase in sales from 12,825.31 million baht in 2011 to 13,677.44 million baht in 2012. An increase of 19.33% in dividends income from 300.86 million baht in 2011 to 359.02 million baht in 2012, an increase of 1,390.80% in gain from disposal of assets from 7.28 million baht in 2011 to 108.53 million baht in 2012, an increase of 316.97% in gain from disposal of investments from 15.85 million baht in 2011 to Baht 66.09 million baht in 2012 and other incomes in 2012 were recorded at 194.88 million baht compared with 223.88 million baht in 2011 representing a decrease of 12.95% due to interest income decrease amount Baht 17.51 million baht in 2012. Company also reduces short term investment for the purpose of improving in product operation and increasing market share.

Cost of sales in 2012 totalled 8,425.24 million baht, increase of 3.94% compared with the 2011 figure of 8,105.86 million baht. Selling and administrative expenses for 2012 were 4,717.45 million baht representing an increase of 12.79% over 2011 figure of

4,182.38 million baht. Finance cost in 2012 totalled Baht 5.04 million baht, increase of 100% as a result, the total expenses in 2011 totalled 12,288.24 million baht compared with 2012 figure of 13,147.73 million baht, increase of 6.99% while, the total income of the company increase 7.72%. In 2012, selling and administrative expenses increase due to the increasing of minimum wage rate by government policy. At the same time, the company has well organization in administration cost therefore the increasing

In 2012, the Company's revenues increased of 7.72% from the first part of core revenue of company due to more marketing activities and continuous sales promotion have been conducted focusing to reach the consumers. Additionally, another measure adopted is to increase inventories at sufficient amount to meet an intense competition to hold the market share. Another part of revenue comes from profit in investment properties and gain from disposal of investment has been increased, resulting more gain in profit before tax for this year, in spite of the increase in minimum wage rate. In 2012, the amount of consignment goods reduced compared with the year 2011. Income tax rate also decreased from 30% to 23% resulting to the decrease.

3. Analysis of Financial Position

As at December 31, 2013, the company's total assets showed 17,804.82 million baht, decrease from last year by 1,466.99 million baht, or 7.61 percent. Major changes can be summarized, as below:

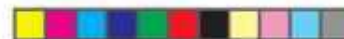
Current Assets

Total of current assets equal to 6,786.08 million baht, or 38.11 percent of total assets, decrease from the record at December 31, 2012 by 627.68 million baht, or 8.47 percent, due to:

- Cash and cash equivalent at December 31, 2013 equal to 170.41 million baht, reduce from the same period last year by 13.99 million baht, or 7.59 percent.
- Trade account receivables at December 31, 2013 equal to 1,852.37 million baht, reduce from December 31, 2012 by 191.27 million baht, or 9.36 percent, due to more settlements of account receivables.
- At December 31, 2013, inventories equal to 4,099.48 million baht reduce from December 31, 2012 by 388.69 million baht, or 8.66 percent, due to the efficiency of inventory management and the lower amount of purchase order.

Non-Current Assets

Non-Current assets were 11,018.74 million baht, or 61.89 percent of total assets. This amount decrease from the record



Management Discussion and Analysis

of previous year by 839.31 million baht, or 7.08 percent, due to:

- Available-for-sale investments for this year reduce from December 31, 2012 by 1,237.26 million baht, or 18.75 percent, due to the unrealized loss from investment in securities for sales of 1,187.91 million baht and set up the impairment loss of investment for 52.68 million baht.
- As a result from investment in new common stock, the number of associated investment increased 120.60 million baht.
- Other long-term investments increased 130.04 million baht consists of investments increase in 169.90 million baht, disposal and recovery of investments of 58.28 million baht and reversal an impairment loss of investment 19.42 million baht.
- Investment properties increased 100.00 million baht, or 10.35 percent, due to purchases of land and building during the year.
- Property, plant and equipment increased 24.85 million baht, or 1.10 percent, due to the company had decoration and expansion of new sales channels such as retail shops.

Liabilities

As at December 31, 2013, the company reported total liabilities of 2,529.59 million baht, decline from the last year by 875.27 million baht, or 25.71 percent. Major changes were as follows:

Current liabilities showed 1,983.60 million baht, or 78.42 percent of total liabilities, which decrease from that of December 31, 2012, by 768.15 million baht, or 27.91 percent. The main reasons of this deduction came from the reducing of trade account payables, income tax payable and short term loan.

Non-current liabilities were 545.79 million baht, or 21.58 percent of total liabilities, which decrease from December 31, 2012 by 107.12 million baht or 16.41 percent. Deferred tax liabilities decreased 161.12 million baht which had affected from gross profit for allowance return of inventory and marketable securities.

Equity

As at December 31, 2013, the company reported total equity as 15,275.23 million baht, reduce from December 31, 2012 by 591.71 million baht, or 3.73 percent. This year, a number of dividends paid were equal to 363.29 million baht, while, a number of fair values in available-for-sale decreased 950.33 million baht. The total of company's net profit had been presented at 721.91 million baht.

4. Asset Quality And Asset Management Capabilities

The company has analyzing process in quality of account receivables by considering from the credit terms of company's debtors. The company regularly presses the claim on payment

of outstanding debts. Moreover, the company always examines an allowance for doubtful account as 1.57 percent of overall trade account receivable. This number reduced 0.06 percent if compares to the previous year. (1.63 percent for 2012)

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

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

Most of property, plant and equipment are the assets accumulated by the company along the past 49 years. The value of property, plant and equipment are worth at the total of 2,276.86 million baht as at December 31, 2013.

Investment properties are asset which the company is holding for gain through rental and sales. At December 31, 2013, the value of investment properties has the value of 1,065.63 million baht.

Investment as at December 31, 2013, the company has an unearned profit due to change in fair value of assets worth as 2,995.99 million baht. This is shown in owner's equity part. The returns on dividends are in the rate of 9.97 per year for the year 2013. (9.62 percent per year for 2012) In managing the company's investment, there was an appointment of personnel working in the joint-venture or in the investment company to perform as a control center of investment which monitor and analysis the financial statement of invested company. There are requirements to immediately report of any abnormal condition or crisis situation in order to prevent for any loss.

The company gives priority to merchandise management and respond to the change in customers' and consumers' needs. There is a development in CPER (Collaborative Planning, Forecasting and Replenishment) to plan, forecast and calculate appropriate replenishment quantities for stores. Moreover, OLAP system (Online Analytical Processing) has been established to analyze and report the movement of inventory. Consumer's needs are closely monitored in order to benefit from the efficiency of production and good distribution.

Management Discussion and Analysis

5. Adequate Liquidity

Year	Liquidity ratio	Liquidity ratio of cash flow	Cash increase (decrease) from operation in the Statements of Cash Flows
2013	3.42	0.37	880.86
2012	2.69	(0.16)	(398.55)
2011	2.84	(0.03)	(68.97)

Regarding the liquidity ratio, an increasing liquidity was shown while the amount of current assets was higher than the current liabilities. In 2013 the liquidity ratio was 3.42 times compared with 2.69 times in 2012, representing an increase of 0.73 times. The liquidity ratio of cash flow in 2013 was 0.37 times compared with (0.16) times in 2012, representing an increase of 0.53 times. This resulted from an increase cash flow from operation of 1,279.41 million baht compared with (398.55) million baht in 2012, equivalent to a total decrease of 880.86 million baht, due to following reasons :

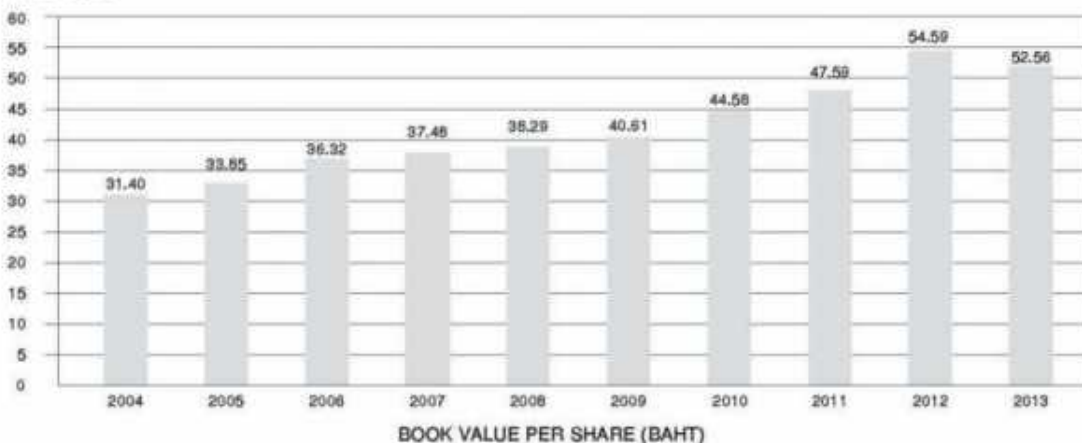
1. In 2013, the company received payment of trade accounts receivable and other accounts receivable over last year in the amount of 376.44 million baht.
2. In 2013, the company paid to the amount of payment for trade accounts payable and goods was less than those in 2012 at the total amount 956.88 million baht.
3. In 2013, payment for other debts was less than those in 2012 at the total amount 51.97 million baht.
4. In 2013, payment for other assets was more than those in 2012 at the total amount 54.25 million baht.
5. In 2013, the company has cash received after deduction of operating expenses decreased at the total amount 56.19 million baht.

The company's primary sources of funding come from two sources: 1) cash generated from operating activities, 2) cash generated investment activities in properties and in common shares (the company generates revenue from leasing, sale of investment properties and dividends from shares). The company can manage its liquidity better by increasing its liquidity ratio in 2013 compared to the previous year. It can spend money on business operations without the use of money from outside funding sources. It also has to pay a dividend to shareholders regularly.

6. Factors Affecting The Results of Future Operations

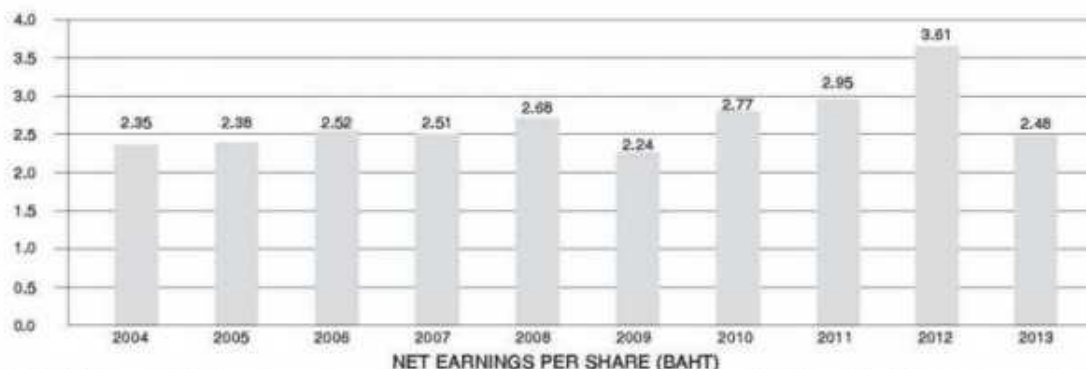
Year	Earning to revenues	Earning from operation	Earning to equity	Earning per share	Price/earning ratio
2013	5.18	6.27	4.64	2.48	15.73
2012	7.29	9.20	7.07	3.61	11.63
2011	6.41	6.46	5.65	2.95	15.25

In 2013 the Company gained 6.27 percent earning from operation compared with 9.20 percent in 2012 or 2.93 percent decrease. Earnings per share in 2013 was 2.48 baht compared with 3.61 baht in 2012 or 1.13 baht decrease. Earning to revenues for the year 2013 was 5.18 percent compared with 7.29 percent in 2012 or 2.11 percent decrease and earning to equity was 4.64 percent in 2013 compared with 7.07 percent in 2012 or decrease of 2.43 percent. This is due to gaining more income on disposal of assets and investment in 2013 than in 2012. Another impact of the minimum wage, resulting a decrease of ability to make an earnings in 2013 less than 2012.



NOTE : In 2011-2012, the company has calculated book value per share due to the restated financial statements in accordance with TAS 12 Income Taxes.

Management Discussion and Analysis



NOTE : In 2011-2012, the company has calculated book value per share due to the restated financial statements, in accordance with TAS 12 Income Taxes.

7. Operating Cycle Days

Year	Inventories coverage	Collection period	Payment period	Operating cycle days
2013	189.13	53.47	59.02	183.58
2012	176.30	52.20	63.42	165.08
2011	152.56	51.14	63.23	140.47

In 2013, the operating cycle days were 18.50 days longer than those in 2012, from 183.58 days to 165.08 days, due to following reasons :

1. Period of inventories coverage (period of goods selling) increased from 176.30 days in 2012 to 189.13 days in 2013, representing a total of 12.83 days longer period due to the economic slowdown, effect to decreasing of sales and slow down to release goods according to the company's plan.
2. The collection period in 2013 was 53.47 days while in 2012 was 52.20 which was 1.27 days longer.
3. Payment period in 2013 was 59.02 days while in 2012 was 63.42 days, by 4.40 days shorter, which was rather stable. This was due to the data base for calculation. The payment of trade accounts payable has always been made in accordance with the agreement entered with the creditors no matter how good or bad the economy situation would occur. This was a part of the Company policy in taking care of the stakeholder.

8. Obligations Liabile to Financial Situation/Result of Operation

Details are stated in the note to the Financial Statements No.30: Commitments with non-related parties page 179 in this Annual Report.

9. Factors Affecting The Results of Future Operations

The Company has a policy of expanding sales channels, and consistently focusing in marketing activities, including selling good quality products. However, there are factors that may affect future operating results as follows:

- Economic conditions in the country without prospects for improvement and political instability make consumers cautious in their spending.
- High competition in local market and many new international brands for consumers need.
- Consumers' demand changes rapidly where they seek value for the money as well as convenience of new distribution channels.

The Audit Committee's Corporate Governance Activity Report

The Audit Committee of I.C.C. International Public Company Limited, comprising of Thirapong Vikitset Ph.D., as Chairman and Mr. Amorn Asvanunt, Pol. Gen. Somchai Prabhasabhakdi and Mrs. Duangphorn Sucharittanuwat as committee members, and Mrs. Duangrudee Milintangul as Secretary, has the responsibility of overseeing and assessing; recommending the appointment of an external auditor to the Company; and undertaking other duties as assigned by the Board of Directors.

In 2013, the Audit Committee arranged 12 meetings by inviting the Company's Vice President Accounting and Finance, Vice Presidents of all divisions of the Company, the representatives of KPMG Phoomchai Audit Co., Ltd. which was appointed as the auditor of the company since 2012 and the representatives of Dharmniti Auditing Co., Ltd., the Company's internal audit consultant. During the meetings, they jointly considered the relevant agenda as well as reviewing and discussing financial statements, corporate internal control systems, related transactions, risk management, financial information disclosure with a substantial summary as following:

- 1) The Audit Committee agreed with the conclusions of the representatives of KPMG Phoomchai Audit Co., Ltd. which mentioned that the Company's financial statements were accurate with some significant issues summarized in the Notes of Financial Statements.
- 2) The Audit Committee and Dharmniti Auditing Co., Ltd. agreed that I.C.C. International Public Company Limited has adequate and appropriate Inter Control Systems.
- 3) The Audit Committee reviewed all related transactions based on their transparency, anticipated interests of ICC in accordance with market situation, and conflicts of interest of related parties. The Audit Committee submitted 8 case of related transactions to the Board of Directors for approval.
- 4) Review of actions in compliance with the Securities and Exchange Act, regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand including other laws governing business operations of the company.

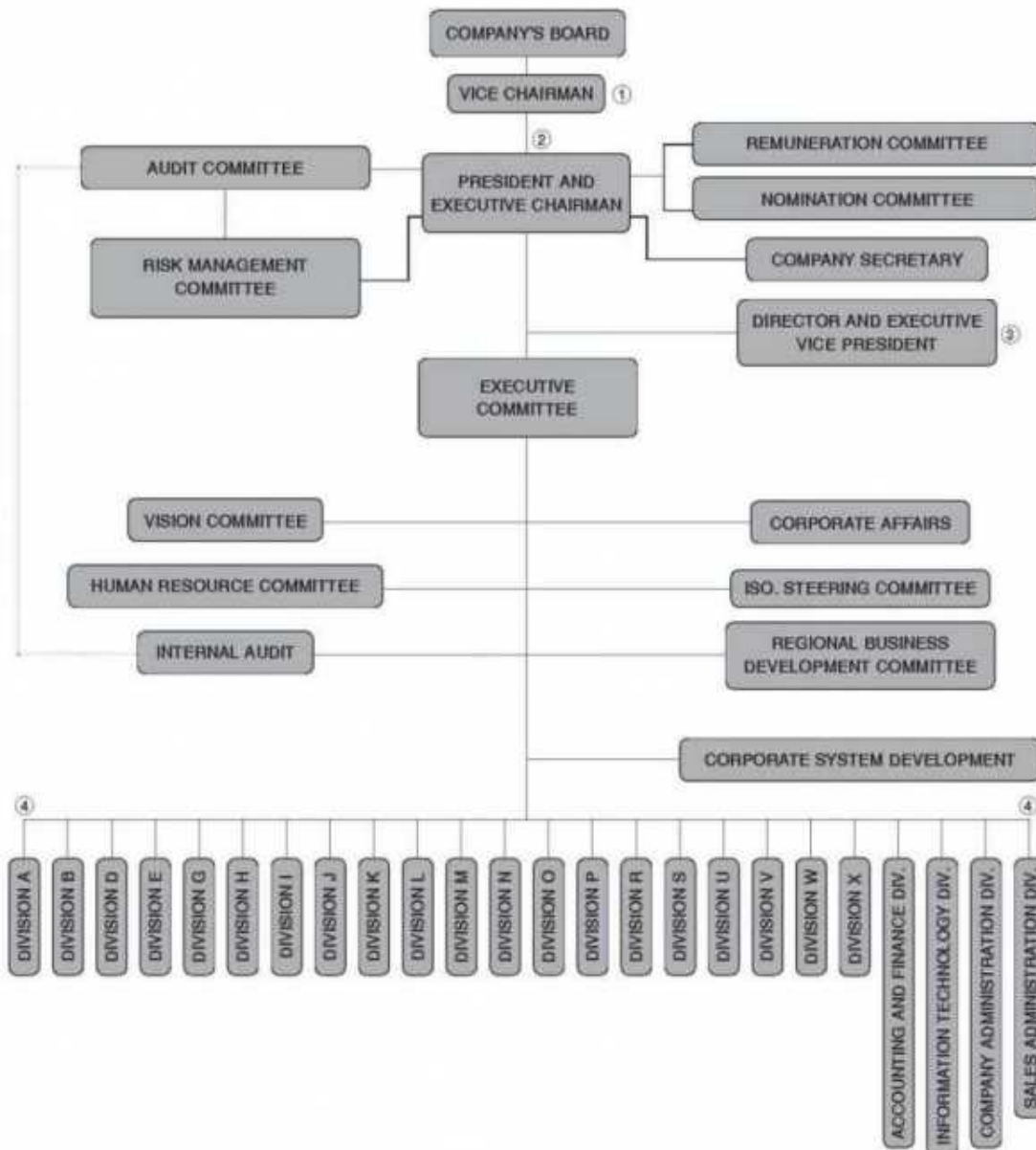


(Thirapong Vikitset Ph.D.)
Chairman of the Audit Committee

Structure of Management

Structure of Organizational Management

The organizational management structure as of December 31, 2013 has been publicized via the company's website <http://www.icc.co.th>



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

Structure of Management

Board of Directors

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

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

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

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

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

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

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

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

Name list and position including number of meeting and number of attendance are shown on page 86-89 of this annual report.

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

Taking position of the company's directors, executives and authorized persons in the related companies can be observed on page 90-93 of this annual report.

The Authority of Board of Directors

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

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

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

Company Secretary : Mrs. Duangrudee Milintanggul

Roles, Duties, and Responsibilities of the Board of Directors

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

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

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

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

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

Structure of Management

Executive Directors

As of 31 December 2013, the Company has 18 executives. The list of executives and their respective responsibilities, shareholding and meetings of the Board of Directors is shown on page 88-89 in this annual report.

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

Company's Secretary

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

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

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

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

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

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

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

8. To provide and keep the following documents;

- Directors registration
- Invitation letter and Minutes of the Board of Directors' meeting
- Invitation letter and Minutes of Shareholders' meeting
- Report on the Company's shares trading of the Directors and Executives
- Annual report
- Form 56-1

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

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

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

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

Profile in brief

Name-Surname : Mrs. Duangrudee Milintanggul

Education : Bachelor in Business Administrations & Economics, Kasetsart University

Training Background :

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

Work Experience :

Present

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

Former

- | | |
|-----------|--|
| 2532-2538 | Sales & Marketing ; Bayer Thai Co., Ltd. |
| 2538-2545 | Registered Auditor (QMS, EMS, SA 8000) ; SGS (Thailand) Ltd. |
| 2545-2546 | Registered Auditor (QMS, EMS, SA 8000) ; RWTUV (Thailand) Ltd. |

Structure of Management

Remuneration Directors and Executives

1. The 2013 monetary remuneration for the operating year 2012

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

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

Name	Position	Remuneration Directors * (Baht)			
		(A) Board of Director	(B) Audit Committee	(B) Remuneration Committee/ Nomination Committee/ Risk Management Committee	Total
1. Som Chaturipitak, Ph.D.	Chairman	6,316,000			6,316,000
2. Boonsithi Chokwatana	Vice Chairman Advisor to the Executive Board of Directors Nomination Chairman	2,072,000		18,000	2,090,000
3. Boonkiet Chokwatana	President and Executive Chairman Remuneration Chairman Nomination Director	2,072,000		30,000	2,102,000
4. Thiraphong Vikitsat, Ph.D.	Audit Chairman and Independent Director	522,000	66,000		588,000
5. Thamarat Chokwatana	Director and Executive Vice President Remuneration Director Nomination Director Risk Management Director	1,072,000		60,000	1,132,000
6. Amorn Asvanunt	Independent Director and Audit Committee Member Risk Management Director	510,000	42,000	18,000	570,000
7. Pol.Gen. Somchai Prabhasabhakdi	Independent Director and Audit Committee Member	466,000	66,000		532,000
8. Duangphorn Sucharitanuwat	Independent Director and Audit Committee Member	460,000	66,000		526,000
9. Manu Leelanuwatana	Director Nomination Director	460,000		18,000	478,000
10. Vira Ua-Arak	Director	472,000			472,000
11. Somphol Chaisiroj	Director	1,060,000			1,060,000
Total		15,482,000	240,000	144,000	15,866,000

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

(b) Remuneration for the executive directors and the first 4 directors of the executive board ranking from manager total and the equal ranks to the 4th executive totaling 18 persons amounted Baht 71,559,606 including salary, annuity, allowance and conference allowance.

2. Other kind of remuneration

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

Structure of Management

Provident Fund

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

Criteria to consider directors' remuneration are as follow

1. To perform duties of Company's director
 - Annual Remuneration (Gratuity) paid to every directors.
 - Conference Allowance paid to attending directors.
 - Chairman 10,000 baht / one meeting
 - Director 8,000 baht / one meeting
 - Director fee (only paid to the Chairman)
2. To perform duties of Audit Committee.
 - Conference Allowance paid to attending directors.
 - Chairman 10,000 baht / one meeting
 - Director 8,000 baht / one meeting

3. To perform duties of Nomination Committee, Remuneration Committee and Risk Management Committee conference allowance shall be paid to attending directors at Baht 8,000 each per meeting.

Benefits, Shares, Debentures awarded to Directors by the Company in 2013

-None-

Other privileges awarded to Directors by the Company

-None-

Details reported to the Company by Directors

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

-None-

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

- Shares held by Directors and Executives in the company increase / decrease during the past year as Chart displaying Directors and attendance to the meetings as stated in the page 88-89 of this annual report.

- Shares held by Directors in the affiliated companies.

-None-

Human resource

As of 31 December 2013, the Company has 7,767 employees and makes payments of 2,079,121,164 Baht in salary, commission, transportation cost, allowance, overtime, incentive and bonus.

