

# THANULUX

PUBLIC COMPANY LIMITED



ANNUAL REPORT 2013



สมเด็จพระเทพรัตนราชสุดาฯ สยามบรมราชกุมารี ทรงพระกรุณาโปรดเกล้าพระราชทานพระราชวโรกาสให้แก่ นายสุพจน์ ภาควรรุฒิ กรรมการผู้จัดการ บริษัท ธนูลักษณ์ จำกัด (มหาชน) พร้อมคณะผู้บริหาร ทูลเกล้าทูลกระหม่อมถวายเงินจำนวน 200,000 บาท เพื่อสมทบทุนมูลนิธิพระดาบส โดยจัดตั้งเป็น “กองทุนการศึกษาเพื่อศิษย์พระดาบสเฉลิมพระเกียรติ 84 พรรษา” มูลนิธิพระดาบส เป็นมูลนิธิที่จัดตั้งขึ้นตามกระแสพระราชดำริของพระบาทสมเด็จพระเจ้าอยู่หัว เพื่อสนับสนุนผู้ด้อยโอกาสทางการศึกษาที่ขาดแคลนทุนทรัพย์ยังไม่มีอาชีพและความรู้ ออกไปประกอบสัมมาอาชีพ สร้างตนเอง ช่วยเหลือครอบครัว สังคมและประเทศชาติ

ภาพถ่ายจากสำนักพระราชวัง

ในวันศุกร์ที่ 1 พฤศจิกายน 2556 ณ ศาลาดุสิตดาลัย สวนจิตรลดา

Her Royal Highness Princess Maha Chakri Sirindhorn granted an audience to Mr. Supotch Pakaworawuth, Managing Director of Thanulux Public Company Limited, along with a group of executive officers, to present the sum of Baht 200,000 as a contribution to the Pra Dabos Foundation by establishing a “**Pra Dabos Students 84<sup>th</sup> Anniversary Educational Fund**”. Pra Dabos Foundation was established in materialization of the Royal Initiative of His Majesty the King to support those who lack educational opportunities, appropriate means, occupation and knowledge. The beneficiaries are provided with work to enable them to support themselves, their families, society and the nation

Photograph from the Bureau of the Royal Household

On Friday 1, November 2013 at Sala Dusitdalai Suan Chidlada Palace



# Company 's Product



Thanulux's licensed brands and original brands include -

## Licensed Brands



**GETAWAY**

Guy Laroche  
PARIS

GUY  
Guy Laroche

Guy Laroche  
STUDIO



JEAN-LOUIS SCHERRER  
PARIS



## Original Brands

LOUIS FONTAINE



MIX - SELF



bsc

CADEAU  
PARIS



ICON



itch



cami cetta

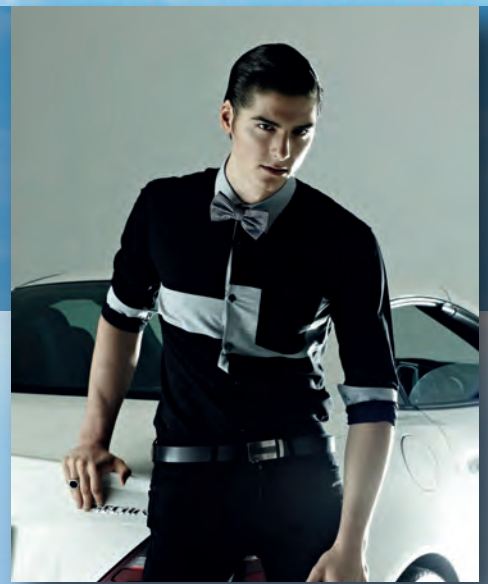


# Men's Wear

Company's Product







Men's Wear  
Company's Product





# Women's Wear

Company's Product





# Leathergoods

Company's Product



# Children's Wear

Company's Product







# คณะกรรมการบริษัท

## Board of Directors



นายบุญยสิทธิ์ โชควัฒนา  
*กรรมการที่ปรึกษา*

Mr. Boonsithi Chokwatana  
*Advising Director*



นางวารินทร์ ลีลานุวัฒน์  
*ประธานกรรมการ และ CEO*

Mrs. Varindr Leelanuwatana  
*Chairman and CEO*





นายสุพจน์ ภควรรุฒิ  
กรรมการผู้จัดการ  
Mr. Supotch Pakaworawuth  
Managing Director



นางสาวดุษฎี สุนทรธำรง  
กรรมการรองผู้จัดการ และ CFO  
Ms. Dusadee Soontrontumrong  
Deputy Managing Director and  
CFO



นายวิชัย สุทธิติวนิช  
กรรมการ  
Mr. Wichai Suthitivanich  
Director



นางสาวมารินทร์ ลีลานุวัฒน์  
กรรมการ  
Ms. Marin Leelanuwatana  
Director

## กรรมการอิสระ Independent Director



นายผดุง เตชะศรีนทร์  
กรรมการอิสระและ  
ประธานกรรมการตรวจสอบ  
Mr. Padoong Techasarintr  
Independent Director and  
Chairman of Audit Committee



รศ.นเรศร์ เกษะประกร  
กรรมการอิสระและ  
กรรมการตรวจสอบ  
Assoc.Prof. Nares Kesaparakorn  
Independent Director and  
Audit Committee Member



นายเกษ พอลเล็ท  
กรรมการอิสระและกรรมการตรวจสอบ  
ประธานกรรมการบริหารความเสี่ยง  
Mr. Krish Follett  
Independent Director and  
Audit Committee Member  
Chairman of Risks Management  
Committee



พล.ต.ท.อัมรินทร์ เนียมสกุล  
กรรมการอิสระและ  
กรรมการตรวจสอบ  
Pol.Lt.Gen. Amarin Niemskul  
Independent Director and  
Audit Committee Member

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ผู้ลงทุนสามารถศึกษาข้อมูลของบริษัท เพิ่มเติมได้จากแบบแสดงรายการข้อมูลประจำปี (แบบ 56-1) ของบริษัทฯ ที่แสดงไว้  
ใน [www.sec.or.th](http://www.sec.or.th) หรือเว็บไซต์ของบริษัทฯ [www.thanulux.com](http://www.thanulux.com)

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Investors may access more information of the company details per the Annual Registration Statement  
(Form 56-1) displayed at [www.sec.or.th](http://www.sec.or.th) or at the company website [www.thanulux.com](http://www.thanulux.com)



## Corporate Social Responsibility (CSR)

Thanulux Public Company Limited recognizes that the key to sustainable business operations is to join and collaborate each other between the company society and the community. So The Company has business policy operates with virtue and ethics under the principles of good governance and to focus on social responsibility, community and environmental by principle.

1. Operation which does not affect the damage of natural resources and the environment by complying with the various laws.
2. Instilling and promoting employee the awareness about social responsibility and community occurring constantly.
3. Support the beneficial activities to society and the community.

By defining in the Corporate Governance, in the section takes into account of the role of stakeholders, the Board of Directors recognizes and respects the rights of various stakeholders groups with regard to the legal rights or agreements with the Company to ensure that such rights are protected and treated fairly and equally, the Company has set policy to guide the treatment of each group of stakeholders, as well as community social and environmental for the sustainable development, anti-corruption and fraud and not infringe upon the intellectual property Including respect for human rights.

Furthermore, they also have to define the ethical for business conduct regarding responsibility for all types of stakeholders such as customers, partners, competitors, community, society and the environment, anti-corruption and fraud, non-infringe the intellectual property, do not violet human rights and safety and occupational health. A summary of the social responsibility activities which is in the process of corporate social responsibility in 2013 as follow:

### 1. Capabilities in business operations on fair.

The company recognizes and respects the rights of various groups of stakeholders, such as shareholders, customers, partners, competitors, creditors, employees with regard to legal rights, or an agreement with the company to ensure that these rights are protected and treated fairly and equally by policy and guidelines, such as:

1. Respects the rights of shareholders and treat them equally and fairly.
2. Manufacture procedure, distribute and service must be secure to the consumer and the environment.
3. Operation with integrity, fairness and not commits any violation of the rights of clients, keep commercial secret with confidentiality.
4. Having the selection system for the partners in the supply chain which business operations comply with the law, occupational safety and health standards, friendly to the environment, and also compete with them fairly, respect to each other, and kept their information confidential by not available to their own benefit without legal.
5. Comply with the rules of fair competition with regard to business ethics and competition law in various countries that the company have business.
6. Do not destroy the reputation of competitors.
7. All groups of creditors must be treated equally fairly and strictly in accordance with the contract or conditions that have been agreed.
8. Treat employees with respectful for the human dignity and the fundamental rights in the workplace as well as promote parity in employment. It must not have any discriminate with gender, race, religion, age disability or any other status that is not directly related to operations.
9. Do not conduct any business that makes social decline and not violate the rights of others who live in the community and society.
10. Generate revenue and promote community economic by supported employment and community products and also establish relationships to occur between the company, community and society base on the integrity, transparency and fairness.
11. Operate the business in accordance with laws, regulations, and environmental policy with regard to the impact on natural resources and the environment. Having reviewed and evaluated the operation regularly.
12. Creating corporate culture and conscience to employees will make cooperation and responsibility in environmental management and the resources efficiently and sustainably.

### 2. Anti-corruption

The Company has policy to comply with anti-corruption laws by the guidelines as follows:



1. Create conscious, values attitudes to employees in the performance by laws regulation with integrity.
2. Providing an internal control system that effective and efficiency and also provide a check and balance system for the appropriate authorisation to prevent the employee fraud or be involved with the various corruption.
3. Prohibits Directors, executives and employees commit any claims, accept any assets or any other benefits for themselves or others that implied to the motivation to practice or neglect to perform duties in a way that unduly or may cause the Company lose legitimate interests.
4. Prohibits Directors, executives and employees give or offer the assets or any other benefits to third parties for motivate the person to acts or Ignore to act that illegal or wrongful act for their position.
5. Provide a mechanism to report the transparency and accuracy financial statement.
6. Arrange a channel of communication to employees and stakeholders for ability to inform the suspicious clues and ensuring that the reporter will be protected and also needs to appoint officials who are responsible for checking all notification clues. In 2013, the Company did not receive any clues from employees or stakeholders.

In 2013, the company has donated 200,000 baht to the “anti-corruption organization (Thailand),” a private organization established for solving the corruption problem, which impairs the country development. This donation is supporting the operations to prevent, create conscience, and disclosure of information to the public, for combating the corruption in Thailand. Moreover, the company has brought the knowledge from the organizations for establishment the co-operation with that organization in the future.



Meanwhile, the company has understanding the meaning of the entertainment of party or gifts that is considered practical traditions to maintain relationships between each other. These must be treated as appropriate by defining the best practices in such matters as follows:

1. Do not accept gifts or gift Entertainment, which can cause influence decisions that may cause either. If necessary, to get presents or presents entertainment from the traditions are worth more than normal. That must be report to supervisors with respectively.
2. In the cases assigned or have permission from a supervisor to assist an outside agency may have to receive money or a presents.
3. In the case of representative, partnership or any other parties preferred to give a presents or a favors on behalf of the company must be approved from the company first.
4. The expenses must be in the appropriate budget.

### **3. To respect the human rights**

The Company respect for human rights by defining the policies and guidelines as follows:

1. Do not commit or support any activities that violate to the human rights.
2. Express the knowledge and understanding of the human rights to employees to apply to be a part of the operation during a duty.
3. It must not have any discriminate with gender, race, religion, age disability or any avoid comments that might cause a conflict and schism.
4. The company is made a communication channel center for the employees to squeal or whist blower by ensuring that they got a protected.

In addition, the company has policies and practices to respect for the rights of stakeholders about the company's status. The company also respects the status of shareholders, customers, suppliers, competitors, creditors, as well as social and community environment.

### **4. The fairness of labor performance**

The company believes that every employee is a valuable resource and be a part of the successful of the company by defined as a following as:

1. Respect to the employee with the human dignity and fundamental rights. The company will not transmit any personal information of the employee to the third party and unrelated.
2. Treat the employee by under the law and regulation regarding the operation of the company.



3. The company is giving the equality to every employment. It must not have any discriminate with gender, race, religion, age disability or any other status that is not directly related to operations.

In the year 2013, the company is conduct to funding project of the empowerment of persons with disabilities. The company has a policy to hire the employee, who is disabled and have no barrier to do on duty. Under this policy, the employee in this program will have a special care and have a fairness of human rights. They can work same as the other and use their ability to the best as much as they can. During this time, the company is available to hire 24 people in this program, along with contribution to the fund to promote and improve their live. This funding program can be help the Ministry of Social Development and Human Security to care assistance to the people ,who got a disabled, to have a better quality of life and self-reliant in the future.



4. The company is support and encourages training for exchange knowledge; improve the skill of knowledge, and ability of the personnel. This supporting is made a stable in a career and gives the opportunity for the potential of individual ability.
5. The company is encouraging the employee to participate in the direction of operation and development of the company.
6. The company is yield with fairness by appropriate a knowledge, skills, duties, responsibilities and the performances.
7. The company has provided welfare and the benefits to the employee such as medical treatment, the fund and saving cooperation.
8. The company is made a communication channel center for the employees to squeal or whist blower. Every comment will be considered and determine a solution to provide benefits to all parties and established a good relationship to work together in the company
9. The company is provided necessary facilities to perform their duties including the work environment. The main concern is to promote the safety, health and quality of life of employees.
10. To encourage the participation of the employees in the implementation of corporate social responsibility activities.

In the year 2013, the company has prepared a project considered a major factor of the quality employee's work life, which produce a happiness organization to the employee. This project has focus on a good environment in a workplace, strong unity in organization and encourage employee volunteer. Therefore, the Company has promoted the activities, projects to strengthen relationships in the organization and emphasis on improving the quality of employee's life in various fields. To achieve happiness at work, the company has used "Happy 8 Workplace" as guidelines for operating as follows:

1. **Happy Body (Healthy)** The Company encourages employees to be healthy with including the activities below:

- They have an infirmary room with the professional doctor and nurse.
- Employees will have an annual medical checkup in every year especially to checkup on diabetes, fats, breast cancer and cervical carcinoma.
- They are also needed to check-up according to the risk factors e.g. the capability of their lung, hearing, and the chemical's quantity in their body.
- Arranged a time to workout and exercise in the workplace.
- Arrange an activity to provide knowledge of tuberculosis and prevention.

On the other hands, the company are also arrange the project of "Phichitrok Phichitphung" to help the employee have a good health and less diseased.



2. **Happy Heart (The gracious)** The Company are encouraged the employees to recognize the kindness and generosity (helpfulness) to the colleague especially in the contingency as followed:

- A generosity (Flooding) during September-October 2013 was suffering more than 200 family's employee (Kabin Buri). The company is set the volunteers team to go to offers the survival kits to help them. Otherwise, the board of directors, management team and the other employees are donated 172,600 Bath to the employees, who got suffered from flooding in Kabin Buri).





- Arranged the activity for an employee who is appreciated to give a blood donation to the Red Cross and Kabin Buri hospital in every year.



3. **Happy Relax (Relax)** The Company has organized the activities such as a sport day and mini concert to make employee feel relax and have fun together. Beside the entertain activities, the company also emphasize on the several traditional festival such as Christmas, New Year and Thai New Year. With all of this activities can make the employee to have SOTUS, which are seniority, order, tradition, unity and spirit in the work place.



4. **Happy Brain (Knowledge and Skills)** The Company appreciated to encourage the skill development of employees by training and seminar. The company also encourages the knowledge from web board from the internet system such as English is fun and Food for Thought. The company has permit almost 6 years on Thanulux Innovation Awards to motivate a creative of employees and improve their skills to keep



5. **Happy Soul (Virtue)** The Company is cultivating the employee to have a morality of their life style and conservation the cultural heritage of the old traditional. So the company is organized several activities for the employee such as the memory day of the founder of Saha affiliated corporations (Dr. Tiam Chokwatana, the founder of Saha Group), merit offering day on every 1st Monday of every month, practice meditation, traditional ceremony and old culture, and the other important day.





6. **Happy Money (saving and offers)** The Company had promoted the employees to recognize the savings and spending as per the sufficiency economy principle. The saving cooperation was also established for the employees and persuaded employee go to be the member. Furthermore, there is an external financial institution to receive deposits every month and provides consumer goods sold at a special price.



7. **Happy Family** The Company had promoted the family institution; employee and their children; by various events or traditional such as Mother's day. In Mother's Day, the company will let their children to make a greeting card, greeting ceremony with jasmine flower and show their love to mother. Otherwise, the company also has a prize award of Mother's day for the best mother in every year.

The company also made a project called "The relationship for knowledge". During the summer time, the employee could let their children (who are in countryside) come to visit and join the activity in the workplace. Some of the customers may volunteer to educate to their children in morality, gratefully and ethics.



8. **Happy Society** The Company supports the activities beneficial to the society and the community. The company also cultivates and promotes employee awareness and corporate social responsibility such as the prevention of drug project. This project is supports a standard of prevent and resolve drug in the workplace (White-Firm) and helping the customer to have a happy society without drug. They are also giving the information of the drug defect. The company and the personal amidst association of company had given "The purify-water machine (reverse osmosis)" to Wat NumPhu School at Lumphun province and spent the occasion to join and giving to the society.



"The Best Practice Workplace on Labor Relations and Labor Welfare Awards, 2013" is an award that the company had gotten on September 13<sup>th</sup>, 2013. Therefore the company had well done on the supported in every workshop through the administration of management do a good quality care.

Beside the Happy 8 Workplace projects, the company had operates the fairness of labor performance and the company's other policy as long as continuously such as.





- The policy of occupational safety, working environment, training for primary fire, the fire evacuation training, first aid training, Provision of personal protective equipment to wear while working for all employees, environmental monitoring in the workplace, and provide a label to know how to use fire extinguisher for migrant workers.



- Security Policy: The accident must be zero. The statistical table below are explain the accident that interrupt to the customer to be absent in each operations of the year 2012-2013.

Year	Shirt Producer	Suit Treasure Producer	Lady Blouse Producer	Leather Producer	Office	Total
2012	1	0	0	0	1	2
2013	0	0	0	1	0	1
Total	1	0	0	1	1	3

## 5. The Consumer Responsibility

The company is realized on the satisfaction and confidence of customer because it is a key that made a company through their goal and sustainable. So the company had commended the policy as followed as:

1. Manufacture procedure, distribute and service must be secure to the consumer and the environment.
2. To commitment with the business development, the product and service must be developing, innovative, value adding and customers needed as well as the best. Every product and service must have clearly information to make a customer decision before they appreciate to buy a product. Information has no need to blindfold and distort.
3. The company operates with integrity, fairness and not commits any violation of the rights of clients.
4. Must not receive or make any agreement of the benefit in dishonest from the customer in both side of direct and indirect way.
5. Must respect to the trade agreement. In the case that the customer could not deal with the agreement, the customer must call the consumer to find out the solution and the better way to deal with.
6. The company is made a communication channel center for the customer to squeal or whist blower.

## 6. The environment conservation

The company are considering of the responsibility to the environment by under the policy as followed:

1. The company is corresponding to the legal, ordinance and the environment without distribution of the natural and resources.
2. Enterprise culture construction and consciousness to the employee to have a responsibility and save the environment as well as they can.
3. To educate and training program to the employee about the environment.
4. The company is promoting in environmental management system such as save the green environment as much as they can. Otherwise, they also must to know how to restoration, succession and protect of the natural and environment.
5. Make a value chain to continue the project of good environment.
6. The company is considering to the development and distribution of the technology, which is support to the concept of eco-friendly.



The company has set up a committee for energy conservation. The campaign is to save the energy and make employees to aware of energy value such as slogan contest and put the poster in to the bus stop.



The company has conform with the policy that said “The business operation should not repercussion to the natural resources and environment” and “the innovation of producing of the product to have less interrupt to the Greenhouse Effects”. The company is considering of the commitment to the environment, so the company got a certificate of good governance for the environment 2013 (August 26, 2013).



## 7. Community and social development

The policies of the company proceed to take into consideration and to be responsible for community and social development of Thailand. They are also respect to the old culture and traditional to keep in a high community and good society as followed:

1. The business must not destroy to the social and the environment.
2. Make a conscious to take into consideration for community and social in the company.
3. Make a prevention law and modify side-effect for community and social in the company.
4. To encourage the culture and traditional conservation.
5. Must do agreement with organization of community and social development.
6. Supporting to all activities of the public social.
7. Support the product from community, which can make income directly to the social economy.
8. Make a good relation between the company and the social under the based on fairness.

## 8. CSR Innovation and Innovation Promote

The company operates with a commitment to develop the product and service by create new innovation to add value to the products and services. These would meet the needs of customers constantly along with providing the information needed to make decisions without cover or distortion.

The company held an annual innovations contest continuously since 2007 under the name “THANULUX INNOVATION AWARDS (TIA)” The objective was to enable employees in all units to participate in research and development as a means of stimulating creativity. Technological developments are undertaken to enhance operational efficiency and raise earnings. Innovation contests have been organised for selecting products for contesting in the Saha Innovations Contest held in the Saha Group Export & Trade Exhibition every year. In 2013, the Company received awards of Honorable Mention for 3 product types under the innovation “Three to One Functions”, “Srida Green Product” and “Slacks Automatic Belt Loop Machine”.

In addition to those mentioned above, in the year 2013, the company keep continue to support the project and activity that dedicate back to social by CSR after Process system as the supporter below:

### 1. The Support to the Phra Dabos Foundation

Dabos project was a project based on the initiative of His Majesty founded in 1975 with the objective of supporting the underprivileged in education, no career. This project also helping so many people, who is willing to continue their education in a higher level. People, who would like to join in the program, must really interesting and perseverance of the study. The project will offers a professional training and moral training to make these people to have a better life in the future. This project starts to be the Foundation since the year 1990.



In the year 2012, the company had established a scholarship fund to support the operations of the Foundation. In the year 2013, the company organized to give the school uniform 300 set on 13 March 2013. On the occasion of His Majesty the age of 86 years old, the company has initiated a project to produce and distribute T-shirt Donation **"Happy Heart Donate... to Foundation of Pra DABOS"**. They were starting to sale to the executives and employees of their company, companies in the Group and companies in SAHA group. Later on October, this special T-shirt had been selling to interested persons for prepare to wear them to celebrate on 5 December 2013. This charity project had a good co-operation from the Foundation "Phra DABOS", Thanulux Public Company Limited and C.P. All Company Limited by advertise inviting the public to buy the charity shirts through 7 catalog in late November. Income after deducting expenses would be presented to the Foundation.



## 2. To supporter the project "Clemency Dhrama supports the world (kindness)"

AIDS is a social problem that occurs in a long time. There was established charitable organizations, both public and private organizations to provide assistance. One of the projects assisted "Subtle Dharma-world" help AIDS patients and orphans was established by Thanchaokhun Alonggot Tigachapanyo (Phra Udom Pracha Torn) the abbot of "PHRABATNUMPHU Temple". This project required to use a lot of money to take care to the poor patients thus they need donations from the faithful. The Company has foresaw this problem so gave the money to the monk at the Company on 20 September 2013. Moreover the Company invited and promoted to SAHA group and social community about this project. The company, its employee and the team could collect their donation, which was more than 300,000 Baht.



## 3. The supporter from Foundation of Dr. Team Chocwathana

The Company has funds to support various aspects of Foundation activities, including public education, religious communities and assist disadvantaged victims including scholarships annually. In 2013 the Company is also joint with the Foundation by donate Baht200,000 for a project translate and publish the book **"The Royal Majesty the King and Privy Councilor"** on the occasion of birthday 5 December 2013 to make a memory book to propagate THE ROYAL PRESTIGE, several abilities and the royal grace. Long Live the King is present to the whole world in different languages (Thai, English, Chinese and several languages).



## 4. The Red Cross (society)

From the year 2009-2013, Funds were donated to the Thai Red Cross Society as a contribution for the construction of the Bhumisirimangalanusorn Building, Chulalongkorn Memorial Hospital, which is a general medical building in celebration of His Majesty, and a center of medical excellence. Medical equipments were also contributed to His Majesty the King as merits on the occasion of the 80th anniversary. The contribution amounted to a total of Baht 1,000,000 and was made for the fifth consecutive year.





## 5. The Scholarship

The Company donates the third consecutive years scholarship about Baht308,000, 2 scholarships, to the first year honor student of the faculty of garment industry at Rajchamongkol University.



## 6. Elderly

The company often supports the elderly activity of Yannawa District in Bangkok every year by donate money or company's products. On 29 September 2013, the company had got the prize awards of social of Bangkok.



## 7. Traditional Sport

The company supports the sport activity of community "Chess" is one of traditional sport. It's very popular in China in over 3,000 years ago. It was entry to Thailand since year 1980 and was established chess club (KO) in the 2001. In the year 2003, In order to develop the Go sport in the country and develop the higher craftsmanship levels tantamount international, the Company has supported the Go sport activity "Thailand 16 piece Go Dan League by 2014" jointly establish by CP ALL Public Company Limited, THE CHESS SPORT CLUB, PANYATARA-POTENCIALY ANALYSIS CENTER and Pai Chinese Art in the amount of Baht.150,000.



## 8. Donation to help crippled children

In 1 February 2013, the Company and company in the group were feast and donated some articles to the cripple at Samutprakarn province. The company also provides some entertainment such as games and singing to entertain the children.



## 9. Children days

The company was offers the educate stuff such as physical education (balls and basketballs), snack and beverages to schools and communities, which are near the area of the company. The company appreciate the children knows in an appreciative of life and respect to their own



## 10. Public activity

The company has joint venture with Nhong Hai community in Prajeen buri province to clean up and decorate the area in front of SAHA industrial park at Krabin Buri to celebrate HM the Queen on birthday (12 August 2013) by under that concept of social service. The company also consider of the safety concept, so the company were given a traffic cone to the police station at Lumphun Province in 13 October 2013.





## 11. Protect the natural and environment

Under His Majesty of the King, the company is considering to preservation about natural and the environment, especially to build a dam to severity of the tides in Lumphun Province. This project is very helpful for the environment such as good soil and abundant forests. In the year 2013, Thanalux Public Company Limited was also joint with the governor in Prajeenburi as the project name's "Conservation the water for the future".



## 12. Support for religions

Beside to merit in the religious ceremonies in every year, the company was offers to be a host of Kathina and lent candle offering, the company also join in the Visakabucha Day, which is donation to restore the principle Buddha and offering necessary to the monks at Wat Phra That Hariphunchai Lumphun Province on 23 May 2013.





## VISION วิสัยทัศน์

“THANULUX” will be the leader of fashion industry in Thailand and The region

ธนูลักษณ์จะเป็นผู้นำในอุตสาหกรรมแฟชั่นของประเทศและภูมิภาค

## OUR MISSION พันธกิจ

To satisfy customers with excellent qualities through innovation along with highly impressive service.

สร้างความพึงพอใจให้กับลูกค้าด้วยคุณภาพสินค้าที่เป็นเลิศโดยผ่านนวัตกรรม และบริการเหนือความคาดหมาย

To satisfy shareholders with a strong intention to increase wealth for the shareholders.

สร้างความพึงพอใจให้กับผู้ถือหุ้นด้วยความมุ่งมั่นในการเพิ่มคุณค่าให้แก่ผู้ถือหุ้น

To satisfy employees with learning opportunities, personal development, professional stability and well remuneration.

สร้างความพึงพอใจให้กับพนักงานด้วยการให้โอกาสในการเรียนรู้และพัฒนาตนเอง รวมทั้งให้ความมั่นคงและผลตอบแทนที่ดี

To enhance good corporate governance reflected in work ethic and moral.

ส่งเสริมให้บริษัทมีการกำกับดูแลกิจการที่ดี มีคุณธรรมและจริยธรรมในการดำเนินงาน

To establish principles on environmentally friendly practices in business operation, instill continuous conscience of employees towards social responsibility and support of activities pertaining to the public benefits.

ดำเนินธุรกิจโดยคำนึงถึงผลกระทบต่อทรัพยากรธรรมชาติ และสิ่งแวดล้อม ปลูกฝังจิตสำนึกความรับผิดชอบต่อสังคม ชุมชนให้เกิดขึ้นในบริษัทอย่างต่อเนื่อง รวมถึงการสนับสนุนกิจกรรมอันเป็นสาธารณประโยชน์



## จุดเด่นในรอบปี / Highlights of the year

บริษัท ธนูลักษณ์ จำกัด (มหาชน) และบริษัทย่อย

Thanulux Public Company Limited and Subsidiaries

ข้อมูลสำคัญ	SELECTED DATA	2013	2012	2011
<b>ฐานะการเงินและผลการดำเนินงาน (หน่วย: ล้านบาท)</b>	<b>FINANCIAL POSITION AND OPERATING RESULTS (Million Baht)</b>			
สินทรัพย์รวม	Total Assets	3,721	3,923	3,463
หนี้สินรวม	Total Liabilities	566	673	592
ส่วนของบริษัทใหญ่	Equity Attributable to Parent Company	3,140	3,231	2,851
รายได้จากการขาย	Sales	2,305	2,646	2,457
รายได้รวม	Total Revenues	2,463	2,807	2,613
กำไรขั้นต้น	Gross Profit	621	770	710
กำไรส่วนที่เป็นของบริษัทใหญ่	Profit Attributable to Owners of The Parent Company	207	295	279
<b>ข้อมูลต่อหุ้น (บาท)</b>	<b>Per Share Data (Baht)</b>			
มูลค่าที่ตราไว้	Par Value	1.00	1.00	1.00
มูลค่าหุ้นตามบัญชี	Book Value	26.17	26.92	23.76
กำไรสุทธิ	Net Earnings	1.73	2.46	2.32
ราคาตลาด	Market Price	28.00	25.00	19.10
เงินปันผล	Dividend	**0.95	1.20	1.10
<b>อัตราส่วนทางการเงิน</b>	<b>Financial Ratios</b>			
<b>ความสามารถในการทำกำไร (%)</b>	<b>Profitability Ratios (%)</b>			
อัตรากำไรสุทธิ	Percentage of Net Profit	8.42	10.50	10.67
อัตราผลตอบแทนผู้ถือหุ้น	Return on Equity	6.51	9.69	10.12
<b>ความเจริญเติบโตของกิจการ (%)</b>	<b>Growth Rates (%)</b>			
อัตราการเพิ่ม (ลด) ของยอดขายสุทธิ	Percentage Increase (Decrease) of Sales	(12.89)	7.68	18.16
อัตราการเพิ่ม (ลด) ของกำไรสุทธิ	Percentage Increase (Decrease) of Net Profit	(29.69)	5.74	46.90
อัตราการเพิ่ม (ลด) ของสินทรัพย์รวม	Percentage Increase (Decrease) of Total Assets	(5.13)	13.26	10.18
อัตราการเพิ่ม (ลด) ของส่วนของผู้ถือหุ้นบริษัทใหญ่	Percentage Increase (Decrease) of Equity- Attributable to The Parent Company	(2.81)	13.32	7.32
<b>สภาพคล่อง (เท่า)</b>	<b>Liquidity Ratios (Times)</b>			
อัตราส่วนสภาพคล่อง	Current Ratio	6.40	4.86	4.04
อัตราส่วนสภาพคล่องหมุนเร็ว	Quick Ratio	4.30	3.06	2.30
อัตราส่วนสภาพคล่องกระแสเงินสด	Liquidity of Cash Flow from Operation	0.91	0.69	0.66
<b>ประสิทธิภาพในการดำเนินงาน (%)</b>	<b>Efficiency Ratios (%)</b>			
อัตราผลตอบแทนจากสินทรัพย์	Return on Total Assets	5.42	7.98	8.44
อัตราผลตอบแทนจากสินทรัพย์ถาวร	Return on Fix Assets	54.16	69.96	75.40
<b>วิเคราะห์นโยบายทางการเงิน (เท่า)</b>	<b>Financial Policy Ratios (Times)</b>			
อัตราส่วนหนี้สินต่อส่วนของผู้ถือหุ้น	Debt-Equity Ratio	0.18	0.21	0.21
อัตราส่วนความสามารถชำระดอกเบี้ย	Time Interest Earned	10,936.88	19,654.35	4,392.06
อัตราส่วนความสามารถชำระภาระผูกพัน	Leverage Ratio	0.84	1.06	0.58
อัตราการจ่ายเงินปันผล (%)	Payout Ratio (%)	55.00	48.85	47.35

\*\* ที่ประชุมคณะกรรมการบริษัท ครั้งที่ 1/2557 มีมติให้นำเสนอต่อที่ประชุมสามัญผู้ถือหุ้น ซึ่งกำหนดให้มีขึ้นในวันที่ 22 เมษายน 2557 เพื่ออนุมัติการจ่ายเงินปันผลหุ้นละ 0.95 บาท

\*\* The Board of Directors' Meeting No. 1/2557 has resolved to submit the agenda of dividend payment Baht 0.95 per share for approval at the General Shareholders' Meeting to be held on April 22, 2014.