Number of employee and remuneration

Description	Number of employees	Remuneration (Baht)
Office Staffs	1,980	807,236,036
Sales persons	5,787	1,271,885,128
Total	7,767	2,079,121,164

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

-None-

Policy in human resource development

In 2013, the Company has a mission and major policy in developing the corporate human resource in relation with the Corporate Strategy, so as to keep abreast with competitions and changing business. Targets in human resource development are well-defined at all levels according to competency and career path.

Policies and activities for human resource development according to the corporate social responsibilities on page 29 in this annual report.

Structure of Management

Chart displaying Directors and Executives' position, shareowning and attendance to the meetings

Name	Office period of company's Directors (and Dec 31,12) (years)	Position					
		Board of Directors (BOD)	Audit Committee (AC)	Remuneration Committee (RC)	Nomination Committee (NC)	Risk Management Committee (RMC)	Executive Committee (EC)
1. Son Chaturong, Ph.D.	16	Chairman					
2. Boonlert Chokwattana	22	Vice Chairman			Chairman		Advisor to the Executive Board of Directors
3. Boonlert Chokwattana	40	President and Executive Chairman		Chairman	✓		President and Executive Chairman
4. Thiraphong Waiset, Ph.D.	14	✓	Chairman				
5. Thiamet Chokwattana	14	Director and Executive Vice President		✓	✓	✓	Director and Executive Vice President and Vice President Div G, P, X
6. Anon Aevanunt	33	✓	✓			Chairman	
7. Pol-Dan, Somchai Pichasakulchai	9	✓	✓				
8. Duangthorn Suchatitornwatt	2	✓	✓				
9. Manu Laksanawattana	9	✓			✓		
10. Vira Us-Arak	9	✓					
11. Somphol Chaweng	4	✓					Director and Vice President Div W
12. Ramda Russel Mahasarakhan							Vice President Div B
13. Kityaporn Chachawongwattana							Vice President Div D
14. Pisamai Chumman							Vice President Div I
15. Somrat Chakwattana							Vice President Div J
16. Pairoj Hirunwongwattana						✓	Vice President Div R and Vice President Sales Administration Div
17. Chalerat Manonpol							Vice President Div S
18. Pannapha Chansamut, Ph.D.							Vice President Div V
19. Nuttaphat Pachrasataporn						✓	Vice President Accounting, Finance Div
20. Muthukarn Tinsongkiet				✓	✓	✓	Vice President Company Administration Div
21. Khentorn Supanond							
22. Somchit Tachakornrak							
23. Nongsak Tachakornrak							
24. Sunat Wongnatsaporn, Ph.D.							
25. Aruchit Jurekarn							
26. Pichai Pochanontarat						✓	
27. Duangruek Mitrangkul						✓	
Total		11	4	3	5	7	13

- Notes :**
- ① 25 has taken the office as a member of Executive Committee since 1, June 2013.
 - ② 24 has taken the office as a member of Executive Committee since 1, May 2013.
 - ③ 23 is no longer a member of Executive Committee since 28, May 2013.
 - ④ Company's executives as announced by The Securities and Exchange Commission (SEC).
 - ⑤ Including shareowning by the spouse and minor children.
 - ⑥ number of meeting attended by the Board of Directors and executives are based on their year of service since being elected during the shareholders' meeting by taking into account of the meeting date which regularly falls in April of every year.

Structure of Management

A Executives	B Shareowner by Divisions and Executives			C จำนวนครั้งที่เข้าประชุม							Attendance to the 48 th shareholders' meeting 2013
	as of December 31		Increase / (Decrease)	BOD's meeting 12 meetings/ year	AC's meeting 12 meetings/ year	RC's meeting 2 meetings/ year	NC's meeting 3 meetings/ year	RMC's meeting 6 meetings/ year	EC's meeting		
	2013	2012							Primary Meeting 34 meetings/ year	Secondary Meeting 25 meetings/ year	
	-	-	-	11/12							✓
✓	8,565,340	8,565,340	-	12/12			3/3		24/34		✓
✓	4,043,230	3,842,430	200,800	11/12		2/2	3/3		27/34	22/25	✓
	-	-	-	12/12	12/12						✓
	396,811	396,811	-	12/12		2/2	3/3	3/6	25/34	20/25	✓
	-	-	-	10/12	9/12			6/6			✓
	-	-	-	11/12	12/12						✓
	-	-	-	10/12	12/12						✓
	1,075,290	1,075,290	-	10/12			3/3				✓
	812,320	812,320	-	12/12							✓
✓	83,340	83,340	-	10/12					24/34	21/25	✓
✓	10,000	10,000	-						29/34	23/25	✓
✓	7,480,260	7,480,260	-						21/34	17/25	✓
✓	21,130	21,130	-						29/34	18/25	✓
✓	88,090	88,090	-						30/34	24/25	✓
✓	6,400	6,400	-					6/6	30/34	24/25	✓
✓	1,480	1,480	-						23/34	25/25	✓
✓	16,100	16,100	-						30/34	24/25	✓
✓	35,000	35,000	-					6/6	30/34	24/25	✓
✓	102,510	102,510	-			2/2	3/3	6/6	31/34	25/25	✓
Vice President Div A	940	940	-								
Vice President Div H	1,130	1,130	-								✓
Vice President Div M, O	-	-	-								✓
Vice President Div Information and Technology											
Vice President Div											
	-	-	-					6/6			✓
	-	-	-					6/6			✓
18	20,482,451	20,282,621	200,830								24



Structure of Management

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

Companies	Position										
	Som Chaiwongkiet Ph.D.	Boonutti Chokwatana	Boonkit Chokwatana	Thammar Chokwatana	Thiraphong Vithut Ph.D.	Amorn Aroonmurt	Pol Gen. Somchai Petchsathai	Duangthorn Suchatthanasorn	Manu Laksanawongse	Vira Uthairak	Somphol Chakraborty
1. I.C.C. International	A	B	C, E	DC	AC	AC	AC	AC	F	F	I
2. Textile Prestige									A		
3. Thai President Foods		A									
4. Thai Woollen				F					A		
5. Thanulux		EC									
6. People's Garment			A			AC					
7. Far East DOB						AC					
8. Saphathapibul		EC									
9. Saha Pathana Inter-holding		F	F						F		
10. S & J International Enterprises			A								
11. O.C.C.									F		
12. Champ Ace			A	F							
13. International Laboratories		A		F							
14. The Hoover Industry		A									
15. I.D.F.											
16. International Commercial Coordination		A	F	F					F		
17. Can			F	F						F	A
18. Pan Asia Footwear			A								
19. Bangkok Tokyo Socks									F		
20. First United Industry				F							
21. Kora Wattana			F							F	F
22. Sun and Sand			F							F	A
23. Silver Rain											
24. D.F. Inter				F					A		
25. Treasure Hill			F	F							
26. Thai Gunze									A		
27. Tiger Distribution & Logistics			A	F							
28. Thai Cubic Technology			A								
29. Better Way (Thailand)			A		F						
30. Pakrumpo Wattana			F							F	F
31. Mahachapreuk			F							F	F
32. Sukhatarane			A								
33. Thai Tokin			A								
34. Intersouth			F	F						F	
35. Interin Chingmai			F	F						F	
36. Eastern I.C.C.			F							F	F

Remark: A = Chairman, B = Vice Chairman, C = President, AC = Audit Committee Chairman, EC = Director Advisor
D = Director Manager, E = Executive Chairman, F = Director, DC = Director and Executive Vice President, DE = Vice President
Q = Chairman of Advisory Board, I = Vice President Division, EG = Honorary Chairman



Structure of Management

Position												
Klatsom Suyensat	Pemda Rusuli Mancanatan	Kityapom Chathavom- satian	Somchit Thithahomak	Pisamal Chummen	Somkil Chakam- noring	Nonglek Techatoom- anek	Chalit Menoonpot	Pannapha Chansamit D.S.A.	Puioj Hunwong sawang	Hutaphat Pachha- tanapom	Muchua Tompom- pajet	Surat Wongkhan- japom Ph.D.
I	I	I	I	I	I	I	I	I	I	I	I	I
								F				
				F			F					
							F					
							D					
		F										
						A						
									F			
					A				F			
									F	F	F	
				F								
				D								
									F			
					F				A	F		
					F				F			
	F	F								F		
	F									E		F
									A			
		F							F	F		
									A	F	F	

Structure of Management

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

Companies	Position										
	Som Chaturongkiet Ph.D.	Boonlitti Chokwattana	Boonlitti Chokwattana	Thammar Chokwattana	Thiraphong Vithut Ph.D.	Amorn Aroonmurt	Pol Gen. Somchai Petchsathai	Duangthorn Suchatthanasawat	Manu Laksanawongse	Vira Uth-Arak	Sompol Chakirak
37. Raja Uchino		FC							A		
38. Thai Aruba				F					A		
39. Janome (Thailand)									A		
40. Pattaya Manufacturing									A		
41. Grand Star Industry									A		
42. Wen International									A		
43. Thai Tokiya									A		
44. Top Trend Manufacturing			A								
45. Thai Stallor									A		
46. H & B Interlex			A								
47. Total Way Image											
48. Sahacogen (Chamburi)		F	F			AC	AC				
49. Thai Shikbo									F		
50. Vira Law Office										D	
51. Sun 105			F	F							
52. Shazedo Professional (Thailand)		F									
53. SSDC (Tigerlex)		FC							A		
54. Thai Secam Plakki									F		
55. Sahachol Food Supplies		F		F							
56. Erwan Textile		F							F		
57. Thai Sports Garment			A								
58. S R P Phrasai											
59. International Leather Fashion											
60. K.Commercial and Construction		G	A								
61. Sahapat Real Estate		A		F							
62. Pena Marketing and Distribution				F							
63. United Utilities		F	A.D								
64. Saha Nam Textile		A									
65. Tsuruha (Thailand)		A		DE							



Structure of Management

Position												
Kiatkorn Suyehnd	Pemda Rusali Maneratan	Kityaporn Chaitheum- sathien	Somchit Thitthirornet	Pisamai Chumman	Somkit Chakranon- nontong	Nongkai Teetsoo- anek	Chalut Meeonpot	Pannapha Chansamit D.S.A.	Pairoj Hunwong sawang	Hutaphat Pachra- tanaporn	Muchua Tongpoo- piet	Suri Wongkhan- japorn Ph.D.
				D								
												F
		F					D					
					F							
										F		
							F					
F						D						
								D				
									F			

Corporate Governance

Corporate Governance

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

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

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

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

ICC Board of Directors, executives and employees at all levels have seriously concerned to practice according to the Good Corporate Governance Principles, and strived to develop it continually. Several accolades were therefore granted to the company in recognition of such efforts in 2013 as follows:

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

Association with total score of 100, is classified at "Excellence and Exemplary" level for five consecutive years.

Corporate Governance Policies

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

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

1. Company Directors, Executives and all employees are fully committed to the application of corporate governance principles, business ethics and Codes of Conduct for Company Directors, Executives and employees to Company operations.
2. Company Directors, Executives and all employees must perform their duties responsibly, prudently, earnestly and honestly in accordance with the relevant laws, Company Articles and Notifications.
3. Actions shall be taken to ensure that the Company management structure contains clear prescriptions of powers, duties and responsibilities of each Company Committees and Executives.
4. An internal control system shall be installed and risks management shall be managed at suitable levels, including an accounting system and financial statement which are accurate and reliable.
5. Information shall be disclosed in a sufficient, reliable and timely matter to the extent that the legitimate interests of the Company are not prejudiced.
6. The ownership rights of shareholders shall be appreciated and respected. Shareholders shall be treated equitably.
7. Undertakings shall have regard to the responsibilities of shareholders, stakeholders, communities, society and the environment.



Corporate Governance

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.

In 2013, the Company continues to administrate conformably to the principle of good corporate governance for companies registered to the Stock Exchange of Thailand for the year 2013, which covers following 5 topics :

1. Shareowner's Right

Realizing the importance of shareowners and respect to the ownership rights, the Company's Board of Directors has then set up a policy which covers upon the protection of shareowners' right, to ensure that all shareowners being equally provided with equal and fair treatment to each and every one, as specified in the Company's articles of association and business ethics with the fundamental rights. The Company takes into consideration the shareowners' legal right, without encroaching or lessening it. The basic rights of the shareowners are as follows :

- The right to own, trade and transfer the shares.
- The right to attend the shareowners' meeting.
- The right to appoint a proxy to attend the meeting and to vote on one's behalf.
- The right to vote and jointly make decision on crucial matters
- The right to receive dividends on an equal basis.
- The right to elect the Company's board of directors, and determine their remuneration.
- The right to appoint auditors and determine their remuneration.
- The right to give comments and questions during the Shareowners' meetings, as well as to receive sufficient information timely and equally.
- Granting of equal repurchase rights of the company's shares to all shareowners.

- The right to regularly and timely receive the information, business performance and management policies, including the information on related transaction, important asset trading, and the information to be used in the shareowners' meeting, i.e. name list of the Company's top ten shareowners as of the closing date for the general shareowners' meeting, the minutes of shareowners' meeting within 14 days after the meeting date, portions of minor shareowners, including necessary information for their decision making. All these information must be distributed both in Thai and English via the channel of the Stock Exchange of Thailand and the Company's website (<http://www.icc.co.th>).

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

1.1 The Annual General Shareowners' Meeting

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

The Board of Directors have considered as important responsibility to arrange the General Shareowners' meeting on a yearly basis within 120 days after the end of the Company's fiscal year at a convenient date, time and proper place for every shareowner in order to allow them to participate in monitoring and supervising the company's operation. In case of urgent matter or a special agenda needed to be submitted, or there is a matter that might affect shareowners' benefits, rules or regulations to be enforced which require shareowners' approval, the company shall arrange an extra-ordinary meeting as the case may be. During the Shareowners' meeting, the company has strictly conducted by abiding according to the AGM checklist of the Securities and Exchange Commission.

In 2013, the 48th General Shareowners' Meeting was held on April 22, 2013 at Montien Riverside Hotel, where the meeting is annually held to prevent Shareowners' confusion. A clear and easy-to-read road map of the venue was attached to the invitation letter.

Corporate Governance

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

Before the Annual General Meeting (AGM)

1. The agenda and details of the meeting in both Thai and English have been informed to all shareowners via the channel of the Stock Exchange of Thailand since February 26, 2013, approximately two months prior the meeting in order that the shareowners can arrange their available time to attend the meeting. The information about this meeting was also published on the Company's website.

2. The Company has sent out an invitation letter with sufficient detailed documents containing facts with explanation and reasons clearly defined whether it is for acknowledgement or for approval including the board of directors' comments for each agenda. This was processed on April 1, 2013 which is 21 days prior to the meeting date in order to allow the shareowners to consider the up-front information. Enclosed with this letter were the meeting agenda, annual report, financial statement, proxy Form B, information on eligible candidates for the Board and a map of the meeting venue together with explanation and necessary documents needed to present to the meeting, including the procedure to attend the meeting for maintaining their rights and regulation concerning the general shareowners' meeting. These documents were complete and sufficient to support Shareowners to make decision and vote for each agenda. (the information of each agenda is available in the invitation letter which is distributed on the Company's website). The invitation letter was also announced in Thai newspapers for 3 consecutive days during April 8-10, 2013-thirteen days prior to the meeting date.

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

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

for inclusion on the AGM agenda and/or to propose qualified candidates for election as the company's directors.

In the general shareowners' meeting for the year 2014, the Company has provided an opportunity for shareowners to propose any agenda to the 49th general shareowners' meeting and to nominate any person to be elected as a member of the board of directors during December 1-30, 2013, prior to the meeting by submitting to Mrs. Duangrudee Milintanggul, the Company's Secretary for further procedure. This process would be publicized in both English and Thai language via the channel of the Stock Exchange of Thailand and the Company's website. However after the due date, there was no agenda to be proposed by shareowner in the 49th general shareowners' meeting and no candidate has been nominated to be elected as a member of the board.

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

During the AGM

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

In the 48th general shareowners' meeting held on April 22, 2013, eleven members of the Board of Directors have all attended the meeting, including the chairman of the board and the chairman of the five committees. The audit committee, the remuneration committee, the nomination committee, and the risk management committee were all present. Members of executive board, management team, the President and Vice President of Accounting, Finance and Information Technology as well as the Company's auditors were present at the meeting. The name list with title of all Company board, committee and executives who attended the shareowners' meeting can be found in the minutes published on the Company's website (<http://www.icc.co.th>).

2. All shareowners have been equally treated. At the commencement of the meeting, the chairman gives a brief of all rules and regulations as well as the method for voting and counting votes on each item of the agenda in accordance with

Corporate Governance

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

At the last meeting, the President and Executive Chairman offered the chance of inquiry but no questions from shareowners were received, except for the Agenda 4.1 which the Vice Chairman and the President & Executive Chairman already provided clear and complete reply to them. Details can be observed from the minutes of the 48th general shareowners' meeting 2013 which has been publicized in the Company's website.

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

In the 48th general shareowners' meeting held on April 22, 2013, the barcode system was used for registration and votes counting to facilitate with quick response to the participating shareowners.

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

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

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

Followings are 2013 results of voting in each agenda.

Agenda	Approval			Disapproval			Abstention		
	Number of persons	No. of shares	%	Number of persons	No. of shares	%	Number of persons	No. of shares	%
1-4	191	244,751,030	100.00	-	-	-	-	-	-
5	188	241,734,100	98.74	6	3,063,100	1.26	-	-	-
6	195	244,837,300	100.00	-	-	-	-	-	-

(Three more shareowners attended the meeting before entering to the agenda No. 5 whereas one more shareowner attended the meeting before entering to the agenda No. 6) More information can be observed from the minutes of the general shareowners' meeting publicized via the company's website (<http://www.icc.co.th>)

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

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

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

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

- Profit allocation was considered in different items of the agenda

- Dividend payment and allocation of profit as reserve item.

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

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

- **Dividend payment** : the Company provides details of the profit appropriation, the proposed dividend payment ratio with reason and related documents to comply with the dividend payment policy of the company and to provide dividend payment comparison between this year and last year, as well as indicating

Corporate Governance

the record date for eligible shareowners to receive dividend, the closing date for shares transfer registration and the dividend payment date.

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

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

In 2014, the Company has given right to shareowners to nominate candidate(s) to be elected as the Company's directors prior to the 49th general shareowners' meeting 2014. Details are as per item No. 3 Before AGM (Right of Shareowners) on page 96 in this Annual Report.

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

The payment amount was considered by the remuneration committee. The policy and criteria of remuneration are stated on page 86-87 in this annual report. Furthermore, the Company has announced the approved amount and the actual payment amount, along with the payment method of the last year remuneration. Also a summary of the amount paid to the Company's board of directors, audit committee and executives individually, was stated in the form 56 -1 on page 86-87 and 107-108 in this annual report.

- **The appointment of the Company's auditor and auditing fee :** The Company provides all details of the auditors such as auditor's name, auditor office, experience, capability, independency of the auditor, the number of terms/years on duty, reasons for change of auditor, and auditor's fee, including

comparison information on auditing fee between last year and this year which passes the consideration of the Audit Committee.

After the AGM

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

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

1.2 Structure of Shares owning

1. In the year 2013, the board of directors and executives, including their spouses and minor children, hold the Company's shares totaling 7.05%, which does not exceed 25% of the Company's sold-out shares, and the proportion of free float share-holding is at 38.82%, which is higher than 25% of the Company's sold-out shares.

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

Nonetheless, the Company has not developed a mechanism to prevent domination of business, which will allow management or authorized persons to use it as self protection in case that the administration is inefficient or not transparent. In 2013, the Company disclosed the structure of related businesses with similar or related natures, or having cross shareowning structures on page 56 of this Annual Report. Similar information was also posted on the Company's website.

Corporate Governance

2. The Shareowners' Right to Equitable Treatment

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

2.1 Usage of right to attend the meeting

1. In the Annual General Shareowners' Meeting, the company provided a procedure and channel as to create opportunities for minor shareowners to propose qualified candidates for director election. The shareowners were allowed to submit their proposals before the AGM meeting date. The Board of Directors determined the consideration criteria, as well as channels and timeline for submission of their proposals. Such information, both in Thai and English versions, was distributed through channels of SET and the company's website. Details as per Item 3; Before the AGM (Rights of Shareowners), on page 96 of the Annual Report for the year 2014.

2. In the 48th general shareowners' meeting held on April 22, 2013, the invitation letter has been sent to shareowners on April 1, 2013-21 days prior to the meeting date, in order to facilitate both local, foreign shareowners and institutional investors to have time to study details of each agenda item and appoint other person as a proxy to attend and vote on their behalf in case that they are unavailable to attend the meeting.

For the 49th general shareowners' meeting held on April 21, 2014, the Company will send out an invitation letter with all related documents as enclosure on April 1, 2014 which is 21 days prior to the meeting date. The enclosed documents comprise with the meeting agenda, annual report, financial statement, proxy form B, proxy procedure, information on eligible candidates for the Board and a map of the meeting venue. These documents will be complete and sufficient to help shareowner in preparing correct documents and making decisions for voting on each item of the agenda.

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

Furthermore, the details of an invitation letter with all meeting documents which present the same written information as that sent to the shareowners in both Thai and English versions have also been published via the Company's website (<http://www.>

[icc.co.th](http://www.icc.co.th)), 30 days ahead of the meeting date, since March 20, 2013. This allows the Thai and foreign shareowners to access into the Company information conveniently and rapidly, including having more time to consider it.

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

In the 48th general shareowners' meeting held on April 22, 2013

	persons	No. of shares	% (shares)
Shareowners as listed in share registration	1,987	290,633,730	100.00
Total number of attendees	195	244,837,300	84.24
Attended by oneself	76	30,070,164	10.34
Proxy	119	214,767,136	73.90
- Proxy to audit committee	14	4,614,900	1.59
- Proxy to individual	105	210,152,156	72.31

4. The right to vote in the meeting is according to number of shares owned by shareowners. One share equals to one vote.

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

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

2.2 Supervision for the Internal Information Usage

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

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

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

The company has both policies and measures to supervise the internal use of data, the trading and holding of securities, as well as the report of conflict of interests of directors and executives. Details can be found on page 118-119 in this annual report. It is also stated in the company's business ethics to be implemented to the company and shareowners. It's also been specified in code of conduct for company directors, executives and employees.

In 2013, the above-mentioned topics have been stipulated in the Company's working regulation. The highest disciplinary punishment for violation is dismissal from the Company. All the regulations had been followed by all directors, executives and staff at all levels in 2013.

2.3 Conflict of interest

The Company carefully and reasonably manages conflict of interest with consideration on the highest benefit towards the Company. Pricing follows fair trading conditions as trading with external persons. The Company sets operational system with

transparency and follow the regulation of the Stock Exchange of Thailand by setting good corporate governance including setting in the ethics towards the Company and shareowners. The disclosure of information is provided in order to create equal information acknowledgement to everyone.

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

Related transactions likely incur conflicts of interest when compared to the total income is equal 4.90% or when compared to total expense, is equal to 13.52% which is lower than 25 percent.

Furthermore, the Company has the measure to control the related transaction and limit financial support for non subsidiary company. Giving loan or guarantee shall be done according to a share-owning proportion in compliance with joint-venture agreement. The related transactions in 2013 have been disclosed on page 125-127 of this annual report with complete, sufficient and transparent information.

In 2013, there were neither related transactions nor trading of assets that violated and/or not follow the regulations of SET or SEC.

3. Role of Stakeholders

The Board of Directors appreciates and respects the rights of various stakeholders by having regard to rights under the law or agreement with the Company. Stakeholders are ensured that their rights are protected and that they are treated fairly and equitably. A policy has been prescribed as a guideline for the treatment of each stakeholder group, which has also taken into



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consideration the community, society and the environment, to promote sustainable development, suppress dishonest acts and corruption, avoid intellectual property infringements, including giving due respect to human rights.

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

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

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

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

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

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

The Company has policies and directions regarding the treatments of interested parties, anti-corruption, anti-copyright violation, as well as the observation of human rights. Details of corporate social responsibility can be found on page 24-35 of this annual report.

In 2013, there were no complaints or petitions from stakeholders.

4. Information Disclosure and Transparency

The Board of Directors oversees that there is proper, transparent and timely disclosure of significant information in accordance with the relevant laws and regulations. These disclosures include reports filed in accordance with accounting periods and reports of events having an impact on shareholders' interests, as well as the disclosure of other information pursuant to the principles of good corporate governance prescribed by the Stock Exchange of Thailand. Disclosure is made to the extent that the Company's legitimate interests are not prejudiced. Information is published in both Thai and English on the Company's website, disclosure channels of the Stock Exchange of Thailand and other channels which are comprehensively and equitably accessible.

The Company has both English and Thai language websites which is accessible easily and conveniently in order to present and publicize the up-to-date of the Company's information. The website is a communication channel between shareowners and investors besides being only a marketing tool.

1. The Board of Directors is aware of the importance of preparing accurate and reliable financial statements in keeping with the most accredited accounting standard, recording accounting cautiously together with using discretion in estimation of the financial statements which reflect the actual performance of the Company and of emphasizing the quality of the financial statements by rechecking and cross-checking the statements by qualified and independent auditor approved by the Security Exchange Commission (SEC). The important information has been disclosed additionally and sufficiently in the accompanying notes to the financial statements, together with explanations and analysis as to be beneficial to the shareowners and public investors.

The Company submits financial and non-financial information to the Stock Exchange of Thailand and the SEC within the time designated and discloses information accurately, completely, timely and transparently both in Thai and English version via channels of the SET and the Company's website (<http://www.icc.co.th>)

Additionally, the report of the Board of Directors' responsibilities on financial statements has been provided as stated on page 136 of this year's annual report.

In the past year, the Company's financial statements have been certified with unqualified opinion by the Company's Certified Auditor and submitted to the SEC and the Stock Exchange of Thailand on time with no correction requirement.

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2. The disclosed information in the Annual Information Report (Form 56-1) and in the Annual Report of the company has been done clearly and completely according to all regulations of SEC and the 2012 good corporate governance principles as to be beneficial for consideration of the shareowners. More information of each items is listed in form 56-1 and the Company annual report including publicized through the Company's website (<http://www.icc.co.th>)

In the past year, the Company has no execution by SEC or the Stock Exchange of Thailand regarding not disclosing the information as required.

3. The Company has disclosed the corporate governance policies, the principles of corporate governance 5 categories, business ethics and code of conduct for company directors, executives and employees in written and publicized through the Company website.

In 2013, the results of performance according to the corporate governance policy were reported in conformity with the 2012 good corporate governance principles set by the Stock Exchange of Thailand, and publicized via the Company's annual report, the annual information report form (Form 56-1), and the Company website.

4. The Board of Directors has set the social and environmental policy, and encouraged for enforcement continually as shown in the Corporate Social Responsibilities on page 24-35 in this annual report

5. Regarding the disclosure of inter-related transaction, the Company follows the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand by disclosing the name of transaction persons, relationship, transaction type, pricing policy, transaction value, including setting a clear and fair guidelines for operation, and at market price for normal business doing in order to prevent conflicts of interest and ensure all conflicts are solved rationally as to maximize the benefits to the Company and shareowners. More information is in the inter-related transaction page 122-125 and Item No. 2.3 Conflict of Interests on page 100 in this annual report.

6. The Company has measures to ensure appropriate access to the Company's inside information by adopting the policy for directors and the executives included spouse and minor children to certainly report the securities trading transaction, the holding of the Company securities and the Reports on Related Transactions of directors and executives including those

involved, to the Company Board of Directors at all times of change. More information is in Item No. 2.3 Supervision of Securities Trading and Reports on Related Transactions, page 100, 118-119 in this annual report.

7. The Company recognizes the importance of transparency in the disclosure of information equally, thoroughly and easily access to the information. The company distributes news and information to investors and parties concerned for acknowledgement via various channels and media of the Stock Exchange of Thailand including the Company's website (<http://www.icc.co.th>). Share owning in various companies and press releases in relation to the Company's financial status report can also be found via the Company's website.

8. Regarding to the investor relations, the Company has an Office of the Board's Secretaries to be responsible on this matter in particular as to provide data and information upon investors and concerned parties request. Contact address is as following:

Mrs. Duangrudee Milintanggul

The Company's Secretary

Tel. 0-2295-0688 Fax. 0-2294-1155

E-mail : duangm@icc.co.th

Or Mrs. Thanyaluck Watanakularoj

Office of the Board's Secretaries

Tel. 0-2295-0688 Fax. 0-2294-1155

E-mail : kcset@icc.co.th

The company also publicized the name of persons included convenient communication channel via the Investor Relations Information in the company's website (<http://www.icc.co.th>)

Moreover, the meeting with securities analysts has been annually held within the Company's compound to provide them an opportunity for any inquiries. This meeting has also been attended by the Company's Executives Board for providing information.

In 2013, the company and other members of Saha Group of Companies jointly cooperated with the Stock Exchange of Thailand (SET) to organize the "Investors and Analysts Meeting with Saha Group", as the fifth consecutive year at the 17th Saha Group Fair at the Queen Sirikit National Convention Center. During this event the President and Executive Chairman of the Company welcome the group of investors and analysts, and provided them with information on the company business and operating results. ICC also provided a summary report on its company profile and operating results to all investors and analysts, and their positive responses to the company would be used



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as basic inputs for development and improvement to further organize such event as an annual fair and via the SET channel and the Company's website (<http://www.lcc.co.th>.)

9. Apart from disclosure of the financial report and other information to SEC and the Stock Exchange of Thailand through various channels as required strictly, completely and timely, the Company also disclosed following information in the Company Annual Report, Form 56-1, and the Company's website including updating all information at all times :

1. Name list of the directors, independent directors and sub-committees including profiles, roles and Responsibility of the company's board, independent directors and other sub-committee including the number of meeting attendance as stated on page 10-19 and page 88-89 respectively of this annual report. The information relating to the Board of Directors and Executive Committee has been publicized through the company's website

2. Remuneration payment policy for the directors and executives including its type, characteristic and the amount of remuneration paid to each and everyone has been disclosed on page 86-87 and 107-108 of this annual report.

3. The shareowning of directors and executives are disclosed on page 88-89 of this annual report and through the company's website.

4. The shareowning structure: the company disclosed the top ten shareholders as of the closing date for annual general shareowners' meeting as shown on page 75 of this annual report and through the company's website.

5. The organizational management structure has been disclosed on page 83 of this annual report. Moreover, the company also discloses the structure of the business group in accordance with its investment on page 156-163 , together with the structure of its shareowning on page 56 of this annual report. It will also be published in corporate website.

6. Disclosure of business policy and overall performance on page 54-56 in this annual report

7. The nature of business of the company together with industry and competitiveness analysis including status and competitive potential of the Company and market share has been clearly disclosed in the nature of business on page 57-65 in this annual report.

8. Risks in business of the Company, the nature of risks, cause and impacts as well as prevention and mitigation have been disclosed on page 86-89 in this annual report and through the company website.

9. The internal control, internal audit systems, results of assessment of the internal control system in five major arenas according to the Securities and Exchange Commission requirements have been disclosed as appearing in the Corporate Governance on page 120-121 and the Corporate Governance report by the Audit Committee on page 82 in this annual reports and through the company website.

10. The company has reported its Financial Statements on a quarterly basis in both Thai and English versions, and has been publicized on the company's website which is available for public download as well.

11. Annual Reports for the last 10 years, Form 56-1, Invitation letter for shareholder meeting in both Thai and English versions are publicized on the company's website, and also available for public download.

12. Q&A sessions is providable via the Office of the Board's Secretaries and the Company's Secretary who are responsible for investor relations for the company. This is publicized through the Company's website.

13. Qualifications and experiences of the Company's Secretary is also disclosed for dissemination, and available on the Company's website.

14. Company Regulations, Vision and Mission are publicized through the company's website.

15. Charters, duties, responsibilities, qualifications and directorship terms of the Board of Directors and all Board Committees are publicized through the company's website.

5. Board of Directors' responsibilities

The Company board of directors has an important role in determining the direction of the Company's business operation, and monitoring the management team as well as setting up corporate governance policy, the principles of corporate governance, business ethics and code of conduct for company directors, executives and employees. Such codes of conducts are published and distributed to company directors, executives and employees. The corporate governance will ensure the operation for the Company and shareholders' highest benefit including supervising the Company to operate various activities appropriately and legally.

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

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

1. Board of Directors' Structure

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. Two Company Directors are Non-Executives Directors who have 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 Board of Directors structure and checks and balances of Non-Executives Directors are on page 84 in this annual report.

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.

The Company appoints the Nomination Committee to select Directors from a pool of knowledgeable professionals who are equipped with multiple talents, experience and vision and are known to have integrity and unblemished professional records. They are urged to express themselves freely. The Board of Directors has clearly defined the duties and responsibilities of each committee, with the President and Executive Chairman as the Head of Administration, appointed by the Board of Directors to manage and conduct the business operations of the Company to achieve the goals and targets established by the Board of Directors.

Criteria for independent directors selecting and nomination process

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

Term of the Director

The Board of Directors has been appointed from the shareowners' meeting with a position term as stipulated in the

Company's articles of association. In case that their term is due, they may be voted and re-elected. Selecting and recruiting the qualified candidates shall be done by the nomination committee in order to ensure proper candidates who become the Company directors would possess necessary knowledge, ability, and appropriate experiences. Then the nomination list shall be submitted to the Board of Directors' for consideration.

Number of companies that Directors hold the title, Age of Directors and Number of Title in holding

The company does not specify a number of companies that each director holds the title, age of directors including a limit of number of title in holding for consecutive period of time as it is believed that the business capability and expertise of each director does not depend on one's age or number of companies of which they hold the title, as long as all these directors have been committed and sincere in their duty as being accredited by the Board of Directors and the shareowners.

The Company has disclosed director's name list together with their profiles, experiences, portion of shareholding in the company, and details of the title in holding by each Directors in other company on page 10-19 and 90-93 in the annual report. At present, three directors in the Company Board of Directors and the Executive Board are holding the title as directors in more than five listed companies. The Company however is confident that this will not impact on their duties since these three directors have fully devoted their working time to the Company with regularly attending to the Board of Directors' meetings at all times and have continually conducted various beneficial contributions to the Company.

Holding the title of director in other companies by the Company's Directors, Managing Director, and Executive Directors

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

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



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knowledge, capability and expertise in related business shall be assigned.

Aggregation or Segregation of Office

The Chairman of the Board of Directors is independent as neither being part of the executive management nor being the same person as the President and Executive Chairman, in order to separate duties and responsibilities clearly, including independency of each other and its counter-balancing. The Chairman has performed his role as a leader to manage the Board of Director's meetings and Shareowners' meetings efficiently and effectively, as well as encouraging all directors and executives to participate in the meeting. The Chairman also assists, suggests, and monitors business operation of management but definitely does not interfere their regular operation. The President and Executive Chairman is the leader in business administration including doing business operation planning in accordance with the one as set by the Board of Directors. Furthermore, the Board of Directors has clearly stipulated the scope of roles and responsibilities of each committee and the management in written, then compiling into each charter with the Board's regulations to specify and separate the authority between the Board of Directors and the management. This process is auditable to ensure the transparency in management and it is publicized through the company website.

Company's Secretary

In order to provide an efficient administration in accordance with the good corporate governance policy, the Company has appointed Mrs. Duangrudee Milintanggul, the qualified and appropriate experienced person to be responsible as the Company's Secretary. Mrs. Duangrudee has completed a full training on the responsibility of Company Secretary and has been continuously acquiring knowledge through various trainings. She is thus qualified as Company Secretary which alleviates the effective of company operation according to the good governance policy. Duties and responsibilities of Company Secretary can be found on page 85 in this annual report.

2. Sub Committee

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

The Board of Directors has appointed other sub committees to be in charge and report the results to the Board at all times. At present, the Sub-committees comprise of the Executive Directors,

the Audit Committee, the Remuneration Committee, the Nomination Committee and the Risk Management Committee, with separate and independent scope of duties and responsibilities in order to ensure good corporate governance on page 109-118 in this annual report.

The Board of Directors has issued a charter for each Company Committee by prescribing the tenure and scope of powers and duties to clearly demarcate the roles, duties and responsibilities of each Company Committee and the management.

The structure of the boards and the meeting attendance of each board can be found on page 84, 88-89 in this annual report.

3. Roles, Duties, and Responsibilities of the Board of Directors



3.1 Leadership and Vision

The Board of Directors has a defined responsibility to set up policies, objectives and business strategies as well as monitoring the company's operation by appointing the Executive Board of Directors, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Risk Management Committee included executives in charge to supervise and execute operation in order to achieve company policies, objectives and goals. In addition, the Board of Directors also defines clear roles and responsibilities of each committee so as to ensure that all the operation and performance meet the company's policies and objectives.

The Board also realizes the importance of company operation, therefore, it has taken part in setting vision and mission of the company, in order for Company Directors, executives and employees to move together in one direction. The vision and mission is revised annually. Detail on page 54-56 in this annual report.

3.2 Good Corporate Governance

The Company has promoted corporate governance principle by arranging a good corporate governance policy, along with business ethics and employee code of conduct in written, and distributed it to the company directors, each sub-committee, executives, and employees at all levels to be followed as the same guidelines for working operation. In 2014, in order to keep up-to-date with current situation, the Company has revised and improved its corporate governance principle, business ethics and employee code of conduct. It is publicized via Company's intranet and website.



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The Board of Directors prepares a report on the responsibilities of the Board of Directors pertaining to the financial statements submitted in the Annual Report.

The Board of Directors has provided for the monitoring and assessment of corporate governance by establishing a corporate governance committee in 2014.

3.3 Conflict of Interests

The Board of directors has considered a conflict of interests deliberately and has defined a clear related policy with guideline for execution in order to eliminate a conflict of interests problem carefully, rationality and to the highly benefits for the Company and shareowners, as well as to be in accordance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

The Board of directors has set out a policy to prohibit Company Directors and executives from trading company stocks during the one-month period prior to the public disclosure of the Company's financial statement.

The Board of Directors has directed Company Directors and Executives as well as their spouses and children who have not attained legal age to have the duty to disclose shares holdings and changes in holdings of the Company shares to the Office of the Securities and Exchange Commission, and to submit a copy to the Company Secretary for reporting to the Board of Directors in the subsequent Board Meeting.

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

More information as stated in supervision for the internal information usage on page 100, 118-119 in this annual report.

3.4 Internal Audit and Risk Management Control Systems

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

The Board of Directors recognizes the significance of company's internal control systems in monitoring its operation, finance and corporate governance. The company's internal auditing unit checks on those systems which also include the computer system providing consultation to ensure efficiency and independence in their full capacity as auditors. Details can be seen from Internal Audit and Risk Management on page 120-121 in this annual report.

The company has established an Internal Audit

Department, reporting directly to the Audit Committee, and is responsible by Secretary to the Audit Committee. The chief officer of the Internal Audit Department is now under recruitment and appointing process. The Company has hired Dhamniti Auditing Co., Ltd., as an advisor on quality of internal audit work and internal control systems by jointly working with Secretary to the Audit Committee, and then report the result to the Audit Committee continuously on a monthly basis. In 2013, The Audit Committee has appointed Mr. Khamnung Sarisara, Partner of Dhamniti Auditing Co., Ltd as the Company internal auditor. His resume and qualification can be found on page 120 in this annual report.

The Risk Management Committee, with members comprising of Mr. Amorn Asvanunt as a Chairman, and Mr. Thamarat Chokwatana, Mr. Pairoj Hirunwongsawang, Ms. Munchusa Terapongpipat, Mr. Nuttaphat Petchranaporn, Mrs. Pitacha Poosunthornsri as members, and Mrs. Duangrudee Milintanggul as member and Secretary. The committee would report a progress in risk management 2013 for acknowledgement to the Audit Committee.

In 2013, the company assigned a corporate unit namely "Corporate System Development" to improve and develop company operational system. Their responsibilities include a planning, developing, reviewing and monitoring with an aim to ensure an efficient and effective operational system improvement according to the standard as set by the Risk Management Committee. The revision of the system is done on a regular basis in order to meet with the changing situation, both internally and externally.

4. Board of Directors' Meetings

The Board of Directors prescribes a duty for Company Directors to attend all Board Meetings unless there is a necessary cause and has a policy of encouraging senior Executives to attend Board Meetings.

The Board of Directors recognizes the importance of participating attendance and deems it an Obligation to attend, so as to acknowledge, set a policy and jointly make decisions on business operations. The meeting schedule is pre-planned to be held on a monthly basis throughout the year. Invitation letter, the meeting agenda, the minutes of the prior meeting with annexes will be sent by the Company's secretariat to all directors for acknowledgement and prior consideration as stipulated by laws.



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The Chairman and the President jointly consider agenda for the meeting then the Board of Directors enable to raise any issue as additional one through the Company's Secretariat, and have it discussed and debated openly. The Company's Secretariat is to prepare the minutes of meeting and making files of the certified ones for any further review and/or audit by the board and any relevant parties.

Top executives are to be present at every Board of Directors meeting to clarify any matters in which they are directly involved. All the board members can have questions and enquiry for additional information on any matters to the President or the Company's Secretariat.

In considering any agenda, the Chairman as the Chairman of the meeting, gives an opportunity to all directors and executives to freely express their opinions and comments. Directors with conflicts of interest has no vote on the agenda related to his or her interest.

To pass resolution for each agenda item by the Board of director, there shall be no less than two-thirds of the directors present at the Meeting.

When the meeting adjourned, the Company's Secretariat shall arrange a minutes of meeting and deliver for approval, certify and sign by the Chairman. Then the minutes will be submitted for approval in the first agenda of the next meeting. However, any member of the Board can express their opinions or request for the minutes alteration in order to ensure the clearest and most correctness.

The certified minutes of meeting shall be systematically filed at the Company's Head office in the form of original and electronic documents with annexes of each agenda for easy reference and detection.

The non-executive directors have been provided an opportunity by the Board of Directors to regularly hold a meeting with each other as deemed necessary. Reports of the meeting shall always be sent to the President and Executive Chairman and at the Board of Directors' meeting for acknowledgement.

In 2013, (according to the year of service from April 2012 to April 2013) the Board of Directors had arranged 12 meetings. The attendance of each director as stated in a Chart displaying directors and Executives' position, shareowning and attendance to the meeting on page 88-89 of this annual report. Each director had attended the meeting more than 80% of all board meetings.

5. Self Evaluation of the Board of Directors

Self evaluation by each member of the Board of Directors has been done scrutinized and adequately on a yearly basis. This includes reviewing their performance, problems and obstacles during the past year in order to increase their executing effectiveness.

In this process, the Board of Directors reached a conclusion that the Board has regularly provided recommendations to the Company executives in every monthly meeting. The Board has also requested the executives board of director to report the operating results of the company, including analyzing problems, obstacles and giving solutions which is executed for several decades including reporting operating results of the Company and of each department together with market shares in details. For the Board's recommendations, they have then been undertaken by the executives for rectification or action successfully.

In the self evaluation process among executives, each executive would assess performances of other directors under the prepared topics. This evaluation together with the judgement of the Remuneration Committee shall be used for the executives' remuneration consideration.

The Board of Directors is responsible for assessment of CEO. That is the Chairman of the Board and the Vice Chairman shall take responsibility on assessing the performances of the President based on monthly operational results, the company performance in terms of the annual sales turnover and profits. In 2013, the Chairman had added the Board of Directors and all Executives Directors to take part in the performance assessment of CEO.

6. Remuneration of Board of Directors and Executives

The Board of Directors oversees and determines the payment of appropriate remuneration to each committee member pursuant to the powers, duties and responsibilities and draws comparison to the operation levels in the same business sector.

The Remuneration Committee is responsible to consider reasonable amount of remuneration of directors. Consideration criteria based on each director and executive's experiences, duties, scope of work, roles, participation, and their responsibilities. The amount shall be proposed to the Board of Directors for consideration before proposing at the shareowners' meeting for approval.

At the 48th general shareowners' meeting of 2013, held on April 22, 2013, a resolution was passed to approve payment of remuneration to the Company's directors of no more than Baht 20 million per annum, and the Remuneration Committee was

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assigned and authorized by the Board of Directors to allocate this amount.

Remuneration of the management is determined in accordance with criteria and policies stipulated by the Remuneration Committee, which correspond to the performance of each executive individually.

Criteria to consider directors' remuneration and amount of remuneration paid to directors and executives in 2013 on page 86-87 in this annual report.

As the Employee Stock Option Program (ESOP) is not the factor in keeping executives and staffs to have loyalty with the Company, also it is considered as a burden to employees who gain the shares allocation and must pay tax from shares transfer, and since there is no law in Thailand facilitating this policy, the Company then disregards its implementation.

7. Directors and Executives Development

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

Every director and executive are encouraged to develop his/her knowledge. The Company prioritizes their attendance at seminars which are useful to their performance as Directors. Seminars for training include the Director Accreditation Program (DAP), the Director Certification Program (DCP) and Audit Committee Program (ACP), Understanding the Fundamental of Financial Statements (UFS) and Finance for Non-Finance Directors (FND), as organized by the Institute of Directors of Thailand (IOD). Other seminars will be short seminars being useful for performance by the directors and executives, as well as other courses to be organized by IOD in the future.

In the past year, the Board of Directors had supported one member of the Audit Committee to attend some training courses: "AC Know around the preparation before the AGM" organized by the Stock Exchange of Thailand.

The Board of Directors provides an orientation for first term Company Directors, along with providing printed manual.

The company has prepared a handbook for new directors to study important information of the company, policies on corporate governance, business ethics, employee ethics, The Securities and Exchange Act, Public Act, and the various rules and regulations of the Stock Exchange of Thailand and the SEC.

The company has provided a handbook for all directors for study and review of all regulatory requirements concerned at all times.

The Board of Directors and executives of the Company

have met on a regular basis to discuss and exchange opinions with other Boards of Directors and high management of other organizations, including attending to seminars and having educational trip with business partner or other organizations, both domestic and international.

8. Plan for Successors

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

The Board of Directors has assigned the President and Executive Chairman in cooperation with the Human Relation Management Division to prepare a succession plan for executives as following details :

1. To provide opportunity for middle managers to work closely with senior managers including the Vice President in both direct-functional and cross-functional lines.
2. To define appropriate career paths for potential middle managers.
3. To prepare rotation plan in other functional line for senior manager, when necessary.
4. To prepare necessary skills and capability for specialized personnel for higher management positions.
5. To map out the Corporate Strategies and Strategic Directions for cooperation between senior and middle managers.
6. To establish committees to handle several functions, such as marketing, advertising, research, etc., for development of works and potentials in a systematic process.
7. To provide more opportunity to middle managers in management of both direct-functional and cross-functional lines.
8. There were systematic training courses that fitted each area of work, such as inventory control, marketing, as well as product and design management.
9. To organize a training course for senior and middle managers to promote common awareness for accountability, integrity and corporate image as a whole.
10. These include training courses for managers of each department for higher potential, advance planning and systematic thinking.
11. The company has recruited qualified personnel for



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each department, such as CFO.

12. There are other training courses on systematic planning process for middle managers.
13. The company rotates executives in some divisions to enhance efficiency in business administration.
14. To enhance charitable spirit and activities among managers at all levels for promoting happy living in the society.

Sub Committee

Management structure consisted of as follows :

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

Name list of each set of directors are shown in page 88-89 in this annual report.

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

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

The structure of the board and the company's administration provides sufficient cross-check. The authority transfer between the board and the administration divisions is clear, with written documentation, and has been approved by the board of directors, no. 1/2556 on May 28th, 2013. It has been documented in the Board's meeting minute.

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

- **Board of Directors** a group of eleven people, management structure consisted in page 84, 88-89 in this annual report. The meeting schedule for the Executive Board of Directors is set on a weekly basis.

In 2013, (according to the year of service from April 2012 to April 2013) the Executive Board of Directors arranged the meeting on a weekly basis. The attendance of each director is shown in the Chart displaying Directors and Executives'

position, shareowning and attendance to the meeting on page 88-89 of this annual report.