ข้อมูลปี 2554 ที่นำมาเปรียบเทียบกับได้มีการจัดประเภทรายการบัญชีใหม่ เพื่อให้สอดคล้องกับปี 2555-2556

The information for 2011 that has been presented for comparison has been re-itemized so as to correspond to the accounting items for the years 2012-2013.



## Board of Directors' Report



The Thai economy in 2013 experienced a continual slowdown due to the sluggish rebound of the world economy coupled with a marked decline in domestic consumptions. Public investments to boost the economy receded and failed to meet targets. Domestic political problems and the increase of minimum wages to Baht 300 throughout the entire country have also affected the Company's operations.

In 2013, the Company and its subsidiaries generated a total income of Baht 2,462.83 million, a decrease of 12.27 percent from the previous year. Net profits amounted to Baht 207.26 million, a decrease of 29.69 percent from the previous year.

For the year 2014, Thailand will continue to persevere the impact of economic, social and political conditions carried forward from the previous year, with trends of further intensification. The Management feels that this is a good time to strengthen the organisational structure, modernize working attitudes, and minimize overlapping work processes in order to reduce the workforce as well as to give priority to the management of inventories to maintain levels consistent with market demands. Production processes should be modified in line with circumstances and customer needs, which would be beneficial in terms of production cost control. Raw materials should be developed through groundbreaking innovations to cater for customer needs. Risks should be managed in accordance with self-assessments of risk control. Governance policies should be revised to ensure consistency with current conditions with due regard to the communities, society and the environment. All these undertakings are pursued with the aim of securing good returns to shareholders and all stakeholders.

The Board of Directors extends its deepest gratitude to all shareholders and stakeholders for the strong supports that have been shown at all times.



## Audit Committee's Report

The company's Board of Directors appointed the Audit Committee consisting of the four independent non - executive directors and assigned them with duties and responsibilities according to the Audit Committee Charter in accordance with the announcement of the Stock Exchange of Thailand. These comprised of a chairman of the Audit Committee Mr. Padoong Techasarintr, the Audit Committee Members, Assoc. Prof. Nares Kesaprakorn, Mr. Krish Follett and Pol.Lt.Gen. Amarin Niemskul who was appointed as a replacement of Mr. Wanchai Umpung-Art who resigned.

During the year 2013 there were 12 Audit Committee meetings with the presence of all the committee members throughout the period. Moreover the Audit Committee had meetings with the Management team every quarter, 4 times in total, in order to discuss and exchange ideas pertaining to the businesses. Additionally the operating results were reported to the company Board of Directors every quarter. The key points could be summarized as follows:

1. The Audit Committee together with the Management and the Auditors reviewed the quarterly and annually financial statements, the accounting policy and the significant financial reports by taking into account the scope and the methods as well as the subjects for auditing. The Audit Committee had an opinion that the financial statements of the company were prepared in conformity with the generally accepted accounting standards with sufficient and complete disclosure of information as a result they were essentially accurate and reliable.

2. The Audit Committee oversaw the operation to instill appropriate and stable systems for examination and revision of the internal control systems by considering the internal auditing results from the Internal Audit Office. The observations and suggestions were given for corrections and improvements relating to all significant issues. The follow up actions were continuously pursued to ensure that guidelines were being followed. The Audit Committee had an opinion that the company had sufficient internal control system which properly corresponding to the situation. There was no significant weakness. Moreover the auditing plan for the year 2014 was also scrutinized and approved.

3. The Audit Committee reviewed business transactions among the company, its subsidiaries and the related parties including all the significant transactions which might cause conflict of interests during the year 2013. This was to ensure that they were conducted according to their normal business nature adhering to the utmost benefits of the company. No benefits were siphoned off. The information was sufficiently disclosed. Moreover the operations were monitored to ascertain that it worked in accordance with the regulations of the Securities Exchange Commission and the Stock Exchange of Thailand.

4. The company's Board of Directors and its Management have been emphasizing in the risk management of the organization by appointing the Risk Management Committee and assigned them with duties and responsibilities in assessing the impacts of all risk factors as well as considering the plan and overseeing operations to prevent and to mitigate the impacts which may affect to the company's business in order to keep them at the acceptable level. The results of the works of the Risk Management Committee were reported to the company's Board of Directors every quarter.

5. The Internal Audit Office reviewed the company's operations to ensure that they were in compliance with the Securities and Exchange Act, the regulations of the Stock Exchange of Thailand and the Securities Exchange Committee and all other laws which are relevant to the company's business. The Audit Committee found that the company oversaw their operations to ascertain that they were strictly and completely carried out according to the relevant regulations and laws.

6. The Company put emphasis on rigorously and continuously managing the works according to the good corporate governance principles. There was Customer Complaints Handling System. All employees were encouraged to work according to the procedures, the regulations and the code of conduct for transparency. As a result the company was considered as having good corporate governance, therefore, it enhanced the confidence of the shareholders, the business partners, the customers and the relevant parties.

7. The Audit Committee reviewed the performance of the auditors (ASV & Associates Limited), their qualifications, their knowledge and their experience as well as independency including the appropriateness of the auditing fees. The Audit Committee had the same opinion with the Management to propose to the company's Board of Directors for further approval at the General Meeting of the shareholders appointment of Mr. Anusorn Kiatgungwalgri or Mrs. Kwunjai Kiatgungwalgri of the ASV & Associates Limited as the external auditors for the year 2014 at the fee of 909,000 baht

In summary the Audit Committee had an opinion that the financial statements were accurately prepared. The information was sufficiently disclosed. The internal control and risk management systems were appropriate. Operations were strictly monitored to work in compliance with laws. Moreover there was no conflict of interests. As a consequent the company could maintain their reliability and trust from their customers, shareholders, staff and the whole society.

February 12, 2014

On behalf of the Audit Committee,

(Padoong Techasarintr)

Chairman of the Audit Committee



## Thanulux History

Thanulux Public Company Limited registered its incorporation as a company on 23 June 1975 with a registered capital of Baht 3 million. At present, the Company carries out the business of manufacturing finished garments and leather products and has a paid-up capital in the amount of Baht 120 million. The Company was listed in the Stock Exchange of Thailand on 21 July 1987 and registered its conversion into a public limited company on 9 May 1994.

### Company Developments

- 1975: - Company registration on 23 June 1975 in pursuit of Chairman Mr. Boonsithi Chokwatana's intention to develop Thai men's fashion. Exclusive rights in relation to the production and distribution of products carrying the "ARROW" trademark in Thailand were granted by Cluett Peabody Inc. of the United States. The Company commenced its operations with only 75 employees and its place of business was situated in the vicinity of Wat Dok Mai.
- 1977: - Products were exported to European and Asian markets.  
- The product range was expanded to include slacks, knitted shirts and nightwear under the "ARROW" trademark.
- 1982: - Bangkok celebrated its 200<sup>th</sup> anniversary this year, an auspicious time for the Company to relocate its office to a plot of land on Chongnonthri Road, initially an area of 7 rai and subsequently expanded to the present day site which exceeds 20 rai.
- 1983: - Production of leather goods under the trademark "ARROW".
- 1984: - Acquired a license to produce and distribute menswear fashion products under the trademark "Guy Laroche" and children's wear fashion products under the trademark "absorba" from France.
- 1986: - Production of maternity wear fashion products under the trademark "la femme".
- 1987: - Production of ladies wear fashion products under the trademark "MIX-SELF".
- 1988: - Production of swimwear, underwear and slacks under the trademark "Guy Laroche".
- 1989: - Secured the confidence of foreign investors in establishing a group of companies with a production facilities based in Saha Group Industrial Park - Sriracha.
- 1990: - Acquired a license to produce and distribute menswear products under the trademark "Zazch".
- 1993: - Expansion of production base at the Saha Group Industrial Park in Lamphun Province and Prachinburi Province in order to produce leather products and garments respectively. BOI promotion was granted for these investments.
- 1994: - Conversion from a limited company to a public limited company.
- 1995: - Acquired a license to produce and distribute premium quality ladies wear and leather goods under the trademark "JEAN-LOUIS SCHERRER" from France.
- 1997: - Acquired a license to produce and distribute premium quality menswear and ladies wear fashion products under the trademark "DAKS" from England and fashion products under the trademark "St. Andrews".
- 1999: - Acquired a license to produce and distribute menswear fashion products under the trademark "bsc", which is a Total Coordinated Brand, as well as a license to produce and distribute men's underwear under the trademark "ELLE HOMME" from France.
- 2000: - Manufacture of children's wear fashion products under the trademark "CADEAU".
- 2001: - Undertaken studies, discoveries, researches and development of raw materials under the trademark "Cottazilk", which is an innovation of textile fibers incorporating a mix between silk and cotton fibers.
- 2002: - Accredited international standard, ISO 9001:2000, by the quality accreditation institute, BVQI (Bureau Veritas Quality).
- 2004: - Formal opening of Cottazilk products in an exhibition entitled "A World Novel Phenomenon Created by Thai Local Wisdom through the Invention of Cottazilk, a New Breed of Thai Silk".
- 2006: - Rebranding of "Zazch" to "HORNBILL" in order to appeal to a wider customer group.  
- Manufacture of menswear fashion products under the trademark "Itch".



- 2007: - Received an Outstanding Product Innovation Award for “Cottazilk” in the Saha Group Innovation contest 2007. This innovation was realized through the integration of cotton and Thai silk fibers, in which the Company had played a collaborative role from its development in upstream industries, i.e. silk spinning, weaving and adornment into textiles, and finishing into garments.
- 2010: - Production of goods carrying the brand “SIDA”, a product which focuses on environmental friendliness by the use of natural cotton fibres synthesized with fibres processed from used PET (Polyethylene Terephthalate) bottles. This is a truly modern technological innovation in the production process.
- 2011: - Production of ladies wear fashion products under the trademark “cami cetta”.
- 2012: - Opening of a second factory building at the Lamphun Branch to expand manufacturing capacity for leather goods.
  - Opening of Thanulux Public Company Limited, Bang Phli Branch, Samut Prakarn Province, along with investments in modern machinery to expand the laundry business.
  - Registration of change of trademark from “SIDA” to “SRIDA”.
  - Manufacture of ladies fashion clothing under the trademark “BARONESS”.
  - Promotion of new innovations through the sponsorship of an innovations contest under the name “Thanulux Innovation Awards” (TIA) for the sixth consecutive year. Outstanding works have been selected and nominated for the Saha Group Innovations Contest, the Chairman Awards. This year, the “Easy Clean” product, an innovation applied to fabric decorations to aid cleaning and facilitate the removal of dirt whilst being environmentally friendly, was given 3rd place under the outstanding products category.
- 2013: - Production of menswear fashion products and leather goods carrying the brand “Morgan Homme”

#### **Capitalization**

- 1975: - Company incorporation with a registered capital of Baht 3 million.
- 1983: - Registered share capital increased to Baht 6 million.
- 1984: - Registered share capital increased to Baht 12 million.
- 1987: - Registered share capital increased to Baht 24 million and Baht 30 million respectively.
- 1988: - Registered share capital increased to Baht 45 million and issued shares were revalued to Baht 10 per share.
- 1989: - Registered share capital increased to Baht 60 million.
- 1996: - Registered share capital increased to Baht 120 million.
- 2003: - The par value was changed from Baht 10 per share to Baht 1 per share on 9 May 2003.

#### **Issue of Debentures**

- 1999: - The Company issued unsecured, unsubordinated and unrepresented debentures with the holder's name having a maturity period of 3 years. The debentures were offered in a private placement in the amount of 300,000 units, at Baht 1,000 per unit, or a total sum of Baht 300 million.

#### **Social Awards**

- 2000: - Awarded a certificate for participation in the project for protection of women and child labour in order to promote exports and practices in compliance with women and child labour protection standards from the Ministry of Labour and Social Welfare.
- 2001: - Awarded a distinction for the “White Factory Project” from Department of Social Welfare and Labour Protection, Ministry of Labour.
  - Awarded a distinction for “Promotion of Advisors for Women Labour at the Workplace” from the Department of Social Welfare and Labour Protection, Ministry of Labour.
- 2002: - Accredited Thai labour standards, Mor Ror Thor 8001, by the Department of Social Welfare and Labour Protection, Ministry of Labour.



- 2003:
  - Awarded a distinction as a workplace which has cooperated in the appointment and training of women labour advisors at the workplace from the Ministry of Labour.
  - Awarded a certificate of distinction as a “Strong Workplace” for its strict compliance with anti-drug policies from the Bangkok Metropolitan Administration.
- 2004:
  - Awarded a certificate of distinction for “Clean, Safe and Pollution-Free Workplace” from the Bangkok Metropolitan Administration.
  - Awarded a trophy of outstanding distinction for women labour on the occasion of the international women’s day of 2004 from the Ministry of Labour.
  - Awarded a distinction for “Outstanding Workplace for Women Labour” from the Ministry of Labour.
- 2005:
  - Awarded a distinction for health promotion activities at the workplace from the Social Security Office, Ministry of Labour.
  - Awarded a distinction trophy for the promotion of publicly beneficial activities from the senior citizen’s club, Yannawa District.
- 2006:
  - Awarded a distinction for “Hospitable Factory in Harmonious Tribute to His Majesty” in modifying the factory’s landscape to enhance habitability and friendliness to the environment on the occasion of the 60<sup>th</sup> Anniversary Celebration of His Majesty’s Accession from the Ministry of Industry.
- 2007:
  - Certified Silver Standard for Management of AIDS at workplace from the Department of Labour Welfare and Protection, Ministry of Labour and the Department of Disease Control, Ministry of Public Health.
- 2008:
  - Received a commendation for “Passing the Criteria of Workplace Status Systemization for the Maintenance of Strength in Narcotic Drugs Prevention and Remedy” from the Prachinburi Provincial Office of Labour Protection and Welfare in collaboration with the Operational Center for Combat against Narcotic Drugs, Prachinburi Province.
  - Awarded a Certificate of Thai Labour Standard (TLS 8001-2003), Completion Level, from the Ministry of Labour.
- 2009:
  - Awarded an ASO-T Thailand Platinum and ASO Thailand standards certificate for management and administration of AIDS and tuberculosis at the workplace from the Department of Labour Protection and Welfare, Ministry of Labour, and the Department of Disease Control, Ministry of Public Health.
  - Certified as a breast-feeding workplace.
  - Awarded with an accreditation and symbol (flag) by the Workplace Safety Center Area 1 and Area 4 for the year 2009 for undertaking a campaign to reduce accident statistics at the workplace where risks are prevalent in the operations.
- 2010:
  - Received a “Platinum Level” ASO-T Thailand Award for management of AIDS and Tuberculosis at the workplace for the Company’s Head Office from the Department of Labour Protection and Welfare, Ministry of Labour, and Department of Disease Control, Ministry of Public Health.
- 2011:
  - Received a certificate of distinction and “White Factory” award (Thanulux Pcl. Kabinburi Branch) from the Department of Labour Protection and Welfare as a consequence of actions taken to prevent and tackle narcotic drug problems in collaboration with other companies in the Sahagroup Industrial Park (Kabinburi). The award was presented by the Governor of Prachinburi Province.
- 2012:
  - The Lamphun Branch of Thanulux Public Company Limited was certified by the Ministry of Industry as a Green Factory, First Level Green Industry, after committed efforts to minimize environmental impact and ensure comprehensive communications within the organization.
  - The Lamphun Branch of Thanulux Public Company Limited also received recognition from the Department of Labour Protection and Welfare and Lamphun Province under the “White Factory Scheme” for actions to prevent and combat problems pertaining to the use of narcotic drugs at the workplace.



- 2013:
  - Awarded the “Smart Fabric” standard accreditation from the Thailand Textile Institute for good ventilation of moisture and sweat as well as greater comfort. The product accredited was shirt (cool innovation) under brand Guy Laroche.
  - Awarded an honorary shield from the Ministry of Industry as a workplace that is compliant with good governance principles on the environment.
  - Awarded the “Outstanding Workplace on Labour Relations and Labour Welfare (National)” from the Department of Labour Protection and Welfare.
  - Awarded a standard accreditation for the prevention and remedy of drug problems at the workplace from the Department of Labour Protection and Welfare and Prachinburi Province.



## Safety, Occupational Hygiene and Working Environment Policies

Thanulux Public Company Limited attaches importance to safety, occupational hygiene and the working environment. The significance is comparable to other operations. As a consequence, policies have been prescribed on safety, occupational hygiene and the working environment which is the guidelines for employees, customers and visitors for the purpose of the same practices to prevent accidents and disasters for the welfare of life, property and environmental preservation. Supervisors in charge of their respective lines of work would be officers responsible for the implementation of these policies on a continual and efficient basis.

The employees, customers and visitors have to comply with the safety law announced by government agencies as well as the standards set by the company.

In 2013, the Company has promoted and sponsored the following activities:

### Safety Policy

1. **Basic Firefighting Training:** to build the confidence of employees in regard to safety in the event of fire and to prevent possible losses of lives or properties resulting from fire, including knowledge and understanding on fire hazards, prevention procedures, cautions and measure to be taken in the event of a fire at the workplace or in the residence.



2. **Fire Drill:** (2 times per annum) to prepare readiness for an emergency which could occur at any time, in line with regulations prescribed by the Ministry of Interior





3. **First aid training:** to enable employees to help themselves and others in the event of injury. Training has been conducted on basic first aid procedures, Cardiopulmonary Resuscitation (CPR), staunching, wound dressing, patient transport, heart pumping, accidents, etc.



4. **A safety information notice board:** has been set up to provide more information to employee on knowledge and understanding of work safety.



#### Occupational Hygiene Policies

1. Provision of personal protective equipment (PPE) for all employees to wear during operations such as; mask, earmuff, iron glove etc.

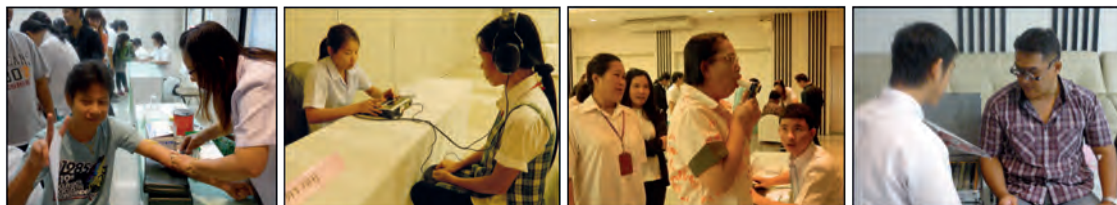


2. Annual medical examination





3. **Medical examination according to specific work risks**, e.g. liver examination, test to determine toluene level, blood test to determine lead levels, hearing tests, lung tests. These tests are carried out to identify any physiological abnormalities that may have been caused by risky operations in such workplace.



#### Working Environment Policies

1. **Posting of fire extinguisher instruction** in Myanmar language version together with Thai language version in the fire extinguisher installation area of the factory.



Before



After

2. **To install the Reflex Lantern** in the warehouse to improve illumination and cover the light bulbs to protect the sparking.



3. **Inspections were carried out on the working environment** in the manufacturing plants, in particular on lighting, heat, sound, dust, ventilation shafts for the Boiler by the annually checking and 2 times chemical checking per annum, to ensure compliance with safety standards and the prevention of any harm to the operational staff.





## Energy Conservation Policy

Nowadays, the circumstances where issues pertaining to energy consumption have rapidly multiply importance more and more which Thailand import substantial amounts of energy annually, the Company has come to realize the importance and value of energy. In consequence, the Company has carried out internal management of energy on a continual basis and promoted the Energy Conservation Policy as the responsibility of all staff to cooperate for energy management and energy usage for the optimum benefit. The Company appointed an Energy Management Working Group consisting of representatives from various work units to collaborate in works relating to energy conservation in order to realize the following policies and objectives.

### Energy Conservation Policy:

1. The Company shall implement and develop a suitable energy management system. Energy conservation shall be designated as part of the Company's operations in line with laws and other relevant prescriptions.
2. The Company undertakes to enhance the utilization of energy resources of the organization on a continued basis and in a manner suitable to the business, use of technology and good practices.
3. The Company shall develop plans and targets for energy conservation every year and communicate the same to all employees for a proper understanding and compliance.
4. The Company deems energy conservation as the duty and responsibility of executive officers and employees of all levels in the Company, and cooperation with respect to compliance with the adopted measures is expected. In this regard, monitoring and inspection reports shall be filed with the Energy Management Working Group.
5. The Company undertakes to give necessary support, including human resources, budget, time, training and participation in the presentation of opinions for energy development.
6. Executive officers and the Energy Management Working Group shall review and revise energy policies, targets and working plans every year.

The Working Group shall perform the functions of overseeing and undertaking responsibility for the management of energy in accordance with the Company's energy conservation policy. In this regard, the Working Group will coordinate with all relevant parties, including the organization of training or activities on energy conservation as appropriate for employees in each work unit. In any event, energy conservation and energy management policies are regularly reviewed, and suggestions pertaining to policies and procedures for managing energy are collected and submitted to senior executive officers for consideration.

### Energy Conservation Operations in Manufacturing Plants for 2013

1. Replacement of damaged insulation coating of air-conditioning pipes in the shirt manufacturing plant with material which can endure the climate and an extended working life. This replacement has enabled cost savings of Baht 100,000 per year. This measure has continued from the previous year and resulted in an accumulate savings of 200,000 Baht.
2. Implementation of inspection measures to detect air leaks in the compression system at 3-month intervals in order to reduce loss of air pressure at joints and various air equipments. The percentage of air leaks in the compression system is 3.00% by the standard of Department of Alternative Energy Development and Efficiency specify to 5%.
3. Experts on energy conservation from the Energy Conservation Centre were invited to give lectures on compliance with the Energy Conservation Promotion Act. For the total period of training of all trainees is 240 hours.





4. Changing the newmatic equipment to reduce loss of air pressure in the compression system and extended working life of equipment and machinery for the fully work efficiency and saving energy of air pressure in the compression system.



5. To public and engage a campaign of energy conservation with the setting of knowledge public board and providing the book corner for the employee.



6. To arrange the energy conservation activity to motivate the employee participation such as the contest of energy conservation slogan, to appoint the energy conservation ambassador etc.





## Human Resource Development

In pursuance of policies and strategies for the development of personnel with a view to enhancing business competitiveness, Thanulux Public Company Limited realizes the importance of the continuous development. The Company is committed to development and capacity building of personnel by a variety of instruction and development means along with a proactive working atmosphere. Skills and personal competency training are emphasized in order to strengthen the organisation and to support future business growth. In this regard, personnel development plans have been devised for all levels of employees. Details are as follows.

### Personnel Development

#### 1. Executive Development Through Experience Sharing

In 2013, the Company entered its 39th year since founding. The Company appreciates the significance of the tacit knowledge which has accumulated and therefore launched the Experience Sharing Scheme. The objective is to enable junior and middle executives to benefit from the knowledge, concepts and experiences shared by Directors and senior executive officers, passed on from generation to generation. Activities include the communication of policies and directions of the Company in 2013, cost management, marketing concepts and experiences, human resource management and business communications with customers and trading partners. In all events, the Human Resource Department has conducted assessments of knowledge and understanding as well as continually monitored the performance of participants in the scheme. Focus has been given to practical applications which are considered to be of great significance for an efficient administration.



#### 2. High Potential Development

The Company focuses on the continual development and preparation of human resources in order to keep pace with the fast changing economy and technology. The High Potential Development Programme has thus been continued till now, i.e. class 4. An integrated development plan has been devised to ensure that a diverse range of knowledge, skills and competencies are acquired through the Individual Development Plan (IDP). Activities undertaken include “coaching” from executive officers to promote proactive strategic thinking for new generation executives, marketing innovations to acquire an advantage over competitors and opportunities to attend departmental board meetings to hear and broaden management perspectives. Opportunities are also given for the realization of potentials through special challenging assignments, including the promotion of strong teams to help in the sustainable drive of the organisation towards its business targets.

#### 3. Key Person Development

The Company has prescribed guidelines for preparing personnel who constitute essential forces for each unit, i.e. Key Persons. Personnel possessing knowledge and expertise in assigned tasks as well as a determination and positive working attitude are selected. In this regard, the Human Resource Department has collaborated with the relevant supervisors in developing Individual Development Plans (IDPs). Potentials, responsibilities and career paths are analysed in order to determine clear development targets and a variety of instruction methods, e.g. internal and external training, coaching by supervisors and the assignment of more challenging tasks. The outcome of development programmes are continually monitored with the supervisor and assessments are carried out by relevant persons in order to obtain accurate personnel development data and the greatest efficiency for the organisation.

#### 4. Production Personnel Development

The Company emphasizes the development of all levels of employees. Professional knowledge and expertise developments are continually promoted in order to enhance personnel competencies, support business growth and advance in line with the Company's future direction. Various development schemes have been organised, as follows:



#### 4.1 Work Visits and Knowledge Sharing

The Company sponsors work visits and knowledge sharing both within the Thanulux Group and Sahapat Group as a means of sharing exemplary accomplishments.

**Tools, Machinery and Production Technology Sharing** have been conducted between companies in the Thanulux Group in order to broaden perspectives, foster development attitudes and innovative research to enhance production efficiency.



**Work and Study Visits of Production Management at Thai Gunze Company Limited** have been carried out to study concepts and practices concerning production management, in particular management principles governing personnel and tasks. Exemplary cases have been studied and applied to the improvement and development of production management systems in order to boost efficiency and curb the Company's costs.

#### 4.2 Leather Goods Development Program

The Company appreciates the importance of leather goods, which is one of the Company's principal product line, and that the strengths thereof must be maintained and developed. In other words, the Company must maintain its status as manufacturers of outstanding quality leather goods. The Company therefore launched a personnel development scheme for production of leather goods, in particular supervisors, technical and pattern staff and factory engineers, both for the Head Office and Lamphun Branch. Techniques and procedures for manufacture of handbags and wallets are taught along with practical training by experts who are at hand to render advice and suggestions. The objective is to enhance efficiency, maintain production standards and strengthen the competency of leather goods factories.



#### 4.3 Technical and Pattern Staff Development

The Company aims to achieve a comprehensive development of all product lines in order to raise the quality of goods in response to business needs. In this regard, the Company invited a Japanese instructor, Mr. Tomoaki Nakamura from Sankyo Seiko Fashion Service Company Limited, Japan, to give instructions on techniques and patterns on DAKS ladies wear, which is a high-end brand. In addition, technical and pattern developments were extended to trousers. Knowledge on techniques and pattern creation were thereafter applied to a variety of instances. Advice was also given on the improvement of aesthetics to achieve prominence and meet the demands of customer groups. These undertakings seek to maintain the customer base and market expansion to new customer groups to achieve further business growth.





## 5. Training Roadmap : TRM

The Company realizes and acknowledges the importance of personnel development from the entry level in the organisation. In order to ensure proper learning in each position in every department, a "Training Roadmap (TRM)" has been devised as relevant to the roles and responsibilities. The roadmap is divided into the probationary period and permanent employment period so as to promote personnel skills, knowledge and competencies in their respective positions. Various forms of instructions are employed, such as orientation, coaching and knowledge sharing. Supervisors would conduct assessments under the topics taught in accordance with the TRM and closely monitor outcomes in order to gain awareness of the application of knowledge and implement revisions of future development plans, as appropriate.

### Training

The Company has attached importance to training and development of personnel at all levels, from executives, management and operational employees. This is to ensure the readiness of personnel for driving the organisation towards its set targets. As a consequence, the Company promotes and encourages employees to have the opportunity to train and develop knowledge and management skills in line with the organisational growth outlook. Internal training in the organisation numbered 52 courses and external training numbered 74 courses, a total of 126 courses. Significant courses are as follows:

#### Executive Level e.g.

- Director Certification Program
- ASEAN Economic Community: Impact and Adaptation of Thai Labour
- The Roles of Executives and Outstanding Production
- ASEAN Economic Community and Preparations

#### Management Level e.g.

- Interpretation of ISO 9001:2008 Requirement
- Risk Management
- Quality Assurance System
- Business Management Strategy"

#### Operational Level e.g.

- Trend Fashion
- Motivation for Success
- English for Negotiations

In addition, the Company attaches significance to the monitoring and assessment of results of personnel who have received training as well as benefits obtained, including the transmission of knowledge and coaching of relevant persons. Personnel will be able to apply their knowledge for the greatest benefit of operations and to boost the efficiency through the improvement of tasks.

### Scholarships for Employees and Children of Employees

The Company pursues a policy which provides personnel with the opportunity to develop competencies in regard to knowledge, academic skills and technology which are appropriate and consistent with business operations. The Company has therefore granted 4 full educational scholarships for the Fashion & Textile Development Program of Bunka Fashion Institute, constituting a total sum of Baht 1,024,000. These scholarships have enabled employees to learn and understand the roles and relationships between various elements of the fashion creation process, from the raw materials used, components, design, patterns, sewing techniques to garment finishing stages, which are consistent with the business operations and promotes the strengthening of future competitive strength.