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

In 2013, (according to the year of service from April 2012 to April 2013) the Executive Board of Directors arranged the meeting on a weekly basis. The attendance of each director is shown in the Chart displaying Directors and Executives' position, shareowning and attendance to the meeting on page 88-89 of this annual report.

- **The Audit Committee** is a group of four independent directors and two Audit Committee Members (Mr. Amorn Asvanunt, Mrs. Duangphorn Sucharittanuwat) who graduate and expertise in Accounting with two years term of office. The Audit committee has set their meeting at least once per quarter. An extraordinary meeting is available for considering any related transaction or other special issues.

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

In 2013, (according to the year of service from April 2012 to April 2013) the Audit Committee has arranged twelve meetings. The attendance of each Audit Committee Member is shown in the Chart displaying Directors and Executives' position, shareowning and attendance to the meeting on page 88-89 of this annual report.

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

In 2013, (according to the year of service from April 2012 to April 2013) the Remuneration Committee arranged two meetings. The attendance of the Remuneration Committee is shown on the chart on page 88-89 of this annual report, which also shows his position, shareholding and attendance to the meetings.

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

In 2013, (according to the year of service from April 2012 to April 2013) the Nomination Committee arranged three meetings. The attendance of the Nomination Committee is shown on the Chart displaying Directors and Executives' position, shareowning and attendance to the meeting on page 88-89 of this annual report.

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

In 2013, (according to the year of service from April 2012-April 2013), the Risk Management Committee arranged six meetings. The attendance of the Risk Management Committee is shown on the Chart displaying Directors and Executives' position, shareowning and attendance to the meeting on page 88-89 of this annual report.

Scope of the Authority and Responsibilities

The Authority and Responsibilities of the Board of Directors

- Operational Authority

1. To appoint executive committee, audit committee, remuneration committee, nomination committee, risk management committee and determine the authorization.

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

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

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

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

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

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

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

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

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

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

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

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

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

- Duties and Responsibilities

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

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

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

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

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

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



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

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

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

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

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

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

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

10. To acknowledge administrative reports from the executive committee.

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

and to set the closing date for share transfer registration by one business day after the record date in order to conclude the list of shareowners eligible for participation in the General Shareowners' Meeting in accordance with Section 225 of the Securities and Exchange Act to ensure the shareowners' right to participate in the Meeting and to receive dividend payments.

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

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

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

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

The Authority and Responsibilities of the Company's Executive Board

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

- Operational Authority

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

2. To consider and scrutinize the process for entering into all connected transactions with any amounts as well as to summarize and propose the results of the transaction to the Board of Directors for approval such as making contracts of purchase or sale of goods and every kind of products including making contracts to provide or receive services with any persons, companies, partnerships, government agencies, state enterprises and juristic persons in domestic and foreign countries in accordance with the company's objectives and regulations.

3. To enforce other operational regulations as appropriate.

- Duties and Responsibilities

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

2. To acknowledge and comply with the company's policies and business operation strategies set by the Board of Directors and/or the Executive Board such as claim, demand,

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debt repayment or claim on any assets including benefits or rights from any persons, companies, partnerships, government agencies, state enterprises and juristic persons in accordance with company's objectives and regulations. In addition, the Executive Board has been authorized to agree upon any conditions and sign on any contracts as well as other related documents.

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

- To report on corporate movement and performance continually and promptly.
- To reveal accurate, complete, up-to-the-standard and reliable information.

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

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

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

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

8. To consider and approve the purchase/revocation/ sale of assets, investment and expenditures within the limit set by the company's Board of Directors. For the overauthorized limit, it will be considered and proposed its results to the Board of Directors for consideration and approval such as making the contracts relating to rent, sublease of movable and immovable properties, registration of lease assignment and/or sublease and its cancellation of registration with any persons, companies, partnerships,

government agencies, state enterprises and juristic persons in accordance with the company's objectives and regulations. Additionally, the Executive Board has been authorized to agree upon any conditions and sign on any contracts as well as other related documents.

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

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

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

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

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

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

15. To be responsible for setting up marketing policies.

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

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

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

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

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

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



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

1. Two of the Executive Board are required to co-sign without affixing the corporate seal within a limit of baht 500,000.
2. The Executive Board and one of the authorized Board of Directors are required to co-sign without affixing the corporate seal within a limit of baht 1,000,000.
3. Two directors of the Company's Board are required to co-sign and affix the corporate seal without amount limit (no authorization is required in accordance with the registered Certificate of the Company).
4. If the amount of transaction is beyond a set limit, it is required to get approval from the VC Committee within a set limit of baht 10 million ; and from the Executive Board's meeting within a set limit of baht 50 million.
5. For the transaction limit beyond baht 50 million, it is required to get approval from the Board of Directors' meeting.
6. In case of urgency and the approval cannot be sought, the two Executive Board who are members of the Board of Directors altogether will consider and pre-approve the transaction, then propose it for ratification by the Executive Board and/or the Board of Directors under the authorized limit.
7. These regulations shall be reviewed and updated every year.

Under the supervision of Mrs. Duangrudee Mlintanggul, the Company Secretary acting as the registrar.

The Authority and Responsibilities of Company's Audit Committee

- Operational Authority

1. To coordinate between the auditor, Board of Directors, and internal audit unit for mutual understanding in the same direction.
2. To invite the executives, management, internal audit or employees of the company who involved in any particular issues to provide some explanation, to give comments and to participate in the Meeting, or to provide documents as necessary and to access to information of the company at all levels.
3. To investigate any persons involved in any particular issues within its authority and responsibilities of the audit committee.
4. To seek advice and consultation by experts or advisors of the company (if any), or to commission an external advisor or expert in any necessary cases under expenses of the company.

- Duties and Responsibilities

1. To review and ensure that the Company has accurate and adequate financial reporting.
2. To review and ensure that the Company has suitable and effective internal control system and internal audit system. Its responsibilities include considering an independence of the internal audit unit, as well as to approve an appointment and termination of the head of the internal audit unit or other related units responsible for the internal audit.
3. To review that the Company comply with laws concerning securities and exchange, regulations of the Stock Exchange of Thailand, and other laws related to the Company's business.
4. To consider, select and nominate independent persons to be the Company's auditor, and propose such person's remuneration fees, as well as to attend a non-management meeting with the auditor at least once a year.
5. To consider that the related transactions or transactions which may have conflicts of interests are complied with the laws and the regulations of the Stock Exchange of Thailand in order to ensure that they are reasonable and for the best benefit of the Company.
6. To prepare the Audit Committee's Report and have it disclosed in the Company's Annual Report to which it must be signed by the Audit Committee's Chairperson and consisted of at least the following information :
 - a. an opinion on the accuracy, completeness and reliability of the Company's financial report.
 - b. an opinion on the adequacy of the Company's internal control system.
 - c. an opinion on compliance with the laws concerning securities and exchange, the regulations of the Stock Exchange of Thailand, or other laws related to the Company's business.
 - d. an opinion on the suitability of the auditor.
 - e. an opinion on transactions that may have conflicts of interests.
 - f. the number of the Audit Committee meetings, and its attendance record of each committee member.
 - g. an opinion or overview comment that the Audit Committee perceived from its performance under the charter.

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

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

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

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

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

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

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

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

The Authority and Responsibilities of the Remuneration Committee

- Operational Authority

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

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

- Duties and Responsibilities

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

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

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

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

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

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

The Authority and Responsibilities of The Nomination Committee

- Operational Authority

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

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

- Duties and Responsibilities

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

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

3. To give comments or recommendations for consideration.

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

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



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

The Authority and Responsibilities of The Risk Management Committee

- Operational Authority

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

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

- Duties and Responsibilities

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

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

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

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

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

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

The Authority and Responsibilities of Management

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

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

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

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

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

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

Nomination of Board of Directors and Management

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

The Company appoints the Nomination Committee to select Directors from a pool of knowledgeable professionals who are equipped with multi-talents, experience and vision and are known to have integrity and unblemished professional records. They are urged to express themselves freely. The Board of Directors has clearly defined the duties and responsibilities of each committee, with the President and Executive Chairman as the Head of Administration, appointed by the Board of Directors to manage and conduct the business operations of the Company to achieve the goals and targets established by the Board of Directors.

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

Qualifications of Independent Director

Definition of "Independent Director" is stated in the Form 56-1, attachment of the invitation letter for the 49th general shareowners' meeting 2014 and is publicized on the company's website (<http://www.icc.co.th>).

Furthermore, the Company provides an opportunity to any minor shareowners to nominate candidate(s) to be elected as The Company's director(s).

1. Composition and Appointment of the Company's Directors

According to the Company's Articles of Association : Chapter 3 "Board of Directors" Article 18 and the Charter, the shareowners' meeting determines the number of required directors but not less than five. The person to be appointed as director must not have prohibited characteristics as specified by the law or the Company's Articles of Association, or must not be

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described as inappropriate or untrustworthy to manage a business of the listed company under the requirements set by the Securities and Exchange Commission, provided that at least half of all directors must reside in the Kingdom of Thailand. The number of independent directors and Audit Committee must be in accordance with the announcement of the Capital Market Supervisory Board.

Process to appoint the Board of Directors

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

1. A shareowner shall have one vote for one share.
2. Each shareowner must exercise all of the votes he or she has under (1), to elect one or several persons to be a director or directors and must not allot his or her votes to any person in any number.
3. The persons having the highest number of votes to the lower number of votes in order shall be elected as the directors equal to the number of directors to be elected by the Shareowners' Meeting in such election. In case where the number of votes for the candidates in descending order are equal which would otherwise cause the number of directors to be elected by the Shareowners' Meeting to be exceeded in such election, the Chairman shall have a casting vote.

Removal

- Termination

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

- Other Terminations not in due course

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

1. death
2. resignation

3. lack of qualifications or possession of characteristics prohibited by law or these Articles
4. Being described as inappropriate or untrustworthy to manage a business of the listed company, as per regulations specified by the Securities and Exchange Commission
5. removal by resolution of the Shareowners' Meeting
6. removal by the court order.

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

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

2. Composition and Appointment of the Executive Committee

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

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

Removal

- Termination

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



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- Other Terminations not in due course

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

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

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

3. Composition and Appointment of the Audit Committee

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

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

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

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

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

Removal

- Termination

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

- Other Terminations not in due course

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

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

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

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

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

According to the Charter, these two committees must be comprised of at least three members per each committee. The Board of Directors shall appoint the company directors and/ or other individuals who have sufficient knowledge and experience relating to the posts.

Corporate Governance

The Company's Board of Directors has appointed two directors and one executive to take the position of the Remuneration Committee, while four directors and one executive have been appointed to take up the position of the Nomination Committee.

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

Removal

- Termination

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

- Other Terminations not in due course

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

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

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

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

5. Composition and Appointment of the Risk Management Committee

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

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

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

Removal

- Termination

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

- Other Terminations not in due course

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

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

Supervision of the operation of subsidiary and affiliated companies.

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

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

Internal Information Management

The Company has the measure for internal information management. It has been set in the business ethics as a



Corporate Governance

guideline in dealing with the Company and shareowners, as well as to set the employee conduct for the directors, executives and staff at all levels performing with honesty, responsibility, discipline and consciousness towards public and oneself, not for the seek of the benefit of oneself and/or others improperly. The Company's benefit and assets should be kept by not using the Company's information and assets for self or other's benefit and do not perform anything that will support others in competition with the Company. The Company has provided the corporate governance policy, business ethics and employee code of conduct to board of directors, executives and staff as a guideline for business operation and a principle for working. This is distributed through the Company's website (<http://www.ica.co.th>)

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

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

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

In 2013, the directors and executives so far followed the policy strictly. There was neither share trading in the forbidden period nor trading by using the Company's inside information. However, there was one director who traded shares of the Company this year and already informed the transaction to the Securities and Exchange Commission in due time together with the report of their assets ownership to the board.

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

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

In 2013, the Directors and Executives followed the policy strictly.

Remuneration of Auditor

1. Remuneration for auditing service

The Company has been approved by the Annual General Shareowners' Meeting to pay the remuneration to KPMG Phoomchai Audit Ltd. for the fiscal year 2013 at the total amount 1,260,000 baht

2. Other service -None-

Internal Control and Risk Management

Internal Control and Risk Management

I.C.C., International Plc. adheres to teamwork spirit, based on sound transparency and good corporate governance, which have been the company's management philosophy for many years. Accordingly, the effective internal control system has been consistently well maintained.

At the board meeting of 10/2013, held on February 25, 2014 whereby the Audit Committee has also attended the board assessed the corporate internal control system on the basis of information from the administration and the auditors' report. The results can be summed up as follows.

In the assessment of the corporate internal control system, which consists of the five elements of control environment, risk management, control measures, information technology and communication and monitoring, the board concurred with the opinion of the Audit Committee that the corporate internal control system is adequate and appropriate.

In 2013, the Company appointed an outside party as advisor to supervise the quality of internal auditing and control, in the interests of self-improvement and in response to the ever-changing internal and external environment. Since 2004, the Auditing Committee, for its part, has appointed Thammaniti Auditing Company Limited as internal auditor. This Auditor has nominated its partner, Mr. Khamnueng Sarisra, to be in charge of this task.

The Auditing Committee has scrutinized the qualifications of Thammaniti Auditing Company Limited and Mr. Khamnueng Sarisra and found that they are suitably qualified for this task because of their independent standing and 10 years of experience in the internal auditing of the same nature of business.

Resumé

Name :

Khamnueng Sarisra

Current Position :

Partner of Thammaniti Audit Company Limited

Education :

Bachelor's degree from the Faculty of Business Administration, Ramkhamhaeng University
Mini MBA from Thammasat University

Summary of training :

1. Course for Internal Auditors, Classes 1-2
2. Course in Operation Auditing
3. Course in Risk Management
4. CPIAT Diploma for Internal Auditors

Work Experience :

1. 10 years of internal auditing
2. 15 years of account auditing and system designing

For better efficiency in auditing, the Company has arranged for coordination with the Secretary of the Auditing Committee responsible for the in-house auditing and for regular reports on a monthly basis.

Dharmniti Auditing Co., Ltd. has coordinated with the Company's internal audit unit to submit and discuss the audit results with the President before reporting in writing to the Audit Committee every month. This is aimed to exchange view points and opinions for further internal audit works especially the issues regarding the control of sales management to ensure being in line and support the diversified business of the Company which is more variety and complicated, including the plan for the following year. For 2013 operation, Dharmniti as the Company's internal audit advisor reported that I.C.C. International Plc. has an adequate and appropriate efficiency in Internal Control Systems.

Organization and Environment

The nature of the Company's organization and environment enable the Administration to implement actions effectively, with set objectives in business operations, whereby performance can be clearly followed up and evaluated and activities managed based on good governance and justice, mainly taking into consideration fairness to customers.

Risk Management

The Risk Management Committee, with members comprising Mr. Amorn Asvanunt, as Chairman, and Mr. Thammarat Chokwatana, Mr. Pairoj Hirunwongsawang, Ms. Munchusa Terapongpipat, Mr. Nuttaphat Petchratanaorn, Mrs. Pitacha Poosunthornari, as members, and Mrs. Duangrudee Milintanggul as member and secretary, reported progress in risk management 2013 to the Audit Committee.

In 2013, the Corporate System Development Unit was assigned to handle the system development planning, cross-checking and monitoring with an aim to ensure an efficient and effective operational systems improvement up to the standard set by the Risk Management Committee with a stress on establishing the appropriate control point and check and balance systems.



Internal Control and Risk Management

Control of Administrative Operations

The Company provides a clear and written delegation of authority and financial approval limit for each level of the management. In conducting transactions with major shareowners, directors, management executives or other related parties, the Company has adhered strictly to the official procedures and regulations.

For clarity of personnel's legal obligations, the Company has issued sets of regulations for employees to follow strictly according to the corporate rules and related laws concerning the corporate governance policies, business ethics and employee ethics.

The Audit Committee, together with the Vice President of Accounting and Finance, have carefully scrutinized based on transparency the 12 inter-related transactions, including the anticipated benefits in line with market situation and conflicts of interests of related parties, prior to proposing them to the Board of Directors for approval.

During the year, the Board of Directors developed the policy that the administration reports periodically through executive summaries on significant and binding transactions that were carried out by authorized staff, with a view to fostering good governance and providing better risk management.

Furthermore, Board of Directors and also the management team have stimulated and enforced the operational discipline of employees under official rules, regulations and limitations, as well as to continually uphold good governance as stipulated by the Stock Exchange of Thailand and Securities and Exchange Commission.

Information Technology and Data Communications Systems

The Company always provides comprehensive information to the Board of Directors for review in the meetings and sets up meeting dates well in advance.

Monitoring

The Company has set clear objectives in writing for business operations, with systematic monitoring and solution directions, in case operations obviously deviate from targets.

Accountant Profile

Detail can be found on page 182 in this report.

Related Transactions

In 2013, the Company has not sought for an approval from the General Shareowners' meeting to allocate the loan and guarantee to the related parties. Instead an approval shall be submitted to the Board of Director's Meeting or Shareowners' Meeting from time to time depending on the amount of the transaction

As of December 31, 2013, followings are total amount of loans and provided guarantee :

Type of business	Loans		Provided guarantee		
	Number of Companies	Millions Baht	Rate of guarantee annual fee	Number of Companies	Millions Baht
Business - related companies	1	150.00	0.75	9	150.22
Joint - ventured companies	2	100.00	0.75	2	19.25
Total	3	250.00		11	169.47

Related transactions in 2013 comprise of

1. Investment in related companies

2. Loan to related companies

Reasons and necessities of providing loan :

1. To increase the channels of credit sources to corporate borrowers.
2. To help solve the problems of the corporate borrowers businesses and to increase their liquidity.
3. The corporate borrowers are well-related with the company and the Saha Group of Companies in supply chain, strategic alliance and so forth.
4. The corporate borrowers have collateral and /or guarantors.
5. To give the loan according to the investment proportion.
6. Interest rates are higher than the institutional market rates.

3. Transactions of Business-related companies

- Details of all above three subjects can be found as per Notes to Financial Statements No. 5 Transactions in relation to person or business-related companies page 156-163 of this Annual Report.
- Type of relationship with the companies of the above two transactions which can be observed from the Transactions of Business-related companies page 122-125 of this Annual Report.

Transactions of Business-related companies as of December 31, 2013

No.	Name of Company	Relationship	Sales of goods	Incomes	Purchase of goods	Expenses	Purchase of property, plant and equipment/ leasehold
1	Textile Prestige	A	-	5,193,946	5,905,690	-	-
2	The President Foods	A	-	12,667,060	-	-	-
3	Nowcity Bangkok	A	-	65,659	596,434	-	-
4	Far East DDB	A	-	6,362,400	207,660	50,073,551	-
5	Sahachanapbul	A	-	34,163,094	1,671,374	111,231	-
6	O.C.C.	A	4,187	10,162,607	458,342	249,036	-
7	Sahacogen (Chonburi)	A	-	17,897,933	-	-	-
8	Bangkok Tokyo Socks	A	-	1,660,000	2,630,716	-	-



Related Transactions

Transactions of Business-related companies as of December 31, 2013

No.	Name of Company	Relation-ship	Sales of goods	Incomes	Purchase of goods	Expenses	Purchase of property, plant and equipment/ leasehold
9	First United Industry	A	-	729,360	-	-	-
10	Molten (Thailand)	A	-	3,405,726	-	4,112	-
11	Molten Asia Polymer Products	A	-	1,872,000	-	-	-
12	Lion Corporation (Thailand)	A	-	34,766,300	920,256,851	4,243,682	-
13	Sethapet Real Estate	A	-	1,492,500	-	-	-
14	Thai Hoover Industry	A	-	2,279,200	-	-	-
15	K.R.S Logistics	A	397,953	387,500	-	3,743,517	-
16	Sun 100	A	5,186,712	633,391	21,764	677,139	-
17	Thai Cubic Technology	A	-	3,905,000	-	-	-
18	Better Way (Thailand)	A	24,906,002	60,406,520	-	4,104	-
19	Thai Secom Plastics	A	-	9,000,000	-	1,206,946	-
20	Erawan Textile	A	-	4,180,665	81,012	611,633	-
21	Grand Star Industry	A	-	1,747,643	-	45,272	-
22	Wien International	A	133,610	675,000	373,675	-	-
23	SSDC (Tigerair)	A	-	3,049,611	-	59,793	-
24	E.P.F	A	24,060,044	330,000	-	-	-
25	Total Way Image	A	-	600,000	91,592,821	30,000	-
26	Thai Tokaya	A	-	120,000	106,155	-	-
27	Top Trend Manufacturing	A	-	4,320,000	309,070	122,000	-
28	T.U.C. Elastic	A	-	1,152,000	-	-	-
29	Thai Staffex	A	-	720,000	-	-	-
30	Thai Sports Garment	A	-	600,000	-	-	-
31	Pan Asia Footwear	A	-	1,052,549	1,502,062	66,675	134,971,658
32	Thai Wacoal	A	260,665	14,651,190	2,016,197,007	16,112,392	-
33	Thanulux	A	-	16,654,911	1,096,696,816	7,276,465	-
34	People's Garment	A	293,455	4,110,577	725,450,107	4,200,966	-
35	S & J International Enterprises	A	12,333,551	17,694,033	23,311,413	506,640	-
36	International Laboratories	A	-	41,102,017	731,765,341	27,714,033	-
37	International Leather Fashion	A	-	3,533,073	167,692,250	379,636	-
38	Raja Uchino	A	-	3,948,426	79,409,250	48,102	-
39	Champ Ace	A	1,407,241	2,196,721	412,622,193	2,747,353	-
40	H & B Interex	A	33,645	4,386,642	166,145,272	219,953	-
41	Thai Iokin	A	659,132	1,506,576	61,264,026	1,916,679	-
42	Pattaya Manufacturing	A	-	5,773,103	264,356,466	19,284	-
43	Tiger Distribution & Logistics	A	406,068	23,161,240	-	105,341,642	-
44	Shiada Professional (Thailand)	A	-	6,894,144	-	-	-
45	Kevoie (Thailand)	A	7,766	3,052,000	13,026	-	-
46	Thai Sun Foods	A	-	190,000	1,131	-	-
47	Sena Nem Textile	A	-	162,001	-	-	-



Related Transactions

Transactions of Business-related companies as of December 31, 2013

No.	Name of Company	Relationship	Sales of goods	Incomes	Purchase of goods	Expenses	Purchase of property, plant and equipment/ leasehold
45	The Shikbo	A	-	3,639,096	-	1,350	-
49	Issara United	A	81,000	1,104,907	-	-	-
50	The Nara	A	-	111,375	-	35,114	-
51	Morgan de lai (Thailand)	A	-	240,000	77,208	-	-
52	Taunha (Thailand)	A	3,985,310	48,956	-	8,945	-
53	Thekamaya	A	-	768,090	-	-	-
54	Saha Lawoon	A	-	67,227	-	218,893	-
55	Saha Pathana Inter-holding	B	-	13,857,355	-	27,767,002	-
56	International Commercial Coordination	C	-	71,943	-	14,182,774	56,605
57	Kai I.T. Service	C	-	450,652	-	10,245,616	14,421,157
58	Can	C	10,074,642	15,788	-	653,994	-
59	Koraj Wattana	C	16,970,859	1,824	-	1,827,354	-
60	Sun and Sand	C	22,915,033	1,679	571,959	2,221,990	-
61	Intersouth	C	29,048,473	814	-	81,600	-
62	Intarin Chiangmai	C	37,185,846	2,566	-	3,390,811	-
63	Eastern I.C.C.	C	17,592,829	1,302	110,794	1,614,812	-
64	I.D.F.	C	-	2,959,159	-	2,048	-
65	Worldwide Rent a Car	C	-	504,000	-	134,706	-
66	Pera Marketing and Distribution	C	2,099,612	83,262	7,179,516	428,207	-
67	Laem Cha-Bang Warehouse	C	-	142,500	-	-	-
68	K. Commercial and Construction	C	-	975,000	-	-	-
69	Silver Rain	C	-	22,500	-	7,574,879	-
70	Sukhatawani	C	-	94,122	-	151,434,942	3,995,301
71	Vina Law Office	C	-	215,835	-	7,074,205	-
72	D.F. Inter	D	-	444,055	-	482,160	-
73	The Anus	D	-	2,229,914	640,000	167,995,456	30,963,975
74	S.R.P. Narasat	D	-	-	-	56,929,440	6,660,409
75	The Gunze	D	-	110,000	38,261,641	26,672	-
76	Pakrumpo Wattana	D	18,516,166	122,562	-	428,049	-
77	Mahachaphruek	D	6,149,534	122,039	-	90,015	-
78	United Utilities	D	-	3,247,265	-	-	-
Total			236,733,747	431,774,178	6,860,362,276	682,771,380	199,069,585

Remark : A SPI is a co-major shareholder B ICC's major shareholder
C Major shareholder is ICC's Directors or executives D MD is ICC's Directors or executives

Related Transactions

Pricing policy for related business :

It is in compliance with normal trade condition which is the market price and the same price as dealt with other persons.