## Sensei Project for Developing Shirt

In pursuance of the intent originating from Sahapat Group Chairman, Dr. Boonsithi Chokwatana, who wished to develop garments for the Thai people and in fulfillment of the vision of Thanulux Public Company Limited which sets sights on acquiring leadership status in the fashion industry of the country and region, together with a mission to foster customer satisfaction through the development of excellence of goods, Khun Varindr Leelanuwatana, President and CEO launched the “Sensei Project for Developing Shirt” from year 2012 onwards. Personnel possessing direct knowledge and experience on shirt production from the Head Office, Branch Offices and subsidiary companies have been selected for training. Upon completion of training, they are entrusted with the key tasks of a “Sensei” to pass on knowledge and develop personnel in the production line to promote creativity in the production of shirts with elaborate and meticulous tailoring skills which meet international standards.

The Company has enjoyed the collaboration of Rio Bianco Company, situated in Fukushima Prefecture, Japan, in the undertaking of this Project. Rio Bianco Company possesses expertise in the production of shirts and is renowned for the outstanding quality of production, manufacturing leading shirt brands in Japan, such as United Arrows, Tomorrowland, Maker's Shirt KAMAKU

On this occasion, Mr. Takeo Saito, the Company Chairman, entrusted Ms. Keiko Hatada, an experienced instructor of the organisation who has received numerous credentials for knowledge and skills, such as the Class 1 Certificate of Garment Tailoring Skills, the highest obtainable in Japan, and the Professional Certificate for Garment Tailoring Instructor, with the task of passing on tailoring knowledge and techniques with particular emphasis on practice and close instructive advice. In this regard, the Company provided an area for instructions which was fully equipped so as to create a learning atmosphere and to focus on the outcome of the instructions.



Mr. Supotch Pakaworawuth, Managing Director of Thanulux Plc. and Mr. Takeo Saito, President of Rio Bianco Co., Ltd.



Hatada sensei giving instructions on hand positioning techniques to ensure continuous and elegant stitches.



Hatada sensei carrying out inspections and giving individual advice for improvements.

In addition, personnel development in the Project has also enriched other skills such as knowledge on patterns and raw materials, including communication skills and professional mentoring skills. In 2013, the Company also concurrently promoted and gave opportunities to 3 trainers who completed training in 2012 to travel to Rio Bianco Company in order to learn pattern creations, tailoring and other production techniques in anticipation that the knowledge acquired would be applied to the further development of production process efficiency.



The Company has held a certificate conferment ceremony to senseis who have completed the training

In order to instill a sense of pride and motivation to future participants in the project, the Company has held a certificate conferment ceremony to senseis who have completed the training.

The Company appreciates the importance and promotes the continual undertaking of this Project. A personnel development plan has been drawn up to the year 2015, comprising two parts, as follows:

**Part 1 is the development of senseis who have successfully completed the course** to further their work expertise. Intensive revision exercises of skills and competencies are conducted in difficult and complex sewing forms, mixed with exchange of experiences and finding solutions through teamwork.

**Part 2 is the development of personnel participating in the subsequent classes of the Project** to enrich their knowledge and skills pertaining

to all processes of shirt tailoring and to add further knowledge in other areas pursuant to the set approach for development of sensei. The Company strives towards excellence in shirt production and the creation of a sustainable competitive advantage.



## Corporate Governance

The Board of Directors recognizes the importance of good governance. It has been determined using the principles of good corporate governance of the company as approved by the Board of Directors Meeting No. 7/2002 on November 11, 2002. The principle has applied the Stock Exchange of Thailand's good governance principles for listed companies as well as regulations of the Securities Exchange Commission as guidelines for governance. These principles have been reviewed regularly.

In 2013 the Board of Directors has considered improving corporate governance of the company to suit the current business operations of the Company and then the Board of Directors' Meeting No. 1/2557 on 19 February 2014 approved the adoption. "Principles of Corporate Governance. (Revision 1)". The new principles consist of governance policies, business ethics and an employees' code of conduct for the Board of Directors, executive officers and employees as a guide for business operations since 20 February, 2014. The Company has also published the principles on the Company website (<http://www.thanulux.com>). The principles detail as follows.

### Corporate Governance Policies

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

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

1. Company Directors, Executives and all employees are fully committed to the application of corporate governance principles, business ethics and Codes of Conduct for Company Directors, Executives and employees to Company operations.
2. Company Directors, Executives and all employees must perform their duties responsibly, prudently, earnestly and honestly in accordance with the relevant laws, Company Articles and Notifications.
3. Actions shall be taken to ensure that the Company management structure contains clear prescriptions of powers, duties and responsibilities of each Company Committees and Executives.
4. An internal control system shall be installed and risks management shall be managed at suitable levels, including an accounting system and financial statement which are accurate and reliable.
5. Information shall be disclosed in a sufficient, reliable and timely matter to the extent that the legitimate interests of the Company are not prejudiced.
6. The ownership rights of shareholders shall be appreciated and respected. Shareholders shall be treated equitably.
7. Undertakings shall have regard to the responsibilities of shareholders, stakeholders, communities, society and the environment.
8. There shall be a determination to strive towards business excellence with commitment to the creation of customer satisfaction by receiving comments and self-assessments in order to enhance management capabilities and continually promote productive creativity.
9. Virtue, ethics and good values shall be instilled. Employees shall be treated fairly with a commitment to develop and enhance the capabilities of personnel.
10. Dishonest conduct, corruption and intellectual property violations shall be suppressed. Laws and human rights shall be respected.
11. Conflict of interests shall be dealt with prudently and reasonably with due regard for the Company's interests.

### The Principles of Corporate Governance are divided into 5 categories, as follows:

#### 1. Rights of Shareholders

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



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

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

1.4 The Board of Directors has granted shareholders with the authority to approve the remunerations of Company Directors on a yearly basis as well as to determine the rules for paying remuneration to each Company Committee.

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

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

1.7 The Board of Directors prepares minutes of the shareholders' meeting. The minutes provide an explanation of voting procedures, list of Company Directors, members of Company Committees, and Executives present and absent from the meeting, the voting results in each agenda together with questions and answers. Items which have not been specified in the meeting notice are not added to the agenda. The minutes are published on the Company website.

The 39 Annual General Meeting of Shareholders are as follows.

#### **Proceedings Prior to the Shareholders' Meeting Day**

The Company gave notice of the ordinary meeting of shareholders both in Thai and English through the website of the Stock Exchange of Thailand since 18 February 2013 as a **2-month advance notice** for shareholders, and also published on the Company's website too.

The Company has disseminated a notice of invitation to the meeting together with meeting documents to shareholders, in which the agenda together with facts and reasons as well as opinions of the Board of Directors on every agenda were stated and has determined that the shareholders can **submit questions for 2 working day before the meeting**. Meeting documents include the Annual Report, financial statements, curriculum vitae of persons nominated for appointment as Company Directors, definition of Independent Director, information on Audit Committee members suggested for acting as proxies, Company Articles in relation to the ordinary meeting of shareholders, documents and evidence which must be presented by persons attending the meeting, procedures for attending the ordinary meeting of shareholders, proxy form B and map of the meeting place. All such information were prepared in Thai and English on the Company's website ([www.thanulux.com](http://www.thanulux.com)) on 22 March 2013 (30 days prior to the meeting date) in order to give shareholders convenient and quick access to information thus allowing greater time for examination.

The Company has entrusted the Thailand Securities Depository Company Limited, acting as the Company's registrar, to send notices of invitation to the meeting and all meeting documents, in both Thai and English, to all shareholders on 1 April 2013 (22 days prior to the meeting date). The information sent resembles the information stated on the Company's website. The notice period exceeds the period required by law, allowing more time for consideration by the shareholders. A notice of invitation to the ordinary shareholders' meeting was also published in Thai daily newspapers for 3 consecutive days from 9 to 11 April 2013, and 12 days prior to the meeting date, to give more preparation time for shareholders attending the meeting.

Moreover, shareholders are able to download 3 types of proxy forms, as prescribed by Notification of the Ministry of Commerce, i.e. Form A, Form B and Form C, from the Company's website ([www.thanulux.com](http://www.thanulux.com)). Only one of those three forms may be used.

The Company has given an opportunity for shareholders who had granted proxies to other persons to attend the meeting on their behalf to submit proxy forms in advance by 1 working day in order to facilitate the expedition of the inspection of documents prior to the meeting.



### Proceedings on the Shareholders' Meeting Day

The Board of Directors is accountable to shareholders and gives significance to the meeting of shareholders. Attendance of all meetings is regarded as a duty and provides an opportunity for shareholders to inquire information on the Company. In the 39 General Meeting of Shareholders for 2013, held on 23 April 2013, the Chairman and all Board of Directors total 10 member, Chairmen and members of all 5 Sub-Committees, namely the Audit Committee, Nominating Committee, Remuneration Committee, The Risk management Committee and Executive Committee, as well as the Chief Financial Officer were attended the meeting. The meeting was attended by the Company's Auditor who witnessed the vote count. The names of Company Directors, Company Committee members, executive officers and Auditor in attendance of the shareholders' meeting were recorded in the minutes of the 39 Ordinary Meeting of Shareholders published on the Company website ([www.thanulux.com](http://www.thanulux.com)).

The Company provided an appropriate number of staff for welcoming and registration. Information systems were employed for registration to ensure convenience and speed. Registration was open 2 hours prior to the meeting and remained open until the conclusion of the meeting. The Company distributed voting placards and ballot papers to all shareholders for casting votes. Shareholders who were unable to attend the meeting in person were able to appoint any person or any one of the Audit Committee member who was an Independent Director to act as a proxy to reserve their rights in the meeting. Shareholders were also facilitated by the provision of duty stamps for affixing on proxy forms as well as refreshment services.

**Before the commencement of the shareholders' meeting**, the Company Secretary informed the meeting of the number and proportions of shareholders present. Thereafter, the Chairman declared the opening of the meeting and introduced the Company Directors. The Managing Director was entrusted to conduct the proceedings in accordance with the agenda. The Managing Director then introduced the Company Secretary, executive officers, Auditor. The Secretary gave notice of the essential items before the start of the meeting, as follows:

1. The Company provided an opportunity for shareholders to propose items to be included in the agenda of the ordinary meeting of shareholders and/or nominate persons for election to become Directors prior to the determination of the meeting agenda, between 1 December and 30 December 2013, total 30 days. However, no shareholder made any agenda proposal and/or nomination for election of Director.

2. Explanation of the voting procedures and vote-counting procedures. Votes would be cast openly. Information technology was used for counting votes in order to ensure convenience, speed and transparency. Ballot papers were provided for shareholders/proxies for all agendas. Only the ballot papers of non-approval and/or abstentions votes were collected, except for the election of Company Directors which was conducted on an individual basis where the ballot papers of all shareholders/proxies were collected. When counting votes, only the non-approval and/or abstention votes were counted and then later deducted from the total number of votes in attendance. The remaining number was then deemed to be the number of approval votes for the respective agenda. In 2013, the voting record of shareholders in each agenda may be inspected from the minutes of the 39 Ordinary Meeting of Shareholders published on the Company website.

**During the shareholders' general meeting.** The Managing Director, in the capacity of the meeting's chair, carried out the meeting in accordance with the order of agenda in the notice given to shareholders, no re-ordering of the agenda. No other agenda were added or changed the important information without the prior notice. All shareholders were granted equal rights to express opinions and pose questions in every agendum. As for shareholders attending the meeting subsequent to its commencement, the Company allowed votes to be cast in the remaining agenda where such shareholders would constitute the meeting quorum as from the agendum which votes were cast.

As for the meeting time, appropriate and sufficient time was allocated for proposals on various matters in each agendum before votes were cast. In summarizing the votes in each agendum, the Company employed a barcode system for vote-counting. Voting results were displayed on a screen for all shareholders to witness, showing votes of approval, disapproval and abstentions. The Company also invited its Auditor to observe the vote counts in the shareholders' meeting in order to ensure transparency.

In 2013, no shareholder requested to add any item to the meeting agenda. A question was, however, posed for the agendum no. 8, Other Matters. A shareholder asked about the potential impact TRADEMARK. The Chairman gave detailed replies and explanations to all shareholders. More information may be found in the minutes of the ordinary meeting of shareholders published on the Company website.



**Important agenda** in the meeting of shareholders consisted of the following:

(1) Dividend Payout: The Company had provided details on the appropriation of earnings and payment of dividends which were in accordance with the payout policies of the Company. A comparison between the dividend payout of the current year and preceding year was also specified of Record date for the shareholders who are entitled to receive dividends. The closing date of the share transfer registration.

(2) Appointment of Directors: The Company provided an opportunity for shareholders to elect directors individually. Preliminary information on each person nominated for election as director, together with a specification of positions held in other businesses of the nominees, clearly stating whether the nature of such companies' were identical to or in competition with the businesses of the Company, Shareholding in the Company, Meeting attendance record (In case reappointed at the expiration of term), Type of Directorial Position Nominated and Nominations were made after screening by the Nominating Committee.

(3) Directors' Remuneration: The Company had provided details on the amount of remuneration proposed, which was in accordance with the policies and conditions relating to the remunerations of directors subsequent to review by the remuneration committee. The Company proposed remuneration limits for approval by the meeting of shareholders on an annual basis and disclosed remunerations of the Company Board of Directors and remuneration of other sub committees in Form 56-1 as well as in the Annual Report.

(4) Appointment of Auditor and Determination of Audit Fee: The Company had provided details on the names of auditors, along with their audit office, independence, relationship with the Company, number of years of performing duties, reasons for change of auditor (if any), and comparative data on the audit fees for the current and preceding year. This information had been reviewed by the Audit Committee. Other fees for services rendered by the audit office to which the auditor was affiliated with respect to both the Company and its subsidiaries were also disclosed.

### **Proceedings after the Shareholders' Meeting Day**

The Company Secretary prepared a clear, accurate and complete record of the minutes of the shareholders' meeting, showing the number of votes receive in each agendum, i.e. approval, disapproval and abstention, and a record of questions and answers (if any). **Such minutes were sent** to the Stock Exchange of Thailand and relevant authorities **within 14 days** as from the date of shareholders' meeting and also published in the Company website. For shareholders who did not attend the meeting, company had the VDO presentation on the Company website so as to inform the shareholders of the meeting details.

## **2. Equitable Treatment of Shareholders**

2.1 The Board of Directors treats all shareholders fairly and equitably. Shares of the same class carry equal voting rights, i.e. one vote per share as defined in the Articles of Association and the Company also informs the shareholders in every meetings.

### **Summary of Number of Shareholders Attending the 39 Ordinary Meeting of Shareholders on 23 April 2013**

	Number of Persons	Shares	%
Registered Shareholders	699	120,000,000	100
Shareholders and proxies attending the meeting in agendum no. 1	127	110,501,182	92.08
no. 2 to 7	128	110,501,382	92.08

### **Voting Summary of Shareholders in Each Agenda**

Agendum	Approval			Disapproval			Abstention		
	shareholders	shares	%	shareholders	shares	%	shareholders	shares	%
1	127	110,501,182	100	-	-	-	-	-	-
2-6	128	110,501,382	100	-	-	-	-	-	-

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

In the past year, The Company has elected to use Proxy Form B, which were attached to the notices of meeting and provided the name, address and interests in matters considered in the meeting agenda of all 4 audit committee, in order to encourage shareholder to use the proxy that enable him/her to determine the direction of votes. In addition, the shareholder may download proxy forms which comply with the notification of the Ministry of Commerce, from the company website, there being 3 forms, i.e. Form A, Form B and Form C (Form C is only available for a shareholder who is a foreign investor that has appointed a custodian in Thailand to act as a depository and caretaker of the shares). A shareholder has the option of electing one of these forms.

2.3 The Board of Directors provides an opportunity for minority shareholders to nominate candidates for election to become Company Directors in the annual general meeting of shareholders. For the 39 Annual General Meeting of Shareholders, the Company gives shareholders the right to nominate a person for election as directors during 1 to 30 December 2012.

2.4 The Board of Directors publishes the shareholders' meeting notice in both Thai and English on the Company website at least 30 days in advance of the shareholders' meeting day by publishing notice of the meeting of shareholders on Friday, 22 March 2013 on the Company website.

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

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

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

### **3. Role of Stakeholders**

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

#### **Business Ethics and Employee Code of Conduct**

The Company has drawn up business ethics and employee code of conduct to promote confidence that the legal rights of all stakeholders are fairly looked after. These codes have been stated in writing and distributed to Directors, executive officers and all levels of employees, and also distributed on the intranet and Company website. The codes are strictly adhered to when treating all stakeholders since a business can survive only when good ethics and morals are practiced.

#### **Shareholders**

The Company respects the rights of both major and minority shareholders as required various laws and regulations. All shareholders are treated equally. The Company strives to satisfactorily represent the shareholders in advancing the businesses as well as generating a fair return in accordance with the dividend policies of the Company. In addition, the Company has mechanisms for ensuring the trust of shareholders in obtaining accurate information, controlling connected transactions, and having measures for preventing conflicts of interests. Measures have also been in place to prevent the exploitation of insiders' information for personal benefits, including the use of such information for the trade of the Company's securities, especially in the 1 month period prior to the disclosure of financial statements to the public, which is stipulated in the code of conduct for employees.

The Company invited all shareholders to the annual general meeting. Shareholders were given the right to vote on all agenda. Shareholders also have the right to acquire important information, such as the Company's quarterly operating results, investment disclosures and connected transactions. The Company has disclosed these data through channels of the Stock Exchange of Thailand and the Company website ([www.thanulux.com](http://www.thanulux.com)).





In 2013, the Company paid dividends for 2013 operations at the rate of Baht1.20 per share, equivalent to a dividend payout 47.92 percent of the net profits of the separate financial statements on 17 May 2013. This dividend payout exceeds the prescribed dividend policy of Baht 0.20 per share. The payments reflected a continuous payout of dividends to the Company's shareholders, thereby genuinely building long-term wealth to the shareholders.

#### **Customers**

The Company operates its businesses by adhering to the principles of loyalty, justice and providing accurate information to customers. Customers' complaints are handled with priority and processed with all due fairness in order to promote an expeditious response to customers' needs as well as to develop products and services which meet the requirements of customers. Constant innovations are undertaken in order to add value to products and services according to the quality accreditation ISO9001 on design and manufacture of garments and leather goods. Customers' trade secrets are also protected.

In this regard, the Company has a customer relations center which serves as a central medium for receiving comments and suggestions from customers. The center may be call at 0-2295-0911-9, 0-2295-4171-80, 0-2681-3441-50 press 101.

#### **Employees**

The Company realizes that employees are the most valuable resources and constitute the heart and main driving force of the organisation to success. The Company has therefore treated its employees in accordance with good governance principles. Human dignity, human rights and ethics are respected and promotion, support, practice, training and knowledge development of employees are provided comprehensively for employees. Employees are given opportunities to express their potential. They are also encouraged to participate in determining the development and operational directions of the Company. In order to secure career path security, the Company offers fair remuneration for employees as appropriate for the knowledge, skills, responsibilities and performances of each employee. (For further details on the promotion and development of employee knowledge, please refer to the heading on "Personnel Development Policy".)

Moreover, the Company has looked after the working environment by having due regard to the safety of life, health and properties of employees. Security personnel are on duty 24 hours a day. Alarm systems have been installed in buildings. Safety equipment and fire engines have been provided. Basic firefighting training and drills have been held as well as evacuation drills and the use of personal protective equipment. These training and drills were held to promote the employees' understanding of the proper practices according to standard systems on safety and the environment. Various welfare benefits have also been provided for employees to raise the quality of lives and standard of living, e.g.

- Together with the Saha group set up **saving cooperatives for employees.**
- Provision of a clinic attended by a medical doctor twice weekly and a nurse every day.
- Annual medical examination
- Employee uniforms
- Welfare sale of goods at special prices as sustenance aid for employees
- Collaboration with the Government Housing Bank in providing low-interest housing loans
- Accommodation for employees assigned to perform tasks in other provinces
- Additional payments to employees in proportion to their work performances
- Provident fund for future savings
- Retirement benefits
- Financial assistance in the event of death of an employee, employee's parent and spouse
- Financial assistance in the event of an employee being a victim of fire or a natural disaster, such as flooding or storms.
- Internal and external training for employees to promote and develop knowledge and skills
- Cash rewards for employees completing 10, 20, 30 years of employment

In addition, the Company has established a Welfare Committee in order to offer an opportunity for employees to participate in the administration of welfare benefits and to act as a centre for the comprehensive distribution of welfare aid to employees, as well as to act as a channel for communications, suggestions or voicing grievances on various matters pertaining to work.

### Trading Partners

The Company has complied treatment of trading partners with trade agreements and disclosed accurate data, thereby fostering good relations and understandings with trading partners. The Company and its trading partners have also exchanged knowledge and collaborated in the development of products and services in order to add value to its goods and services. In no event did the Company requested, received or consent to accept properties or other benefits outside the trade agreements. In 2013 there has been no evidence of failure to honor the contract we have with the trading partners.

### Creditors

The Company has treated its creditors fairly, responsibly and transparently in compliance with contractual terms and conditions. During the past year, the Company made payments to trading creditors pursuant to the credit terms agreed in advance without any default.

### Communities, Society and Environment

The Company operates businesses with due regard to the impact on communities, the society, natural resources and the environment. Responsibilities are continually instilled into all employees of the Company. Activities which are beneficial to communities and the society as a whole are encouraged. Undertakings have taken into consideration the impact on natural resources and the environment, such as the development of Easy Clean & Care shirts to reduce the use of tap water.

The company disclosed Social, Community and Environmental activities of the year 2013 in this Annual Report.

### Trade Competitors

The Company has carried out its businesses in good faith and fairness in strict compliance with trade competition rules within the legal framework. Throughout the past, the Company has never encountered any disputes relating to trade competition.

### Intellectual Property, Copyright, Anti-Corruption and Ban of Bribery Policies

The Company has a policy of operating a transparent, ethical and fair business. The Company does not use intellectual property or any trademark without licence. Employees are encouraged to discover new innovations in order to create value for products and to develop work results and system efficiency. Innovation contests have been organised continuously since 2007 until the present, which is the 6 year, to select products for contesting in the Saha Innovations Contest held in the Saha Group Export & Trade Exhibition every year. In 2013, the Company received awards of Honorable Mention for 3 product types under the innovation "Three to One Functions", "Srida Green Product" and "Slacks Automatic Belt Loop Machine".

As regards trademarks, the Company has been licensed to distribute goods under several trademarks, such as ARROW and Guy Laroche. The Company has strictly adhered to all terms and conditions of the agreement. There has been no license infringement whatsoever. Employees have been encouraged to abstain from using imitation products.

In accordance with the working philosophy of Dr. Thiam Chokwatana, founder of the Saha Group, which emphasizes honesty and fairness at work, instilled as values of the Company, discouraging employees and executive officers from corrupt practices, giving or accepting bribes in order to acquire benefits for the Company. Such values have been recorded in the business ethics and employee code of conduct.

In 2013, the Company did not commit any infringement of intellectual property or trademark, and did not give any bribes.

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

3.3 The Board of Directors provides channels and procedures for all stakeholder groups to report or file a complaint on any matter which poses a risk of loss to the Company, the accuracy of financial statements or an unfair treatment. Shareholders and other stakeholders may contact Mr. Supachoke Sirichantaradilok, Company Secretary and Investor Relations Officer, by telephone at 02-284-0062, facsimile at 02-294-5101, email: supachoke@thanulux.com or contact Mr. Woradej Puengsiricharoen, Vice-President for Internal Audit, who also reports directly to the Audit Committee, by telephone at 02-295-4171-9 ext. 168, facsimile at 02-294-5101, or email: audit@thanulux.com. Investigation outcomes would be reported to the Board of Directors. Details on informants and complaints will be kept secret. In 2013, there were no complaints filed by shareholders and stakeholders.

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



#### **4. Disclosure and Transparency**

4.1 The Board of Directors oversees that there is proper, transparent and timely disclosure of significant information in accordance with the relevant laws and regulations. These disclosures include reports filed in accordance with accounting periods and reports of events having an impact on shareholders' interests, as well as the disclosure of other information pursuant to 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 transmitted such information through the information dissemination system of the Stock Exchange of Thailand within the time limit for dissemination to the investors and the general public. Moreover, the Company has added new dissemination channels by publishing the information on the Company's website ([www.thanulux.com](http://www.thanulux.com)) in both Thai and English and regularly updating such information.

The information disclosed in the annual reporting form and annual report include not only financial statements, but also information on various matters which are demonstrative of business transparency, as follows:

1. **Business description:** a disclosure of the Company's business operations, industrial and competitive trends.
2. **Corporate governance:** Company carried out its business in accordance with the good corporate governance principles for listed companies 2013 prescribed by the Stock Exchange of Thailand in 5 constituents as Shareholders' Rights, Equitable Treatment of Shareholders, role of stakeholders, information disclosure and transparency and responsibilities of the Board of Directors.
3. **Social and environmental responsibility:** the Company upholds this consideration as a policy factor in its business operations, which is included in the corporate governance policies. The Company pays due regard to natural resources and environment through an appreciation of the responsibilities owed towards communities and the society. A conscience of responsibilities owed to communities and the society has been continually instilled in the Company, and support has been given to activities which are of common benefit to the communities and the society.
4. **Shareholding structure:** a disclosure of the 10 largest shareholders of the Company at the closing date of the shareholders' register for the annual general meeting, prior to the meeting date on the company website ([www.thanulux.com](http://www.thanulux.com)).
5. **Internal controls and internal audit:** a disclosure of the audit committee report, as well as a disclosure of the evaluation results of the Board of Directors on various aspects of the Company's internal control systems in 5 parts; namely
  - (1) Good control environment
  - (2) Good risk appraisal methods
  - (3) Good internal control activities
  - (4) Good information and communication system
  - (5) Good monitoring and assessment system
6. **Report of the Board of Directors:** The Board of Directors appreciates the importance of accurate and complete financial reporting in compliance with accounting standards. Disclosure of such information had been audited by an independent auditor and approved by the Audit Committee and the Board of Directors before dissemination to shareholders. Also, in order to secure greater confidence, the Board of Directors had prepared report on the responsibilities of the Board of Directors to the financial statements signed by the Chairman of the Board and the Managing Director and disclosed in the annual report and Form 56-1 alongside the auditor's report.
7. **Management structure:** a disclosure of the roles and functions of the Board of Directors and other committees, the number of meetings held, the number of meetings attended by each director in the previous year, and securities holdings as well as training histories of directors. These details have been disclosed in Form 56-1 under the heading 8 on management, and in the annual report under the heading on shareholding and management structures.
8. **Evaluation of the Board of Directors:** a disclosure of the evaluation by individual director the performance of the entire Board of Directors.
9. **Remuneration of directors and executives:** a disclosure of the policy on remuneration payments to directors and executives, including the forms, types and amount of remuneration received by director and sub-committees, these details have been disclosed in Form 56-1 and in the annual report under the heading on executive remuneration.



**10. Investor relations:** the company has stressed the importance of disclosing transparent and comprehensive information. Various news have been disseminated to investors and related persons in a timely manner and on an equal basis through channels and media of the Stock Exchange of Thailand, and via the Company's website at [www.thanulux.com](http://www.thanulux.com). In addition, the Company has designated a person who can provide information and news as required by investors or related persons. Mr. Supachoke Sirichantaradilok, Company secretary and Investor relations, may be contacted by telephone at 0-2295-0911-19, 0-2295-4171-80, extension 323, by facsimile at 0-2294-5101, or by email at [supachoke@thanulux.com](mailto:supachoke@thanulux.com).

4.2 The Board of Directors has established units or responsible persons to perform investor relations functions to communicate with external persons equitably and fairly.

In 2013, the Company and companies in the Saha Group, comprising a total of 13 companies, in collaboration with the Stock Exchange of Thailand, held the "5<sup>th</sup> Analysts and Investors Meet Saha Group" event. This event was held for the 5 consecutive year at Queen Sirikit Convention Center on 28 June 2013 within the 17 Saha Group Fair. In addition, the Company and companies of the Saha Group jointly prepared a summary fact book on all 13 companies of the Saha Group. The fact books were distributed to analysts and investors attending the event. Interested persons who did not attend the event may watch a video recording of the event through channels of the Stock Exchange of Thailand and the Company website.



## 5. Responsibilities of the Board

5.1 The Board of Directors has prescribed a structure for the Board of Directors comprising of persons having a diverse range of knowledge, competencies and experiences, without limitation to gender, and having the qualifications required by law. At least one Company Director is a Non-Executive Director who has experience in the Company's business undertaking. There are also Independent Directors as required under the Notification of the Office of the Securities and Exchange Commission.

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

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

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

5.5 The Board of Directors has a policy which 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.

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



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

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

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

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

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

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

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

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

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

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

5.17 The Board of Directors has directed Company Directors and 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.

5.18 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.

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

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

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

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

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

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

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

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

The Board of Directors plays an important role in governing the Company and ensuring that operations are run efficiently. The Board of Directors must therefore act responsibly, prudently and honestly in applying their knowledge and skills to determine the Company's vision and mission so as to promote the Company's growth and supervise operations of executive officers and employees in accordance with such guidelines thereby leading the Company to a successful achievement of its objectives.

## 1. Company Board Structure

### Balance of directors who are not executives.

The Company has set up the member of the Board of Directors not less than 5 persons (pursuant to the Public Limited Companies Act). Directors must be a natural person and possess the following qualifications:

1. being sui juris;
2. not being bankrupt, incompetent or quasi-incompetent;
3. not having been imprisoned by a final judgment of imprisonment for an offence relating to the dishonest dealings with property;
4. not having been expelled or dismissed from government service or an organization or agency of the State due to misfeasance in office.

The Board of Directors is comprised of 10 Directors, as follows

- Non-Executive Directors    2    persons constituting    20 %
- Executive Directors            4    persons constituting    40 %
- Independent Directors        4    persons constituting    40 %

### Qualifications of Independent Directors

An Independent Director must possess all the qualifications and independence as prescribed by the Capital Market Supervisory Board. Such qualifications have been stated in the heading on shareholding and management structure.

The Company has a selection committee to select Directors from qualified persons possessing knowledge and skills from a variety of professions. The selected persons should have vision, ethics and an unblemished working history. He/she must be able to express views independently. The Board of Directors has prescribed clear duties and responsibilities for all Company Committees. A Chairman of the Executive Committee has been appointed by the Board of Directors to perform the duty of supervising the performance of the Managing Director in the business operations, managing the Company operations to achieve the objectives and targets in accordance with the policies set by the Board of Directors.

### Director's Term of Office

The Board of Directors is appointed at every ordinary general meeting. Each Director has a 3-year term in office pursuant to the Company Articles. Upon the completion of term, the Directors may be reappointed. The Company has not set an age limit and number of terms for Directors nominated for re-election as it is believed that experience, knowledge, expertise and business skills are essential factors in the governance of a business, which the director who serving consecutive terms will be able to take benefits in such regard.

### Number of Companies Served by Directors

The Company has disclosed information on the directorial offices held by each Director in other companies in Form 56-1 under the heading "Offices of Directors and Executive Directors in Subsidiaries or Related Companies."

The Company has not imposed a limit on the number of companies in which directorial offices can be held as it was apparent from the past performance of all Directors they have been able to maintain regular attendance at meetings and utilized knowledge and skills as well as give full devotion of time for the management of the Company without any deficiencies.

### Company Directors and Executives Assuming Directorial Positions in Other Companies

The policies and procedures for assuming directorial positions in other companies of directors and executives of the Company are as follows. Senior executives of the Company would determine the nature of the other company's business and whether or not there is need to assign a Company director or executive to represent the Group in the capacity of a joint investor or pursuant to a joint venture contract. If there was such a need, consideration would be undertaken to determine the Company director or executive who possessed the knowledge, competency and expertise in such business.

### Merger or Separation of Positions

The Chairman has performed his functions with full devotion and accountability. There is a clear separation of functions between the Chairman and the Managing Director in order to delineate administrative functions and secure mutual independence and checks and balances. A balance of operational powers is thereby achieved. The Company has clearly defined the scope of functions of each committee and the management in the rules and directives prescribed by the Board of Directors which are open for inspection so as to ensure transparency of management.



**Company Secretary**

The Company has appointed Mr. Supachoke Sirichantaradilok, Financial Division, as the Company Secretary after having account of his knowledge, competency and experience. The Company Secretary has the duties and responsibilities prescribed by law and by the Company, as follows.

1. To provide preliminary advice to the directors on laws, regulations and articles of the Company, and to monitor proper and regular compliance, as well as to report substantive changes to the directors.
2. To coordinate between the Company directors and the management, to supervise and coordinate matters pertaining to the relevant laws and regulations, including proceedings to ensure compliance with resolutions of the Board of Directors.
3. To organize meetings of shareholders and meetings of the Board of Directors in accordance with laws, Company Articles and other directives.
4. To record minutes of meetings of shareholders and meetings of the Board of Directors as well as to monitor compliance with resolutions of meetings of shareholders and meetings of the Board of Directors.
5. To oversee the disclosure of information and file the relevant reports under the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.
6. To prepare and archive the following documents:
  - (a) Directors' Register;
  - (b) notice of Board of Directors meeting, minutes of Board of Directors meeting and Annual Report of the Company;
  - (c) notice of shareholders meeting and minutes of shareholders meeting.
7. To maintain reports of interest reports filed by directors or executives.
8. To carry out other proceedings as prescribed by the Capital Market Supervisory Board.

**2. Roles, duties and responsibilities of the Board of Directors.****Leadership and Vision**

The Board of Directors consists of persons having diverse knowledge, competency and expertise as well as specializations in areas beneficial to the company. The Board would grant its approval to visions, tasks, strategies and authorize important issues pertaining to policies, strategies, plans and annual targets for the executive, as well as oversee that the administration carried out by the management is effective and consistent with the policies and prescribed business plans.

Moreover, the Board of Directors has designated an Audit Committee to oversee the undertakings of the internal audit division as well as to ensure the sufficiency of internal control systems for the operations and the sufficiency of risk management so as to obtain the greatest benefits from the business operations. The principles of good corporate governance are utilized as management tools in order to add value to the business and shareholders

**Internal Controls and Audits and Risk Management Systems**

The Board of Directors has stressed the importance of internal controls over administration, finance, operations and supervision. An internal audit unit has been established in order to perform the duties of inspecting the operations of such systems, including a computer system, and to give advice in order to create confidence in the operations in accordance with the prescribed guidelines, thus promoting effectiveness and independence in the performance of duties which are fully subject to check and balances. The internal audit unit has reported the audit result directly and consulted the audit approaches with the audit Committee regularly.

Every quarter, the Audit Committee reports performance results along with observations and suggestions to the Board of Directors. At the Board of Directors meeting number 1/2556 on 18 February 2013, which was also attended by the Audit Committee, the assessment of internal control sufficiency in the Company and subsidiaries in 5 areas were considered, namely, organisation and environment, risk management, controlled of executives operation, information and communication systems including monitoring systems. It was found that the systems were appropriate and effective.

The Company has appointed a Risk Management Committee to manage risks in the drawing up of working plans and clear working procedures. Risks are classified, risk factors identified and opportunities and impacts assessed in order to prepare a risk management plan. The objective was to reduce or eliminate risks under a systematic and continually efficient supervision, monitor and management. The management of each risk factor has also been assessed to maintain within acceptable levels. A scope has

been set for this committee to conduct reviews, monitors, give advice on risk factors as well as remedies or preventive measures for the systematic and continual reduction of such risks, and report to the Board of Directors regularly every quarter with a view to achieving the objective of risk management incorporating all work areas of the Company.

### **3. Board of Directors Meetings**

The Company determines the dates and times of meetings for the entire year, scheduling at least one meeting each quarter, except in the event of a special agenda where additional meetings may be called as necessary. In each meeting, the Company Secretary would send notices of the meeting together with the meeting agenda and supporting documents at least 7 days in advance in order to enable the directors to sufficiently consider and study those documents prior to attending the meeting.

The Board of Directors has given importance to the attendance of meetings and upholds as a duty to attend all Board of Directors meetings in order to acknowledge and participate in the decisions of the Company. In the first quarter of each year, the Board of Directors would invite senior executives to attend the Board of Directors meeting in order to directly provide additional information and details on the standings of problems, as well as to propose operational plans, strategies and targets for annual operations.

In every meeting, the Chairman would give an opportunity to all directors to debate and express opinions independently. A director who had an interest in the matter considered would not attend the meeting and have no right to vote. At the end of the meeting, the Company Secretary, as a recorder of the meeting, would prepare the meeting minutes and send the minutes to the Chairman within 7 days for consideration and signature as verification. In any event, directors are able to express opinions, request amendments or additions to the minutes for greater accuracy.

Minutes that have been approved by the meeting and signed by the Chairman would be archived systematically at the Company office in order to enable searches, references and inspections by the Board of Directors and related persons.

In 2013, 4 Board Meetings were held. The attendance of each director has already been stated in form 56-1 and the Annual Report.

### **4. Evaluation of the Board of Directors**

The Board of Directors realizes the importance of its functions and the responsibilities entailed from the performance of their functions. In order to achieve the greatest benefits for the Company and all stakeholders, and promote greater efficiency and effectiveness in the performance of functions by the Board of Directors, an evaluation form on the performance of the Board of Directors as a whole has prescribed. The Company emphasizes the application of evaluation results to improve the effectiveness of the Board of Directors' performance of functions. The evaluation form used is derived from the evaluation form of the Stock Exchange of Thailand.

In brief, the evaluation results of the entire Board of Directors for the year 2013 is as follows: the Board of Directors is of the opinion that the overall performance of the Board of Directors represented a complete performance at a "very good".

### **5. Directors and Executives Remuneration**

The remuneration committee determines the appropriate remunerations limits of directors, propose to the Board of Directors for consideration and presentation to the meeting of shareholders for approval of such remunerations limit.

In this regard, the 39 General Meeting of Shareholders for 2013 on Tuesday 24 April 2013 approved a remunerations limit for directors of not exceeding Baht 10 million per annum. paid as meeting allowances at the rate approved by the meeting of shareholders and paid only to the members present at the meeting. The annual fee is paid to all Directors and the Remunerations Committee is given the task of making allocations.

The payment of executive remuneration has been in accordance with the principles and policies prescribed by the company, considered according to the Company's performance and individual performance of each executive officer. Such payments of remuneration to directors and executives in 2013 have been disclosed in Form 56-1 and the annual report under the heading directors and executive remuneration.

### **6. Sub Committees**

In order to secure shareholders confidence that the Company's operations have been carried out transparently, with proper screening, verifications and advice, the Board of Directors has appointed various subcommittees to perform such duties and report to the Board of Directors. At present, there are 5 subcommittees comprising the audit committee, nominating committee,



remuneration committee, risk management committee and executive committee. The scope of functions and responsibilities of each committee are independent of each other so as to assist in the supervision of the Company's businesses.

#### **7. Development of Directors and Executives**

The Company has attached importance and promoted opportunities for all directors and executives to develop their knowledge. Thus, all directors are given support to receive training in courses that are beneficial to the performance of directorial functions. In this regard, directors have enrolled in the directors' course of the Thai Institute of Directors Association (IOD), in the Director Accreditation Program (DAP) and Director Certification Program (DCP), being courses which the Office of the SEC requires directors of listed companies to complete at least one of the courses. Apart from those prescribed courses, the Board of Directors have also attached importance to the completion of other courses of the Thai Institute of Directors Association (IOD), such as the Audit Committee Program (ACP), Understanding the Fundamental of Financial Statements (UFS), and Finance for Non-Finance Director (FND), and the Role of Chairman (RCM), in order to enhance professional leadership potentials, a genuine understanding of the roles and to become models in driving the organization towards good governance. This extends to short course seminars which are beneficial to the performance of functions of the Board of Directors, including various courses which the IOD will organize in the future.

The Company provides support for all directors. Directors have attended training courses pertinent to the functions of a listed company director held by the Thai Institute of Directors. In 2012 The Company sent **Ms. Marin Leelanuwatana to join the Director Certification Program (DCP) 180/2013**. At present, all 10 Company Directors have completed IOD training. Details of the participation and the directorial roles of each person have been disclosed in the Annual Report and Form 56-1 under the heading Curriculum Vitae of Company Directors.

The Company conducts an induction for new directors, providing information on the Company's business policies as well as other relevant information, e.g. the Company's principal business, performance results, organizational structure and shareholders. This information would be beneficial for the performance of duties by new directors. A "Handbook for Listed Company Directors" has also been distributed to all Directors. The Handbook contains the following details:

1. Summary of the comparison between the Company Articles, Securities and Exchange Act and Public Limited Companies Act.
2. Charters of the Board of Directors and Sub-Committees
3. Corporate Governance Policies

#### **8. Succession Plan**

The Company has a continuing personnel development policy in view of strengthening the organization. The Company's goals are to propel and open up opportunities for self-development and the optimum utilization of competencies. The Company has developed a project with the selection, Analyze and Evaluate potential employees for the individual development plans. This ensures preparedness for advancement to managerial positions and to act as a driving force for the organization. In addition, the Company has also granted scholarships to employees for studies at bachelor's degree and master's degree levels both domestically and overseas. It is intended that employees should receive education which would be beneficial to their functions, which includes the promotion of work visits within and outside of the country.

As a result of the importance given to and the continual development of good governance by the Board of Directors, executive officers and employees of the Company, in 2013, the Company received a "very good" score for the 4<sup>th</sup> consecutive year in the assessment of governance in listed company by the Thai Institute of Directors sponsored by the Securities and Exchange Commission and the Stock Exchange of Thailand.

## **Internal Controls**

The Company has continually attached importance to the internal controls. In this regard, the Audit Committee has been entrusted with the task of reviewing the assessment of internal control systems to ensure sufficiency and suitability to current business operations. Internal control guidelines consistent with international standards on internal environments have been applied along with the prescription of objectives, specification of events, risk assessments, responses to risks, control activities, information and communication and monitors.

The Board of Directors and Audit Committee find that, in 2013, the Company and its subsidiaries had appropriate and effective internal controls.



## Connected Transactions

In 2013, the Company had conducted accounting transactions with subsidiaries and related companies, i.e. co-shareholding or partially common executive officers or directors, as stated in note 7 to the financial statements. The note provides details of the related party relationship and pricing policy for the connected transactions. As of 31 December 2013, the Company had related party transactions as below

1. Related party revenue and expenses for the year ended 31 December 2013 i.e. sales, dividend income, other incomes, purchase of goods and raw materials, selling and administrative expenses and purchased fixed assets. (note 7.2 to the financial statements)
2. Inter - company balances of assets and liabilities as of 31 December 2013 i.e. trade accounts receivable, short-term loans, accrued income, Investments, trade accounts payables and accrued expenses, (note 7.3 to the financial statements)

### Connected transaction as per definition of SET

Connected Transactions in 2013

#### 1. Normal business of the company

Meeting No. 4/2555 of Thanulux Public Company Limited Board of Directors, on 8 November 2012, passed a resolution to approve certain types of transactions with connected persons comprising a total of 21 counterparties. These transactions were part of the routine operations of the Company's businesses for the year 2013 and served to mutually promote and develop the parties' respective businesses, enhance competitiveness in a way which was beneficial to the Company, as well as showed reasonableness in terms of prices and other relevant conditions. Details are stated below.

#### Connected Persons and Nature of Relationship

No.	Connected Person	Nature of Relationship
1	Ramasorn Thaveekarn Company Limited	Acting as major shareholder
2	S. Apparel Company Limited	SPI acting as Co- Major shareholder
3	PTK Multi-Service Company Limited	SPI acting as Co- Major shareholder
4	Wise Winner Company Limited	RST acting as Co- Major shareholder
5	Morgan De Toi (Thailand) Company Limited	SPI and ICC acting as Co- Major shareholder
6	Total Way Image Company Limited	SPI, ICC and RST acting as Co- Major shareholder
7	International Leather Fashion Company Limited	SPI, ICC and RST acting as Co- Major shareholder
8	Thai Monster Company Limited	SPI and RST acting as Co- Major shareholder
9	Thai Takaya Company Limited	SPI and ICC acting as Co- Major shareholder
10	SSDC (Tigertex) Company Limited	SPI and ICC acting as Co- Major shareholder
11	Thai Itokin Company Limited	SPI, ICC and IDF acting as Co- Major shareholder
12	Thai secom Pitakkij Company Limited	SPI and ICC acting as Co- Major shareholder
13	Eastern Thai Consulting 1992 Company Limited	SPI acting as Co- Major shareholder
14	Thai Gunze Company Limited	SPI and ICC acting as Co- Major shareholder
15	Deluxe Bijou Societe Anonyme Co., Ltd.	RST acting as Co- Major shareholder
16	Erawan Textile Co., Ltd.	SPI and ICC acting as Co- Major shareholder
17	Saha Pathanapibul Plc.	SPI and ICC acting as Co- Major shareholder
18	Thai Wacoal Plc.	SPI acting as Co- Major shareholder
19	I.C.C. International Plc.	Acting as major shareholder
20	Saha Pathana Inter-Holding Plc.	Acting as major shareholder
21	Pelletteria TNL S.R.L.	RST acting as Co- Major shareholder

Note: SPI = Saha Pathana Inter Holding Public Company Limited  
 ICC = I.C.C. International Public Company Limited  
 RST = Ramasorn Thaveekarn Company Limited  
 IDF = I.D.F. Company Limited


Transaction Details

Transaction	Revenue/ Expenditure	Example of Transaction	Value of Approved (million Baht)	Actually occurred in 2013 (million Baht)
Supporting normal business	Revenue	- Business consultancy fee	8.0	5.09
Rental of immovable property for a period not exceeding 3 years	Revenue	- Rent of immovable property	30.0	11.79
Transaction related to assets or services	Revenue	- Data processing fees	5.0	2.06
	Expenditure	- Security fees	8.0	4.45
Financial Assistance		- Loans - Guarantees	90.0	47.31

Criteria for Determining Returns

Rental income: market price on the basis of location, condition and asset utilization.

Data processing fees: cost plus appropriate profit and level of asset utilization.

Business consultancy fee received: costs plus appropriate profit which accounts for the difficulty and scope of services.

Rental of alarm devices: type of equipment used in risk areas.

Security fees: number of security guards in each shift

Interest income: average deposit interest rates of five major commercial banks plus 0.5% per annum

Guarantee Fee: 1% per annum from the total guarantee amount

Interested director: does not attend a meeting nor has a vote

Differing opinion of the Audit Committee/Board of Directors: none

Size of transaction

The above transactions executed between the Company and connected companies constituted connected transactions under the Notification of the Board of Governors of the Stock Exchange of Thailand.

Class 2: Supporting normal business

Class 3: Rental of immovable property for a period not exceeding 3 years

Class 4: Transaction related to assets or services

Class 5: Financial assistance

Pursuant to the Notification of the Board of Governors of the Stock Exchange of Thailand on Disclosure of Information and Practices of Listed Companies in Connected Transactions B.E. 2546 (2003), disclosure is required for classes 2, 3 and 4 transactions with a value of over Baht 1 million but not more than Baht 20 million, or over 0.03% but not more than 3% of NTA, whichever is the greater value, and class 5 transactions with a value of less than 3% of NTA or Baht 100 million (whichever is lower). 3% of NTA as at 30 June 2012 was equivalent to Baht 92.47 million. Having regard to the value of the aforementioned transactions, the Company therefore sought the approval of the Board of Directors and disclosed information to the Stock Exchange of Thailand without having to seek the approval of a shareholders' meeting.

## 2. Purchased the land and buildings.

Meeting No. 1/2556 of Thanulux Public Company Limited Board of Directors, on 18 February 2013 passed a resolution to approve to buy the land, Title Deed No.2092, Located at Tambon Nampen, Amphur Khao Chamao, Rayong about 17 rai 1 Ngan 87 Sq-Var with 8 buildings from Pan Asia footwear Public Co., Ltd, which had a relationship with the company was Co-Major shareholder. This transaction price at Baht 24,710,000, which was evaluated for the public purposes, by an independent appraiser had been approved from the SEC. The objective of this transaction was rental income and/or an increase in the value of assets.

This agenda did not have any interested director nor any independent director who have difference opinion from The Board of Directors.

### 3. Purchased the ordinary shares.

Meeting No. 3/2556 of Thanulux Public Company Limited Board of Directors, on 8 August 2013 passed a resolution to approve to buy the ordinary shares of Fujix International Co., Ltd., a distributor of yarns, 3,000 shares at Baht 1,000 per share equivalence to par value (Book value as of 19 August 2013 at Baht 840.48) total amount of Baht 3,000,000 from I.D.F. Company Limited the major shareholder of Thanulux Public Co., Ltd. (holding 13.33% of company share). The Objective of this investment was create supply chain and stability in the raw material.

Interested director, Mr. Boonsithi Chokwatana had left the meeting and did not vote. This agenda did not have any independent director who have difference opinion from The Board of Directors.

#### **Necessities and Rationality of the Transaction Executed with a Person having a Potential Conflict of Interests**

The operation of a business in a highly competitive environment requires business allies or networks, both upstream and downstream, so as to enable greater maneuverability in business activities. This in turn leads to a more sustainable development and growth. These persons who potentially have conflicts of interests constitute supply chain business allies of the Company. It is therefore necessary to conduct transactions with those persons for the ultimate benefits of the Company and shareholders. Sale prices have been consistent with market prices or otherwise as agreed in the event that there was no reference market price.

#### **Measures or Procedures for Approving a Connected Transaction**

1. As regards connected transactions which are part of the Normal commercial transactions between the Company or subsidiaries and a director, executive officer or connected person under general commercial terms as would be concluded by reasonable persons under the same circumstances, negotiated at arm's length without the exercise of any influence derived from the status of a director, executive officer or connected person, the management has sought approval from the Board of Directors on an annual basis, in the first Board of Directors meeting subsequent to the annual general meeting of shareholders. This is to give the new Board of Directors notice of such matter. The other transaction with no general trading conditional as the routine operations of the Company or subsidiaries with connected persons, the Management has sought approval from the Board of Directors regularly in the fourth quarter of each year. The management is also required to report all transactions made under those conditions to the Board of Directors every quarter.

2. Non-routine connected transactions. If the transaction value does not exceed the threshold to require approval of the shareholders' meeting pursuant to the regulations of the Stock Exchange of Thailand, the matter must first be considered by the Executive Committee. If the transaction value is within the Executive Committee authorization limit, approval of the connected transaction will be concluded at this stage. An interested person shall neither attend the meeting nor cast a vote. However, if the transaction value exceeds the authorization limit of the Executive Committee, the Executive Committee will submit its resolution to the Board of Directors. The Board of Directors, in the presence of the Audit Committee, will consider the approval of the said transaction. An interested person shall, again, neither attend the meeting nor cast a vote.

#### Criteria for Approval

1. Regard to the benefits to the Company and subsidiaries in the Group in the present and future, e.g.
  - returns on investment, such as interests and dividends;
  - business opportunities of the Company
2. Securities which should be received by the Company in the transaction
  - performance bonds for the transaction;
  - status of the connected company and capabilities of the management.

#### **Policies and Future Trends of Connected Transactions**

There will continue to be connected transactions. The increase or decrease of these transactions depends on economic conditions as the persons having potential conflict of interests constitute the Company's supply chain. The flexibility and maneuverability of supply chain confers benefits to business competitiveness and ultimately to the shareholders. The Company is conscious of its accountability to the shareholders, employees and all relevant persons under the principles of good corporate governance.





## Shareholding and Management Structures

### Shareholders

Ten Major shareholders as of 3 May 2013

Name of shareholder	Proportion of shareholding	
	Number of shares	%
1. Saha Pathana Inter-Holding Plc.	28,220,820	23.517
2. I.D.F. Co., Ltd.	16,000,000	13.333
3. Ramasorn Thaveekarn Co., Ltd.	14,081,040	11.734
4. Mr. Samrerng Manoonpol	13,659,380	11.383
5. I.C.C. International Plc.	12,307,040	10.256
6. Mr. Boonsithi Chokwatana	4,655,220	3.879
7. Watsadoramai Co., Ltd.	2,800,000	2.333
8. Miss Sirikul Dhanasarnsilp	2,272,580	1.894
9. Mrs. Sirina Pavarolarvidya	1,837,820	1.532
10. Universe Beauty Co., Ltd	1,738,000	1.448
<b>Total Ten Major Shareholders</b>	<b>97,571,900</b>	<b>81.310</b>
<b>Total Shareholders</b>	<b>120,000,000</b>	<b>100.000</b>

Investor can find the name list of the shareholders on the closing date of the share registration book for Annual General Meeting at the Company's website ([www.thanulux.com](http://www.thanulux.com) category Investor Relations : Shareholding Structure) before commencement of 40 Annual General Meeting of shareholders.

### Shareholding distribution classified by type of shareholders

Type of Shareholders	No. of Shareholders	No. of Shares	%
<b>Legal entity</b>			
Thai nationality	33	78,682,240	65.57
Foreign nationality	0	0	0.00
<b>Total legal entity</b>	<b>33</b>	<b>78,682,240</b>	<b>65.57</b>
<b>Ordinary person</b>			
Thai nationality	665	41,246,100	34.37
Foreign nationality	5	71,660	0.06
<b>Total ordinary person</b>	<b>670</b>	<b>41,317,760</b>	<b>34.43</b>
<b>Grand Total</b>	<b>703</b>	<b>120,000,000</b>	<b>100.00</b>

### Report on the company shareholding of the Directors and Executives as of Dec. 31.

Name		Number of shares			% of shares hold
		2012	2013	Increase (Decrease)	
1. Mr. Boonsithi	Chokwatana	4,655,220	4,655,220	-	3.879
2. Mrs. Varindr	Leelanuwatana	561,760	561,760	-	0.468
3. Mr. Supotch	Pakaworawuth	13,420	13,420	-	0.011
4. Ms. Dusadee	Soontrontumrong	433,240	433,240	-	0.361
5. Mr. Wichai	Suthitivanich	88,940	88,940	-	0.074
6. Ms. Marin	Leelanuwatana	1,117,960	1,117,960	-	0.932

## Report on the company shareholding of the Directors and Executives as of Dec. 31.

Name	Number of shares			% of shares hold
	2012	2013	Increase (Decrease)	
7. Mr. Padoong Techasarintr	-	-	-	-
8. Assoc.Prof. Nares Kesaparakorn	-	-	-	-
9. Mr. Krish Follett	-	-	-	-
10.Pol.Lt.Gen. Amarin Niemskul	-	-	-	-
11.Mr. Somphol Chaisiriroj	70,660	70,660	-	0.059
12.Mr. Suchart Layluxsiri	5,000	5,000	-	0.004
13.Ms.Kochakorn Peungsiricharoen	4,000	4,000	-	0.003
14.Ms.Siriporn Hanudomlap	55,520	55,520	-	0.046
15.M.L.Sirapirom Teeraprasert	8,000	8,000	-	0.007
<b>Total</b>	<b>7,013,720</b>	<b>7,013,720</b>	<b>-</b>	<b>5.845</b>

In 2013, the Board of Directors and executive officers held shares in an aggregate proportion of 5.845%, which did not exceed the 25% threshold of the Company's issued shares. The proportion of free float shareholders was 18.23%, which was more than 15% of the total amount of issued shares.

**Dividend policy**

The company set the policy for dividend payment at the rate of Baht 0.20 per share (20% of Par Value). However, it would be made according to the company performance and the economic situation of each year.

Whereas the company allocated its dividend payment by calculated from the net profits appearing in the separate financial statement, which details are as follows.

Thanulux Plc.	2013	2012	2011
Dividend per share (Baht)	**0.95	1.20	1.10
Payout ratio (%)	50.47	47.35	48.93

Note \*\*The Board of Directors' Meeting no. 1/2557 has resolved to submit the agenda of dividend payment Baht 0.95 per share for approval at the Shareholders' General Meeting to be held on April 22, 2014.

The subsidiary has the dividend policy Baht 8 per share (par value per share Baht 100). However, it would be made according to the company performance and the economic situation of each year.

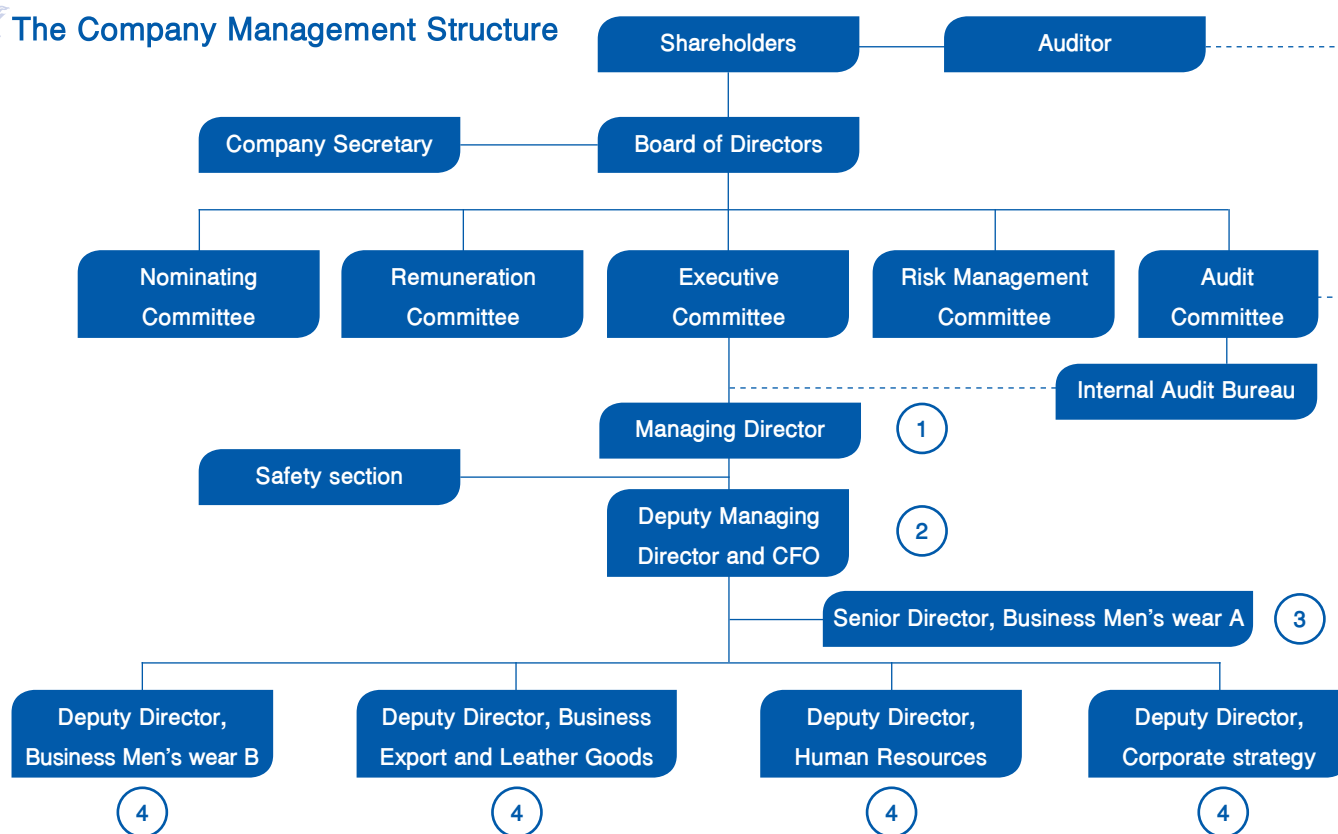
S. Apparel Co., Ltd.	2013**	2012	2011
Dividend per share (Baht)		0.00	12.00
Payout ratio (%)		0.00	40.13

Note \*\*Dividend 2013 is waiting for approval from the shareholders' meeting.

T Chamber Co., Ltd. and Celebrate Wealth Co., Ltd. subsidiaries just start the business, then still does not have the dividend policy.



## The Company Management Structure



### 1. Management structure

Under the Company's management structure, the Board of Directors appoints 5 company committees, namely the Audit Committee, Nominating Committee, Remuneration Committee, Risk Management Committee and Executive Committee, to screen matters of significance. The Managing Director has been appointed to the Executive Committee and is responsible for the administration of the Company's operations. The powers and duties of each company committee and the Managing Director have been clearly defined by a written charter.

#### 1. Board of Directors

There are 10 members of the board of directors who named in the certificate letter of Ministry of Commerce as follows;

- 6 non-executive directors (including 4 independent directors)
- 4 executive directors

Number of directors were sufficient to counterbalance, not allow any individual or group has power over the decisions of the Board, detail as follows.

List of Directors			Position
1.	Mr. Boonsithi Chokwatana		Advisory Director, Chairman of Remuneration Committee, Nominating Committee and authorized Director.
2.	Mrs.Varindr Leelanuwatana		Chairman, Chairman of Executive Committee, Nominating Committee, Remuneration Committee and authorized Director.
3.	Mr. Supotch Pakaworawuth		Director, Managing Director, Risk Management Committee, And authorized Director.
4.	Ms. Dusadee Soontrontumrong		Director, Deputy Managing Director, Remuneration Committee, authorized Director and Chief Finance Officer (CFO)
5.	Mr. Wichai Suthitivanich		Director, Advisory Director of International Affairs and authorized Director.
6.	Ms. Marin Leelanuwatana		Director.
7.	Mr. Padoong Techasarintr		Director, Independent Director and Chairman of Audit Committee.
8.	Assoc.Prof. Nares Kesaprakorn		Director, Independent Director and Audit Committee.
9.	Mr.Krish Follett		Director, Independent Director, Audit Committee. and Chairman of Risk Management Committee
10.	Pol.Lt.Gen. Amarin Niemskul		Director, Independent Director and Audit Committee.