Description	Remuneration Policy
Acquisition of the trade mark	Cost of trade mark registration plus interest cost incurred by the buyer since the acquisition year
Immovable property rental income/ expense	depending on the market price by consideration on the location, condition and benefits generated by the use of property
Royalty income Business	at percentage of net factory sales compared with market price
Consultancy income/expense	depending on complexity level of such service provided
Inventory management fee	Number of Item pick-up, registering record and number of boxes in transporting goods and goods return
Transportation charge	depending on the volume or number and distance of goods transported, compared with other transport companies' charge
Interior design & installation expenses	depending on the design, area size, construction materials and interior design technique, through bidding process
Advertising expenses	depending on market price and the service charge must not be higher than the rate set by advertising business
Display equipment	depending on the market price
Computer expenses	
Packaging Purchase of computers	
and Give - away items	

Related transaction in 2013

1. According to the Board of Directors' Meeting # 9/2555 held on January 22, 2013 to which 4 members of the Audit Committee attended, a resolution was passed to allow the company to repeal in the capital of 3,232,895 shares of Siam Samsung Life Insurance Co., Ltd. to Park Capital Holding Co., Ltd. at selling price Baht 10.- totaling Baht 32,328,950 (par value Baht 10)

- Proportion of shares before share increase 4,550,000 shares = 5.99% of former registered capital
- Proportion of shares after share increase 4,550,000 shares = 3.50% of new registered capital

Purpose of purchase : To adjust share-owning structure of Siam Samsung Life Insurance Co., Ltd. in which ICC owns the shares. This is to comply with Life Insurance Act B.E. 2551 Article NO. 10 effective as of February 1, 2013

To this agenda, Director with conflict of in interest who neither attends nor votes at the meeting : None

2. According to the Board of Directors' Meeting # 12/2012 held on April 16, 2013 to which 4 members of the Audit Committee attended, a resolution was passed to allow the company to conduct renting or giving rent on immovable assets within the period of not more than 3 years, as well as conducting on the asset or service transaction with related parties. The name of related parties and type of relationship can be observed from the Transactions of business-related companies No. 32-45, 55 and No. 69-74 on page 123-124 of this Annual Report.

Detail of rent or giving rent of immovable properties and details of assets or service total amount not exceeding Baht 482 million or not more than 3% of NTA, whichever is higher

Related Transactions

- | | |
|---|-------------------------|
| 1. Rental income (immovable property) with one-year agreement period, the actual amount in 2013 | = 28,479,046 Baht |
| 2. Rental expense (immovable property) with one-year agreement period, the actual amount in 2013 | = 5,900,000 Baht |
| | Total = 34,379,046 Baht |
| 3. Royalty income with three-year agreement period starting 2013 to 2015, the actual amount in 2013 | = 15,380,812 Baht |
| 4. Actual expenses in 2013 | = 54,130,359 Baht |
| - Interior design & installation expenses | |
| - Business and legal consultant fee | |
| - Shop expenses | |

To this agenda, Mr. Boonsithi Chokwatana, Mr. Boonkiet Chokwatana, Mr. Thamarat Chokwatana, Mr. Manu Leelanuwatana and Mr. Vira Ua-Arak who were directors with gain and loss, not being entitled to vote, had neither attended the meeting nor given any approval to the transaction.

3. According to the Board of Directors' Meeting #11/2012 held on March 26, 2013 to which 4 members of the Audit Committee attended, a resolution was passed to allow the company to approve purchase of eight plots of land with seventy buildings from

- | | | |
|--|-------|------------------|
| 1. Pan Asia Footware Plc. | = | 135,769,858 Baht |
| 2. Excellent Rubber Co., Ltd. | = | 124,842,305 Baht |
| 3. International Curity Footware Co., Ltd. | = | 80,031,900 Baht |
| | Total | 340,644,063 Baht |

(The price appraised by the independent valuer, approved by the Thai Valuers Association and the Valuers Association of Thailand)

Purpose of transaction : To invest on assets for rent that will generate income for the company.

To this agenda, Mr. Boonsithi Chokwatana and Mr. Boonkiet Chokwatana who were directors with gain and loss, not being entitled to vote, had neither attended the meeting nor given any approval to the transaction.

4. According to the Board of Directors' Meeting # 2/2013 held on June 18, 2013 to which 4 members of the Audit Committee attended, a resolution was passed to allow the company to sell the leasehold at Room No. 2-31, 2-32 at Siam Paragon Shopping Center at approximate area of 300 sq.m. with the remaining lease period of 17 years and 6 months (effective from 1 July 2013-31 December 2030) to Shiseido Professional (Thailand) Co., Ltd. totalling Baht 57,000,000. Payment will be divided into 4 installments at Baht 14,250,000 per year (from 2013-2016)

Purpose of transaction :

1. The company has not made use of these assets which are now rent by Shiseido Professional (Thailand) Co., Ltd.
2. To reduce the burden on maintenance of such assets.
3. To gain profit for the company.

To this agenda, Mr. Boonsithi Chokwatana who was a director with gain and loss, not being entitled to vote, had neither attended the meeting nor given any approval to the transaction.

5. According to the Board of Directors' Meeting # 3/2013 held on July 23, 2013 to which 4 members of the Audit Committee attended, a resolution was passed to allow the company to provide guarantee to Tsuruha (Thailand) Co., Ltd. with Bangkok Bank Public Co., Ltd. at investment proportion [Japanese party provide 30 million baht guarantee with Sumitomo Mitsui Banking and 30 million baht guarantee with Bank of Tokyo Mitsubishi UFJ, while Thai party provide 58 million baht guarantee with Bangkok Bank Public Co., Ltd.] This joint guarantee provided by ICC is Baht 17,750,000

Purpose of transaction :

1. To provide business support to the invested company
2. To comply with obligation of the joint venture agreement.

To this agenda, Mr. Boonsithi Chokwatana and Mr. Thamarat Chokwatana who were directors with gain and loss, not being entitled to vote, had neither attended the meeting nor given any approval to the transaction.



Related Transactions

6. According to the Board of Directors' Meeting # 4/2013 held on August 27, 2013 to which 4 members of the Audit Committee attended, a resolution was passed to allow the company to develop the vacant space of the 6th floor area in the office building as the meeting room and reception rooms. SRP Nanasai Co., Ltd. has been hired as the contractor of the project with total value Baht 7,760,309.50 according to the market price based on bidding process and comparing price with other contractors)

To this agenda, Director with gain and loss who neither attends nor votes at the meeting : None

Criteria for Approval of Related Transaction

1. All related transactions (loan, guarantee, investment, details of rental or leasing of immovable properties not exceeding 3 years and details of assets or services) must be approved by following three boards and committee:

1. The Audit Committee
2. The Executive Board, and
3. The Board of Directors

In every instance, Audit Committee shall audit, scrutinize and make a summary of any conflict of interest in each transaction for submission to Executive Board and Board of Directors for the judgement in relation to business risk in the Board of Directors' Meeting, directors with gain and loss and not being entitled to vote, had not participated in the meeting without giving any approval to the transaction

2. The Board of Directors has approved in principle to allow the management to manage all normal business transactions or the transactions that support the normal business with normal trade agreement made between normal counterparties having no trade power influenced by being in the capacities as directors, executives or relevant persons.

The approval in principle shall be conducted annually and the report on related transactions arising during the year shall be presented to the Audit Committee and the Board of Directors to ensure the reasonableness of those related transaction by revealing the details, types and values of related transactions in the remark of financial statement quarterly.

Criteria for Approval

1. Benefits that may occur to the company and/or affiliated companies in interest, dividend, trade activity and transaction, including ongoing trade.
2. Security that the company should hold or receive from the said transaction.
3. The borrower's strength, as well as the ability to pay back the capital and interest in due time.
4. Business prospective of the borrowing, guaranteeing and investing company.
5. The capability of CEO of the borrowing, guaranteeing and investing company.
6. Criteria in monitoring and checking transaction and getting statistic report in the borrowing, guaranteeing and investing company to perceive its status.

Future Trend in Related Transaction

The prospect of related transaction will likely be undertaken in regular trade based on the normal trading policy of price mechanism. The transactions must be fair and irrelevant to the transfer of interests between the Company and business or other relevant persons.

Furthermore, the Company has the measure to control the related transaction and limit financial assistance for non subsidiary company. Giving loan or guarantee shall be done according to shareowning proportion in compliance with joint-venture agreement.

The Company needs certain criteria in assessing, monitoring, evaluating and reporting on the related transaction with more clarity, thoroughness, accuracy and speediness.



The Company's General and other Significant Information

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

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

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

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

- None -

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

Registrar : Thailand Securities Depository Co., Ltd.
62 The Stock Exchange of Thailand Building,
Beside Queen Sirikit National Convention Center,
Ratchadaphisek Road, Klongtoey, Bangkok 10110
Tel. (662) 229-2800, (662) 654-5599 Fax. (662) 359-1259
Certified Public Accountant : 1. Mr. Bunyart Thanormcharoen
2. Mr. Nirand Lilamethwat
3. Miss Nittaya Chetchotiros
C.P.A. (THAILAND) Reg. No. 7900, 2316 and 4439
KPMG Phoomchai Audit Ltd.
Empire Tower ,50th - 51st Floors, 195 South Sathorn Road,
Yannawa, Sathorn, Bangkok 10120
Tel. (662) 677-2000 Fax. (662) 677-2222
Legal Advisor : Mr. Vira Ua-Arak
Vira Law Office Co., Ltd.
548/14-15 Soi Sathupradit 58 Yaek 18, Bangpongpan, Yannawa, Bangkok 10120
Tel. (662) 683-8023 Fax. (662) 683-8843

3. Other Significant Information : -None-

The Company's General and Other Significant Information

4. Investment in other companies or private companies with the company holding more than 10 % of the total paid-up shares as of Dec 31, 2013

Companies	Location	Type of Business	Type of Shares	No. of Total Paid-up Shares	No. of Shares Held	Investment amount (฿)	Percentage of Shares holding
Distribution Companies							
1. SAHAPATHANAPIBUL	Bangkok	Consumer Products	Common share	323,379,803	33,630,158	1,471,319,412.50	10.40
						(market price as of Dec 31, 2013)	
2. O.C.C.	Bangkok	Distributor	Common Share	60,000,000	11,839,980	192,991,674.00	19.73
						(market price as of Dec 31, 2013)	
3. PAN ASIA FOOTWEAR	Cholburi	Footwear	Common Share	540,000,000	102,112,778	105,365,634.78	18.91
*4. INTERNATIONAL COMMERCIAL COORDINATION (P&G)	Hong Kong	Distributor	Common share	20,000	3,800	1,657,750.00	19.00
5. BETTER WAY (THAILAND)	Bangkok	Direct Sale	Common Share	8,000,000	1,340,142	101,232,031.65	16.75
6. FAIRYLAND DEPARTMENT STORE	Nakornsawan	Department Store	Common Share	1,000,000	106,200	15,930,000.00	10.62
7. U C C UESHMA COFFEE (THAILAND)	Bangkok	UCC Coffee Shop and Wholesaler of Instant Coffee and Office Coffee	Common share	150,000	15,000	1,500,000.00	10.00
8. E.P.F.	Bangkok	Distributor, Retailer	Common Share	65,000	6,500	390,000.00	10.00
9. KAI I.T. SERVICE	Bangkok	Assembling and Selling Computer	Common Share	400,000	40,000	1,125,600.00	10.00
10. 4 PEOPLE FOODS	Bangkok	Instant Noodles 4ME	Common Share	2,000,000	280,000	18,249,000.00	14.00
*11. KYOSHUN	Japan	Import pickled ginger from Thailand and export Japanese food to Thailand	Common Share	600	115	2,088,400.00	19.17
12. MORGAN DE TOI (THAILAND)	Bangkok	Distributor of men's and women's apparels and leather products under the brand "MORGAN"	Common Share	400,000	48,000	4,800,000.00	12.00
13. DAISO SANGYO (THAILAND)	Bangkok	One-price retail business of consumer products	Common Share	28,000,000	3,249,474	32,494,740.00	11.61



The Company's General and other Significant Information

Companies	Location	Type of Business	Type of Shares	No. of Total Paid-up Shares	No. of Shares Held	Investment amount (฿)	Percentage of Shares holding
14. SHISEIDO PROFESSIONAL (THAILAND)	Bangkok	Beauty salon and spa including import and export of cosmetic products	Common Share	7,000,000	1,050,000	10,500,000.00	15.00
15. SIAM AUTOBACS	Bangkok	Sale and service of automobile parts and accessories	Common Share Preferred Share	2,989,998 1,000,002	500,000 -	5,000,000.00 -	12.53
16. TSURUHA (THAILAND)	Bangkok	Retail store, sale health and beauty products, other consumer products	Common Share	200,000	30,000	30,000,000.00	15.00
17. SHOP GLOBAL (THAILAND)	Bangkok	TV Shopping (sale products via Satellite TV)	Common Share	4,020,000	1,800,000	120,600,000.00	30.00
Total				978,625,403	156,052,147	2,115,244,242.98	

Remarks : *Investment in other countries



The Company's General and Other Significant Information

Companies	Location	Type of Business	Type of Shares	No. of Total Paid-up Shares	No. of Shares Held	Investment amount (฿)	Percentage of Shares holding
Manufacturing Companies							
1. TEXTILE PRESTIGE	Bangkok	Embroidered Lace,	Common Share	108,000,000	11,261,720	114,869,544.00	10.43
		Sponge				(market price as of Dec 31, 2013)	
2. S & J	Bangkok	Cosmetics	Common Share	149,930,828	21,897,781	343,795,161.70	14.61
INTERNATIONAL ENTERPRISES						(market price as of Dec 31, 2013)	
3. THANULUX	Bangkok	Leather Products &	Common Share	120,000,000	12,307,040	307,676,000.00	10.25
		Accessories				(market price as of Dec 31, 2013)	
4. SAHACOGEN (CHONBURI)	Chonburi	Power Plant	Common Share	955,000,000	99,432,960	421,595,750.40	10.41
						(market price as of Dec 31, 2013)	
5. LION CORPORATION (THAILAND)	Bangkok	Detergent	Common Share	3,000,000	360,000	36,000,000.00	12.00
6. RAJA UCHINO	Bangkok	Towels	Common Share	1,215,000	165,150	16,322,496.00	13.59
7. CHAMP ACE	Bangkok	Garment	Common Share	400,000	50,000	5,000,000.00	12.50
8. T.U.C. ELASTIC	Bangkok	Elastic Bands	Common Share	1,600,000	192,000	18,200,000.00	12.00
9. H & B INTERTEX	Bangkok	Soft and Plush Toys	Common Share	400,000	76,000	7,600,000.00	19.00
10. INTERNATIONAL LEATHER FASHION	Bangkok	Leather Shoes	Common Share	500,000	140,000	21,727,300.00	28.00
11. TOTAL WAY IMAGE	Bangkok	Leather Goods	Common Share	200,000	20,000	2,000,000.00	10.00
12. TOP TREND MANUFACTURING	Chonburi	Plastic Packaging	Common Share	1,200,000	216,000	43,200,000.00	18.00
13. GENERAL GLASS	Chonburi	Glass Packaging	Common Share	14,500,000	2,827,500	42,979,330.00	19.50
14. THAI TAKAYA	Bangkok	Jean Trousers	Common Share	300,000	30,000	3,000,000.00	10.00
15. SSDC (TIGERTEX)	Prachinburi	Bleaching & Dyeing	Common Share	32,400,000	6,345,520	33,135,122.78	19.58
16. THAI ARAI	Chonburi	Automobile Parts	Common Share	1,260,000	135,450	14,162,504.36	10.75
17. GRAND STAR INDUSTRY	Bangkok	Textiles	Common Share	200,000	39,000	4,346,300.00	19.50
18. THAI SPORTS GARMENT	Bangkok	Garment	Common Share	100,000	12,000	1,200,000.00	12.00
19. THAI GUNZE	Prachinburi	Knit Wear	Common Share	1,800,000	288,000	28,800,000.00	16.00
20. THAI CUBIC TECHNOLOGY	Chonburi	Surface Decorating Service	Common Share	400,000	76,000	7,600,000.00	19.00
21. KEWPIE (THAILAND)	Bangkok	Food	Common Share	2,600,000	280,000	27,273,400.00	10.77



The Company's General and other Significant Information

Companies	Location	Type of Business	Type of Shares	No. of Total Paid-up Shares	No. of Shares Held	Investment amount (฿)	Percentage of Shares holding
22. THAI SHIKIBO	Bangkok	Textile (Spinning)	Common Share	2,375,000	278,900	26,539,112.00	11.74
23. THAI TAKEDA LACE	Bangkok	Lace	Common Share	1,270,000	162,000	20,482,860.00	12.76
24. THAI SUN FOODS	Bangkok	Producing and Trading Fruit Juice	Common Share	5,000,000	950,000	9,500,000.00	19.00
		"Greenmate" and Distribution of					
		"Honey" Biscuits					
25. FIVE STARS PLUS	Bangkok	Manufacture of leather coats for export	Common Share	500,000	97,500	9,750,000.00	19.50
26. INTERNATIONAL LABORATORIES	Bangkok	Cosmetics	Common Share	12,000,000	2,347,200	313,089,800.00	19.56
27. THAI KAMAYA	Bangkok	Cosmetics packaging electrical parts and automobile plastic	Common Share	1,000,000	128,000	14,528,000.00	12.80
28. BANGKOK TOKYO SOCKS	Chaiburi	Socks Manufacturing and Export	Common Share	1,432,200	280,000	24,250,000.00	19.55
29. ERAWAN TEXTILE	Samutprakan	Producing and weaving threads from cotton and polyester T/C	Common Share	4,650,938	745,124	110,768,362.91	16.02
30. THAI ITOKIN	Bangkok	Ladies' wear	Common Share	1,000,000	279,000	29,532,400.00	27.90
31. SAHA NAM TEXTILE	Bangkok	Elastic yarn, twisted and texturized yarn	Common Share	360,000	64,800	7,335,864.00	18.00
Total				1,424,593,966	161,484,645	2,066,250,308.15	





The Company's General and Other Significant Information

Companies	Location	Type of Business	Type of Shares	No. of Total Paid-up Shares	No. of Shares Held	Investment amount (฿)	Percentage of Shares holding
Service Companies and Others							
1. FAR EAST DDB	Bangkok	Advertising	Common Share	7,500,000	797,800	147,593,000.00	10.84
					(market price as of Dec 31, 2013)		
2. SAHA RATTANAHAKORN	Bangkok	Industrial Estate	Common Share	1,800,000	225,000	22,500,000.00	12.50
3. SAHA UBOLNAKORN	Bangkok	Industrial Park	Common Share	1,250,000	237,500	1,484,375.00	19.00
4. K. COMMERCIAL AND CONSTRUCTION	Bangkok	Construction	Common Share	500,000	97,500	34,084,104.13	19.50
5. SAHAPAT REAL ESTATE	Bangkok	Real Estate Development	Common Share	10,000,000	1,990,000	49,750,000.00	19.90
6. WORLDCLASS RENT A CAR	Bangkok	Car Rent	Common Share	1,000,000	211,111	19,792,935.73	25.00
			Preferred Share	2,800,000	738,889	73,888,900.00	
7. D F INTER	Bangkok	Made-to-Order Furniture	Common Share	50,000	9,500	1,060,200.00	19.00
8. K R S LOGISTICS	Bangkok	Warehouse Management	Common Share	1,000,000	155,000	1,550,000.00	15.50
9. THAI FLYING MAINTENANCE	Bangkok	Aircraft and Helicopter Maintenance Service	Common Share	20,000	3,000	300,000.00	15.00
10. LAEM CHA-BANG WAREHOUSE	Choburi	Warehouse	Common Share	50,000	9,500	1,013,650.00	19.00
11. UNITED UTILITIES	Bangkok	Real Estate	Common Share	3,500,000	549,457	72,315,002.82	18.56
12. TREASURE HILL	Choburi	Golf Course	Common Share	2,000,000	240,000	16,178,000.00	12.00
13. PAN LAND	Choburi	Land Development	Common Share	3,000,000	500,000	49,367,900.00	16.67
14. TIGER DISTRIBUTION & LOGISTICS	Bangkok	Distribution and Logistics	Common Share	2,000,000	398,000	6,982,399.12	19.90
15. WASEDA EDUCATION (THAILAND)	Bangkok	Institute of Japanese Language and Cultural Studies	Common Share	560,000	60,000	6,000,000.00	10.71
16. OTSUKA SAHA ASIA RESEARCH	Bangkok	Consultant on production research and development	Common Share	800,000	130,666	13,066,600.00	16.33
17. THAI SECOM PITAKKIJ	Bangkok	Security	Common Share	3,788,572	568,286	94,680,056.00	15.00



The Company's General and other Significant Information

Companies	Location	Type of Business	Type of Shares	No. of Total Paid-up Shares	No. of Shares Held	Investment amount (฿)	Percentage of Shares holding
18. ISSARIA UNITED	Bangkok	Property Development	Common Share	800,000	199,997	19,999,700.00	25.00
19. BOON	Bangkok	Investment	Common Share	17,500,000	5,599,999	55,999,990.00	32.00
CAPITALHOLDING							
Total				59,918,572	12,821,205	687,606,812.80	
Grand Total				2,463,137,941	330,357,997	4,869,110,363.88	
Less : Provision for loss from impairment of investment						248,157,297.92	
Net				2,463,137,941	330,357,997	4,620,953,065.96	



Report on the Company Board of Director's Responsibility on the Financial Report

The Company's Financial Statements have been compiled under the policies of the Board of Directors which are in compliance with the generally accepted accounting principles, and to be conservatively recorded. Due circumspection of estimation has also been given in the preparation of the financial statements to reflect truthfully the company's performance.

Recognizing the essential of the quality of the financial statements, the Board of Directors then managed to provide reviewing of the financial data and sufficient information in the Notes to the Financial Statements and the Explanation and Analysis Report for the interest of the shareowners and investors who seek access into the financial statements.

For this respect, the Board has appointed an Audit Committee, consisting of independent members and non-executive members, to directly oversee the quality of the financial statements. The Committee's comments have already been shown in the Report of the Audit Committee in this annual report.

According to the above-mentioned administrative structure and internal control system as well as the audit results of the certified public accountant, the Board is confident that the company's financial statements as of December 31, 2013, have shown an essentially accurate picture of its financial status, performance and cash flow statements according to the generally accepted accounting principles.



Som Chatusripitak Ph.D.
Chairman



Mr. Boonkiet Chokwatana
President and Executive Chairman



Independent Auditor's Report

To the Shareholders of I.C.C. International Public Company Limited

I have audited the accompanying financial statements in which the equity method is applied and separate financial statements of I.C.C. International Public Company Limited (the "Company"), which comprise the statement of financial position in which the equity method is applied and separate statement of financial position as at 31 December 2013, the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements in which the Equity Method is Applied and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in which the equity method is applied and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements in which the equity method is applied and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements in which the equity method is applied and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements in which the equity method is applied and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements in which the equity method is applied and separate financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

Without qualifying my opinion, I draw attention to notes 2 and 3 to the financial statements describing the effect of the Company's adoption from 1 January 2013 of certain new accounting policies. The corresponding figures presented are based on the audited financial statements as at and for the year ended 31 December 2012 after making the adjustments described in notes 2 and 3.