Mr. Supachoke Sirichantaradilok has held the position of Company Secretary.



**Authorized Directors who sign on behalf of the company**

Representing the Company, 2 directors out of the following 5 directors must jointly sign their names, together with the affixing of Company seal, namely:

- |                            |                              |                               |
|----------------------------|------------------------------|-------------------------------|
| 1. Mr.Boonsithi Chokwatana | 2. Mrs.Varindr Leelanuwatana | 3. Ms.Dusadee Soontrontumrong |
| 4. Mr.Supotch Pakaworawuth | 5. Mr.Wichai Suthitivanich   |                               |

**Powers of the Board of Directors**

1. To appoint, remove and delegate powers and duties to the advisors of the Board of Directors, various committees and managing director for implementation.
2. To consult specialists or advisors of the Company (if any) or hire external advisors or specialists where necessary at the expense of the Company.
3. To approve the grant of or cancellation of credit lines in excess of the Executive Committee's authorized limit.
4. To approve the grant of loans to companies having business relationships with the Company as shareholders or companies engaged in trade with the Company or other companies in excess of the Executive Committee's authorized limit.
5. To approve the credit limit guarantees for companies having business relationships with the Company as shareholders or companies engaged in trade with the Company or other companies in excess of the Executive Committee's authorized limit.
6. To approve the incorporation, merger or termination of subsidiary companies.
7. To approve investments and sales of investments in ordinary shares and/or debt securities in excess of the Executive Committee's authorized limit.
8. To approve procurements and investments in fixed assets in excess of the Executive Committee's authorized limit.
9. To approve the modification, demolition and writing off of fixed assets and intangible assets which are decommissioned, out of order, lost, damaged, deteriorated or outdated and no longer usable, with book values exceeding the Executive Committee's authorized limit.
10. To approve a settlement, dispute settlement by arbitration, filing of complaint, lawsuit and/or to participate in any legal proceedings on behalf of the Company pertaining to matters which are not within the normal trade of the Company and/or which are within the normal trade in relation to a disputed sum that exceeds the Executive Committee's authority.
11. To approve transactions not part of the normal business in the amounts which exceed the Executive Committee's authority.
12. To propose an increase or reduction in capital or change of share value, and the amendment or alteration of the Memorandum of Association, Articles and/or objects of the Company to the shareholders.
13. To delegate authority to the management, executive-level employees of the Company, or any other person to act on its behalf, under the regulations prescribed by the Board of Directors.
14. To summon the management and relevant employees of the Company for an explanation, opinion, participation in a meeting, or for the submission of documents deemed as relevant and necessary.
15. To appoint and remove the Company Secretary.
16. All powers of the Board of Directors stated above which involve the acquisition or disposal of assets and connected transactions shall be exercised in accordance with Notifications of the Capital Markets Supervision Committee.

**Duties and Responsibilities of the Board of Directors**

1. To determine the direction, goals and policies of the Company's business.
2. To approve the annual operational plan and budget, as well as to carry out the supervision of management so as to ensure efficient and effective compliance with laws and prescribed policies and operational plans.
3. To promote the formulation of written business policies for governance, ethics and codes of conduct as practice guidelines for the Board of Directors, executive officers and employees, and to monitor their strict compliance.
4. To provide sufficient and suitable internal controls so as to engender confidence that all transactions have been approved by the authorized person, and the carry out the preparation and reviews of accurate accounts, as well as various systems that could prevent the improper use of Company properties.



5. The execution of transactions potentially containing a conflict of interests must be carefully considered under clear guidelines and be in the interest of the Company and shareholders. The interested party shall not participate in the decision-making process and the rules of procedures and disclosure of information on transactions potentially containing a conflict of interests must be properly complied with.
6. To approve financial statements audited and/or reviewed by the auditor and approved by the Audit Committee.
7. To be equally accountable to all shareholders and carry out the accurate disclosure of information to shareholders and investors under the proper standards and transparency.
8. To acknowledge business management reports from the Executive Committee.
9. To call a meeting of shareholders, determining the date, time, place and agenda of the meeting of shareholders, as well as to determine the dividend yield (if any), and to state the opinion of the Board of Directors on matters proposed to the shareholders. During the period of 21 days prior to each date of meeting of shareholders, the Company may suspend the registration of share transfers, in which case the shareholders shall be informed by notice at the Head Office and Branch Offices of the Company at least 14 days in advance of the suspension date of share transfer registration; a Record Date (RD) may also be determined not over 2 months prior to the meeting of shareholders and the share transfer register shall be closed 1 day in the working day after record Date for collecting the shareholders name following the Record Date pursuant to section 225 of the Securities and Exchange Act B.E. 2535 (1992); such proceedings shall be carried out for the benefit of determining the rights to attend meetings of shareholders and the right to receive dividend payments.
10. To prepare a report "Responsibilities of the Board of Directors for the Financial Statements", which is disclosed in the Company's Annual Report (Form 56-2) and the Annual Disclosure (Form 56-1).
11. To monitor documents filed with the relevant supervising authorities so as to ensure that the data or items disclosed or entered are accurate according to information in the account books, registers or other documents of the Company.
12. To endorse the Charter of the Board of Directors and/or other committees.
13. To carry out other functions which exceed the powers of the Executive Committee or as deemed appropriate by the Board of Directors.

**The number of directors from each of the major shareholders. - None -**

#### **Independent Director**

Board of Directors resolved to adopt the qualifications of Independent directors of the Company in accordance with the requirement of the Rules of the Capital Market Supervisory Board. In the event that the Capital Market Supervisory Board announces any change to the qualifications of independent directors, the qualifications of independent directors of the Company must comply with all the announced changes.

Qualifications of Independent directors of the Company must be follow the requirement of the Rules of the Capital Market Supervisory Board No. TOR CHOR 4/2552 title Application for and Approval of Offer for Sale of Newly Issued Shares which was announced on February 20, 2009

1. Holding not more than 1 percent of total voting shares of company or its parent company, its subsidiary company, its associate companies, its major shareholder or controlling person of the company. Including stocks held by connected persons of the Independent directors.
2. Not being or never been board member who participated in management, employee, staff, advisor who receives regular salary or a controlling person of the company, its parent company, its subsidiaries, its associated companies, same-level subsidiaries, major shareholders or controlling person of the company, except where such factor had lapsed for a period of not less than two years prior to the date of appointment as an independent director, excluding independent director who ever be government official or advisor for government service which is major shareholder or controlling person of the company.
3. Not being a person related by blood or legal registration, such as father, mother, spouse, sibling and child, including spouse of the children, management, major shareholders, controlling person, or persons to be nominated as management or controlling person of company or its subsidiaries.

4. Not having or never had a business relationship with company, its parent company, its subsidiaries company, its associated companies, its major shareholder or controlling person, in the manner that may interfere with his independent judgment, or is not or has not ever been substantial shareholder, a controlling person of any person having business relationship with company, its parent company, its subsidiaries, its associated companies, major shareholder or a controlling person of the company except the foregoing relationship has ended for more than 2 years prior to the appointment as an independent director.

The term "business relationship" aforementioned under paragraph one includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the applicant or his counterparty being subject to indebtedness payable to the other party in the amount of 3 percent or more of the net tangible assets of the company or Baht 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of capital market supervisory board Re. Disclosure of Information and Act of Listed Companies concerning the Connected Transactions mutatis mutandis. The combination of such indebtedness shall include indebtedness taking place during the course of a year prior to the date on which the business relationship with the person commences;

5. Not being or never been an auditor of the Company, its parent company, its subsidiaries, its associated companies, major shareholder or a controlling person of company and not being a substantial shareholder, a controlling person or managing partner of an audit office which employs auditors of the company, its parent company, its subsidiaries, its associated companies, major shareholder or a controlling person of the company, except where such factor had lapsed for a period not less than two years prior to the appointment as an independent director.
6. Not being or never been any professional advisor including legal or financial advisor who receives an annual service fee exceeding Baht 2 million from company, its parent company, its subsidiaries, its associated companies, major shareholder or a controlling person of the company and not being a substantial shareholder, a controlling person or partner of the professional advisor unless the foregoing relationship has ended for more than 2 years, prior to the appointment as an independent director.
7. Not being a representative of company director or its major shareholder or a shareholder who is related to company's major shareholder.
8. Not operate business had identical character and compete with the company or its subsidiaries, or not being a significant partnership or an executive director, employee, staff, advisor who receives regular salary, or not holding share more than 1 percent of total voting shares of the company which operate business had identical character and compete with the company or its subsidiaries.
9. Not having characteristic which lead to incapable of expressing independent opinions regarding company's business.

After appointed to be independent director who qualifies as stated above, such independent director may be assigned by the Board of Directors for taking part in the business decisions of the Company, its parent company, its subsidiaries, its associated companies, same level subsidiaries, major shareholder or controlling person of the company on the condition that such decision must be a collective one.

## **2. Subcommittees, Managing Director and Executives**

### **Audit Committee**

The Audit Committee comprised of 4 members was established to perform the functions of supporting the Board of Directors in implementing good governance, especially with respect to financial reporting procedures, internal controls, audit systems and compliance with the relevant laws and regulations.





Board of Directors Meeting No. 2/2556, held on 9 May 2013, passed a resolution to appoint the independent directors to the members of Audit Committee, as follows:

	Name		Position
1.	Mr. Padoong	Techasarintr	Chairman of the Audit Committee
2.	Assoc.Prof Nares	Kesaparakorn	Audit Committee
3.	Mr. Krish	Follett	Audit Committee
4.	Pol.Lt.Gen. Amarin	Niemskul	Audit Committee

The Audit Committee holds office for a term of 1 year, in the period May 2013 to May 2014. Mr.Padoong Techasarintr is well-informed and experienced in undertaking the review of the Company's financial standing. (See the details on his education and career background under the heading "Personal information of company directors and management members")

All members of the Audit Committee were not the company shareholders, not engages in business relationship or provided any professional service to the company, its parent company, subsidiaries, associated companies or juristic person who may have conflicts of interest. Furthermore, they also did not serve as audit committee in its parent company, subsidiaries, or same-level subsidiaries.

#### **Powers of the Audit Committee**

1. To lay down collaborative measures with a view to achieving a harmonized understanding between the auditors, board of directors and internal audit units.
2. To consult specialists or advisors of the Company (if any), or to hire external advisors or specialists where necessary at the expense of the Company.
3. To have the power to call upon executive officers, the management or relevant employees of the Company to give statements or opinions as well as to attend meetings or send documents which are deemed as relevant, and also to have access to data at every organizational level.
4. To have the power to conduct an examination of relevant persons or relevant matters within the scope of powers and duties of the Audit Committee.

#### **Duties and Responsibilities of the Audit Committee**

1. To conduct reviews in order to ensure that the Company's financial reports are accurate and sufficient.
2. To conduct reviews in order to ensure that the Company has appropriate and effective internal control and internal audit systems.
3. To consider the independence of internal audit units as well as to give approvals for appointments, transfers or terminations of heads of internal audit units or other units responsible for internal audits.
4. To review the Company's compliance with the law on securities and exchange, regulations of the Stock Exchange of Thailand and laws relating to the Company's businesses.
5. To consider, select and nominate independent persons for appointment as the Company's auditors and propose the remuneration for such persons, and also to attend meetings with the auditors without the presence of the management which must be held at least once a year.
6. To scrutinize connected transactions or transactions which may contain conflicts of interests in order to ensure compliance with the law and regulations of the Stock Exchange of Thailand, as well as to ensure that such transactions are entered into reasonably and are in the best interests of the Company.
7. To prepare an Audit Committee Report which must be disclosed in the Company Annual Report. Such report must be signed by the Chairman of the Audit Committee and consist of at least the following information:
  - (a) opinion pertaining to the accuracy, completeness and reliability of the Company's financial statements;
  - (b) opinion pertaining to the sufficiency of internal controls in the Company;
  - (c) opinion pertaining to compliance with the law on securities and exchange, regulations of the Stock Exchange of Thailand or laws relating to the Company's businesses;

- (d) opinion pertaining to the suitability of the auditor;
  - (e) opinion pertaining to transactions that could potentially give rise to conflicts of interests;
  - (f) the number of Audit Committee meetings and the meeting attendance of each Audit Committee member;
  - (g) general opinion or observation expressed by the Audit Committee in relation to the performance of functions under this Charter;
  - (h) other items deemed as necessary information for shareholders and investors generally within the scope of duties and responsibilities as assigned by the Board of Directors.
8. In the discharge of its duties, if the Audit Committee finds or is under a suspicion that the following transaction or act has been committed, which may have a substantial impact on the financial standing and operating results of the Company, the Audit Committee shall file a report to the Board of Directors in order to effect remedial actions within the period as deemed appropriate by the Audit Committee:
- (a) transaction giving rise to a conflict of interests;
  - (b) fraud or irregularity or a significant deficiency in the internal control system;
  - (c) violation of the law on securities and exchange, regulations of the Stock Exchange of Thailand or laws relating to the Company's businesses.

If the Board of Directors or executive officers fail to carry out the remedies within the prescribed period, any Audit Committee member may report such transaction or action to the Office of the Securities and Exchange Commission or Stock Exchange of Thailand.

- 9. To support and monitor the Company's implementation of an efficient risk management system.
- 10. To revise and amend the Charter of the Audit Committee and propose such revision or amendment to the Board of Directors for approval.
- 11. To perform other acts as assigned by the Board of Directors with the approval of the Audit Committee pursuant to powers under the Company Articles and the law.

In performing the above duties, the Audit Committee is directly accountable to the Board of Directors and the Board of Directors remains responsible for the Company's operations with respect to third parties.

#### **Nominating Committee**

The Nominating Committee comprised of 3 members was established to perform the functions of supporting the Board of Directors in implementing good governance with respect to the Nominating and sifting of persons with suitable qualifications to hold the position of Company Directors so as to ensure transparency in the Company's procedures in selecting such persons.

Board of Directors Meeting No. 2/2556, held on 9 May 2013, passed a resolution to appoint the members of Nominating Committee as follows:

	Name		Position
1.	Mr. Manu	Leelanuwatana	Chairman of the Nominating Committee
2.	Mr. Boonsithi	Chokwatana	Nominating Committee
3.	Mrs. Varindr	Leelanuwatana	Nominating Committee

The Nominating Committee holds office for a term of 1 year, in the period May 2013 to May 2014.

#### **Powers of the Nominating Committee**

- 1. To consult specialists or advisors of the Company (if any), or to hire external advisors or specialists where necessary at the expense of the Company.
- 2. To have the power to summon executive officers and relevant employees of the Company for an explanation, opinion, participation in a meeting, or the submission of documents deemed as relevant and necessary.

#### **Duties and Responsibilities of the Nominating Committee**

- 1. To determine rules and procedures for the Nominating of Company Directors.



2. To examine the biography and other information of persons nominated for appointment as Company Directors, taking into consideration such persons' knowledge, skills, experience and diversity of professional expertise, in order to obtaining the most qualified persons in accordance with the Nominating rules, Articles of the Company and relevant laws.
3. To consider the Nominating of persons having suitable qualifications for a Company Director for nomination to the meeting of the Board of Directors for approval, except in the event of the retirement of Company Directors at the expiration of term where a submission is made to the meeting of shareholders for approval.
4. To prepare opinions or suggestions on various matters for consideration.
5. To revise and amend the Charter of the Nominating Committee and to submit such revisions or amendments to the Board of Directors for approval.
6. To carry out any other acts as assigned by the Board of Directors.

#### **Remuneration Committee**

The Remuneration Committee comprised of 3 members was established to perform the functions of supporting the Board of Directors in the implementation of good governance with respect to considering the rules for payment and forms of remuneration for the Board of Directors so as to ensure that the Company's consideration of remuneration was carried out transparently and fairly.

Board of Directors Meeting No. 2/2556, held on 9 May 2013, passed a resolution to appoint the members of Remuneration Committee as follows:

	Name		Position
1.	Mr. Boonsithi	Chokwatana	Chairman of the Remuneration Committee
2.	Mrs.Varindr	Leelanuwatana	Remuneration Committee
3.	Ms. Dusadee	Soontrontumrong	Remuneration Committee

The Remuneration Committee holds office for a term of 1 year, in the period of May 2013 to May 2014.

#### **Powers of the Remuneration Committee**

1. To consult specialists or advisors of the Company (if any), or to hire external advisors or specialists where necessary at the expense of the Company.
2. To have the power to summon executive officers and relevant employees of the Company for an explanation, opinion, participation in a meeting, or the submission of documents deemed as relevant and necessary.

#### **Duties and Responsibilities of the Remuneration Committee**

1. To determine the criteria for payment of remunerations of the Board of Directors and to submit opinions or propose amendments to such criteria to the Board of Directors with a view to achieving an appropriate distribution of remunerations.
2. To determine the remuneration limit for Company Directors, by consideration other companies in the same industry, the growth and performance of the Company, and the remuneration limit approved by the meeting of shareholders and remunerations paid in the preceding year, in order to make a proposal to the Board of Directors for consideration and submission to the meeting of shareholders for approval.
3. To consider the distribution of remuneration of Company Directors, Audit Committee Members, Nominating Committee members, Remuneration Committee members and Risk Management Committee members, taking into consideration the functions, responsibilities and performance of such committees, within the limit approved by the meeting of shareholders, and making such proposals to the Board of Directors for approval.
4. To consider the remuneration of Nominating Committee members, Remuneration Committee members and Risk management Committee members (who are not Company Directors), taking into consideration the functions, responsibilities and performance of such committees, and making such proposals to the Board of Directors for approval.
5. To revise and amend the Charter of the Remuneration Committee and to submit such revisions or amendments to the Board of Directors for approval.
6. To carry out any other acts as assigned by the Board of Directors.



#### The Risk management Committee

The Risk Management Committee consists of 4 members. The committee is chaired by the Independent Director. Meetings are held on a quarterly basis. A Risk Management Subcommittee has also been appointed. The Risk Management Subcommittee held meetings every month, in which deliberations were conducted on risks factors encompassing the entire organization, risk ratings, risk management approaches, and also the assignment of persons in charge of arranging for control measures and the management of risks within tolerable levels.

Board of Directors Meeting No. 2/2556, held on 9 May 2013, passed a resolution to appoint the Risk management Committee as follows:

	Name		Position
1.	Mr. Krish	Follett	Chairman of the Risk Management Committee
2.	Mr. Supotch	Pakaworawuth	Risk Management Committee Member
3.	Mr. Suchart	Layluxsiri	Risk Management Committee Member
4.	Ms. Sunee	Kongsong	Risk Management Committee Member and Secretary

The Risk management Committee holds office for a term of 1 year, in the period of May 2013 to May 2014.

#### **Powers of the Risk Management Committee**

1. The power to invite relevant employees of the Company to provide an explanation, present an opinion, participate in a meeting or submit documents deemed as necessary and relevant.
2. To consult experts or advisors of the Company (if any) or hire external advisors or experts where necessary under the Company's expense.
3. To have the power to appoint a working group to assess and monitor risks in the entire organization.

#### **Duties and Responsibilities**

1. To determine policies, targets and plans as well as to set up a clear and continuous risk management system for the management of significant risks, and to report to the Board of Directors and communicate to the Audit Committee for acknowledgment.
2. To promote collaboration in the management of risks at all levels in the organization.
3. To oversee that the Company's risk management system is appropriate and efficient, giving significance to early warning signs and reports of irregularities.
4. To develop the entire organization's risk management system in order to ensure continual efficiency.
5. To revise and amend the Risk Management Committee Charter which would be submitted to the Board of Directors for approval.
6. To perform other tasks as assigned by the Board of Directors.

#### The Executive Committee

The Executive Committee, as the management, was established to perform the functions of managing the Company's businesses as assigned by the Board of Directors. It is under a duty to carry out its functions accountability, prudently, honestly and as expected of a competent person engaging in such business under the same circumstances possessing bargaining powers free from influence from the capacity of being an Executive Committee Member. The Executive Committee comprise of 9 persons appointed by the Board of Directors in the month of May after the annual general meeting of shareholders. All executive committee holds office for a term of 1 year.



Board of Directors Meeting No. 2/2556, held on 9 May 2013, passed a resolution to appoint the Executive Committee as follows:

	Name	Position
1.	Mrs. Varindr Leelanuwatana	Chief Executive Office
2.	Mr. Supotch Pakaworawuth	Managing Director
3.	Ms. Dusadee Soontrontumrong	Deputy Managing Director and CFO
4.	Mr. Wichai Suthitivanich	Advisory Director on Foreign Affairs
5.	Mr. Somphol Chaisiroj	Senior Director, Business Men's wear A
6.	Mr. Suchart Layluxsiri	Deputy Director, Business Men's wear B
7.	Ms. Kochakorn Peungsiricharoen	Deputy Director, Business Export and Leather Goods
8.	Ms. Siriporn Hanudomlap	Deputy Director, Human Resources
9.	M.L.Sirapirom Teeraprasert	Deputy Director, Corporate strategy

**Note:** The Company's executive officers order no. 5th to 9th are executive officers pursuant to the definition prescribed by the Office of the Securities and Exchange Commission.

There are 2 advisors to the Executive Committee, namely Mr. Somchai Songsakdecha and Mr. Kriangsak Sripaisal.

The executive Committee holds office for a term of 1 year, in the period of May 2013 to May 2014.

#### **Powers of the Executive Committee**

1. To appoint, remove, transfer, evaluate as well as to determine the remuneration and welfare benefits of employees at every levels.
2. To appoint and remove any other working committee to carry out any activity with respect to the management of the Company.
3. To consult specialists or advisors of the Company (if any), or to hire external advisors or specialists where necessary at the expense of the Company.
4. To issue rules and notifications on the performance of work, and to have the ability to delegate powers to an Executive Committee member and/or an executive-level employee as the authorized signatory for giving approval to disposals of the Company's assets.
5. To approve the acceptance or cancellation of the credit lines in an amount not exceeding Baht 60 million each time.
6. To approve the grant of loans to companies having business relationships with the Company as shareholders or companies engaged in trade with the Company or other companies in the amount not exceeding Baht 80 million per company.
7. To approve the guarantees of credit lines for companies having business relationships with the Company as shareholders or companies engaged in trade with the Company or other companies in the amount not exceeding Baht 40 million per company.
8. To approve investments and sales of investments in capital instruments and/or debt instruments in an amount not exceeding Baht 20 million each time.
9. To approve procurements and investments in fixed assets in an amount not exceeding Baht 20 million each time.
10. To approve the modification, demolition and writing off of fixed assets and/or intangible assets which are decommissioned, out of order, lost, damaged, deteriorated or outdated and no longer usable with book value not exceeding Baht 1 million per year.
11. To approve the adjustment of price and destruction of raw materials and/or outstanding stocks that have deteriorated or become outdated, which could have an effect in reducing the book value as actually occurred.
12. To approve a settlement, dispute settlement by arbitration, filing of complaint, lawsuit and/or to participate in any legal proceedings on behalf of the Company for the non-normal business of the company amounting not exceed Baht 2 million per episode and/or the normal business of the company with an amount not exceeding Baht 20 million per episode.

13. To approve the dispatch of employees to foreign countries for work or study visits in an amount not exceeding Baht 1 million each time.
14. To approve transactions not part of the normal business in an amount not exceeding Baht 20 million each time.
15. To delegate authority to the executive-level employees of the Company or any other person to act on its behalf.
16. To have the power to summon executive officers and relevant employees of the Company for an explanation, opinion, participation in a meeting, or the submission of documents deemed as relevant and necessary.
17. To issue any other work regulations as deemed appropriate.
18. All powers of the Executive Committee stated above which involve the acquisition or disposal of assets and connected transactions shall be exercised in accordance with Notifications of the Capital Market Supervisory board.

#### **Duties and Responsibilities of the Executive Committee**

1. To propose the goals, policies, plan and annual budget to the Board of Directors.
2. To take responsibility for the management of the Company in accordance with the direction, goals and business policies of the Company.
3. To take charge in enhancing the competitiveness of the Company and to promote continual innovations.
4. To supervise the operations of the Company in accordance with the laws, objects, Articles of the Company, resolutions of the meeting of shareholders, resolutions of the Board of Directors, as well as relevant rules and regulations.
5. To supervise the preparation of financial statements, which shall be submitted to the auditor for audit and/or review prior to submission to the Audit Committee and Board of Directors respectively.
6. To consider matters submitted to the Board of Directors for approval or endorsement.
7. Executive Committee members may divide the works and responsibilities amongst themselves, in which case reports on the activities within each member's supervision must be submitted to the meeting of the Executive Committee for acknowledgement.
8. To revise and amend the Charter of the Executive Committee and to submit such revision or amendment to the Board of Directors for approval.
9. To carry out any other acts as assigned by the Board of Directors.

#### **Managing Director**

The Board of Directors, in meeting number 2/2556 on 9 May 2013, not only appointed company committees, but also appointed Mr. Supotch Pakaworawuth as Managing Director. Powers, duties and responsibilities of the Managing Director are as defined by the charter, as follows:

1. To have the power to administer the operations of the Company pursuant to policies, laws, objectives, Articles of the Company, resolutions of the meeting of shareholders, resolutions of the Board of Directors, resolutions of the Executive Committee, as well as relevant regulations and procedures.
2. To have the power to issue orders and carry out any act as necessary and appropriate in order to satisfactorily carry out the functions under article 1., and in the case of an important matter, a report shall be made and/or notice shall be given to the Board of Directors and/or the Executive Committee.
3. To have the power to issue regulations on the Company's operations, such regulations not being inconsistent with or contrary to the policies, articles, regulations, rules, orders and resolutions of the Board of Directors and/or Executive Committee.
4. To grant and/or delegate powers to other persons to perform specific tasks on behalf of the Managing Director.
5. To promote and develop adherence to good conduct, legal compliance, ethics and culture in the Company's business operations while observing good governance principles.
6. To carry out any other act as entrusted by the Board of Directors and/or Executive Committee.
7. The above powers of the Managing Director shall not be exercised in the event of the Managing Director's having a potential personal interest in or a conflict of interests of any character with the Company.





### Executives

In 2013 the Executives of the company are as bellows.

1. Mr. Supotch Pakaworawuth Managing Director
2. Ms. Dusadee Soontrontumrong Deputy Managing Director and CFO
3. Mr. Somphol Chaisiriraj Senior Director, Business Men's wear A
4. Mr. Suchart Layluxsiri Deputy Director, Business Men's wear B
5. Ms. Kochakorn Peungsiricharoen Deputy Director, Business Export and Leather Goods
6. MS. Siriporn Hanudomlap Deputy Director, Human Resources
7. M.L.Sirapirom Teeraprasert Deputy Director, Corporate strategy

### Company Secretary

The Board of Directors, in meeting number 2/2556 appointed Mr. Supachoke Sirichantaradilok as Company Secretary since 9 May 2013.

### 3. List of Directors of Subsidiary companies :

The company has invested in 3 subsidiaries. In 2013 list of subsidiaries' directors are as below.

#### 1. S.Apparel Company Limited

	<u>List of Directors</u>		<u>Position</u>
1.	Mrs. Varindr	Leelanuwatana	Chairman
2.	Ms. Siriluk	Dhanasarnsilp	Managing Director
3.	Mr. Supotch	Pakaworawuth	Director
4.	Ms. Dusadee	Soontrontumrong	Director
5.	Mr. Kanokchai	Mingquanpiyakul	Director

#### 2. T-Chamber Company Limited

	<u>List of Directors</u>		<u>Position</u>
1.	Ms. Dusadee	Soontrontumrong	Chairman
2.	Mr. Supachoke	Sirichantaradilok	Director
3.	Ms. Supha	Nokmuang	Director
4.	M.L. Sirapirom	Teeraprasert	Director

#### 3. Celebrate Wealth Co.,Ltd.

	<u>List of Directors</u>		<u>Position</u>
1.	Mr. Amnuay	Bumroongwongtong	Chairman and Managing Director
2.	Ms. Marin	Leelanuwatana	Deputy Managing Director
3.	Mrs. Varindr	Leelanuwatana	Director
4.	Ms. Dusadee	Soontrontumrong	Director
5.	Mr. Suchart	Layluxsiri	Director
6.	Mr. Supotch	Pakaworawuth	Director
7.	Ms.Yupaporn	Jearrakul	Director

#### 4. Board and Committee Meetings

The Board of Directors, Audit Committee, Nominating Committee, Remuneration Committee, Risk Management Committee and Executive Committee have arranged a schedule of regular meetings for each respective committee one year in advance. Additional notices may be issued for special meetings, as required. Each meeting is accompanied by a clear agenda which separates items for acknowledgement and items for consideration, as well as a regular report on the Company operations. The secretary of each committee would send out notices of meetings together with the agenda and supplemental meeting documents to the directors for acknowledgement at least 7 days in advance in order to enable the directors to carry out adequate studies of the information prior to the meeting. In each meeting, the chairman would give opportunities to all directors to fully debate and express opinions, and to the executives to give explanations and responses to questions. Minutes are recorded in writing. Minutes which have been approved by the committees are systematically archived as evidence for references and ready for inspection.