(Bunyarit Thanormcharoen)
Certified Public Accountant
Registration No. 7900

KPMG Phoomchai Audit Ltd.
Bangkok
25 February 2014

Financial Statements

I.C.C. International Public Company Limited Statement of financial position

(in Baht)

Assets	Note	Financial statements in which equity method is applied			Separate financial statements		
		31 December 2019	31 December 2012 (Restated)	1 January 2012 (Restated)	31 December 2019	31 December 2012 (Restated)	1 January 2012 (Restated)
Current assets							
Cash and cash equivalents	6	170,409,402	184,401,753	520,164,715	170,409,402	184,401,753	520,164,715
Trade accounts receivable	5, 7	1,652,365,276	2,043,632,899	1,662,640,689	1,652,365,276	2,043,632,899	1,662,640,689
Short-term loans	5, 8	165,000,000	165,000,000	169,000,000	165,000,000	165,000,000	169,000,000
Inventories	9	4,099,481,797	4,486,170,204	3,763,686,666	4,099,481,797	4,486,170,204	3,763,686,666
Sales VAT on consignment sales of inventories		365,505,097	419,538,553	368,014,978	365,505,097	419,538,553	368,014,978
Other current assets		133,313,461	113,013,755	146,052,770	133,313,461	113,013,755	146,052,770
Total current assets		6,788,075,033	7,413,757,164	6,829,561,820	6,788,075,033	7,413,757,164	6,829,561,820
Non-current assets							
Available-for-sale investments	10	5,350,539,199	6,595,799,177	4,881,481,954	5,350,539,199	6,595,799,177	4,881,481,954
Investments in associates	11	352,026,533	266,784,364	209,654,220	336,565,576	215,995,576	159,965,586
Other long-term investments	10	1,704,164,369	1,573,125,569	1,355,111,692	1,704,164,369	1,573,125,569	1,355,111,692
Investment properties	12	1,065,632,312	965,626,246	1,064,360,216	1,065,632,312	965,626,246	1,064,360,216
Property, plant and equipment	13	2,276,662,324	2,252,009,775	2,000,638,649	2,276,662,324	2,252,009,775	2,000,638,649
Deferred tax assets	15	-	-	122,004,919	-	-	122,004,919
Other non-current assets	14	276,960,332	255,505,927	242,250,977	276,960,332	255,505,927	242,250,977
Total non-current assets		11,034,185,089	11,910,853,060	9,875,503,029	11,016,744,132	11,886,054,272	9,825,834,395
Total assets		17,820,260,122	19,324,610,224	16,705,064,849	17,804,819,165	19,271,811,436	16,655,396,215

The accompanying notes are an integral part of these financial statements.

Financial Statements

I.C.C. International Public Company Limited

Statement of financial position

(in Baht)

Liabilities and equity	Note	Financial statements in which equity method is applied			Separate financial statements		
		31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)	31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)
Current liabilities							
Short-term loans from financial institution	16	-	464,000,000	-	-	464,000,000	-
Trade accounts payable	5, 17	1,235,602,699	1,444,156,815	1,524,316,637	1,235,602,699	1,444,156,815	1,524,316,637
Other payable	5	748,195,946	760,138,361	715,582,804	748,195,946	760,138,361	715,582,804
Income tax payable		-	63,652,795	168,290,705	-	63,652,795	168,290,705
Total current liabilities		1,983,798,645	2,751,949,971	2,408,190,146	1,983,798,645	2,751,949,971	2,408,190,146
Non-current liabilities							
Deferred tax liabilities	15	25,403,847	166,532,171	-	25,403,847	166,532,171	-
Employee benefit obligations	18	478,810,689	427,806,363	378,667,675	478,810,689	427,806,363	378,667,675
Other non-current liabilities		41,576,081	38,574,835	38,210,648	41,576,081	38,574,835	38,210,648
Total non-current liabilities		545,792,617	652,915,369	416,898,323	545,792,617	652,915,369	416,898,323
Total liabilities		2,529,591,264	3,404,865,340	2,825,088,469	2,529,591,264	3,404,865,340	2,825,088,469
Equity							
Share capital:	19						
Authorized share capital		500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Issued and paid-up share capital		290,633,730	290,633,730	290,633,730	290,633,730	290,633,730	290,633,730
Additional paid in capital:							
Premium on ordinary shares		1,467,143,830	1,467,143,830	1,467,143,830	1,467,143,830	1,467,143,830	1,467,143,830
Surplus on treasury shares		51,433,146	51,433,146	51,433,146	51,433,146	51,433,146	51,433,146
Retained earnings							
Appropriated:							
Legal reserve	20	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
General reserve	20	1,502,922,711	1,406,032,914	1,335,941,185	1,502,922,711	1,406,032,914	1,335,941,185
Unappropriated		8,912,536,242	8,686,170,946	8,024,394,588	8,897,095,285	8,635,372,160	7,974,725,954
Other components of equity	20	2,995,969,199	3,946,330,316	2,640,429,901	2,995,969,199	3,946,330,316	2,640,429,901
Total equity		15,290,668,858	15,918,744,884	13,879,976,380	15,275,227,901	15,866,946,096	13,830,307,746
Total liabilities and equity		17,820,260,122	19,324,610,224	16,705,064,849	17,804,819,165	19,271,811,436	16,655,396,215

The accompanying notes are an integral part of these financial statements.

Financial Statements

I.C.C. International Public Company Limited

Statement of comprehensive income

For the year ended 31 December 2013 and 2012

(in Baht)

	Note	Financial statements in which equity method is applied		Separate financial statements	
		2013	2012 (Restated)	2013	2012 (Restated)
Revenue from sale of goods		13,328,678,353	13,677,439,358	13,328,678,353	13,677,439,358
Cost of sales of goods		8,173,136,292	8,425,242,096	8,173,136,292	8,425,242,096
Gross profit		5,155,542,061	5,252,197,262	5,155,542,061	5,252,197,262
Other income					
Dividends income		384,715,499	352,243,781	395,604,389	359,018,226
Gain on disposal of property, plant and equipments and investment properties		44,448,474	108,531,777	44,448,474	108,531,777
Gain of disposal of leasehold		22,268,362	-	22,268,362	-
Gain on disposal of investment		-	19,380,522	-	19,380,522
Others		153,190,727	241,189,131	153,190,727	241,189,131
Total other income		604,623,062	721,345,211	615,511,952	728,119,656
Profit before expenses		5,760,165,123	5,973,542,473	5,771,054,013	5,980,316,918
Expenses					
Selling expenses	22	3,502,338,679	3,391,561,481	3,502,338,679	3,391,561,481
Administrative expenses	23	1,425,558,241	1,325,487,161	1,425,558,241	1,325,487,161
Finance costs		7,389,057	5,041,905	7,389,057	5,041,905
Total expenses		4,935,285,977	4,722,090,547	4,935,285,977	4,722,090,547
Share of profit (loss) of equity					
- accounted investees					
Associates	11	(26,468,941)	9,904,599	-	-
Profit before income tax expense		798,410,205	1,261,356,525	835,768,036	1,258,226,371
Income tax expense	26	113,862,951	207,791,333	113,862,951	207,791,333
Profit for the year		684,547,254	1,053,565,192	721,905,085	1,050,435,038
Other comprehensive income					
Net change in fair value of available-for-sale investments	10	(1,187,913,896)	1,695,974,564	(1,187,913,896)	1,695,974,564
Income tax on other comprehensive income	15	237,582,779	(390,074,149)	237,582,779	(390,074,149)
Other comprehensive (loss) income for the year net of income tax		(950,331,117)	1,305,900,415	(950,331,117)	1,305,900,415
Total comprehensive (loss) income for the year		(265,783,863)	2,359,465,607	(228,426,032)	2,356,335,453
Earnings per share					
Basic earnings per share	27	2.36	3.63	2.48	3.61

The accompanying notes are an integral part of these financial statements.

Financial Statements

I.C.C. International Public Company Limited

Statement of changes in equity

For the year ended 31 December 2013 and 2012

(in Baht)

	Financial statements in which equity method is applied							
	Note	Issued and paid-up share capital	Premium on ordinary shares	Surplus on treasury shares	Retained earnings			Total equity
					Legal reserve	General reserve	Unappropriated	
							Fair value changes in available-for-sale investments	
Balance at 1 January 2012								
- as reported		290,633,730	1,487,143,830	51,433,146	50,000,000	1,335,941,185	7,305,861,240	3,236,938,330
Impact of changes in accounting policies	3	-	-	-	-	-	718,513,348	(516,508,429)
Balance at 1 January 2012		290,633,730	1,487,143,830	51,433,146	50,000,000	1,335,941,185	8,024,374,588	2,640,429,901
- restated		290,633,730	1,487,143,830	51,433,146	50,000,000	1,335,941,185	8,024,374,588	2,640,429,901
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the Company								
Transfer to general reserve	25, 28	-	-	-	-	70,091,729	(70,091,729)	-
Dividends to owners of the Company	28	-	-	-	-	-	(319,687,103)	-
Total transactions with owners, recorded directly in equity		-	-	-	-	70,091,729	(389,778,832)	-
Comprehensive income for the year								
Profit		-	-	-	-	-	1,053,565,192	-
Other comprehensive income		-	-	-	-	-	-	1,305,900,415
Total comprehensive income for the year		-	-	-	-	-	1,053,565,192	1,305,900,415
Balance at 31 December 2012		290,633,730	1,487,143,830	51,433,146	50,000,000	1,406,032,914	8,688,170,948	3,946,330,318
Balance at 31 December 2012		290,633,730	1,487,143,830	51,433,146	50,000,000	1,406,032,914	7,888,120,541	4,932,912,894
- as reported		290,633,730	1,487,143,830	51,433,146	50,000,000	1,406,032,914	7,888,120,541	4,932,912,894
Impact of changes in accounting policies	3	-	-	-	-	-	800,050,407	(595,582,578)
Balance at 31 December 2012		290,633,730	1,487,143,830	51,433,146	50,000,000	1,406,032,914	8,688,170,948	3,946,330,318
- restated		290,633,730	1,487,143,830	51,433,146	50,000,000	1,406,032,914	8,688,170,948	3,946,330,318
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners of the Company								
Transfer to general reserve	25, 28	-	-	-	-	95,889,797	(95,889,797)	-
Dividends to owners of the Company	28	-	-	-	-	-	(363,292,163)	-
Total transactions with owners, recorded directly in equity		-	-	-	-	95,889,797	(460,181,960)	-
Comprehensive income for the year								
Profit		-	-	-	-	-	684,547,254	-
Other comprehensive income		-	-	-	-	-	-	(150,331,117)
Total comprehensive income for the year		-	-	-	-	-	684,547,254	(150,331,117)
Balance at 31 December 2013		290,633,730	1,487,143,830	51,433,146	50,000,000	1,502,922,711	8,912,538,242	2,995,999,199

The accompanying notes are an integral part of these financial statements.

Financial Statements

I.C.C. International Public Company Limited

Statement of changes in equity

For the year ended 31 December 2013 and 2012

(in Baht)

	Note	Separate financial statements							Total equity
		Issued and paid-up share capital	Premium on ordinary shares	Surplus on treasury shares	Retained earnings			Other components of equity	
					Legal reserve	General reserve	Unappropriated	Fair value changes in available-for-sale investments	
Balance at 1 January 2012									
- as reported		290,633,730	1,487,143,830	51,433,146	50,000,000	1,395,941,185	7,256,212,808	3,236,938,330	19,708,362,827
Impact of changes in accounting policies	3	-	-	-	-	-	716,513,348	(595,508,429)	122,004,919
Balance at 1 January 2012									
- restated		290,633,730	1,487,143,830	51,433,146	50,000,000	1,395,941,185	7,974,725,954	2,640,429,901	19,830,367,746
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners of the Company									
Transfer to general reserve	20, 26	-	-	-	-	70,091,729	(70,091,729)	-	-
Dividends to owners of the Company	28	-	-	-	-	-	(319,697,103)	-	(319,697,103)
Total transactions with owners, recorded directly in equity		-	-	-	-	70,091,729	(389,788,832)	-	(319,697,103)
Comprehensive income for the year									
Profit		-	-	-	-	-	1,050,435,038	-	1,050,435,038
Other comprehensive income		-	-	-	-	-	-	1,305,900,415	1,305,900,415
Total comprehensive income for the year		-	-	-	-	-	1,050,435,038	1,305,900,415	2,356,335,453
Balance at 31 December 2012		290,633,730	1,487,143,830	51,433,146	50,000,000	1,406,032,914	8,635,372,160	3,946,330,316	15,866,946,096
Balance at 31 December 2012									
- as reported		290,633,730	1,487,143,830	51,433,146	50,000,000	1,406,032,914	7,835,321,753	4,932,912,894	16,053,478,267
Impact of changes in accounting policies	3	-	-	-	-	-	800,050,407	(995,562,578)	(186,532,171)
Balance at 31 December 2012									
- restated		290,633,730	1,487,143,830	51,433,146	50,000,000	1,406,032,914	8,635,372,160	3,946,330,316	15,866,946,096
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners of the Company									
Transfer to general reserve	20, 28	-	-	-	-	96,886,797	(96,886,797)	-	-
Dividends to owners of the Company	28	-	-	-	-	-	(363,292,163)	-	(363,292,163)
Total transactions with owners, recorded directly in equity		-	-	-	-	96,886,797	(460,181,960)	-	(363,292,163)
Comprehensive income for the year									
Profit		-	-	-	-	-	721,505,085	-	721,505,085
Other comprehensive income		-	-	-	-	-	-	(950,331,117)	(950,331,117)
Total comprehensive income for the year		-	-	-	-	-	721,505,085	(950,331,117)	(228,426,032)
Balance at 31 December 2013		290,633,730	1,487,143,830	51,433,146	50,000,000	1,502,822,711	8,897,085,285	2,995,999,199	15,275,227,801

The accompanying notes are an integral part of these financial statements.

Financial Statements

I.C.C. International Public Company Limited

Statement of cash flows

For the year ended 31 December 2013 and 2012

(in Baht)

	Financial statements in which equity method is applied		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
<i>Cash flows from operating activities</i>				
Profit for the year	664,547,254	1,053,565,192	721,905,085	1,050,435,038
Adjustments for				
Depreciation and amortisation	172,109,096	160,662,864	172,109,096	160,662,864
Impairment loss on investment properties	8,837,371	-	8,837,371	-
Recoverable of bad debt	(60,000)	(60,000)	(60,000)	(60,000)
Provision for doubtful accounts	3,638,897	7,820,669	3,638,897	7,820,669
Loss on retirement of equipment	66,203	831,962	66,203	831,962
Reversal loss for decline in value of inventories	(8,431,364)	(36,326,026)	(8,431,364)	(36,326,026)
(Reversal) impairment loss on investment	33,262,884	(46,286,701)	33,262,884	(46,286,701)
Loss on investment liquidation of related party	661,320	45,881,849	661,320	45,881,849
(Gain) loss on disposal of investment	7,451,800	(66,090,472)	7,451,800	(66,090,472)
Gain on disposal of property, plant and equipment and investment properties	(44,448,474)	(108,531,777)	(44,448,474)	(108,531,777)
Gain on disposal of leasehold	(22,268,362)	-	(22,268,362)	-
Dividends income	(384,715,499)	(352,243,781)	(395,604,389)	(359,018,226)
Share of (profit) loss of equity-accounted investees, net of income tax	26,468,941	(9,904,599)	-	-
Finance costs	7,389,057	5,041,905	7,389,057	5,041,905
Income tax expense	113,862,951	207,791,333	113,862,951	207,791,333
	598,372,075	862,152,418	598,372,075	862,152,418
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	187,688,726	(188,752,879)	187,688,726	(188,752,879)
Inventories	397,119,771	(688,155,510)	397,119,771	(688,155,510)
Other current assets	69,171,780	(1,403,765)	69,171,780	(1,403,765)
Other non-current assets	(38,316,361)	(22,002,169)	(38,316,361)	(22,002,169)
Trade accounts payable	(208,556,116)	(80,157,822)	(208,556,116)	(80,157,822)
Other payable	(12,243,570)	44,254,399	(12,243,570)	44,254,399
Employee benefits obligations	51,002,326	49,120,688	51,002,326	49,120,688
Other non-current liabilities	3,003,246	364,187	3,003,246	364,187
Cash generated from (used in) operating activities	1,047,241,877	(24,580,453)	1,047,241,877	(24,580,453)

The accompanying notes are an integral part of these financial statements.

Financial Statements

I.C.C. International Public Company Limited

Statement of cash flows

For the year ended 31 December 2013 and 2012

(in Baht)

	Financial statements in which equity method is applied		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
<i>Cash flows from operating activities</i>				
Income tax paid	(166,381,051)	(373,966,302)	(166,381,051)	(373,966,302)
Net cash provided by (used in) operating activities	880,860,826	(398,546,755)	880,860,826	(398,546,755)
<i>Cash flows from investing activities</i>				
Dividends received	395,604,389	359,018,226	395,604,389	359,018,226
Purchase of property, plant and equipment and investment properties	(535,527,876)	(383,452,505)	(535,527,876)	(383,452,505)
(Increase) decrease in loans to related parties and employees	955,590	(8,953,773)	955,590	(8,953,773)
Purchase of equity securities	(297,381,257)	(330,923,245)	(297,381,257)	(330,923,245)
Sale of equity securities	53,712,515	105,062,243	53,712,515	105,062,243
(Increase) decrease in deposit for property, plant and equipment	24,131,730	(17,080,795)	24,131,730	(17,080,795)
Cash received from disposal property, plant and equipment and investment properties	283,781,795	199,551,492	283,781,795	199,551,492
Cash received from disposal of leasehold	14,250,000	-	14,250,000	-
Net cash used in investing activities	(60,473,114)	(76,778,357)	(60,473,114)	(76,778,357)
<i>Cash flows from financing activities</i>				
Interest paid	(7,087,900)	(4,740,747)	(7,087,900)	(4,740,747)
Dividends paid to owners of the Company	(363,292,163)	(319,697,103)	(363,292,163)	(319,697,103)
Proceeds from short-term loans from financial institutions	5,436,000,000	4,162,000,000	5,436,000,000	4,162,000,000
Repayment of short-term loans from financial institutions	(5,900,000,000)	(3,698,000,000)	(5,900,000,000)	(3,698,000,000)
Net cash from (used in) financing activities	(834,380,063)	139,562,150	(834,380,063)	139,562,150
Net decrease in cash and cash equivalents	(13,992,351)	(335,762,962)	(13,992,351)	(335,762,962)
Cash and cash equivalents at 1 January	184,401,753	520,164,715	184,401,753	520,164,715
Cash and cash equivalents at 31 December	170,409,402	184,401,753	170,409,402	184,401,753
<i>Non-cash transactions</i>				
Fair value changes in available-for-sale investments	(1,187,913,896)	1,695,974,564	(1,187,913,896)	1,695,974,564

The accompanying notes are an integral part of these financial statements.



Notes to the financial statements

I.C.C. International Public Company Limited

Notes to the financial statements

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Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorized for issue by the Board of Directors on 25 February 2014.

1 General information

I.C.C. International Public Company Limited, the "Company", is incorporated in Thailand and has its registered office at 530 Soi Sathupradit 58, Bang Phong Phang subdistrict, Yannawa district, Bangkok.

The Company was listed on the Stock Exchange of Thailand in December 1978.

The Company's major shareholders during the financial period were Saha Pathana Inter-Holding Public Company Limited (22.1% shareholding) and I.D.F. Co., Ltd. (9.5% shareholding). Both companies were incorporated in Thailand.

The principle business of the Company is distributing consumer products.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions ("FAP"); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued the following new and revised TFRS relevant to the Company's operations and effective for accounting periods beginning on or after 1 January 2013:

TFRS	Topic
TAS 12	Income Taxes
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

The adoption of these new and revised TFRS has resulted in changes in the Company's accounting policies. The effects of these changes are disclosed in note 3.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for financial statements beginning on or after 1 January 2014 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Company's operations are disclosed in note 32.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:



Notes to the financial statements

- financial instruments at fair value through profit or loss are measured at fair value;
- available-for-sale financial assets are measured at fair value.

(c) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand baht unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following note 18-Employee benefit obligations.

3 Changes in accounting policies

(a) Overview

From 1 January 2013, consequent to the adoption of new and revised TFRS as set out in note 2, the Company has changed its accounting policies in the following areas:

- Accounting for income tax
- Accounting for the effects of changes in foreign exchange rates
- Presentation of information on operating segments

Details of the new accounting policies adopted by the Group/Company are included in notes 3(b) to 3(d) below. Other new and revised TFRS did not have any impact on the accounting policies, financial position or performance of the Company.

(b) Accounting for income tax

The principal change introduced by TAS 12 is the requirement to account for deferred tax liabilities and assets in the financial statements. Deferred tax liabilities and assets are the amounts of income taxes payable and recoverable, respectively, in future periods in respect of temporary differences between the carrying amount of the liability or asset in the statement of financial position and the amount attributed to that liability or asset for tax purposes; and the carry forward of unused tax losses. The accounting policy for deferred tax is described in note 4(r).

Notes to the financial statements

The Company adopted TAS 12 with effect from 1 January 2013. The effects of the change are recognised retrospectively in the financial statements. The impact of the change on the financial statements is as follows:

(in thousand Baht)

Statement of financial position as at	Financial statements in which equity method is applied and Separate financial statements		
	31 December 2013	31 December 2012	1 January 2012
Increase in deferred tax assets	726,957	802,267	719,413
Increase in deferred tax liabilities	752,361	988,799	597,408
Decrease in revaluation surplus	(749,000)	(986,583)	(596,508)
Increase in retained earnings	723,596	800,051	718,513
Increase (decrease) in shareholders' equity	(25,404)	(186,532)	122,005
Increase (decrease) in total equity	(25,404)	(186,532)	122,005

(in thousand Baht)

Statement of comprehensive income for the year ended 31 December	Financial statements in which equity method is applied and Separate financial statements	
	2013	2012
(Increase) decrease in income tax expense	(76,455)	81,537
Increase (decrease) in profit for the year	(76,455)	81,537
Increase (decrease) in earnings per share (in Baht)	(0.26)	0.28

(c) Accounting for the effects of changes in foreign exchange rates

From 1 January 2013, the Company has adopted TAS 21 (revised 2009) Accounting for the effects of changes in foreign exchange rates.

The principal change introduced by TAS 21(revised 2009) is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21(revised 2009) requires the entity to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21(revised 2009). Foreign currencies are defined by TAS 21 (revised 2009) as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Company is Thai Baht and that the adoption of TAS 21(revised 2009) from 1 January 2013 has not had a significant impact on the Company's reported assets, liabilities or retained earnings.

(d) Presentation of information on operating segments

From 1 January 2013, the Company has adopted TFRS 8 Operating Segments. The new policy for presentation of information on operating segments, together with information on the previous policy, is given below. The new policy has been applied retrospectively and segment information included in the financial statements for the year ended 31 December 2012, which are included in the Company's 2013 financial statements for comparative purposes, has been re-presented accordingly. The change in policy only impacts presentational aspects and has no impact on the Company's reported assets, liabilities, results or earnings per share.



Notes to the financial statements

TFRS 8 introduces the “management approach” to segment reporting. It requires a change in the presentation and disclosure of segment information based on the internal reports regularly reviewed by the Company’s Chief Operating Decision Maker in order to assess each segment’s performance and to allocate resources to those segments. Previously the Company presented segment information in respect of its business and geographical segments in accordance with TAS 14 Segment Reporting.

The change in basis of presentation and disclosure of segment information has resulted in the Company presenting segment information (Note 21) in respect of the following segments: Cosmetics toiletries & perfumeries, Women’s apparel and Men’s apparel.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3, which addresses changes in accounting policies.

(a) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at the dates of the transactions.

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

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

(b) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(c) Trade and other accounts receivable

Trade accounts receivable are stated at their invoice value less allowance for doubtful accounts and provision for sales to retailers with condition.

Other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.



Notes to the financial statements

(d) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost of inventories in categories of trading and sales to retailers with condition is calculated using the weighted average cost principle and for cost of inventories on real estate-condominium is calculated using the specific method. Cost of inventory comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(e) Sales VAT on consignment sales of inventories

Sales VAT on consignment sales shall be recorded and payable when the goods have been delivered to retailers and sales VAT has been submitted to the Revenue Department. This sales VAT shall be recorded as current asset in the statement of financial position. The company shall also call for VAT from retailers after the goods have been sold to customers.

(f) Investments

Investments in associates

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

Investments in other debt and equity securities

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Debt securities that the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

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



Notes to the financial statements

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

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using weighted average method applied to the carrying value of the total holding of the investment.

(g) Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follows:

Investment properties	20 - 40 years
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(h) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

Notes to the financial statements

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Property that is being constructed for future use as investment property is accounted for at fair value. Any gain arising on remeasurement is recognised in profit or loss to the extent the gain reverses a previous impairment loss on the specific property. Any loss is recognised to extent that an amount had previously been included in the revaluation reserve relating to the specific property, with any remaining loss recognised immediately in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment except for the computer has been determined by using the Sum of Year's Digits Method. The estimated useful lives are as follows:

Buildings and improvements	20 - 50 years
Office equipment and vehicles	3 - 5 years
Furniture and fixtures	5 years

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(i) Intangible assets

Other intangible assets

Other intangible assets that are acquired by the Company and have finite useful lives which were trade mark and license database of customer are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Notes to the financial statements

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

Trademarks	10 years
License database of customer	10 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(i) Impairment

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 are estimated. For intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate. Receivables with a short duration are not discounted.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.



Notes to the financial statements

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(l) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(m) Employee benefits

Defined contribution plans

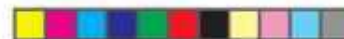
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The calculation is performed annually by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.



Notes to the financial statements

The Company recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

Termination benefits

Termination benefits are recognised as an expense when the Company is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(n) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(o) Revenue

Revenue excludes value added taxes and other sales taxes and is arrived at after deduction of trade discounts and volume rebates.

Sale of goods

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.



Notes to the financial statements

Dividend income

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

Interest income

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

(p) Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration is recognised in profit or loss using the effective interest method.

(q) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(r) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This

Notes to the financial statements

assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(s) Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

(t) Segment reporting

Segment results that are reported to the CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and liabilities and head office expenses.

5 Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties were as follows:

Name of entities	Country of incorporation/nationality	Ownership interest (%)	Nature of relationships
Key management personnel	Thai	-	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.
Saha Pathana Inter-Holding Plc.	Thai	9.7	Major shareholders, 22.1% shareholding, some common shareholders and directors
I.D.F. Co., Ltd.	Thai	9.0	Major shareholders, 9.5% shareholding, some common shareholders and directors



Notes to the financial statements

Name of entities	Country of incorporation/nationality	Ownership interest (%)	Nature of relationships
Saha Pathanapibul Plc.	Thai	10.4	8.5% shareholding, some common shareholders and directors
Boon Capital Holding Co., Ltd.	Thai	32.0	Associate, some common directors
SHOP Global (Thailand) Co., Ltd.	Thai	30.0	Associate, some common directors
International Leather Fashion Co., Ltd.	Thai	28.0	Associate, some common directors
Thai Itokin Co., Ltd.	Thai	27.9	Associate, some common directors
Isiara United Co., Ltd.	Thai	25.0	Associate, some common directors
Worldclass Rent a Car Co., Ltd.	Thai	25.0	Associate, some common directors
Tiger Distribution & Logistics Co., Ltd.	Thai	19.9	Some common directors
Sahapat Real Estate Co., Ltd.	Thai	19.9	Some common directors
O.C.C. Plc.	Thai	19.7	0.6% shareholding, some common directors
SSDC (Tigertex) Co., Ltd.	Thai	19.6	Some common directors
International Laboratories Co., Ltd.	Thai	19.6	1.1% shareholding, some common directors
Bangkok Tokyo Socks Co., Ltd.	Thai	19.6	Some common directors
Grand Star Industry Co., Ltd.	Thai	19.5	Some common directors
K. Commercial and Construction Co., Ltd.	Thai	19.5	Some common directors
General Glass Co., Ltd.	Thai	19.5	Some common directors
Five Star Plus Co., Ltd.	Thai	19.5	Some common directors
DF Inter Co., Ltd.	Thai	19.0	Some common directors
Thai Sun Foods Co., Ltd.	Thai	19.0	Some common directors
Thai Cubic Technology Co., Ltd.	Thai	19.0	Some common directors
Laem Cha-Bang Warehouse Co., Ltd.	Thai	19.0	Some common directors
H & B Interlex Co., Ltd.	Thai	19.0	Some common directors
International Commercial Coordination (Hong Kong) Ltd.	Hong Kong	19.0	Some common directors
Pan Asia Footwear Plc.	Thai	18.9	Some common directors
United Utilities Co., Ltd.	Thai	18.6	Some common directors
Top Trend Manufacturing Co., Ltd.	Thai	18.0	Some common directors
Saha Nam Textile Co., Ltd.	Thai	18.0	Some common directors
Better Way (Thailand) Co., Ltd.	Thai	16.8	Some common directors
Pan Land Co., Ltd.	Thai	16.7	Some common directors
Erawan Textile Co., Ltd.	Thai	16.5	Some common directors
Otauka Saha Asia Research Co., Ltd.	Thai	16.3	Some common directors are close member of the family of the Company's management
Thai Gunze Co., Ltd.	Thai	16.0	Some common directors
K R S Logistics Co., Ltd.	Thai	15.5	Some common directors are close member of the family of the Company's management
Shiseido Professional (Thailand) Co., Ltd.	Thai	15.0	Some common directors
Tsunaha (Thailand) Co., Ltd.	Thai	15.0	Some common directors
Thai Secom Pitakij Co., Ltd.	Thai	15.0	Some common directors



Notes to the financial statements

Name of entities	Country of incorporation/nationality	Ownership interest (%)	Nature of relationships
S & J International Enterprises Plc.	Thai	14.6	Some common directors
4 People Foods Co., Ltd.	Thai	14.0	Some common directors
Raja Uchino Co., Ltd.	Thai	13.6	Some common directors
Thai Kamaya Co., Ltd.	Thai	12.8	Some common directors
Thai Takeda Lacta Co., Ltd.	Thai	12.8	Some common directors
Champ Ace Co., Ltd.	Thai	12.5	Some common directors
T.U.C. Elastic Co., Ltd.	Thai	12.0	Some common directors
Treasure Hill Co., Ltd.	Thai	12.0	Some common directors
Morgan De Toi (Thailand) Co., Ltd.	Thai	12.0	Some common directors are close member of the family of the Company's management
Lion Corporation (Thailand) Co., Ltd.	Thai	12.0	Some common directors are close member of the family of the Company's management
Thai Sports Garment Co., Ltd.	Thai	12.0	Some common directors
Thai Shikubo Co., Ltd.	Thai	11.7	Some common directors
Kewpie (Thailand) Co., Ltd.	Thai	10.8	Some common directors are close member of the family of the Company's management
Thai Arai Co., Ltd. [®]	Thai	10.8	Some common directors
Waseda Education (Thailand) Co., Ltd.	Thai	10.7	Some common directors
Far East DDB Plc.	Thai	10.6	Some common directors are close member of the family of the Company's management
Textile Prestige Plc.	Thai	10.4	Some common directors
Sahacogen (Chonburi) Plc.	Thai	10.4	Some common directors
Thanulux Plc.	Thai	10.3	3.4% shareholding, some common directors
Kai I.T. Service Co., Ltd.	Thai	10.0	Some common directors
Thai Takaya Co., Ltd.	Thai	10.0	Some common directors
Total Way Image Co., Ltd.	Thai	10.0	Some common directors
E.P.F. Co., Ltd.	Thai	10.0	Some common directors are close member of the family of the Company's management
K.T.Y. Industry Co., Ltd.	Thai	9.9	Some common directors
First United Industry Co., Ltd.	Thai	9.1	Some common directors
Dairy Thai Co., Ltd.	Thai	9.0	Some common directors are close member of the family of the Company's management
Wien International Co., Ltd.	Thai	9.0	Some common directors
BNC Maesot Co., Ltd.	Thai	9.0	Some common directors
Osoth Inter Laboratories Co., Ltd.	Thai	9.0	Some common directors
Saha Lawson Co., Ltd.	Thai	9.0	Some common directors
Sun 108 Co., Ltd.	Thai	8.3	Some common directors
Janome (Thailand) Co., Ltd.	Thai	8.0	Some common directors
Thai Bunka Fashion Co., Ltd.	Thai	8.0	Some common directors



Notes to the financial statements

Name of entities	Country of incorporation/nationality	Ownership interest (%)	Nature of relationships
Thai Staffex Co., Ltd.	Thai	8.0	Some common directors
Molten Asia Polymer Products Co., Ltd.	Thai	7.8	Some common directors are close member of the family of the Company's management
Sahachol Food Supplies Co., Ltd.	Thai	7.8	Some common directors
Pens Marketing and Distribution Co., Ltd.	Thai	7.0	Some common directors
SRP Nantasai Co., Ltd. (Formerly known as SRP Advertising Co., Ltd.) ²⁾	Thai	6.3	Some common directors
Molten (Thailand) Co., Ltd.	Thai	6.0	Some common directors are close member of the family of the Company's management
Boutique Newcity Plc.	Thai	6.0	Some common directors are close member of the family of the Company's management
Sahapat Properties Co., Ltd.	Thai	5.8	Some common directors
Pattaya Manufacturing Co., Ltd.	Thai	5.3	Some common directors
People's Garment Plc.	Thai	5.3	Some common directors
Kenmin Foods (Thailand) Co., Ltd.	Thai	5.0	Some common directors
Thai Monster Co., Ltd.	Thai	5.0	Some common directors are close member of the family of the Company's management
Thai Wacoal Plc.	Thai	4.9	3.8% shareholding, some common directors
Thai Hoover Industry Co., Ltd.	Thai	4.8	Some common directors
Carbon Magic (Thailand) Co., Ltd. (Formerly known as Dome Composites (Thailand) Co., Ltd.)	Thai	4.2	Some common directors
Thai Anusu Co., Ltd.	Thai	4.2	Some common directors
The Mall Ratchasima Co., Ltd.	Thai	4.0	Some common directors are close member of the family of the Company's management
Ratchasima Shopping Complex Co., Ltd.	Thai	4.0	Some common directors are close member of the family of the Company's management
Thai Samsung Electronics Co., Ltd.	Thai	3.7	Some common directors
Sriracha Aviation Co., Ltd.	Thai	3.6	Some common directors
Thai Samung Life Insurance Plc.	Thai	3.5	Some common directors
Thai Naxs Co., Ltd.	Thai	3.4	Some common directors
Thai President Foods Plc.	Thai	2.0	Some common directors
Newcity (Bangkok) Plc.	Thai	0.8	Some common directors are close member of the family of the Company's management
Cake & Bakery Co., Ltd.	Thai	-	Some common directors
Can Co., Ltd.	Thai	-	Some common directors
Koraj Watana Co., Ltd.	Thai	-	Some common directors
Sun and Sand Co., Ltd.	Thai	-	Some common directors
Thai O.P. Co., Ltd. ²⁾	Thai	-	Some common directors

Notes to the financial statements

Name of entities	Country of incorporation/nationality	Ownership interest (%)	Nature of relationships
B.S.C Entertainment Co., Ltd. ⁽¹⁾	Thai	-	Some common directors
Mangkorn 1 2 Co., Ltd.	Thai	-	Some common directors
Pakrumpo Wattana Co., Ltd.	Thai	-	Some common directors
Maharachapreuk Co., Ltd.	Thai	-	Some common directors
Vira Law Office Co., Ltd.	Thai	-	Some common directors
Sukhatawana Co., Ltd.	Thai	-	Some common directors
Saha Asia Pacific Co., Ltd.	Thai	-	Some common directors are close member of the family of the Company's management
Intanin Chiangmai Co., Ltd.	Thai	-	Some common directors
Inter South Co., Ltd.	Thai	-	Some common directors
Eastern I.C.C. Co., Ltd.	Thai	-	Some common directors
Hair Service (Thai) Co., Ltd.	Thai	-	Some common directors are close member of the family of the Company's management
FANCL (Thailand) Co., Ltd. ⁽²⁾	Thai	-	Some common directors are close member of the family of the Company's management
Lion Service Co., Ltd.	Thai	-	Indirect holding by Lion Corporation (Thailand) Co., Ltd.
International Curity Footwear Co., Ltd.	Thai	-	Some common directors
Daijohs (Thailand) Co., Ltd. ⁽³⁾	Thai	-	Some common directors
Shaktan (Thailand) Co., Ltd.	Thai	-	Some common directors are close member of the family of the Company's management
International Commercial Coordination Co., Ltd.	Thai	-	Some common directors
Silver Rain Co., Ltd.	Thai	-	Some common directors
Sriracha BSC Bowling Co., Ltd. ⁽⁷⁾	Thai	-	Some common directors

(1) Thai O.P. Co., Ltd. has been liquidated and dissolved on 3 July 2012.

(2) B.S.C Entertainment Co., Ltd. has been liquidated and dissolved on 11 May 2012.

(3) FANCL (Thailand) Co., Ltd. has been liquidated and dissolved on 31 July 2012.

(4) Daijohs (Thailand) Co., Ltd. has been liquidated and dissolved on 22 March 2013.

(5) S R P Advertising Co., Ltd. has been merged with Thai Neneai Co., Ltd. to be SRP Neneai Co., Ltd. on 1 August 2013.

(6) Thai Ara Co., Ltd. has not been related since the third quarter of 2013.

(7) Sriracha BSC Bowling Co., Ltd. has not been related since 29 November 2013.

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Sales of goods	Market price or contractually agreed prices
Interest income	At the rate of 4.5% - 7.0% per annum
Dividends income	According to the declaration
Other income	Market price or contractually agreed prices
Purchase of goods or receiving of services	Contractually agreed prices
Purchase of property, plant and equipment and investment property	Contractually agreed prices
Selling expenses	Market price
Other expenses	Market price or contractually agreed prices

Notes to the financial statements

Significant transactions for the years ended 31 December with related parties were as follows:

(in thousand Baht)

For the years ended 31 December	Financial statements in which equity method is applied and Separate financial statements	
	2013	2012
Associates		
Sales of goods	9,446	130
Dividends income	10,899	6,774
Other income	5,146	2,629
Purchases of goods	268,956	344,497
Selling expense	438	577
Other expense	2,457	2,501
Other related parties		
Sales of goods	377,427	467,379
Dividends income	368,969	337,801
Other income	68,233	103,843
Purchases of goods	6,617,134	7,786,877
Purchase of property, plant and equipment and investment property	272,294	118,332
Sales of property, plant and equipment and investment property	326,574	1,107
Selling expense	599,644	651,548
Other expense	82,639	46,200
Key management personnel compensation		
Short-term employee benefits	82,126	73,038
Long-term benefits	5,600	5,120
Total key management personnel compensation	87,726	78,158

Balances as at 31 December with related parties were as follows:

(in thousand Baht)

	Financial statements in which equity method is applied and Separate financial statement			
	2013		2012	
	Trade accounts receivable and accrued income	Trade accounts payable and accrued expenses	Trade accounts receivable and accrued income	Trade accounts payable and accrued expenses
Associates				
Thai Itokin Co., Ltd.	11,568	41	-	226
International Leather Fashion Co., Ltd.	-	24,554	-	41,475
Worldclass Rent a Car Co., Ltd.	-	8	-	-
SHOP Global (Thailand) Co., Ltd.	103	-	-	-
Other related parties				
Thai Wacoal Plc.	44	342,010	86	350,923
Thanulux Plc.	-	166,528	320	259,866
People's Garment Plc.	2	114,879	1,420	141,507
Far East DDB Plc.	-	11,871	128	5,807
Saha Pathanapibul Plc.	462	11,883	6,474	16,574

Notes to the financial statements

(in thousand Baht)

	Financial statements in which equity method is applied and Separate financial statement			
	2013		2012	
	Trade accounts receivable and accrued income	Trade accounts payable and accrued expenses	Trade accounts receivable and accrued income	Trade accounts payable and accrued expenses
S & J International Enterprise Plc.	8,039	4,093	3,326	2,491
Champ Ace Co., Ltd.	885	56,365	769	80,084
Lion Corporation (Thailand) Co., Ltd.	1,514	222,863	186	207,916
International Laboratories Co., Ltd.	2,066	122,613	2,757	140,601
Can Co., Ltd.	2,100	-	4,661	-
Koraj Wattana Co., Ltd.	3,399	-	6,970	-
Sun and Sand Co., Ltd.	5,671	684	10,635	181
The Mall Ratchasima Co., Ltd.	30,717	2	38,097	9
Thai Gunze Co., Ltd.	-	7,013	-	7,723
Tiger Distribution & Logistics Co., Ltd.	-	4,035	1,682	7,877
Better Way (Thailand) Co., Ltd.	5,545	-	3,788	-
Maharachapreuk Co., Ltd.	3,764	-	7,359	-
Sukhadasana Co., Ltd.	-	34,069	-	36,663
Inter South Co., Ltd.	13,852	-	25,361	-
Intanin Chiangmai Co., Ltd.	19,281	-	23,444	-
Eastern I.C.C. Co., Ltd.	3,522	119	4,234	-
Raja Uchino Co., Ltd.	10,335	21,843	10,522	21,881
Thai Arusu Co., Ltd.	-	34,375	-	33,766
Pattaya Manufacturing Co., Ltd.	351	35,311	654	48,399
E.P.F. Co., Ltd.	2,880	-	4,713	-
H & B Intertex Co., Ltd.	1,084	44,087	385	39,214
Total Way Image Co., Ltd.	-	13,276	-	28,204
Shaldan (Thailand) Co., Ltd.	61	-	525	5,263
SRP Nanasai Co., Ltd.				
(Formerly known as S R P Advertising Co., Ltd.)	-	7,449	-	13,721
Others (less than 4 million Baht)	6,798	6,788	10,714	9,890
Total	134,043	1,286,759	169,410	1,500,261

(in thousand Baht)

	Financial statements in which equity method is applied and Separate financial statement	
	2013	2012
Trade accounts receivable	115,606	142,095
Accrued income	18,437	27,315
Total	134,043	169,410
Trade accounts payable	1,183,519	1,386,934
Accrued expenses	103,240	113,327
Total	1,286,759	1,500,261

Notes to the financial statements

Loans to related parties

(in thousand Baht)

	Interest rate (% per annum)		Financial statements in which equity method is applied and Separate financial statement	
	2013	2012	2013	2012
<i>Short-term loans</i>				
<i>Other related parties</i>				
Erawan Textile Co., Ltd.	4.5 - 4.75	4.5	90,000	90,000
<i>Long-term loan</i>				
<i>Other related parties</i>				
Irsara United Co., Ltd.	7.0	7.0	10,000	10,000

Rental area and related services agreements

The Company entered into rental area and related services agreements with several related parties. The Company pays fees of approximately Baht 0.1 million per month. The agreements have periods of 1-3 years and will expire in 2016.

Other commitments

(in thousand Baht)

	Financial statements in which equity method is applied and Separate financial statement	
	2013	2012
Guarantees for related parties	169,470	151,720

6 Cash and cash equivalents

(in thousand Baht)

	Financial statements in which equity method is applied and Separate financial statement	
	2013	2012
Cash on hand	7,549	3,966
Cash at banks - current and saving accounts	158,345	174,333
Others	4,515	6,103
Total	170,409	184,402

The currency denomination of cash and cash equivalents as at 31 December was as follows:

(in thousand Baht)

	Financial statements in which equity method is applied and Separate financial statement	
	2013	2012
Thai Baht (THB)	170,073	184,108
Others	336	294
Total	170,409	184,402

Notes to the financial statements

7 Trade accounts receivable

(in thousand Baht)

	Note	Financial statements in which equity method is applied and Separate financial statement	
		2013	2012
Related parties	5	115,606	142,095
Other parties		1,766,294	1,935,387
		1,881,900	2,077,482
Less allowance for doubtful accounts		(29,535)	(33,849)
Net		1,852,365	2,043,633
Bad and doubtful debts expense for the year		3,639	7,821
Reversal of bad debt and doubtful accounts for the year		(60)	(60)

Aging analyses for trade accounts receivable were as follows:

(in thousand Baht)

	Financial statements in which equity method is applied and Separate financial statement	
	2013	2012
Related parties		
Within credit terms	69,773	92,295
Overdue :		
Less than 1 month	35,716	49,800
1 - 3 months	10,117	-
	115,606	142,095
Other parties		
Within credit terms	1,591,777	1,298,229
Overdue :		
Less than 1 month	75,310	192,557
1 - 3 months	42,998	252,189
4 - 12 months	23,967	126,472
Over 12 months	32,242	65,940
	1,766,294	1,935,387
Less allowance for doubtful accounts	(29,535)	(33,849)
	1,736,759	1,901,538
Net	1,852,365	2,043,633

The normal credit terms granted by the Company range from 30 days to 90 days.

Notes to the financial statements

8 Short-term loans

(in thousand Baht)

	Note	Interest rate (% per annum)		Financial statements in which equity method is applied and Separate financial statement	
		2013	2012	2013	2012
Related parties	5	4.5 - 4.75	4.5	90,000	90,000
Other parties		7.0	7.0	150,000	150,000
				240,000	240,000
Less allowance for doubtful accounts				(75,000)	(75,000)
Net				165,000	165,000

The Company had loans to Siam Zokei Co., Ltd. ("Siam Zokei") in 2008, totaling Baht 150 million with interest rate at 7% per annum. This loan was guaranteed by a local company with the original title deeds owned by Siam Zokei Co., Ltd. and by the guaranteed company totaling two plots of land in Phuket province, with total area of 17 rai, 1 ngarn and 79.7 square wah, as its collateral. However, Siam Zokei Co., Ltd. could not repay this loan to the Company. The Company had pursued litigation against Siam Zokei Co., Ltd. Moreover, the Company filed a petition to the Court which approved to seize the properties of Siam Zokei Co., Ltd.

During 2010-2012, these properties had been sold at bidding price total approximately Baht 168.7 million and are awaiting for payment in accordance with the Court process. There were other creditors of Siam Zokei Co., Ltd. asking for distribution of these Siam Zokei's properties in this litigation case. However, if the money gained from the sales by auction is not enough for debt payment, the Company has the right to further file the law suit to the above mentioned guarantor.

During the year 2013, the Company asked the Court for distribution of Siam Zokei's properties and now is on the fact finding process. The Company believes that the amount from the distribution is higher than the net of loan outstanding balance as of 31 December 2013, thus the Company has not set up any additional provision.