Number of meetings held in 2013:

• Shareholders Meeting	total	1 time
• Board of Directors Meeting	total	4 times
• Audit Committee Meeting	total	12 times
• Nominating Committee Meeting	total	2 times
• Remuneration Committee Meeting	total	2 times
• The Risk Management Committee Meeting	total	4 times
• Executive Committee Meeting	total	12 times

#### Records of directors attending the meeting

During 2013, detail of Directors and committees who attended their meetings as follows:

(Unit : Time/Year)

List of Directors		Attendance						
		General Meeting of Shareholders No.39	Directors	Audit Committee Member	Nominating Committee Member	Remuneration Committee Member	Risk Management Committee Member	Executive Committee Member
1. Mr. Boonsithi Chokwatana		1/1	4/4		2/2	2/2		
2. Mrs. Varindr Leelanuwatana		1/1	4/4		2/2	2/2		11/12 <sup>1</sup>
3. Mr. Supotch Pakaworawuth		1/1	4/4				4/4	12/12
4. Ms. Dusadee Soontrontumrong		1/1	4/4			2/2		12/12
5. Mr. Wichai Suthitivanich		1/1	4/4					12/12
6. Mr. Manu Leelanuwatana		1/1	1/1 <sup>2</sup>		2/2			
7. Ms. Marin Leelanuwatana		-	3/3 <sup>3</sup>					
8. Mr. Padoong Techasarintr		1/1	4/4	12/12				
9. Assoc.Prof. Nares Kesaprakorn		1/1	4/4	12/12				
10. Mr.Krish Follett		1/1	4/4	12/12			3/3 <sup>6</sup>	
11. Mr. Wanchai Umpungart		1/1	1/1 <sup>4</sup>	4/4 <sup>4</sup>			1/1 <sup>4</sup>	
12. Pol.Lt.Gen. Amarin Niemskul		-	3/3 <sup>5</sup>	8/8 <sup>5</sup>				
13. Mr. Somphol Chaisiroj		1/1						8/12 <sup>1</sup>
14. Mr.Suchart Layluxsiri		1/1					4/4	12/12



List of Directors	Attendance						
	General Meeting of Shareholders No.39	Directors	Audit Committee Member	Nominating Committee Member	Remuneration Committee Member	Risk Management Committee Member	Executive Committee Member
15. Ms.Kochakorn Peungsiricharoen	1/1						12/12
16. Ms.Siriporn Hanudomlap	1/1						12/12
17. M.L.Sirapirom Teeraprasert	1/1						12/12
18.Ms.Sunee Kongsong	1/1					4/4	

**Notes :**

- <sup>1</sup> On leave and held up by an important business
- <sup>2</sup> Mr. Manu Leelanuwatana, retiring from Director by rotation at the Annual General Meeting of Shareholders No. 39, and expressed the wish not to be re-appointed.
- <sup>3</sup> Ms. Marin Leelanuwatana was appointed as Directors by resolution of the General Meeting of Shareholders No. 39 held on 23 April 2013.
- <sup>4</sup> Mr. Wanchai Umpungart retiring from Director and subcommittees by rotation at the Annual General Meeting of Shareholders No. 39, and expressed the wish not to be re-appointed.
- <sup>5</sup> Pol.Lt.Gen. Amarin Niemskul was appointed as Directors by resolution of the General Meeting of Shareholders No. 39 held on 23 April 2013, and had been appointed to the Audit Committee by resolution of the Board of Directors Meeting No. 2/2556 on 9 May 2013.
- <sup>6</sup> Mr.Krish Follett was appointed as Chairman of the Risk Management Committee by resolution of the Board of Directors Meeting No. 2/2556 on 9 May 2013.

**5. Controlling person**

- none -

**6. Information relating to the business relationship.**

The Company's independent directors did not have any transaction about the business relationship or providing professional services to the Company, its subsidiaries, associated or entities may have a conflict, which the value exceeding the amount prescribed in the Notification on Application Filing and Permission to Offer New Shares.

**7. Historical background of the director**

See the details under the heading "Personal information of company directors and management members"

**8. Record of illegal activities**

No director or member of the executive staff of the Company has ever been discharged, removed, retired or subject to legal proceedings as a result of fraud, bankruptcy charges, fraudulent misappropriation of property, an offence under the law on securities and securities exchange, a criminal conviction, dispute or pending a court decision on charges or lawsuits over the past 10 years.

**2. The selection of the directors and executive members**
**1. Selection of the directors**

The Nominating Committee will select persons having suitable qualifications by consider their qualifications and expertise in various professions, while also taking into account other characteristics such as leadership, vision, morality and ethics, accompanies by transparent, accountable career records. They shall also be required not to possess any forbidden aspect specified by laws and Articles of association. The suitable persons will be nominated as company directors for reconsideration by the Board of Directors prior to submitting to the meeting of shareholders for election by the majority vote of eligible shareholders attending the meeting.



In the case where the retirement took place prior to term completion with the remaining term being not less than two months, the Board of Directors shall then be authorized to select the persons from the candidates proposed by the Nominating Committee, for further appointment as company directors, by the majority votes not less than three-fourth of the existing number of Directors. In such case, the newly-appointed directors shall hold office for the remaining term of their predecessors.

## 2. Selection of the Independent directors

With regards to the selection of persons to be appointed independent directors, the Nominating Committee shall select persons having qualifications required for independent directors prescribed by company which in accordance with the Notification of the Capital Market Supervisory Board, in addition to basic qualification requirement above.

## 3. Minority shareholders' rights

The company provided the opportunity for minority shareholder to nominate candidates to be appointed company directors, prior to the holding of shareholders' meeting, according to the criteria set forth by the company. Shareholder can find detail document at the company's website ([www.thanulux.com](http://www.thanulux.com))

## 4. Procedure to appoint Company's Directors

1. Shareholder shall have one vote for one share.
2. Each shareholder must use all of the votes he or she has under 1. to elect one or several persons to be director and must not allot his or her votes to any person in any number.
3. The persons having the highest number of vote to the lower one shall be elected as the directors equal to the number of directors elected by the shareholders' meeting. The president shall have a casting vote in case of elected director having descended scores is more than the number of wanted director.

## 5. Selection of the Executive Officers

1. The management carries out the duty of selecting persons with suitable qualifications for proposal to the Board of Directors for approval of their appointment as executive officers in the Executive Committee.
2. The appointment of other executive officers not also being members of the Executive Committee shall be carried out jointly by the executive officer in the relevant line and personnel management, approved by Managing Director or Chairman of the Executive Committee.

## 6. Number of Directors Appointed from Major Shareholders in Each Group

- none -

# 3. Remuneration of Directors and Executive Officers

## 1. Monetary Remuneration

### Directors Remuneration

The Remuneration Committee performs the duties of determining the limit and criteria for determination of remunerations for Directors after taking into account other companies in the same industry, business expansion and growth of the Company's operations, as well as the powers, duties, responsibilities and performance of Directors. Remunerations are fixed as meeting allowances and annual fee. The determinations are then proposed to the Board of Directors for consideration before submission to the general shareholders' meeting for final approval of the remunerations limit. The 39<sup>th</sup> Ordinary Meeting of Shareholders on 23 April 2013 approved Directors' remuneration limit in the amount not exceeding Baht 10 million per year, as follows:

## 1. Performance of Directorial duties

### 1.1 Meeting Allowance paid to attending directors for

Chairman	Baht	10,000	per meeting.
Each Director	Baht	8,000	per meeting.

### 1.2 Annual Remuneration (Gratuity) paid to every director


**2. Performance of Audit Committee duties**
**2.1 Monthly meeting allowance paid to attending directors for**

Chairman	Baht	10,000	per meeting
Each Member	Baht	8,000	per meeting.

**2.2 Quarterly meeting allowance paid to attending directors for**

Chairman	Baht	60,000	per meeting
Each Member	Baht	30,000	per meeting.

**3. Performance of Nominating Committee and Remuneration Committee allowance shall be paid to attending directors for**

Chairman	Baht	10,000	per meeting
Each Member	Baht	8,000	per meeting.

**4. Performance of Risk Management Committee allowance shall be paid to attending directors for**

Chairman	Baht	6,000	per meeting
Each Member	Baht	5,000	per meeting.

In 2013, the Company paid the amount of Baht 1,348,000 in meeting allowances and Baht 7,440,000 as annual fees, or a total of Baht 8,788,000.

**Monetary remuneration detail for Board of Directors and Sub-Committee in 2013-2012**
**(Unit: Baht)**

Detail	2013		2012		2011	
	Meeting allowance	Annual Remuneration	Meeting allowance	Annual Remuneration	Meeting allowance	Annual Remuneration
Board of Directors	328,000	7,440,000	328,000	6,850,000	320,000	5,600,000
Audit Committee	872,000	-	856,000	-	788,000	-
Nominating Committee	52,000	-	52,000	-	52,000	-
Remuneration Committee	52,000	-	52,000	-	52,000	-
Risk Management Committee	44,000	-	39,000	-	6,000	-
<b>Total</b>	<b>1,348,000</b>	<b>7,440,000</b>	<b>1,327,000</b>	<b>6,850,000</b>	<b>1,218,000</b>	<b>5,600,000</b>

**Monetary remuneration of Subsidiary companies in 2013**

1. S. Apparel Company Limited Total directors' remuneration 0 Baht.
2. T-Chamber Company Limited Total directors' remuneration 0 Baht.
3. Celebrate Wealth Company Limited Total directors' remuneration 0 Baht.

**Executive Remuneration**

Executive remuneration is determined by the Board of Directors in accordance with the rules and policies of the Company. Account is taken of the Company's performance results, individual responsibilities and performances. Remunerations are paid in the form of salaries, meeting allowances, bonuses and retirement benefits, as follows:

Remunerations	2013		2012		2011	
	Persons	Amount (Baht)	Persons	Amount (Baht)	Persons	Amount (Baht)
Salaries and others except Meeting allowance	9	34,446,576	9	34,454,197	6	31,309,391
Meeting allowance	9	515,000	9	530,000	6	330,000
<b>Total</b>		<b>34,961,576</b>		<b>34,984,197</b>		<b>31,639,391</b>

## 2. Other Remuneration

The Company does not have a policy of paying remuneration other than contributions to the registered provident fund. An executive officer who is a subscriber to the fund receives a monthly contribution to the fund at the rate of 3 - 5 percent of wages. The subscriber also deposits savings at the same rate. Upon the expiration of the subscription, the subscriber will receive the savings and contribution as well as the net average return in accordance with the fund's terms and conditions. Executive directors and first four executive officers who are subordinate to the manager and all executive officers of an equivalent level to the fourth officer receive remuneration in the form of contributions to the provident fund.

In 2013	9 persons	amount Baht	0.29	Million
In 2012	9 persons	amount Baht	0.22	Million
In 2011	6 persons	amount Baht	0.13	Million

## 4. Supervision the use of inside information

### 1. The policy of inside information use

The Company has set up a specific obligation to prevent Executives and officers who have access to inside information are required to report the acquisition and disposal of Company securities and are prohibited from exploiting personal interest from inside information prior to public disclosure of such information.

### 2. The Prevention Approach.

In the 1 month period prior to financial disclosure, the Company prohibits executives/employees who have access to inside information from disposing or acquiring Company securities.

### 3. The Punishment.

Executives and officers who have access to inside information. If any violate will be treated as a disciplinary offence under the work regulations of the Company.

## 5. Personnel

### 1. Total employees of the Company as of December 31,

	2013			2012			2011		
	Administration	Production	Total	Administration	Production	Total	Administration	Production	Total
Bangkok-Head Office	315	842	1,157	374	939	1,313	355	862	1,217
Bangplee	30	--	30	27	--	27	--	--	--
Lamphun	24	763	787	24	1,030	1,054	21	788	809
Kabinburi	22	650	672	23	828	851	20	908	928
Total	391	2,255	2,646	448	2,797	3,245	396	2,558	2,954

### 2. Labour disputes over the previous 3 year period: none.

### 3. Overall remuneration for employees.

The overall remuneration respectively, comprising of salaries, Over time, Allowance, bonuses, contributions to the mutual fund, retirement expense and other revenue, In 2013 Baht 582.52 million and In 2012 Baht 628.07 million



## **Information on the Board of Directors, Executives, controller, company secretary**

Thanulux Public Company limited has 10 members of the Board of Directors (No. 1 to No.10) has 5 Executive (No.11 to No.15) and company secretary (no.16) as follows:

**1. Mr. Boonsithi Chokwatana (Age 76 years) as Director started June 6, 1975**

Advising Director, Nominating Committee Member, Chairman of the Remuneration Committee and Authorized Director

% Share hold 3.88%

Family relationship between directors None

Education

Honoris Doctor Degrees

Business Administration - Burapha University  
 - Thammasat University  
 - The National Institute of Development Administration  
 - University of the Thai Chamber of Commerce  
 Engineering - Khon kaen University  
 Law - Waseda University  
 Science(Textiles and Garment) - Rajamangala University of Technology Krungthep

Experiences

Listed Companies

1972 - Present	Chairman	Thai President Foods Plc. - food & beverage
1973 - Present	Director	Saha Pathana Inter-Holding Plc. - commerce
1991 - Present	Vice Chairman	I.C.C. International Plc. - fashion
2002 - Present	Director	Sahacogen (Chonburi) Plc. - energy & utilities
2010 - Present	Honorary Chairman	Saha Pathanapibul Plc. - commerce
1980 - Apr.,2010	Advising Director	Textile Prestige Plc. - fashion
1990 - Apr.,2010	Advising Director	Thai Wacoal Plc. - fashion

Non Listed Companies

Being directors of 33 companies

Competitive Business related to Company's Business None

Course training of Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) 3/2003  
 - Director Certification Program (DCP) 68/2005



**2. Mrs.Varindr Leelanuwatana (Age 67 years) as Director started June 6, 1975**

Chairman, Chief Executive Officer, Nominating Committee Member, Remuneration Committee Member and Authorized Director

% Share hold	0.81% ( included the shareheld by spouse )
Family relationship between directors	Ms.Marin Leelanuwatana's mother
Education	Bachelor of Economics-Money and Banking, Thammasat University
Experiences	
Listed Companies	At the moment, not being director of any other listed companies
Non Listed Companies	Being directors of 10 companies

Competitive Business related to Company's Business 5 of 10 companies

1980 - Present	Director	Champ Ace Co.,Ltd. Garment manufacturing
1988 - Present	Chairman	Thai Monster Co.,Ltd. Garment manufacturing
1990 - Present	Director	Thai Takaya Co.,Ltd. Garment manufacturing
2004 - Present	Chairman	Total Way Image Co.,Ltd. Leatherware manufacturing
2005 - Present	Chairman	S.Apparel Co.,Ltd. Garment manufacturing

Course training of Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) 3/2003
- Director Certification Program (DCP) 68/2005
- Board and CEO Assessment 2/2003

**3. Mr. Supotch Pakaworawuth (Age 56 years) as Director started April 23, 1990**

Managing Director, Risk Management Committee Member and Authorized Director

% Share hold	0.01%
Family relationship between directors	None
Education	Master of Business Administration, The National Institute of Development Administration
Experiences	
Listed Companies	At the moment, not being director of any other listed companies
Non Listed Companies	Being directors of 4 companies

Competitive Business related to Company's Business 2 of 4 companies

2005 - Present	Director	S.Apparel Co.,Ltd. Garment manufacturing
2010 - Present	Director	Thai Takaya Co.,Ltd. Garment manufacturing

Course training of Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) 3/2003
- Director Certification Program (DCP) 46/2004
- Finance for Non-Finance Directors 12/2004



**4. Ms. Dusadee Soontrontumrong (Age 65 years) as Director started July 11, 1984**

Deputy Managing Director and CFO, Remuneration Committee Member and Authorized Director

% Share hold 0.36%

Family relationship between directors None

Education Higher Education Certificate in Accounting Kerk College  
Mini MBA of Economic, Chulalongkorn University

Experiences

Listed Companies At the moment, not being Director of any other listed companies

Non Listed Companies Being directors of 6 companies

Competitive Business related to Company's Business 2 of 6 companies

1995 - Present	Director	Total Way Image Co.,Ltd. Leatherware manufacturing
2005 - Present	Director	S.Apparel Co.,Ltd. Garment manufacturing

Course training of Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) 8/2004
- Director Certification Program (DCP) 42/2004

**5. Mr. Wichai Suthitivanich (Age 62 years) as Director started April 24, 1989**

Advisory Director on Foreign Affairs and Authorized Director

% Share hold 0.07%

Family relationship between directors None

Education Master of Business Administration, Conferred University of  
West Los Angeles School of Business, U.S.A.

Experiences

Listed Companies At the moment, not being director of any other listed companies

Non Listed Companies Being directors of 2 companies

Competitive Business related to Company's Business 1 of 2 companies

2012 - Present	Vice Chairman	Total Way Image Co.,Ltd. Leatherware manufacturing
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Course training of Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) 8/2004
- Director Certification Program (DCP) 42/2004

**6. Ms. Marin Leelanuwatana (Age 40 years) as Director started April 23, 2013**

Director

% Share hold 0.93%

Family relationship between directors Mrs.Varindr Leelanuwatana's daughter

Education Master of Business Administration,  
Loyola University, Chicago, U.S.A.

Experiences

Listed Companies At the moment, not being director of any other listed companies

Non Listed Companies Being directors of 2 companies

Competitive Business related to Company's Business None

Course training of Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP) 180/2013

**7. Mr. Padoong Techasarintr (Age 73 years) as Director started April 18, 1994**

Independent Director and Chairman of Audit Committee

% Share hold None

Family relationship between directors None

Education B.A. (Accounting), B.A. (Commerce), Thammasat University

Experiences

Listed Companies

1999 - Present Independent Director and Chairman of Audit committee  
Textile Prestige Plc. - fashion

1999 - Present Independent Director and Audit Committee member  
CP All Plc. - commerce

2003 - Present Independent Director and Audit Committee member  
Kulthorn Kirby Plc. - industrial materials & machinery

2006 - Present Independent Director and Chairman of Audit Committee  
Lanna Resources Plc. - energy & utilities

Non Listed Companies At the moment, not being director of any other non listed companies

Competitive Business related to Company's Business None

Course training of Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) 4/2003
- Director Certification Program (DCP) 55/2005
- The Role of Chairman Program (RCP) 6/2001
- Audit Committee Program (ACP) 22/2008
- Monitoring the Internal Audit (MIA) 2008
- Monitoring the System of Internal Control & Risk Management (MIR) 2009

**8. Assoc.Prof. Nares Kesaparakorn (Age 55 years) as Director started April 23, 2007**

Independent Director and Audit Committee Member

% Share hold None

Family relationship between directors None

Education Master of Laws (Securities Regulation) University of Georgia, U.S.A.

Experiences

2010 - Present Associate Dean for Administrative affairs, School of Law , NIDA

2010 - Present Advisory Board, the Attellate Committee's Rule of Practice on  
Procedure for Consideration and Adjudication of Appeal on the  
Administrative Order of the SEC Office

2013 - Present Subcommittee of The Office of Law Reform Commission of Thailand

Listed Companies

2006 - Present Independent Director Thai Wacoal Plc. - fashion

Non Listed Companies Audit Committee Member of one non listed companies

Competitive Business related to Company's Business None

Course training of Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) 52/2006
- Director Certification Program (DCP) 77/2006
- Audit Committee Program (ACP) 12/2006
- Understanding the Fundamental of Financial Statements (UFS) 1/2006
- Finance for Non-Finance Director 28/2006
- Monitoring the system of Internal Control and Risk Management (MIR) 5/2009
- Chartered Director Class (CDC) 5/2009
- The Board's Role on Fraud Prevention and Detection 1/2010



**9. Mr. Krish Follett (Age 64 years) as Director started April 26, 2011**

Independent Director, Audit Committee Member and Chairman of Risk Management Committee

% Share hold None

Family relationship between directors None

Education Master of Commerce (Business Administration), Thammasat University  
Advanced Management Program, Harvard Business School, Boston, USA.

Experiences

2008 - 2009 Assistant Governor of operation, Bank of Thailand

2004 - 2008 Senior Director of Internal Audit Department, Bank of Thailand

Listed Companies

2010 - Present Independent Director and Chairman of the Audit Committee

Property Perfect Plc. - property development

2012 - Present Independent Director and Chairman of Risk Management Committee

Thai Wacoal Plc.- fashion

2012 - Present Chairman of Audit Committee

Thorecen Thai Agencies - transportation & logistics

2013 - Present Independent Director and Audit Committee Member

Saha Pathana Interholding Plc. - commerce

Non Listed Companies At the moment, not being director of any other non listed companies

Competitive Business related to Company's Business None

Course training of Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP) 149/2011

**10. Pol.Lt.Gen. Amarin Niemskul (Age 66 years) as Director started April 23, 2013**

Independent Director and Audit Committee Member

% Share hold None

Family relationship between directors None

Education Bachelor of Public Administration, Royal Police Cadet Academy  
Master of Public Administration,  
The National Institute of Development Administration  
Master of Art, University of Kansas, U.S.A.

Experiences

Listed Companies

2006 - Present Independent Director and Audit Committee Member

Saha Pathana Inter-Holding Plc. - commerce

2010 - Present Independent Director and Chairman of Audit Committee

Teera - Mongkol Industry Plc. - electric lighting equipments

Non Listed Companies Being director of 1 company

Competitive Business related to Company's Business None

Course training of Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) 60/2006



**11. Mr. Somphol Chaisiriroj (Age 56 years) as Executive committee member started May 10, 2007**

Executive committee member and Senior Director, Business Men's wear A

% Share hold 0.06%

Family relationship between directors None

Education Master of art, Ohio University, U.S.A.

Experiences

Listed Companies

2009 - Present Director , Vice President Division W and Executive committee member  
I.C.C.International Plc.- fashion

Non Listed Companies Being directors of 6 companies

Competitive Business related to Company's Business None

Course training of Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) 3/2003

- Director Certification Program (DCP) 68/2005

**12. Mr. Suchart Layluxsiri (Age 48 years) as Executive committee member started May 10, 2007**

Executive committee member and Deputy Director, Business Men's wear B

% Share hold 0.004%

Family relationship between directors None

Education Master of Business Administration , Bangkok University

Experiences

Listed Companies At the moment, not being director of any other listed companies

Non Listed Companies Being directors of 2 companies

Competitive Business related to Company's Business None

Course training of Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP) 154/2011

**13. Ms. Kochakorn Peungsiricharoen (Age 61 years) as Executive committee member started May 10, 2007**

Executive committee member and Deputy Director, Business Export and Leather Goods

% Share hold 0.003%

Family relationship between directors None

Education Bachelor of Education, Ramkhamhaeng University

Experiences

Listed Companies At the moment, not being director of any other listed companies

Non Listed Companies Being director of 1 company

Competitive Business related to Company's Business 1 of 1 company

2011 - Present Managing Director

Total Way Image Co.,Ltd. Leatherware manufacturing

Course training of Thai Institute of Directors Association (IOD) None

**14. Ms. Siriporn Hanudomlap (Age 60 years) as Executive committee member started February 19, 2008**

Executive committee member and Deputy Director, Human Resources

% Share hold 0.046%

Family relationship between directors None

Education Master of Public and Private Management,  
The National Institute of Development Administration

Experiences

Listed Companies At the moment, not being director of any other listed companies

Non Listed Companies Being directors of 2 companies

Competitive Business related to Company's Business 1 of 2 companies

2009 - Present Director Thai Gunze Co.,Ltd. - Garment manufacturing

Course training of Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP) 154/2011

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**15. M.L.Sirapirom Teeraprasert (Age 50 years) as Executive committee member started May 12, 2011**

Executive committee member and Deputy Director, Corporate strategy

% Share hold 0.02% ( included the shareheld by spouse )

Family relationship between directors None

Education Doctor of business administration, Ramkhamhaeng University

Experiences

Listed Companies At the moment, not being director of any other listed companies

Non Listed Companies Being director of 1 company

Competitive Business related to Company's Business None

Course training of Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP) 150/2011

**16. Mr. Supachoke Sirichantaradilok (Age 54 years) as Company Secretary started May 8, 2008**

Company Secretary, Investor Relations and Deputy Manager, Financial Division.

% Share hold	None
Family relationship between directors	None
Education	Master of Public Administration, The National Institute of Development Administration
Experiences	
Listed Companies	At the moment, not being director of any other listed companies
Non Listed Companies	Being directors of 2 companies
Competitive Business related to Company's Business	None
Course training of Thai Institute of Directors Association (IOD)	- Director Certification Program (DCP) 49/2004 - Investor Relations 2006

**Responsibilities of Company Secretary**

The Company Secretary shall act as defined in Section 89/15 and 89/ 16 of the Securities and Exchange Act (No. 4 ) Act 2008 which comes into force on 31 August 2008 with responsibility, caution and honesty Including the need to comply with the laws, regulations, company objectives. Board of Directors and resolutions of the shareholders' meeting. The legal duty of the Secretary of the Company is as follows.

1. To provide preliminary advice to the directors on laws, regulations and articles of the Company, and to monitor proper and regular compliance, as well as to report substantive changes to the directors.
2. To coordinate between the Company directors and the management, to supervise and coordinate matters pertaining to the relevant laws and regulations, including proceedings to ensure compliance with resolutions of the Board of Directors.
3. To organize meetings of shareholders and meetings of the Board of Directors in accordance with laws, Company Articles and other directives.
4. To record minutes of meetings of shareholders and meetings of the Board of Directors as well as to monitor compliance with resolutions of meetings of shareholders and meetings of the Board of Directors.
5. To oversee the disclosure of information and file the relevant reports under the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.
6. To prepare and archive the following documents:
  - (a) Directors' Register;
  - (b) notice of Board of Directors meeting, minutes of Board of Directors meeting and Annual Report of the Company;
  - (c) notice of shareholders meeting and minutes of shareholders meeting.
7. To maintain reports of interest reports filed by directors or executives.
8. To carry out other proceedings as prescribed by the Capital Market Supervisory Board.



## Business Description

### Background

The Company was founded on June 23, 1975 with the registered capital Baht 3 million. On July 21, 1987, the Company's securities were listed in the Stock Exchange of Thailand with the original shareholders diluting their shareholding for distribution to the public. On 9 May 1994, the Company was converted to a public limited company. At present, the Company has a registered capital of Baht 120 million at a par value of Baht 1 per share.

### Business Overview

The Company is a producer and distributes of finished garments and leather products under licensed international trademarks and Company own-brands that are renowned domestically and Export. The proportion of domestic to foreign distributions is 66:34.

Domestic distribution is undertaken through I.C.C. International Public Company Limited, being the major distributor, while international distributions are achieved through direct sales to customers overseas, such as in the United States of America, Europe and Asia.

#### The Company has 3 subsidiaries, namely

##### 1. S. Apparel Company Limited

- Undertakes the business of producing finished garments under customer' trademarks for export to Japan, United States of America and Europe through Thanulux Public Company Limited.

- The office and factory are situated at no. 4/2, Moo 8, Bangna-Trad Road, Km.18, Tambon Bangchalong, Amphoe Bangplee, Samut Prakarn Province.

##### 2. Celebrate Wealth Company Limited

- Undertakes the business of distributing fashion goods, manufactured by Thanulux Public Company Limited ,such as leather goods **lollipops** men's wear **Itch** children wear **CADEAU** men's wear "Erawon" ladies wear "cami cetta", "Baroness" and Green Living Products "SRIDA" In addition, "cache cache" women's clothing and accessories are also imported.

- The office is situated at no. 129/1, Chongnonthri Road, Chongnonthri Sub-district, yannawa district, Bangkok.

##### 3. T-Chamber Company Limited

- Undertakes the business of distributing the religious robe "Thammarat" and dharma practice kit "Thammasorn", manufactured by Thanulux Public Company Limited.

- The office is situated at no. 129/1, Chongnonthri Road, Chongnonthri Sub-district, yannawa district, Bangkok.

#### The Policies of Operations for companies within the Group

Thanulux Public Company Limited receives purchase orders from foreign customers before hiring S Apparel Company Limited to supply goods, in the same time produces and supplies goods to Celebrate Wealth Company Limited and T Chamber Company Limited, for distribution to departmental stores and other distribution channels.

#### Shareholding structure of Company's group

	Subsidiary Companies	% of Shareholding	Type of business
1	S. Apparel Co. Ltd.	80.00	Garment Manufacturing
2	Celebrate wealth Co. Ltd.	86.00	Distributing Fashion Goods
3	T-Chamber Co. Ltd.	99.99	Distributing religious robe and dharma practice kit



Cross-Shareholding

The Company has a cross-shareholding structure but such cross-shareholding does not create any conflict or inconsistency with the rules provided under the Notification of the Capital Market Supervisory Board No. TorChor 28/2551 Re: "Application for and Approval of Offer for Sale of Newly Issued Shares", clause 14.

## Cross-Shareholding as at December 31, 2013

Name of Company	Proportion of Shareholding (%)	
	Company's Shareholding in Other Company	Other Company's Shareholding in the Company
<b>1. Shareholdings exceeding 50%</b>		
(a) Other company holding more than 50% of the Company's shares; the Company must not have cross-shareholding in the other company.	-	-
(b) The Company holding more than 50% of shares in other companies; the other company must not have cross-shareholding in the Company.	-	-
(c) The Company holding more than 50% of shares in 2 or more other companies; such other companies must not have cross-shareholdings amongst themselves.		
1. S. Apparel Company Limited	80.00	-
2. Celebrate Wealth Co., Ltd.	86.00	-
3. T-Chamber Company Limited	99.99	-
All companies are subsidiary companies, and the three subsidiary companies do not have cross-shareholding amongst themselves.		
<b>2. Shareholdings exceeding 25% but not exceeding 50%</b>		
(a) Other company holding more than 25% but not more than 50% of the Company's shares; the Company's cross-shareholding in the other company must not exceed 10%.	-	-
(b) The Company holding more than 25% but not more 50% of other company's shares; the other company's cross-shareholding in the Company must not exceed 10%.	-	-
<b>3. Shareholdings not exceeding 25% *</b>		
(a) Other company holding not more than 25% of the Company's shares; the Company's cross-shareholding in the other company must not exceed 25%.		
* 1. Saha Pathana Inter-Holding Public Company Limited	0.68	23.517
2. I.C.C. International Public Company Limited	3.44	10.256
(b) The Company holding not more than 25% of other company's shares; the other company's cross-shareholding in the Company must not exceed 25%.		
* 1. Thai Monster Company Limited	19.00	0.03

**Remark:** \* Data only shown for companies with cross-shareholding.



### Group Revenue Structure

Divided by the Company and Subsidiary Companies							(Unit: Baht million)	
Product	Operated By	% of Shareholding	2013	%	2012	%	2011	%
Fashion Goods	Thanulux Pcl.	-	2,035.94	88.33	2,324.66	87.86	2,109.58	85.86
Fashion Goods	S. Apparel Co. Ltd	80.00	69.89	3.03	134.33	5.08	238.77	9.72
Fashion Goods	Celebrate wealth Co. Ltd.	86.00	166.32	7.22	154.62	5.85	97.11	3.95
Fashion Goods	T-Chamber Co. Ltd.	99.99	32.65	1.42	32.14	1.21	11.53	0.47
Total Sales Revenue			2,304.80	100.00	2,645.75	100.00	2,456.99	100.00

Divided into Sources of Revenue							(Unit: Baht million)	
Product	Sales Revenue		2013	%	2012	%	2011	%
Fashion Goods	Domestic		1,525.11	66.17	1,807.33	68.31	1,542.15	62.77
Fashion Goods	Export		779.69	33.83	838.42	31.69	914.84	37.23
Total Sales Revenue			2,304.80	100.00	2,645.75	100.00	2,456.99	100.00

### Company Revenue Structure

Thanulux Public Company Limited						(Unit : Million Baht)	
Sales Revenue	2013	%	2012	%	2011	%	
-Finished garments	1,301.43	61.71	1,536.78	64.16	1,339.42	62.26	
- Leather goods	807.61	38.29	858.55	35.84	812.03	37.74	
Total	2,109.04	100.00	2,395.33	100.00	2,151.45	100.00	

### Product Description

The Company's products may be divided into 2 categories, as follows:

#### Finished Garments

The finished garment products of the Company feature customer groups comprising of men, ladies and children. The products consist of shirts, knits, trousers, jeans, suits, jackets, nightwear, underwear, neckties, handkerchiefs, scarves, maternity wear, swimwear, sportswear and socks carrying the trademarks ARROW, EXCELLENCY, GETAWAY, COOL, Guy Laroche, Guy Guy Laroche, DAKS, ELLE HOMME, bsc ex, HORNBILL, ICON, itch, positif, MIX—SELF, la femme, MORGAN, cami cetta and BARONESS for men and ladies. As for children's products, the Company manufactures and distributes garments for newborn infants to 8 year-olds. In addition, there are also diapers, bedding, shoes, socks, dolls and accessories for infants carrying the trademarks absorba and CADEAU.