9 Inventories

(in thousand Baht)

	Financial statements in which equity method is applied and Separate financial statement	
	2013	2012
Inventories on trading		
- Finished goods	1,392,139	1,457,227
- Sale by retailers	2,677,710	3,023,027
- Goods in transit	37,582	24,296
Total	4,107,431	4,504,550
Less allowance for decline in value	(30,484)	(38,915)
Inventories on trading - net	4,076,947	4,465,635
Real estate awaiting for sale - Condominium	22,535	22,535
Total	4,099,482	4,488,170
Inventories recognised as an expense in 'cost of sales of goods':		
- Cost	8,067,336	8,274,857
- Write-down to net realisable value	114,231	186,711
- Reversal of write-down	(8,431)	(36,326)
Total	8,173,136	8,425,242

Notes to the financial statements

10 Other investments

(in thousand Baht)

	Financial statements in which equity method is applied and Separate financial statement	
	2013	2012
<i>Available-for-sale investments</i>		
Equity securities available for sale	5,353,539	6,595,799
<i>Other long-term investments</i>		
Other non-marketable equity securities	1,966,094	1,854,476
Other debt securities held to maturity	65,000	65,000
	2,031,094	1,919,476
Less allowance for impairment	(326,930)	(346,350)
Net	1,704,164	1,573,126

Movements during the years of marketable equity securities were as follows:

(in thousand Baht)

	Financial statements in which equity method is applied and Separate financial statement	
	2013	2012
<i>Long-term investments - available-for-sale securities</i>		
At 1 January	6,595,799	4,881,482
Purchases during the year	6,883	18,343
Sale during the year	(3,546)	-
Valuation adjustment	(1,187,914)	1,695,974
Allowance for impairment	(52,683)	-
At 31 December	5,353,539	6,595,799

11 Investments in equity-accounted investees

(in thousand Baht)

	Financial statements in which equity method is applied		Separate financial statements	
	2013	2012	2013	2012
<i>Associates</i>				
At 1 January	268,784	209,654	215,986	159,986
Share of net profits of equity-accounted jointly-controlled entities	(26,469)	9,904	-	-
Dividends income	(10,889)	(6,774)	-	-
Acquisitions	120,600	56,000	120,600	56,000
At 31 December	352,026	268,784	336,586	215,986

Notes to the financial statements

Investments in equity-accounted investees as at 31 December 2013 and 2012, and dividend income from those investments for the years then ended, were as follows:

(in thousand Baht)

	Type of business	Country of incorporation	Financial statements in which equity method is applied and Separate financial statements									
			Ownership interest %		Paid-up capital		Cost		Equity		Dividend income	
			2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Associates												
Workless Rent a Car Co., Ltd.	Rent Car	Thai	25.00	25.00	380,000	380,000	93,682	93,682	132,403	143,176	7,389	3,694
Thai Itokin Co., Ltd.	Ladies Dress	Thai	27.90	27.90	100,000	100,000	29,532	29,532	30,923	30,617	-	-
International Leather Fashion Co., Ltd.	Leather shoes	Thai	28.00	28.00	50,000	50,000	21,728	21,728	36,920	37,545	3,500	3,080
Issara United Co., Ltd.	Property Development	Thai	25.00	25.00	80,000	80,000	20,000	20,000	-	6,494	-	-
Boon Capital Holding Co., Ltd.	Investment	Thai	32.00	32.00	175,000	175,000	56,000	56,000	55,912	55,908	-	-
SHOP Global (Thailand) Co., Ltd.	TV Shopping	Thai	30.00	-	600,000	-	120,600	-	100,824	-	-	-
Less allowance for impairment							(4,956)	(4,956)	(4,956)	(4,956)	-	-
Net							336,586	215,986	352,026	268,784	10,889	6,774

12 Investment properties

(in thousand Baht)

	Financial statements in which equity method is applied and Separate financial statements								
	At 1 January 2012	Additions	Transfers	Disposals	At 31 December 2012	Additions	Transfers	Disposals	At 31 December 2013
Cost									
Land	1,076,133	-	-	(82,837)	993,296	152,210	-	(121,530)	1,023,976
Infrastructure development cost	12,573	-	-	(4,468)	8,105	-	-	-	8,105
Buildings	295,954	-	-	(11,500)	284,454	189,181	(1,850)	(116,540)	355,145
Furniture and fixtures	7,356	-	-	-	7,356	-	-	-	7,356
Total cost	1,392,016	-	-	(98,805)	1,289,211	341,391	(1,850)	(238,170)	1,394,582
Less accumulated depreciation	(138,581)	(11,193)	-	11,265	(138,508)	(7,314)	-	14,784	(131,038)
Balance	1,253,435	(11,193)	-	(87,539)	1,154,703	334,077	(1,850)	(223,386)	1,263,544
Less allowance for impairment loss	(189,075)	-	-	-	(189,075)	(8,837)	-	-	(197,912)
Investment properties - net	1,064,360	(11,193)	-	(87,539)	965,628	325,240	(1,850)	(223,386)	1,065,632

Investment properties were revalued as at 31 December 2013, at open market values on an existing use basis. The appraised value was Baht 1,582 million (2012: Baht 1,547 million).

Notes to the financial statements

13 Property, plant and equipment

(in thousand Baht)

	Financial statements in which equity method is applied and Separate financial statements								
	At 1 January 2012	Additions	Transfers	Disposals	At 31 December 2012	Additions	Transfers	Disposals	At 31 December 2013
Cost									
Land	1,491,431	174,616	-	(720)	1,665,327	-	240	-	1,665,567
Buildings and improvements	727,052	3,271	-	(2,949)	727,374	22,811	1,610	(12,783)	739,012
Office equipment and vehicles	676,656	90,104	-	(16,157)	750,603	69,079	-	(48,516)	771,166
Furniture and fixtures	669,566	126,768	-	-	796,334	102,247	-	(9,621)	888,960
Total cost	3,564,705	394,759	-	(19,826)	3,939,638	194,137	1,850	(70,920)	4,064,705
Accumulated depreciation									
Buildings and improvements	(477,154)	(26,113)	-	2,131	(501,136)	(25,413)	-	4,852	(521,697)
Office equipment and vehicles	(591,821)	(47,551)	-	13,383	(625,989)	(52,095)	-	40,492	(637,592)
Furniture and fixtures	(495,091)	(65,412)	-	-	(560,503)	(77,612)	-	9,561	(628,554)
Total accumulated depreciation	(1,564,066)	(139,076)	-	15,514	(1,687,826)	(155,120)	-	54,905	(1,787,843)
Property, plant and equipment - net	2,000,639	255,683	-	(4,312)	2,252,010	39,017	1,850	(16,015)	2,276,862

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2013 amounted to Baht 1,323 million (2012 : Baht 1,329 million).

14 Other non-current assets

(in thousand Baht)

	Financial statements in which equity method is applied and Separate financial statement	
	2013	2012
Intangible assets	9,039	12,120
Leasehold	37,621	78,946
Deposits and guarantees	153,863	137,946
Loan to employees and others	18,569	19,525
Accounts receivable from leasehold	28,500	-
Advance for investment in subsidiary	22,066	-
Other	7,302	6,969
Total	276,960	255,506

During the year 2013, the Company sold leasehold amounting to Baht 57 million and the buyer agreed to pay the installation as annually amounting to Baht 14.25 million. The payment will be ended in the year 2016.

The Company paid advance amounting to Baht 22.1 million in order to invest in subsidiary in France.

Notes to the financial statements

Intangible assets

(in thousand Baht)

	Financial statements in which equity method is applied and Separate financial statements						
	At 1 January 2012	Additions	Disposals	At 31 December 2012	Additions	Disposals	At 31 December 2013
Cost							
Trade mark	22,966	-	-	22,966	-	-	22,966
License data base of customer	7,845	-	-	7,845	-	-	7,845
Total cost	30,811	-	-	30,811	-	-	30,811
Accumulated amortisation							
Trade mark	(14,499)	(2,297)	-	(16,796)	(2,297)	-	(19,093)
License data base of customer	(1,111)	(784)	-	(1,895)	(784)	-	(2,679)
Total accumulated amortisation	(15,610)	(3,081)	-	(18,691)	(3,081)	-	(21,772)
Intangible assets - net	15,201	(3,081)	-	12,120	(3,081)	-	9,039

Leasehold

(in thousand Baht)

	Financial statements in which equity method is applied and Separate financial statements						
	At 1 January 2012	Additions	Disposals	At 31 December 2012	Additions	Disposals	At 31 December 2013
Cost							
Land	47,397	-	(30,000)	17,397	-	-	17,397
Building	37,108	-	-	37,108	-	-	37,108
Building space in the shopping center	167,564	-	-	167,564	-	(50,094)	117,470
Total cost	252,069	-	(30,000)	222,069	-	(50,094)	171,975
Accumulated depreciation							
Land	(33,977)	(645)	18,692	(15,930)	(261)	-	(16,191)
Building	(25,996)	(1,304)	-	(27,300)	(1,304)	-	(28,604)
Building space in the shopping center	(94,530)	(5,363)	-	(99,893)	(5,028)	15,362	(89,559)
Total accumulated amortisation	(154,503)	(7,312)	18,692	(143,123)	(6,593)	15,362	(134,354)
Leasehold - net	97,566	(7,312)	(11,308)	76,946	(6,593)	(34,732)	37,621

15 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

(in thousand Baht)

	Financial statements in which equity method is applied and Separate financial statement	
	2013	2012
Deferred tax assets	726,957	802,267
Deferred tax liabilities	(752,361)	(968,799)
Net	(25,404)	(186,532)

Notes to the financial statements

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

(in thousand Baht)

	Financial statements in which equity method is applied and Separate financial statement				
	At 1 January 2013	(Charged) / Credited to:			At 31 December 2013
		Profit or loss	Other comprehensive income	Equity	
<i>Deferred tax assets</i>					
Accounts receivable	6,770	(863)	-	-	5,907
Inventories	7,783	(1,686)	-	-	6,097
Gross profit for allowance return of inventory	594,076	(85,318)	-	-	508,758
Other long-term investments	70,261	590	-	-	70,851
Investment properties	37,815	1,767	-	-	39,582
Provisions	85,562	10,200	-	-	95,762
Total	802,267	(75,310)	-	-	726,957
<i>Deferred tax liabilities</i>					
Marketable securities	(986,583)	-	237,583	-	(749,000)
Property, plant and equipment	(2,216)	(1,145)	-	-	(3,361)
Total	(988,799)	(1,145)	237,583	-	(752,361)
Net	(186,532)	(76,455)	237,583	-	(25,404)

(in thousand Baht)

	Financial statements in which equity method is applied and Separate financial statement				
	At 1 January 2012	(Charged) / Credited to:			At 31 December 2012
		Profit or loss	Other comprehensive income	Equity	
<i>Deferred tax assets</i>					
Accounts receivable	5,207	1,563	-	-	6,770
Inventories	16,138	(8,355)	-	-	7,783
Gross profit for allowance return of inventory	505,082	68,994	-	-	594,076
Other long-term investments	80,907	(10,646)	-	-	70,261
Investment properties	37,815	-	-	-	37,815
Provisions	74,264	11,298	-	-	85,562
Total	719,413	82,854	-	-	802,267
<i>Deferred tax liabilities</i>					
Marketable securities	(596,508)	-	(390,075)	-	(986,583)
Property, plant and equipment	(900)	(1,316)	-	-	(2,216)
Total	(988,799)	(1,316)	(390,075)	-	(988,799)
Net	122,005	81,538	(390,075)	-	(186,532)

Notes to the financial statements

16 Interest-bearing liabilities

(in thousand Baht)

	Financial statements in which equity method is applied and Separate financial statement	
	2013	2012
Short-term loans from financial institutions - Unsecured	-	464,000

As at 31 December 2013, the Company had no short-term loans from several local financial institutions (2012: short-term loans from several local financial institutions which bear the interest rate at the rates ranging from 3.0%-3.12 % per annum).

17 Trade accounts payable

(in thousand Baht)

	Note	Financial statements in which equity method is applied and Separate financial statement	
		2013	2012
Related parties	5	1,183,519	1,386,934
Other parties		52,084	57,225
Total		1,235,603	1,444,159

The currency denomination of trade accounts payable as at 31 December was as follows:

(in thousand Baht)

	Financial statements in which equity method is applied and Separate financial statement	
	2013	2012
Thai Baht (THB)	1,214,489	1,430,871
United States Dollars (USD)	19,309	13,288
Euro (EUR)	1,805	-
Total	1,235,603	1,444,159

18 Employee benefit obligations

(in thousand Baht)

	Financial statements in which equity method is applied and Separate financial statement	
	2013	2012
<i>Statement of financial position for:</i>		
Defined benefit obligations	478,811	427,808
<i>For the year ended 31 December</i>		
<i>Statement of comprehensive income:</i>		
Recognised in profit or loss:		
Defined benefit obligations	51,003	49,120

Compensation plan based on Thai Labour Law

The Company operate a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

Notes to the financial statements

Movement in the present value of the defined benefit obligations

(in thousand Baht)

	Financial statements in which equity method is applied and Separate financial statement	
	2013	2012
<i>For the years ended 31 December</i>		
Defined benefit obligations at 1 January	427,808	378,688
Current service costs and interest	51,003	49,120
Defined benefit obligations at 31 December	478,811	427,808

Expense recognised in profit or loss (note 24)

(in thousand Baht)

	Financial statements in which equity method is applied and Separate financial statement	
	2013	2012
Current service costs and interest on obligation	51,003	49,120

The expense is recognised in the following line items in the statement of comprehensive income:

(in thousand Baht)

	Financial statements in which equity method is applied and Separate financial statement	
	2013	2012
Selling expenses	12,865	10,421
Administrative expenses	38,138	38,699
Total	51,003	49,120

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

(Percent)

	Financial statements in which equity method is applied and Separate financial statement	
	2013	2012
Discount rate	3.71	3.71
Future salary increases	3.00 - 7.00	3.00 - 7.00

19 Share capital

	Par value per share (in Baht)	2013		2012	
		Number	Baht	Number	Baht
		(thousand shares / thousand Baht)	(thousand shares / thousand Baht)	(thousand shares / thousand Baht)	(thousand shares / thousand Baht)
<i>Authorised</i>					
At 1 January					
- ordinary shares	1	500,000	500,000	500,000	500,000
At 31 December					
- ordinary shares	1	500,000	500,000	500,000	500,000

Notes to the financial statements

	Par value per share (in Baht)	2013		2012	
		Number (thousand shares / thousand Baht)	Baht (thousand shares / thousand Baht)	Number (thousand shares / thousand Baht)	Baht (thousand shares / thousand Baht)
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	1	290,634	290,634	290,634	290,634
At 31 December					
- ordinary shares	1	290,634	290,634	290,634	290,634

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

20 Reserves

Reserves comprise appropriations of profit and/or retained earnings.

Legal reserve

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

General reserve

The Company distributed a general reserve equal to 10% of profit for the each year in order for the company has strength on general reserve base to be maintain stability and increase the Shareowner's wealth.

Other components of equity

Fair value changes in available-for-sale investments

The fair value change in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

21 Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The business operation involves 3 principal segments; Cosmetics toiletries & perfumeries, Women's apparel and Men's apparel. Segment performance is considered by using the measure operating profit in the financial statements. The Company has not report segment assets and segment liabilities due to the management believe that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Notes to the financial statements

Information about reportable segments

(in thousand Baht)

For the year ended 31 December	Cosmetics toiletries & perfumeries		Women's apparel		Men's apparel		Total reportable segments		Others		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
External revenue	1,545	1,643	4,021	4,150	3,725	3,742	9,291	9,535	4,038	4,142	13,329	13,677
Segment operating profit	195	227	435	450	358	479	990	1,156	142	205	1,132	1,361
Other income											605	721
Unallocated expenses											(913)	(831)
Share of profit of equity												
- accounted investees											(26)	10
Profit before tax											798	1,261

The Company is managed and operated principally in Thailand. There are no material revenues derived from, or assets located in foreign countries.

22 Selling expenses

(in thousand Baht)

	Financial statements in which equity method is applied and Separate financial statement	
	2013	2012
Distribution	1,581,909	1,483,720
Marketing	498,673	604,183
Personnel	1,421,757	1,323,658
Total	3,502,339	3,391,561

23 Administrative expenses

(in thousand Baht)

	Financial statements in which equity method is applied and Separate financial statement	
	2013	2012
Office management	620,521	500,703
Personnel	804,581	824,673
Loss from foreign exchange rate	456	111
Total	1,425,558	1,325,487

24 Employee benefit expense

(in thousand Baht)

	Financial statements in which equity method is applied and Separate financial statement	
	2013	2012
Wages and salaries	2,021,443	1,956,572
Pension costs - defined benefit plans	51,003	49,120
Pension costs - defined contribution plans	23,557	19,973
Others	91,764	89,255
Total	2,187,767	2,114,920

Notes to the financial statements

Defined benefit plans

Details of the defined benefit plans are given in note 18.

Defined contribution plans

The defined contribution plans comprise provident funds established by the Company for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates of 3% of their basic salaries and by the Company at rates of 3% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

25 Expenses by nature

The statement of income included an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

(in thousand Baht)

	Note	Financial statements in which equity method is applied and separate financial statement	
		2013	2012
Purchase of finished goods		7,771,162	9,107,528
Changes in inventories of finished goods		401,974	(684,432)
Personal expenses		2,187,767	2,148,331
Depreciation and amortisation expenses	12, 13, 14	172,109	160,663
Advertising costs and promotional expense		522,055	631,067
Transportation expenses		133,576	124,455
Others		1,881,208	1,660,124
Total		13,069,851	13,147,736

26 Income tax expense

Income tax recognised in profit or loss

(in thousand Baht)

	Financial statements in which equity method is applied		Separate financial statements	
	2013	2012	2013	2012
Current tax expense				
Current year	22,910	289,329	22,910	289,329
Adjustment for prior years	14,498	-	14,498	-
	37,408	289,329	37,408	289,329
Deferred tax expense	15			
Movements in temporary differences	76,455	(81,538)	76,455	(81,538)
Total income tax expense	113,863	207,791	113,863	207,791



Notes to the financial statements

Reconciliation of effective tax rate

	Financial statements in which equity method is applied			
	2013		2012	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		798		1,261
Income tax using the Thai corporation tax rate	20	160	23	290
Difference in effective tax rate of share of profit				
(loss) of equity-accounted investees		7		(1)
Income not subject to tax		(78)		(80)
Tax privileges		(7)		(7)
Expenses not deductible for tax purposes		32		6
Total	14	114	17	208

	Separate financial statements			
	2013		2012	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		836		1,258
Income tax using the Thai corporation tax rate	20	167	23	289
Income not subject to tax		(78)		(80)
Tax privileges		(7)		(7)
Expenses not deductible for tax purposes		32		6
Total	14	114	17	208

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively.

It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period 2015 which begins on or after 1 January 2015 and onwards in order to give full effect to the Cabinet resolution dated 11 October 2011 to increase Thailand's tax competitiveness.

Notes to the financial statements

27 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2013 and 2012 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

(in thousand Baht / in thousand shares)

	Financial statements in which equity method is applied		Separate financial statements	
	2013	2012	2013	2012
Profit attributable to ordinary shareholders of the Company	684,547	1,053,565	721,905	1,050,435
Number of ordinary shares outstanding	290,634	290,634	290,634	290,634
Basic earnings per share (in Baht)	2.36	3.63	2.48	3.61

28 Dividends

At the annual general meeting of the shareholders of the Company held on 22 April 2013, the shareholders approved the appropriation of dividend of Baht 1.25 per share, amounting to Baht 363.29 million and general reserve 10% of income for the year 2012, amounting to Baht 96.89 million. The dividend was paid to shareholders during the year 2013.

At the annual general meeting of the shareholders of the Company held on 23 April 2012, the shareholders approved the appropriation of dividend of Baht 1.1 per share, amounting to Baht 319.7 million and general reserve 10% of income for the year 2011, amounting to Baht 70.1 million. The dividend was paid to shareholders during the year 2012.

29 Financial instruments

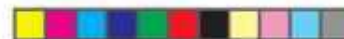
Financial risk management policies

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 hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.



Notes to the financial statements

Interest rate risk

The interest rate risk arises from the fluctuation of the market rate which has affected business performance and cash flow. Hence the Company's financial data mostly bear the interest rate adjusted according to the market interest rate.

Foreign currency risk

Due to the very small number of foreign trade debtors and creditors, the Company then has not entered into the forward exchange contracts for hedging such exchange risk as the risk is immaterial.

Credit risk

Due to the cautious policy in providing credit facilities with strictly-controlled debt follow up and that most of the debtors have long relationship with the Company, no significant loss from debt collection is expected. As of 31 December 2013 and 2012, the Company has reserved for doubtful accounts amounting to Baht 29.5 million and Baht 33.9 million equivalent to 1.57% and 1.63% of trade accounts and notes receivable respectively. Consequently, the credit risk has already been provided for.

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.

Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of trade and other short-term receivables is taken to approximate the carrying value.

The fair value of investments in equity and debt securities, which are held for trading, held to maturity and available for sales, is determined by reference to their quoted bid price at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.

Notes to the financial statements

Fair values of financial assets, together with the carrying values shown in the balance sheets at 31 December were as follows:

(in thousand Baht)

	Financial statements in which equity method is applied and Separate financial statement			
	2013		2012	
	Fair value	Carrying value	Fair value	Carrying value
Non-current				
Debt securities held to maturity	66,319	65,000	65,835	65,000
Equity securities available for sale	5,358,539	1,666,223	6,595,799	1,662,886
	5,424,858	1,731,223	6,661,634	1,727,886

30 Commitments with non-related parties

(in thousand Baht)

	Financial statements in which equity method is applied and Separate financial statement	
	2013	2012
Non-cancellable operating lease commitments		
Within one year	59,108	27,607
After one year but within five years	24,588	32,309
After five years	3,685	-
Total	87,381	59,916
Other commitments		
Unused bank overdraft	266,000	246,000
Unused bank credit facilities	3,149,480	2,256,550
Unused letters of credit for goods	275,521	301,230
Bank guarantees	3,901	3,720
Total	3,694,902	2,807,500

Rental area and related services agreements

The Company entered into rental area and related services agreements with many domestic companies. The company had paid at Baht 2,855 to Baht 701,334 per monthly fees for agreements in periods of 1-5 years and will be expired in 2016.

31 Events after the reporting period

At the Board of directors' meeting of the Company held on 25 February 2014, approved the appropriation of dividend from the income for the year 2013 of Baht 1.20 per share, amounting to Baht 348.76 million and general reserve 10% of income for the year 2013, amounting to Baht 72.19 million. The dividend will be paid to shareholders during the year 2014.

Notes to the financial statements

32 Thai Financial Reporting Standards (TFRS) not yet adopted

The Company has not adopted the new and revised TFRS that have been issued but are not yet effective. Those new and revised TFRS that are applicable to the Company's operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table, are as follows:

TFRS	Topic	Year effective
TAS 1 (revised 2012)	Presentation of financial statements	2014
TAS 7 (revised 2012)	Statement of Cash Flows	2014
TAS 12 (revised 2012)	Income Taxes	2014
TAS 17 (revised 2012)	Leases	2014
TAS 18 (revised 2012)	Revenue Recognition	2014
TAS 19 (revised 2012)	Employee Benefits	2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	2014
TAS 24 (revised 2012)	Related Party Disclosures	2014
TAS 28 (revised 2012)	Investments in Associates	2014
TAS 34 (revised 2012)	Interim Financial Reports	2014
TAS 36 (revised 2012)	Impairment of Assets	2014
TAS 38 (revised 2012)	Intangible Assets	2014
TFRS 5 (revised 2012)	Non-current Assets held for Sale and Discontinued Operations	2014
TFRS 8 (revised 2012)	Operating Segments	2014
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2014
TFRIC 4	Determining whether an Arrangement contains a Lease	2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2014
TFRIC 7	Applying the Restatement Approach under TAS 29	2014
TFRIC 10	Financial Reporting in Hyperinflationary Economies	2014
	Interim Financial Reporting and Impairment	2014

Management expects to adopt and apply these new and revised TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the Company's financial statements in which equity method is applied and separated financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

Notes to the financial statements

33 Reclassification of accounts

Certain accounts in the financial statements in the 2012 have been reclassified to conform to the presentation in the 2013 financial statements.

(in thousand Baht)

	Financial statements in which equity method is applied and Separate financial statement		
	2012		
	Before reclass.	Reclass.	After reclass.
<i>Statement of comprehensive income</i>			
Gain on disposal of investment	66,090	(46,710)	19,380
Other incomes	194,882	46,307	241,189
Administrative expenses	1,325,890	(403)	1,325,487
		-	

The reclassifications have been made because the new classification is more appropriate to the Company's business.



Accountant Profile

According to Accounting Act, B.E. 2543, the Company's accountant is Mr. Nuttaphat Petchratanaporn, Vice President, Accounting & Finance Division. He is responsible for providing accurate and sufficient company financial statements. His qualification as an accountant is as followed :

Profile

- | | |
|--------------------------------|---|
| Name | : Nuttaphat Petchratanaporn |
| Current Position | : Executive Director, Vice President to Accounting & Finance Division |
| Education | : Bachelor's Degree in Accounting, Bangkok University |
| Professional Experience | : 1. Accounting Experience 30 years
2. Financial Experience 3 years |
| Training Records | : 1. Accountant Course
2. Corporate Tax Course
3. Annual Accounting Standards Course
4. Director Certification Program (DCP 139) |



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