#### Leather Goods

This category consists of goods for men and ladies, comprising of wallets, handbags and belts carrying the trademarks ARROW, EXCELLENCY, GETAWAY, Guy Laroche, Guy Guy Laroche, JEAN-LOUIS SCHERRER, DAKS, LOUIS FONTAINE, bsc, MORGAN and lollipops.

Apart from the manufacture and distribution of products carrying the above trademarks, the Company also manufactures various products carrying trademarks of foreign customers for export, as well as the manufacture of uniforms, the religious robe "Thammarat" ,the "Thammasorn" meditation attire, and Green Living Products "SRIDA"

## Significant Changes and Activities in the Previous Annual Period

### Product Research and Development

The Company is committed to and promotes serious research and development of new innovations. An annual innovations contest is held under the name “THANULUX INNOVATION AWARDS (TIA)”. The contest has been held for 6 consecutive years, from 2007 till the present. The objective is to enable employees in all units to participate in research and development as a means of stimulating creativity. Technological developments are undertaken to enhance operational efficiency and raise earnings. Achievements comprise of products innovations, production process innovations, system and process innovations, sales and marketing innovations, energy saving and global warming & environmental innovations, corporate social responsibility (CSR) innovations, and last but not least, the petty award.



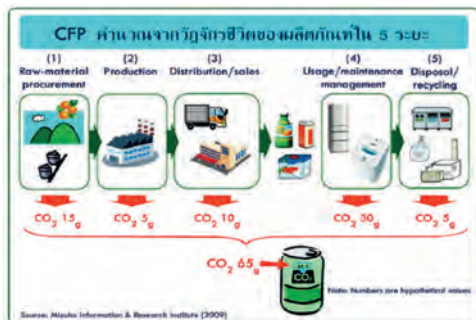
In 2013, a campaign was launched under the slogan “Keep on Non-Stop Going”.

In addition, the Company is committed to developing its products by taking due consideration of the impact on society and the environment, as well as building consumer confidence. Collaborations have been undertaken with the Thailand Textile Institute (THTI) and the Thailand Greenhouse Gas Management Organisation (TGO) (Public Organisation) in the development of “Eco Shirt” and “Smart Fabric”.



### “Arrow” Eco Shirt, being Thailand’s first shirt product to have attained the Carbon Footprint label

The Company participated in the “Textile Goods Carbon Footprint Management” Scheme which was part of the project on “Sustainable Design and Development of Environmentally Friendly Textile Industry Goods” launched by the Thailand Textile Institute, Ministry of Industry. The Company also obtained a **Carbon Footprint Label** accredited by the Thailand Greenhouse Gas Management Organisation (Public Organisation), licensor of the Carbon Footprint Mark. The Carbon Footprint Mark will be **displayed on ARROW Style AY 630 long-sleeved white shirts** produced by The Company which are compliant with the terms and conditions for the use of the Carbon Footprint accreditation mark. **The carbon footprint value of the product is equivalent to 8.64 kg Co2 eq.** “Carbon Footprint” means the amount of greenhouse gases emitted from a product per unit throughout the lifecycle of the product. The value is expressed as a CO2 equivalent.



On 5 April 2013, Ms. Suttinee Poopaka, Executive Director of the Thailand Textile Institute, joined in congratulating Thanulux Public Company Limited upon receiving the Carbon Footprint Certification for its environmentally friendly ARROW Style AY 630 100% Cotton Size M long sleeved shirts. This shirt materialized under the Project for the Sustainable Development of Environmentally Friendly Products, Budget Year 2012. This shirt product is considered to be the first to have received the Carbon Footprint Certification with a carbon footprint value of 8.64 kg Co2 eq.

### The First Smart Fabric in Thailand

The new “Cool Feeling” technology used in Guy Laroche shirts represents the latest cooling innovation on fabric. This helps the wearer to experience coolness and comfort, absorbing sweat and quickly restoring dryness. Xylitol, a substance extracted from sugar alcohol distilled from a variety of fruits and vegetables, induces a cool feeling upon contact and releases body moisture. The substance also spreads rapidly and thus speeds up the drying of sweat. Due to its being a naturally extracted substance, there is no adverse reaction to the skin.





In addition, the product satisfied the quality requirements under the **Smart Fabric** test and has therefore acquired certification for use of the **Smart Fabric mark** issued by the Thailand Textile Institute in the category “Dry”, i.e. fabric which exhibits exceptional moisture and sweat reduction features thereby enhancing comfort for the wearer. **This product, the first in Thailand to receive accreditation and the right to use this mark, is applied on the Guy Laroche shirt product.**

#### Soft & Cool Innovations in men’s underwear under the Guy Laroche brand

The Company have created through research and development of new fabric which comprises a well-matched mixture of cotton fibers and viscose fibers. This combines with new Double Soft decorating technique to create a longer lasting smoothness than in other fabrics generally. Also, the coolness induced by Xylitol, a natural extract, does not cause any irritation on the gentle skin, speeds drying, eliminates unwanted humidity, thus ensuring a uniquely smooth and cool experience.

**Soft & Cool**

- Ultimately soft & cool fabric.
- Made from premium cotton fibres with double-soft technology to prolong the softness.
- Including the innovative Xylitol finishing to keep you cool - all day long.

การออกแบบและผลิตเส้นใยผสมคอตตอนและวิสโคส  
Double Soft มีเทคโนโลยีการตกแต่งพิเศษเพื่อเพิ่มความนุ่มนวล  
(Xylitol) ช่วยลดความชื้นและให้ความรู้สึกเย็นสบาย



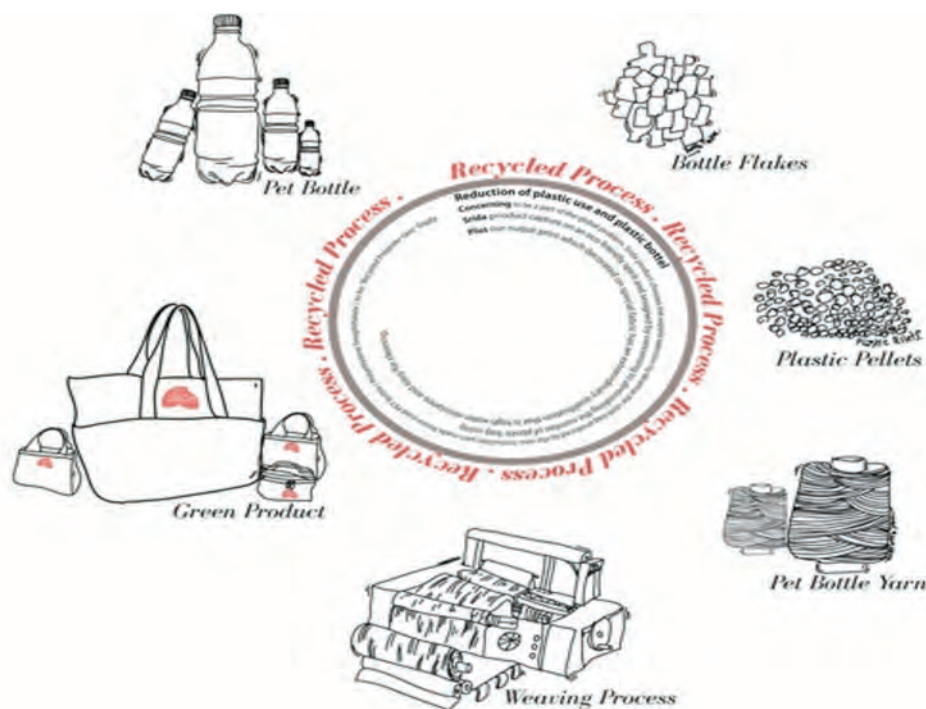
Natural Soft & Shine Developments have been continually undertaken for Absorba children's wear.

The latest innovation in the research and development of new fabric involves the selection of high quality Pima Cotton fibers that are processed by cutting-edge machinery of plants in the Saha Supply Chain. As a consequence, exceptionally high quality and smooth fibers are obtained. When woven in to fabric, the resulting texture of Pima cotton boasts a natural smoothness, good absorbent quality and shine, free from chemical additives. This fabric does not irritate the tender skin of your loved ones. Moreover, it is environmentally friendly and free from any chemicals that are harmful to health.



Srida Green Product is an innovation for energy saving, mitigation of global warming and environmental conservation.

At present, our world is facing a severe environmental crisis both in terms of excessive natural resource utilization and overflowing waste. Plastic bottles, in particular, are wastes produced in enormous amounts and take several hundreds of years to decompose. In view of these problems, Srida has decided to be a part of the environmental protection force by selecting fabric produced from natural fibers synthesized with fibers developed from used PET (Polyethylene Terephthalate) plastic bottles which are molten and converted into fibers. The result is a recycled polyester yarn, a groundbreaking technological innovation. This new recycled fiber also possesses the special property of reflecting water, adding resistance to smudge and eases cleaning.



The Process for Recycling Plastic Bottles to Srida Products

Srida Green Product currently has two stores in operation, namely Mega Bangna and J-Park Department Store in Sri Racha District, Chonburi Province. The product is also exported to Hong Kong. Further information can be found at [www.Sridagreen.com](http://www.Sridagreen.com) Facebook : Srida Green Living.

## Marketing

### Domestic Market

#### Marketing Strategy

The Company employs a marketing strategy which focuses on creating satisfaction for target customer groups, as follows:

**1. Product Strategy.** In regard to the products, emphasis has been given to research and development on the quality of products. The process begins from the selection of raw materials, product design and intricate and standardized sewing which creates satisfaction and optimally meets the demands of customers measured through regular market tests and consumer research. In the preceding year, a new innovative product was introduced,

- **Cool Innovation Shirt** Is the innovation that selected special yarn to give soft feelings and Finishing Xylitol, this will provide feel soft and cool. This product satisfied the quality requirements under the **Smart Fabric** test and has therefore acquired certification for use of the **Smart Fabric mark** in the category “Dry”, i.e. fabric which exhibits exceptional moisture and sweat reduction features thereby enhancing comfort for the wearer. **This product, the first in Thailand to receive accreditation and the right to use this mark, is applied on the Guy Laroche shirt product.** Knit on Shirt, the use of stretched fabric tailored in the form of shirts under the trademark “Guy Laroche”.

- **Bacteria Pants** Due to the humid climates in Thailand, this may be caused by bacteria on the fabric. Thus there is anti bacterial innovation to come up with the pants under the brand “Guy Laroche” “Guy Guy Laroche”.

- **Ultimate Cotton** Special yarns No. 150/2, a resolution yarn when use for produce fabric. It will make sense to wear a silky touch. This fabric is used as a raw material in the production of goods under the trademark “DAKS”.

- **Pima Cotton** Children wear **absorba** commitment continuous improvement by using high quality cotton fibers make the fabric is soft, smooth and highly absorbent. This will maintain its shine and natural cotton. The fabric furnished with non-chemical, so it will not irritate your baby’s delicate skin.

**2. Pricing Strategy.** The Company applies a pricing strategy consistent with the quality and value of its products, as well as the expansion of product pricing to incorporate a wide range of target customer groups. Prices have been set at premium levels for International Brands and extend to mid and low levels for House or Private Label Brands so as to ensure customer satisfaction in products and services that are commensurate with the prices paid.

**3. Distribution Strategy.** The Company and distributors have collaborated in enhancing knowledge on both products and services to sales assistants to ensure customer satisfaction in recommendations made by sales assistants. Visual Merchandising Display is also applied to display the artistic value of products and effectively communicate the conceptual thinking behind products to customers. In addition, the Company applies the Quick Response Marketing/Merchandising System (QRMS) to its market planning of products in order to respond to consumer needs.

**4. Sales Promotion Strategy.** As regards sales promotion, focus has been given to advertising to enhance the brand image of products and to introduce new products through various media, such as advertisements on television, magazine, newspapers, internet, catalogue, brochure and fashion shows. In addition, the Company also joined the distributor in launching marketing campaigns, for example

- Brand Guy Laroche launched the campaign “**Luck Over the Horizon Season 4, Episode: Romance Trips by Guy Laroche**”. Lucky winners consisting of 5 couples were flown to **Switzerland and Italy**.

- Brand Guy Guy Laroche began selling online ([www.guyguylarocheonline.com](http://www.guyguylarocheonline.com)) with the collection U Guy, which bring from U Guy contest

**Target Customer Groups.** The Company manufactures products for several consumer groups. The product concepts of many brands have been distinctively designed for each consumer group, such as business group, teenage group, etc.

#### Distribution and Distribution Channels

1. The Company appoints distributors for the dissemination of goods to department stores, or Modern Trade.
2. Distribution through Online channels.
3. Goods are distributed through Factory Outlets.
4. Direct sales to customers are made through hire contracts for the production of uniforms for private companies, financial institutions, government agencies and state agencies.



### Foreign Markets

#### **Marketing Strategy**

**1. Product Strategy.** The emphasis is on high quality products and the development of product design with admirable aesthetic qualities and keeping in trend with the ever dynamic fashion movements to meet customer demands. In 2012, after the customers from ASEAN visited the "IN HOUSE EXHIBITION", they was paste more order to the company. So in 2013 in order to further penetrate markets in the ASEAN market, the company has held "IN HOUSE EXHIBITION" the second consecutive year.

**2. Pricing Strategy.** The Company applies a pricing policy to enhance competitiveness in markets of the same level and be appropriate to the product quality.

**3. Sales Promotion Strategy.** The Company employs a proactive marketing strategy in cooperation with other companies in the Sahapat Group. The Saha Group Trade Fair has been organized every year, with an especially large turnout of trading partners, both domestic and foreign, in the previous year. In addition, the Company also participated in a trade fair organized by the Department of Export Promotion, such as the Mipel Fair in Milan, Italy, APLF (Asia Pacific Leather Fair) in Hongkong, China, and Biff+Bill (Bangkok International Fashion Fair + Bangkok International Leather Fair) as well as foreign trips to explore new markets, meet customers and acquire new customers regularly.

**Customer Description.** The Company's customers comprise of distributors and trademark owners from various countries, such as the United States of America, Europe, Japan, Singapore and Malaysia.

#### **Industrial and Competitive Trends**

In 2013 the overview of the industry was to grow by around 2 percent compared to last year. Growth was not high due to the domestic consumption was relatively low. The export growth was also not very high, as a result of the global economic situation is very fragile.

The industry outlook for 2014 is likely to expand by 5 percent compared with a pass year. The global economic situation is likely to unravel adjust in the better direction. The government policies of many countries stimulate the economy that trying to encourage purchasing power. But there were still some negative factors such as the U.S. debt ceiling Crisis and the debt crisis in Europe. Therefore, it is predicted that in 2014 the world economy will recover. As a result, the export sector of Thailand can be expanded to better. For Thailand economy, The government Investment in large scale projects must have many money flowing into the economy. This will help stimulate the consumption of the country.

#### **Competitiveness**

The Company is confident of its ability to maintain competitiveness after having regard to the following factors.

1. The Company has distributors who show strength in sales and marketing as well as good relationship with department stores.

2. The Company has Leader Brand products, both domestic and international, such as ARROW, Guy Laroche, DAKS, Elle Homme and Absorba.

3. The Company has domestic and foreign trade allies who support the Company's principal businesses in terms of raw materials, techniques and production technology, as well as news and information and changing fashion trends.

4. The Company has raw material and product research and development units which regularly develop modern forms of raw materials and products characterizing superior quality according to market demands.

5. The Company has installed the international quality standard control system ISO9000, operating alongside an internal monitoring working group which conducts continual checks to secure confidence in the quality of the Company's product.

6. The Company has complied with Thai Labour Standards which has resulted in the excellent morale and motivation of employees.



## Risk Factors

Thanulux Public Company Limited appreciates the importance of risk management in the context of dynamic circumstances affecting the business. Risk management is regarded as a key mechanism for driving the organisation towards its goals. This exercise not only improves efficiency, but also strengthens competitiveness and constitutes an essential component of good governance. In pursuance thereof, the Company has assigned functions to the Risk Management Committee to supervise the systematic, efficient and effective management of risks. The Risk Management Committee has consequently prescribed risk management policies which involve the assessment and analysis of external and internal risk factors affecting the organisation, determination of risk management guidelines and deliberations on the risk management plan. The Risk Management Committee also continually monitors risk management as well as file quarterly progress reports to the Board of Directors. The risk factors which may impact the Company operations are as follows:

### 1. Distribution channel Risks

The Company operates the business of producing garments and leather goods. These products are distributed both domestically and internationally. The proportions of domestic and foreign distributions are 65 percent and 35 percent of total sales revenues respectively. ICC International Public Company Limited is the local distributor and contributes to more than 50 percent of the Company's sales volume. The Company has mitigated this risk by adding more distribution channels as well as through expansion into foreign markets.

### 2. Competition Risks

#### 2.1 Domestic

At present, more competition from foreign products in department stores has led to a decline in market share. The Company has implemented risk mitigation measures by way of market research, studies and analyses of consumer behaviour in order to determine approaches to product upgrades in line with customer needs. At the same time, the Company has also developed raw material innovations and design to differentiate its products.

#### 2.2 Foreign

At present, there are foreign competitors in the garment and leather goods manufacturing market from China, Vietnam and Indonesia. The Company has modified its competition strategies and undertook various developments in order to overtake its competitors and achieve the set targets. Thus, competition has served as a tool for enhancing the Company's competency. Even though the Company enjoys leadership in the shirt and leather goods manufactured-to-order business, the Company remains steadfast in implementing following preventive measures:

- 1) The Company undertakes research and development of raw materials, including continual product development techniques so as to offer Original Design Manufacturer (ODM) sales to customers.
- 2) Existing customer bases are expanded and new customers are acquired in order to increase market share.
- 3) Efficiency is enhanced by the application of modern technology in order to curb production costs.

### 3. Foreign Exchange Risks

Due to fluctuations of foreign exchange rates, the Company has established a Foreign Exchange Risk Working Group and has implemented the following policies for the management of foreign exchange rate fluctuations:

3.1 The Company makes payments in international trade by means of a variety of foreign currencies in order to spread risks. In the case where the Company purchases raw materials from a foreign country and sells goods to a foreign country under the same currency, a balance of receipts and payments will be managed, serving as a natural hedge.

3.2 The Company applies financial tools to prevent risks by way of foreign currency forward contracts as deemed appropriate at any time. News and information on the situation of money values are also closely monitored to mitigate such risks.

**4. Public Policy Risks**

The Company has established production bases in Bangkok, Kabinburi and Lamphun. As a consequence of the Government's raising of minimum wage throughout the entire country, production labour costs have increased. The Company has implemented measures to alleviate the impact of rising production costs by curbing expenses as well as by developing and procuring machinery to reduce reliance on labour. Production efficiency has also been boosted by managing the current workforce to ensure maximum utilization. The production system has also been modified through the application of LEAN MANUFACTURING SYSTEMS, including the application of incentive pay to encourage teamwork. At the same time, the Company has developed raw materials to lower costs to competitive levels.

**5. Risks Pertaining to Personnel Development to Achieve Competencies in Line with Organisational Growth and the Creation of Competitive Advantage**

The Company appreciates the importance of the administration and development of human resources to acquire competencies with greater efficiency and effectiveness to support the organisation's business operations which must continually adapt to the dynamic business environment. For instance, the organisational structure has been revised and modified to prepare for business growth in the ASEAN Economic Community, a succession plan has been drawn up, the individual development plan has been prepared to follow the training road map and experience sharing forums have been introduced to promote a learning organisation.

## Statement of the Board of Directors' Responsibilities for the Financial Statements

The financial statements of Thanulux Public Company Limited have been prepared in accordance with the Company's Board of Directors' policies which are in compliance with Thai Financial Reporting Standards. The company's accounting statements were carefully recorded and due discretion was exercised in the preparation of the financial statements in order to accurately present the company's actual financial position and performance results.

The Board of Directors recognizes the importance of the quality of the financial statements by arranging for the verification of financial data. Additional significant information were sufficiently disclosed in the Notes to the Financial Statements, accompanied by explanations and analysis for the interest of shareholders and general investors who seek access to the financial statements.

In this connection, the Board of Directors has appointed the Audit Committee, comprising independent and non-executive members to directly oversee the quality of financial statements. Opinions of the Audit Committee are shown in the Audit Committee's Report which has already been included in this Annual Report.

The company efficient management structure, internal control system, and audit results of the certified public accountant convinced the Board of Directors that Thanulux Plc.'s financial statements as at December 31, 2013 have according to reflected accurately picture of its financial position, performance and cash flow statements, in accordance with Thai Financial Reporting Standards.



.....  
(Mrs. Varindr Leelanuwatana)  
Chairman



.....  
( Mr.Supotch Pakaworawuth)  
Managing Director



## **INDEPENDENT AUDITOR'S REPORT**

**TO THE SHAREHOLDERS AND THE BOARD OF DIRECTORS  
THANULUX PUBLIC COMPANY LIMITED**

We have audited the accompanying consolidated financial statements of Thanulux Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as of 31 December 2013, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Thanulux Public Company Limited for the same period.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Thai Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thanulux Public Company Limited and its subsidiaries and of Thanulux Public Company Limited as of 31 December 2013, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

### **Emphasis of matter**

We draw attention to Note 4 to the financial statements regarding the change in accounting policy made due to the adoption of Thai Accounting Standard 12 Income Taxes. Our conclusion is not qualified in respect of this matter.

Ms.Kwunjai Kiatgungwalgri  
Certified Public Accountant No. 5875  
ASV & ASSOCIATES LIMITED

Bangkok  
19 February 2014



THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF FINANCIAL POSITION  
AS OF 31 DECEMBER 2013

Annual Report 2013

(UNIT : BAHT)

	Notes	Consolidated Financial Statements				Separate Financial Statements			
		31 December 2013	31 December 2012	1 January 2012	31 December 2012	31 December 2013	31 December 2012	1 January 2012	31 December 2012
ASSETS			(Restated)	(Restated)	(Restated)		(Restated)	(Restated)	(Restated)
CURRENT ASSETS									
Cash and cash equivalents	8	93,513,222	149,637,696	91,690,817	78,641,498	124,594,052	60,838,087		
Short-term investments	9	617,091,110	438,045,950	277,458,469	600,749,110	417,433,950	254,342,174		
Trade and other receivables	10	365,599,646	449,391,339	379,757,118	373,593,749	453,212,563	368,199,244		
Short-term loans to related companies	11	117,000,000	125,610,088	115,000,000	134,500,000	132,610,088	124,000,000		
Other	12	1,755,007	-	-	1,755,007	-	-		
Inventories - net	13	345,538,142	421,703,922	400,996,017	279,839,997	359,778,908	341,892,929		
Other current assets		13,159,821	9,619,564	6,201,634	3,382,040	2,747,286	2,098,184		
<b>TOTAL CURRENT ASSETS</b>		<b>1,553,656,948</b>	<b>1,594,008,559</b>	<b>1,271,104,055</b>	<b>1,472,461,401</b>	<b>1,490,376,847</b>	<b>1,151,370,618</b>		
NON-CURRENT ASSETS									
Investments in subsidiaries - net	14	-	-	-	52,082,600	51,761,790	47,044,644		
Long-term investments									
Available - for - sale securities - net	15	1,152,108,725	1,349,305,422	1,156,888,841	1,152,108,725	1,349,305,422	1,156,888,841		
General investments - net	16	362,322,069	309,143,542	318,742,812	362,322,069	309,143,542	318,742,812		
Investments in debt securities									
held to maturity - net	17	74,000,000	89,000,000	142,000,000	74,000,000	89,000,000	142,000,000		
Other long - term investment - net	18	7,000,000	8,500,000	20,000,000	7,000,000	8,500,000	20,000,000		
Investment property - net	19	54,947,052	31,027,200	31,035,760	54,947,052	31,027,200	31,035,760		
Property, plant and equipment - net	20	447,337,426	481,103,426	470,924,665	416,299,151	448,231,467	437,500,643		
Intangible assets - net	21	16,920,628	13,121,178	11,017,095	16,811,040	13,002,348	10,792,839		
Leasehold right - net	22	7,411,305	8,408,826	9,416,462	7,411,305	8,408,826	9,416,462		
Deferred tax assets	31	36,095,308	33,292,248	26,733,974	32,651,081	30,867,583	23,220,817		
Other non - current assets		9,545,646	5,792,745	5,597,342	3,833,470	1,948,935	1,553,558		
<b>TOTAL NON - CURRENT ASSETS</b>		<b>2,167,688,159</b>	<b>2,328,694,587</b>	<b>2,192,356,951</b>	<b>2,179,466,493</b>	<b>2,341,197,113</b>	<b>2,198,196,376</b>		
<b>TOTAL ASSETS</b>		<b>3,721,345,107</b>	<b>3,922,703,146</b>	<b>3,463,461,006</b>	<b>3,651,927,894</b>	<b>3,831,573,960</b>	<b>3,349,566,994</b>		

The accompanying notes are an integral part of the financial statements.



THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF FINANCIAL POSITION (CONTINUED)  
AS OF 31 DECEMBER 2013

(UNIT : BAHT)

	Notes	Consolidated Financial Statements			Separate Financial Statements		
		31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
			(Restated)	(Restated)		(Restated)	(Restated)
<b>LIABILITIES AND</b>							
<b>SHAREHOLDERS' EQUITY</b>							
<b>CURRENT LIABILITIES</b>							
Bank overdrafts	23	476,970	474,040	-	-	-	-
Trade and other payables	24	234,654,710	294,955,946	278,563,905	204,709,084	263,806,955	239,108,769
Accrued corporate income tax		-	20,362,364	26,685,869	-	20,362,364	22,764,272
Other current liabilities		7,681,191	12,445,131	9,334,804	6,406,526	11,068,959	9,384,740
<b>TOTAL CURRENT LIABILITIES</b>		<b>242,812,871</b>	<b>328,237,481</b>	<b>314,584,578</b>	<b>211,115,610</b>	<b>295,238,278</b>	<b>271,257,781</b>
<b>NON - CURRENT LIABILITIES</b>							
Retirement benefit obligation	25	177,554,967	160,462,337	134,963,180	161,782,288	146,734,195	122,254,721
Deferred tax liabilities	31	145,081,015	183,190,654	141,343,301	144,182,207	182,592,125	141,044,315
Other non - current liabilities		1,047,948	632,708	692,555	154,267	114,317	185,995
<b>TOTAL NON - CURRENT LIABILITIES</b>		<b>323,683,930</b>	<b>344,285,699</b>	<b>276,999,036</b>	<b>306,118,762</b>	<b>329,440,637</b>	<b>263,485,031</b>
<b>TOTAL LIABILITIES</b>		<b>566,496,801</b>	<b>672,523,180</b>	<b>591,583,614</b>	<b>517,234,372</b>	<b>624,678,915</b>	<b>534,742,812</b>

The accompanying notes are an integral part of the financial statements.

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF FINANCIAL POSITION (CONTINUED)  
AS OF 31 DECEMBER 2013

	Notes	Consolidated Financial Statements			Separate Financial Statements		
		31 December 2013	31 December 2012	1 January 2012	31 December 2012	1 January 2012	(UNIT : BAHT)
<b>SHAREHOLDERS' EQUITY</b>							
Share capital							
Registered share capital							
120,000,000 ordinary shares of Baht 1 each		120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	
Issued and paid-up share capital							
120,000,000 ordinary shares of Baht 1 each		120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	
Premium on ordinary shares		181,125,000	181,125,000	181,125,000	181,125,000	181,125,000	
Other components of equity		565,858,886	719,937,462	558,494,505	567,427,547	721,505,181	560,062,224
Retained earnings							
Appropriated							
Legal reserve	26	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
General reserve	27,35	165,200,000	150,200,000	137,200,000	165,200,000	150,200,000	137,200,000
Unappropriated		2,095,902,910	2,047,641,763	1,842,219,217	2,088,940,975	2,022,064,864	1,804,436,958
EQUITY ATTRIBUTABLE TO PARENT COMPANY		3,140,086,796	3,230,904,225	2,851,038,722	3,134,693,522	3,206,895,045	2,814,824,182
Non-controlling interests		14,761,510	19,275,741	20,838,670	-	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>3,154,848,306</b>	<b>3,250,179,966</b>	<b>2,871,877,392</b>	<b>3,134,693,522</b>	<b>3,206,895,045</b>	<b>2,814,824,182</b>
<b>TOTAL LIABILITIES AND</b>							
<b>SHAREHOLDERS' EQUITY</b>		<b>3,721,345,107</b>	<b>3,922,703,146</b>	<b>3,463,461,006</b>	<b>3,651,927,894</b>	<b>3,831,573,960</b>	<b>3,349,566,994</b>

The accompanying notes are an integral part of the financial statements.



THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2013

(UNIT : BAHT)

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2013	2012	2013	2012
			(Restated)		(Restated)
Revenue from sales		2,249,008,394	2,583,817,725	2,056,437,863	2,343,888,875
Revenue from rendering of services		55,791,968	52,661,772	52,597,596	42,168,643
Add Allowance for goods returned no longer required	10	-	9,276,000	-	9,276,000
Net sales		2,304,800,362	2,645,755,497	2,109,035,459	2,395,333,518
Cost of sales		(1,645,149,459)	(1,844,156,330)	(1,517,480,243)	(1,669,726,236)
Cost of rendering of services		(38,808,737)	(31,393,865)	(30,652,151)	(24,911,917)
<b>GROSS PROFIT</b>		<b>620,842,166</b>	<b>770,205,302</b>	<b>560,903,065</b>	<b>700,695,365</b>
Other incomes					
Consultancy income		3,774,000	4,634,000	6,006,000	6,866,000
Dividend income		50,066,187	47,988,159	50,066,187	51,444,099
Royalty income		25,426,444	30,017,714	25,426,444	30,017,714
Gain on exchanges		5,163,650	6,733,569	3,758,337	4,665,696
Interest income		32,436,718	30,164,167	31,959,080	29,113,050
Rental income		9,260,272	9,184,692	11,673,932	11,299,325
Rental income from investment property		3,659,904	3,659,904	3,659,904	3,659,904
Others		28,243,463	28,992,914	29,731,195	30,624,388
<b>PROFIT BEFORE EXPENSES</b>		<b>778,872,804</b>	<b>931,580,421</b>	<b>723,184,144</b>	<b>868,385,541</b>
Selling expenses		(92,185,431)	(78,873,736)	(49,691,104)	(45,426,130)
Administrative expenses		(360,418,940)	(371,989,548)	(324,713,180)	(336,423,186)
Royalty expenses		(103,907,223)	(129,122,883)	(103,041,168)	(128,375,170)
Gain (loss) on impairment of investment - net		241,134	(14,157,050)	561,001	(9,439,904)
Directors' remuneration		(8,788,000)	(8,177,000)	(8,788,000)	(8,177,000)
Finance costs		(26,979)	(13,600)	-	-
<b>PROFIT BEFORE INCOME TAX EXPENSES</b>		<b>213,787,365</b>	<b>329,246,604</b>	<b>237,511,693</b>	<b>340,544,151</b>
Income tax expenses	31	(11,040,449)	(35,178,927)	(11,635,582)	(33,572,245)
<b>NET PROFIT FOR THE YEAR</b>		<b>202,746,916</b>	<b>294,067,677</b>	<b>225,876,111</b>	<b>306,971,906</b>

The accompanying notes are an integral part of the financial statements.



THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)  
 FOR THE YEAR ENDED 31 DECEMBER 2013

(UNIT : BAHT)

	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
<b>NET PROFIT FOR THE YEAR</b>	202,746,916	294,067,677	225,876,111	306,971,906
Other comprehensive income:-				
Unrealized gain on revaluation of				
available-for-sale investment (net income tax)	(154,077,634)	161,442,957	(154,077,634)	161,442,957
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>(154,077,634)</b>	<b>161,442,957</b>	<b>(154,077,634)</b>	<b>161,442,957</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>48,669,282</b>	<b>455,510,634</b>	<b>71,798,477</b>	<b>468,414,863</b>
<b>PROFIT ATTRIBUTABLE TO:-</b>				
Owners of the parent company	207,261,147	294,766,546	225,876,111	306,971,906
Non-controlling interests	(4,514,231)	(698,869)	-	-
	<b>202,746,916</b>	<b>294,067,677</b>	<b>225,876,111</b>	<b>306,971,906</b>
<b>TOTAL COMPREHENSIVE INCOME</b>				
<b>ATTRIBUTABLE TO:-</b>				
Owners of the parent company	53,183,513	456,209,503	71,798,477	468,414,863
Non-controlling interests	(4,514,231)	(698,869)	-	-
	<b>48,669,282</b>	<b>455,510,634</b>	<b>71,798,477</b>	<b>468,414,863</b>
<b>BASIC EARNINGS PER SHARE</b>				
Owners of the parent company (Unit : Baht)	1.73	2.46	1.88	2.56
Weighted average number of ordinary shares (Unit : shares)	120,000,000	120,000,000	120,000,000	120,000,000

The accompanying notes are an integral part of the financial statements.



THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2013

(UNIT : BAHT)

CONSOLIDATED FINANCIAL STATEMENTS

	Retained earnings					Other components of equity							
	Notes	Issued and paid - up share capital	Premium on ordinary shares	Appropriated		Unappropriated	Unrealized			Total	Total equity of parent company	Non-controlling interests	Total shareholders' equity
				Legal Reserve	General Reserve		Investments	Difference from revaluation of available-for-sale	shareholding ratio in subsidiary company				
Balance as of 31 December 2011 - as previously reported		120,000,000	181,125,000	12,000,000	137,200,000	1,817,245,033	700,077,780	(1,567,719)	698,510,061	2,966,080,094	20,406,625	2,986,486,719	
Cumulative effect of the change in accounting policy relating to income tax													
	4	-	-	-	-	24,974,184	(140,015,556)	-	(140,015,556)	(115,041,372)	432,045	(114,609,327)	
Balance as of 1 January 2012 - as restated		120,000,000	181,125,000	12,000,000	137,200,000	1,842,219,217	560,062,224	(1,567,719)	558,494,505	2,851,038,722	20,838,670	2,871,877,392	
General reserve	27, 35	-	-	-	13,000,000	(13,000,000)	-	-	-	-	-	-	
Dividend payment	35	-	-	-	-	(76,344,000)	-	-	-	(76,344,000)	-	(76,344,000)	
Total comprehensive income for the year		-	-	-	-	294,766,546	161,442,957	-	161,442,957	456,209,503	(698,869)	455,510,634	
Subsidiary's dividend paid to non-controlling interest		-	-	-	-	-	-	-	-	-	(864,060)	(864,060)	
Ending Balance as of 31 December 2012 - as restated		120,000,000	181,125,000	12,000,000	150,200,000	2,047,641,763	721,505,181	(1,567,719)	719,937,462	3,230,904,225	19,275,741	3,250,179,966	
Balance as of 31 December 2012 - as previously reported													
	4	-	-	-	-	30,258,142	(180,376,295)	-	(180,376,295)	(150,118,153)	219,747	(149,898,406)	
Balance as of 1 January 2013 - as restated		120,000,000	181,125,000	12,000,000	150,200,000	2,047,641,763	721,505,181	(1,567,719)	719,937,462	3,230,904,225	19,275,741	3,250,179,966	
General reserve	27, 35	-	-	-	15,000,000	(15,000,000)	-	-	-	-	-	-	
Dividend payment	35	-	-	-	-	(144,000,000)	-	-	-	(144,000,000)	-	(144,000,000)	
Total comprehensive income for the year		-	-	-	-	207,261,147	(154,077,634)	(942)	(154,078,576)	53,182,571	(4,514,231)	48,668,340	
Ending Balance as of 31 December 2013		120,000,000	181,125,000	12,000,000	165,200,000	2,095,902,910	567,427,547	(1,568,661)	565,858,866	3,140,086,796	14,761,510	3,154,848,306	

The accompanying notes are an integral part of the financial statements.

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2013

(UNIT : BAHT)

SEPARATE FINANCIAL STATEMENTS

	Notes	Retained earnings				Other components of equity		Total shareholders' equity
		Issued and paid - up share capital	Premium on ordinary shares	Appropriated		Unrealized gain (loss) on revaluation of available-for-sale investments	Unappropriated	
				Legal Reserve	General Reserve			
Balance as of 31 December 2011 - as previously reported		120,000,000	181,125,000	12,000,000	137,200,000	1,782,244,900	700,077,780	2,932,647,680
Cumulative effect of the change in accounting policy relating to income tax	4	-	-	-	-	22,192,058	(140,015,556)	(117,823,498)
Balance as of 1 January 2012 - as restated		120,000,000	181,125,000	12,000,000	137,200,000	1,804,436,958	560,062,224	2,814,824,182
General reserve	27, 35	-	-	-	13,000,000	(13,000,000)	-	-
Dividend payment	35	-	-	-	-	(76,344,000)	-	(76,344,000)
Total comprehensive income for the year (Restated)		-	-	-	-	306,971,906	161,442,957	468,414,863
Ending Balance as of 31 December 2012 - as restated		120,000,000	181,125,000	12,000,000	150,200,000	2,022,064,864	721,505,181	3,206,895,045
Balance as of 31 December 2012 - as previously reported		120,000,000	181,125,000	12,000,000	150,200,000	1,993,413,111	901,881,476	3,358,619,587
Cumulative effect of the change in accounting policy relating to income tax	4	-	-	-	-	28,651,753	(180,376,295)	(151,724,542)
Balance as of 1 January 2013 - as restated		120,000,000	181,125,000	12,000,000	150,200,000	2,022,064,864	721,505,181	3,206,895,045
General reserve	27, 35	-	-	-	15,000,000	(15,000,000)	-	-
Dividend payment	35	-	-	-	-	(144,000,000)	-	(144,000,000)
Total comprehensive income for the year		-	-	-	-	225,876,111	(154,077,634)	71,798,477
Ending Balance as of 31 December 2013		120,000,000	181,125,000	12,000,000	165,200,000	2,088,940,975	567,427,547	3,134,693,522

The accompanying notes are an integral part of the financial statements.



THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2013

(UNIT : BAHT)

	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net profit before corporate income tax	213,787,365	329,246,604	237,511,693	340,544,151
Adjustments : -				
Increase (decrease) in allowance for doubtful accounts	(587,865)	200,283	(587,865)	200,283
Increase (decrease) in allowance for goods returned	-	(9,276,000)	-	(9,276,000)
Dividend income	(50,066,187)	(47,988,159)	(50,066,187)	(51,444,099)
Depreciation and amortization	57,636,140	52,944,433	53,581,795	48,734,975
(Gain) loss on disposal of investments	(488,600)	4,089	(488,600)	4,089
Realized (gain) loss on revaluation of mutual fund	(2,633,480)	-	(2,633,480)	-
Unrealized (gain) loss on revaluation of mutual fund	2,766,776	(2,647,712)	2,766,776	(2,773,626)
(Gain) loss on impairment of investment	(241,134)	14,157,050	(561,001)	9,439,904
Loss from retirement of fixed assets	532,213	16,097	2,736	15,833
Gain on disposal of fixed assets	(217,066)	(969,775)	(217,066)	(970,677)
(Gain) loss on exchanges	(3,291,248)	(159,674)	(3,243,014)	65,512
Interest expenses	26,979	13,600	-	-
Interest income	(32,436,718)	(30,164,167)	(31,959,080)	(29,113,050)
<b>PROFIT FROM OPERATION BEFORE CHANGES</b>				
<b>IN OPERATING ASSETS AND LIABILITIES</b>	<b>184,787,175</b>	<b>305,376,669</b>	<b>204,106,707</b>	<b>305,427,295</b>
Operating assets (increase) decrease				
Trade and other receivables	89,729,718	(58,888,367)	85,294,293	(74,385,929)
Inventories	76,165,780	(20,707,905)	79,938,911	(17,885,979)
Other current assets	(3,540,257)	(3,417,930)	(634,754)	(649,102)
Other non-current assets	(3,752,901)	(195,403)	(1,884,535)	(395,377)
Operating liabilities increase (decrease)				
Trade and other payables	(61,067,446)	16,582,515	(59,727,846)	24,665,643
Other current liabilities	(4,763,940)	3,110,326	(4,662,433)	1,684,219
Retirement benefit obligations	17,092,630	25,499,157	15,048,093	24,479,474
Other non-current liabilities	415,240	(59,847)	39,950	(71,678)
<b>CASH PROVIDED FROM OPERATING ACTIVITIES</b>	<b>295,065,999</b>	<b>267,299,215</b>	<b>317,518,386</b>	<b>262,868,566</b>
Interest paid	(26,979)	(13,600)	-	-
Corporate income tax paid	(33,796,103)	(46,574,091)	(33,671,954)	(42,433,848)
<b>NET CASH RECEIVED FROM OPERATING ACTIVITIES</b>	<b>261,242,917</b>	<b>220,711,524</b>	<b>283,846,432</b>	<b>220,434,718</b>

The accompanying notes are an integral part of the financial statements.



THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2013

(UNIT : BAHT)

	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Dividend received	50,066,187	47,988,159	50,066,187	51,444,099
Interest received	31,063,245	28,463,230	30,663,685	27,528,408
Increase in fixed deposits, certificate of deposits and bill of exchanges	(222,830,043)	(123,421,662)	(227,100,043)	(120,800,043)
Proceeds from redemption of investments in mutual funds	10,151,588	5,018,184	10,151,588	18,184
Cash paid for investment in mutual funds	-	(7,536,291)	-	(7,536,291)
Cash paid for short - term loans to related parties	(2,000,000)	(10,610,088)	(12,500,000)	(13,610,088)
Cash received from short-term loans to related parties	10,690,859	-	10,690,859	5,000,000
Cash received from short-term loan to other company	844,993	-	844,993	-
Cash paid for short-term loan to other company	(2,600,000)	-	(2,600,000)	-
Increase in investments in available-for-sale securities - marketable equity securities	(20,453,380)	(15,854,805)	(20,453,380)	(15,854,805)
Decrease in investments in available-for-sale securities - debt securities	25,053,035	25,241,919	25,053,035	25,241,919
Acquisition of debt securities held to maturity	(35,000,000)	(39,000,000)	(35,000,000)	(39,000,000)
Cash received from redemption of debt securities held to maturity	92,000,000	55,000,000	92,000,000	55,000,000
Cash paid for general investments	(53,513,160)	(4,632,600)	(53,513,160)	(4,632,600)
Proceeds from disposal of general investments	1,063,425	70,731	1,063,425	70,731
Acquisition of other long - term investment - fixed deposits	(7,000,000)	(8,500,000)	(7,000,000)	(8,500,000)
Cash received from other long term - fixed deposits	-	25,000,000	-	25,000,000
Acquisition of fixed assets	(20,602,720)	(60,900,745)	(17,915,975)	(57,376,543)
Acquisition of investment property	(24,951,614)	-	(24,951,614)	-
Acquisition of intangible assets	(5,605,129)	(3,642,624)	(5,550,979)	(3,613,224)
Proceeds from disposal of fixed assets	252,393	1,285,967	252,393	1,285,500
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(173,370,321)</b>	<b>(86,030,625)</b>	<b>(185,798,986)</b>	<b>(80,334,753)</b>

The accompanying notes are an integral part of the financial statements.



THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2013

(UNIT : BAHT)

	Consolidated Financial Statements		Separate Financial Statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Increase in bank overdrafts	2,930	474,040	-	-
Dividend payment	(144,000,000)	(76,344,000)	(144,000,000)	(76,344,000)
Subsidiary's dividend paid to non-controlling interest	-	(864,060)	-	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(143,997,070)</b>	<b>(76,734,020)</b>	<b>(144,000,000)</b>	<b>(76,344,000)</b>
<b>CASH AND CASH EQUIVALENT</b>				
<b>INCREASE (DECREASE) - NET</b>	<b>(56,124,474)</b>	<b>57,946,879</b>	<b>(45,952,554)</b>	<b>63,755,965</b>
Cash and cash equivalent - beginning of the year	149,637,696	91,690,817	124,594,052	60,838,087
<b>CASH AND CASH EQUIVALENT - 31 DECEMBER</b>	<b>93,513,222</b>	<b>149,637,696</b>	<b>78,641,498</b>	<b>124,594,052</b>
<b>ADDITIONAL DISCLOSURE ITEMS TO</b>				
<b>CASH FLOWS STATEMENTS:-</b>				
Significant non-cash items consist of				
- Unrealized gain (loss) on revaluation				
of available - for - sale securities (net income tax)	(154,077,634)	161,442,957	(154,077,634)	161,442,957

The accompanying notes are an integral part of the financial statements.

THANULUX PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

**1. GENERAL INFORMATION**

- 1.1 Registration      Thanulux Public Company Limited ("The Company") is incorporated in Thailand. The Company was listed on the Stock Exchange of Thailand on 21 July 1987.
- 1.2 Office location      Head office and its factory is located at 129/1, Chongnonthri Road, Chongnonthri, Yannawa, Bangkok, Thailand.  
Factory branch (Saha Group Industrial Park - Lamphun Project) is located at 99/3 Moo 5, Paa-Sak, Muang Lamphun, Lamphun, Thailand.  
Factory branch (Saha Group Industrial Park - Kabinburi Project) is located at 125 Moo 5, Nonthri, Kabinburi, Prachinburi, Thailand.  
Factory branch (Bangplee) is located at 911 Moo 15, Teparak Road, Bangsoathong, Samutprakarn, Thailand.
- 1.3 Main activities      Manufacturing and distributing apparel. The subsidiaries' main activities are discussed in Note 6.1
- 1.4 The first five major shareholders ranged by their shareholding as of 31 December 2013 and 2012 are as follows:-

	% of issued and paid-up share capital	
	31 December 2013	31 December 2012
Saha Pathana Inter-Holding Plc.	23.52	23.52
I.D.F. Co., Ltd.	13.33	13.33
Ramasorn Thaveekarn Co., Ltd.	11.68	11.68
Mr. Samrerng Manoonpon	11.41	11.32
I.C.C. International Plc.	10.26	10.26

**2. BASIS FOR PRESENTATION OF THE FINANCIAL STATEMENTS**

- 2.1 The financial statements are prepared in accordance with Thai Accounting Standards ("TAS") and Thai Financial Reporting Standards ("TFRS") including related interpretations and guidelines promulgated by the Federation of Accounting Professions ("FAP") and the presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011 under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission (SEC).
- 2.2 The financial statements have been prepared on the historical cost basis except where otherwise disclosed in the accounting policies.
- 2.3 Using of accounting estimates  
The preparation of financial statements in conformity with TAS and TFRS requires management to make judgments, 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 recognized in the period in which the estimates are revised and in any future periods affected.
- 2.4 For the convenience of the users, English version of the financial statements has been translated from the financial statements issued in Thai language.



### 3. ADOPTION OF NEW ACCOUNTING STANDARDS

The new and revised financial reporting standards as announced by the FAP, which are mandatory for the financial year beginning on or after 1 January 2013, are as follows:-

#### Accounting standards

TAS 12	Income Taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates

#### Thai Financial Reporting Standards

TFRS 8	Operating Segments
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#### Accounting Standard Interpretations

SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

#### FAP Announcements

No. 34/2555	Accounting Treatment Guidance for Transfers of Financial Assets
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These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for the following accounting standard :-

#### TAS 12 - Income Taxes

This accounting standard deals only with taxes on income, comprising current and deferred tax. Current tax expense for a period is based on the taxable and deductible amounts that will be shown on the tax return for the current year. Deferred tax accounting is based on the temporary differences between the tax base of an asset or liability and its carrying amount in the financial statements. The Group adopted this accounting policy in this current year and restated the prior year's financial statements, presented as comparative information, as though the Group had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 4 to the financial statements.

### 4. CUMULATIVE EFFECT OF THE CHANGE IN ACCOUNTING POLICY

During the current year, the Group made the change described in Note 3 to the financial statements to its significant accounting policies, as a result of the adoption of TAS 12 Income Taxes. The cumulative effect of the change in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarized below :-

	(Unit: Thousand Baht)					
	Consolidated financial statements			Separate financial statements		
	As of			As of		
	31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
<b>Statements of financial position</b>						
Increase in deferred tax assets	36,095	33,292	26,734	32,651	30,868	23,221
Increase in deferred tax liabilities	145,081	183,191	141,343	144,182	182,592	141,044
Increase in unappropriated retained earnings	-	30,258	24,974	-	28,652	22,192
Increase in non-controlling interests of the subsidiaries	-	219	432	-	-	-
Decrease in unrealized gain on revaluation of available-for-sale investment	-	(180,376)	(140,015)	-	(180,376)	(140,015)



	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the year ended		For the year ended	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
<b>Statements of comprehensive income</b>				
<b>Profit or loss:</b>				
(Increase) decrease in income tax expenses	2,393	5,072	1,674	6,460
Increase (decrease) in profit attributable to owner of the parent company	1,756	5,284	1,674	6,460
Increase (decrease) in basic earnings per share (Baht)	0.01	0.04	0.01	0.05
Increase (decrease) in profit attributable to non-controlling interest	637	(212)	-	-
<b>Other comprehensive income:</b>				
Increase (decrease) in unrealized gain on revaluation of available-for-sale investment	38,519	(40,361)	38,519	(40,361)

## 5. NEW ACCOUNTING STANDARDS ISSUED AND NOT YET EFFECTIVE

During the current year, the Federation of Accounting Professions has issued notifications, already published in the Royal Gazette, mandating the use of financial reporting standard, accounting standard interpretation and financial reporting standard interpretations as follows :-

		<u>Effective date</u>
<b>Accounting standards</b>		
TAS 1 (revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 12 (revised 2012)	Income Taxes	1 January 2014
TAS 17 (revised 2012)	Leases	1 January 2014
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014
<b>Financial Reporting Standard</b>		
TFRS 2 (revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012)	Operating Segments	1 January 2014
<b>Accounting Standard Interpretation</b>		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014


**Financial Reporting Standard Interpretations**

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

The Group's management has assessed the effect of the accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations and believes that these standards will not have significant impact on the financial statements for the years in which they are effective.

**6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
**6.1 Basis of the consolidation of financial statements**

As of 31 December 2013 and 2012, the consolidated financial statements include the financial statements of Thanulux Public Company Limited and its subsidiaries together referred to as the "Group" as follows:-

	% of Shareholding	Incorporated in	Location	Main activities
S. Apparel Co.,Ltd.	80.00	Thailand	4/2 Moo 8, Bangna-Trad Road, KM. 18 Bangchalong, Bangplee, Samutprakarn.	Manufacturing, subcontracting and distributing apparel
T-CHAMBER CO.,LTD.	99.99	Thailand	129/1, Chongnonthri Road, Chongnonthri, Yannawa, Bangkok.	Distributing apparel
Celebrate Wealth Co.,Ltd.	86.00	Thailand	129/1, Chongnonthri Road, Chongnonthri, Yannawa, Bangkok.	Distributing apparel

- Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
- Subsidiaries' financial statements are fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- The subsidiaries' financial statements are prepared on the same reporting period as the Company's, using consistent significant accounting policies.
- Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- Non-controlling interest represents the portion of net income or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated statements of comprehensive income and in the shareholders' equity in the consolidated statements of financial position.

## 6.2 Sales of goods

Sale of goods is recognized in the statements of comprehensive income when the significant risks and rewards of ownership have been transferred to the customers. No revenue is recognized 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.

Sale of goods is the invoice value, excluding value added tax, of goods supplied after deducting discounts and allowances.

## 6.3 Dividend income

Dividend income is recognised when the right to receive the dividend is established.

## 6.4 Other revenues and expenses

Other revenues and expenses are recognised on an accrual basis.

## 6.5 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments with an original maturity of three months or less and not subject to restrictions.

## 6.6 Accounts receivable – trade

Accounts receivable – trade are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in the collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

Allowance for goods returned has been provided up by assessment of past experiences.

## 6.7 Inventories

Inventories are valued at the lower of cost (weighted average) or net realizable value.

Cost of inventories is comprised of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In case of finished goods and work in progress, cost includes an appropriate share of overheads.

Net realizable value is estimated selling price in the ordinary course of business less estimated costs to complete and to make the sale.

Allowance is made for all deteriorated, damaged, obsolete and certain slow-moving inventories.

## 6.8 Investments

- Investments in securities held for trading are stated at fair value. Gains or losses arising from changes in the carrying amounts of the securities are included in the statements of comprehensive income.
- Investments in available-for-sale securities mean investments in listed securities stated at fair value, with the objective for long-term investments. Changes in the carrying amounts of securities are recorded as separate item in the other comprehensive income until the securities are sold, and the changes are then included in the statements of comprehensive income.
- Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised by the effective rate method with the amortised amount presented as an adjustment to interest income.



- Investments in non-marketable equity securities, which the Company classifies as general investments, are stated at cost net of allowance for loss on diminution in value (if any).

Investments in related companies mean those companies in which the Group has holding interest less than 20% and/or the companies which directly or indirectly have some common management, major shareholders or such related persons.

Investments in other companies are those companies in which the Group has holding interest but has no power to govern or participate in any policy.

- Investments in subsidiaries are accounted for in the separate financial statements using cost method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year quoted on the Stock Exchange of Thailand. The fair value of unit trusts is determined from their net asset value.

Weighted average method is used for the computation of cost of investments.

#### **6.9 Investment property**

Investment property is stated at cost less accumulated depreciation and loss on impairment of assets (if any).

Cost of investment property includes purchase price and other direct costs relating to the acquisition of such asset item.

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of assets which are as follows:-

Building	20 Years
Land	Not depreciated

#### **6.10 Property, plant and equipment**

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Cost of property, plant and equipment include purchase price and other direct costs relating to the acquisition of such asset item.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Depreciation is charged to the statements of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment which are as follows:-

Land improvement	5 years
Building and structures	20, 25, 35 and 40 years
Machinery	5 - 10 years
Office equipment	3 - 5 years
Furniture and fixtures	5 years
Vehicles	5 years

Land and assets under construction and installation are not depreciated.

The Group has reviewed useful life and residual value at least at each financial year-end. In case that the residual value or estimated useful lives differs from those originally estimated, such changes are considered changes in accounting estimates.



#### 6.11 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life. The amortisation expense is charged to the comprehensive income statements.

Intangible assets with finite useful lives comprise of computer software having useful lives of 5 – 10 years.

#### 6.12 Leasehold right

Leasehold right is stated at cost less accumulated amortisation. Amortisation is calculated by reference to cost on the straight-line basis over the leasehold period of 17 – 25 years.

Amortisation is charged to the comprehensive income statements.

#### 6.13 Impairment of assets

Impairment of assets, the Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment loss is recognized in the comprehensive income statements. (An asset's recoverable amount is the higher of fair value less costs to sell and value in use).

#### 6.14 Related party transactions

Related parties and related companies with the Group means the parties or the companies that have the controlling power to the Group, controlled by the Group either directly or indirectly, or under the same control with the Group. Furthermore, the related parties and related companies also means the associated companies and the parties who have holding interest with voting rights, either directly or indirectly, and have significant influence to the Company, important management, being directors or employees of the Group who have the power to manage and control the Company's operations and subsidiary companies including the family members close to the said persons which could persuade or to act in compliance with the said persons and businesses that the said persons have controlling power or significant influence, either directly or indirectly.

#### 6.15 Foreign currency transactions

Foreign currency transactions are translated into Baht at the rates ruling on the occurrence dates. Assets and liabilities in foreign currency outstanding on the statement of financial position date are translated into Baht at the reference exchange rates as determined by the Bank of Thailand on the statement of financial position date, except the transactions of forward exchange contracted with the banks will be recognised at fair value.

Exchange gains or losses are included as incomes or expenses in the statements of comprehensive income.

#### 6.16 Employee benefits

- **Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

- **Defined contribution plans**

The Company and its subsidiaries operate a provident fund, being a defined contribution plan, the assets for which are held in a separate trust fund and managed by a fund manager. The provident fund is contributed by payments from employees and by the Group. The Group's contributions to the provident fund are charged to the statement of comprehensive income in the years to which they relate.



- **Defined benefit plans**

- Termination and retirement benefits

Under Labor Laws applicable in Thailand and Group's employment policy, all employees completing 120 days of service are entitled to severance pay on termination or retrenchment without cause or upon retirement age of 55 and 58. The severance pay will be at the rate according to number of years of service as stipulated in the Labor Law which is currently at a maximum rate of 300 days of final salary. And employees who have provided the services to the Group more than 20 years, the special severance pay on termination or retrenchment without cause will be compensated at the rate specified.

- Other long-term benefits

The Group has a policy to reward employees upon 10, 20 and 30 years of services at specified lump-sum amounts.

The Company also has a policy to provide compensation to retired directors by reference to service years as the Company's director multiplied by a specified rate.

The Group provides provision regarding the employee benefits under defined benefits plan by using the actuarial technique. The present value of the defined benefits obligation is determined by discounting estimated future cash flows using yields on the government bonds which have terms to maturity approximating the terms of related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, length of service and other. The costs associated with providing these benefits are charged to the statement of comprehensive income so as to spread the cost over the employment period during which the entitlement to benefits is earned.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in the statement of comprehensive income.

#### **6.17 Operating lease**

Lease in which substantially all the risks and rewards of ownership of assets remain with the lessor is accounted for as operating lease. Rentals applicable to such operating leases are charged to the statements of comprehensive income over the lease terms.

#### **6.18 Provision**

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

Presentation for a provision in the statements of comprehensive income is the net amount which can be reimbursed.

#### **6.19 Income tax expense**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

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**

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognizes deferred tax liabilities for all taxable temporary differences while they recognize deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against such deductible temporary differences and tax losses carried forward that can be utilized.

At each reporting date, the Group reviewed and reduced the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The Group recorded deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

**6.20 Fundamental earnings per share**

Fundamental earnings per share are calculated by dividing net income by the number of ordinary shares outstanding at the end of the year. In case of a capital increase, the number of ordinary shares is weighted according to time of subscription received.

**7. TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES**

The Company had transactions with its subsidiaries and related companies, given that those companies having the same group of shareholders or mutual directors. Significant inter-company transactions and outstanding balances as of 31 December 2013 and 2012 are summarized below:-

**7.1 NATURE OF RELATIONSHIPS**

RELATED PARTIES	TYPES OF BUSINESS	RELATIONSHIP
1. S. Apparel Co., Ltd.	Manufacturing, subcontracting and distributing apparel	Co-directors, Co-shareholders and being subsidiary
2. T-Chamber Co., Ltd.	Distributing apparel	Co-directors, Co-shareholders and being subsidiary
3. Celebrate Wealth Co., Ltd.	Distributing apparel	Co-directors, Co-shareholders and being subsidiary
4. People's Garment Plc.	Garment manufacturing	Co-shareholders
5. I.C.C. International Plc.	Consumer goods distributing	Co-directors, Co-shareholders
6. Sahacogen (Chonburi) Plc.	Electricity generating and distributing	Co-directors, Co-shareholders
7. Thai Wacoal Plc.	Ladies' lingerie manufacturing	Co-directors, Co-shareholders
8. Textile Prestige Plc.	Embroidery fabric manufacturing	Co-directors, Co-shareholders
9. Saha Pathana Inter-Holding Plc.	Holding company	Co-directors, Co-shareholders
10. Far East DDB Plc.	Advertising	Co-shareholders
11. O.C.C. Plc.	Distributing cosmetics and apparel	Co-shareholders



RELATED PARTIES	TYPES OF BUSINESS	RELATIONSHIP
12. Saha Pathanapibul Plc.	Consumer goods distributing	Co-directors, Co-shareholders
13. Thai Monster Co., Ltd.	Garment manufacturing	Co-directors, Co-shareholders
14. Total Way Image Co., Ltd.	Leatherware manufacturing	Co-directors, Co-shareholders
15. Thai Naxis Co., Ltd.	Label manufacturing	Co-shareholders
16. SSDC (Tigertex) Co., Ltd.	Bleaching, dyeing fabric and yarn	Co-directors, Co-shareholders
17. International Commercial Coordination (Hong Kong) Ltd.	Apparel distributing	Co-shareholders
18. International Leather Fashion Corp., Ltd.	Leatherware manufacturing	Co-directors, Co-shareholders
19. Wise Winner Co., Ltd.	Distributing garment and sport equipment	Co-shareholders
20. Five Stars Plus Co., Ltd.	Garment manufacturing	Co-shareholders
21. Morgan De Toi (Thailand) Co., Ltd.	Distributing apparel	Co-directors, Co-shareholders
22. Champ Ace Co., Ltd.	Garment manufacturing	Co-directors, Co-shareholders
23. Pak Numpo Wattana Co., Ltd.	Apparel distributing	Co-management, Co-shareholders
24. S.T.G.C. Co., Ltd.	Research and develop business	Co-shareholders
25. Grand Star Industry Co., Ltd.	Fabric manufacturing	Co-shareholders
26. Intanin Chiangmai Co., Ltd.	Apparel distributing	Co-shareholders
27. Koraj Wattana Co., Ltd.	Apparel distributing	Co-management, Co-shareholders
28. Sun & Sand Co., Ltd.	Apparel distributing	Co-management, Co-shareholders
29. Eastern I.C.C. Co., Ltd.	Apparel distributing	Co-management, Co-shareholders
30. Maharachapreuk Co., Ltd.	Apparel distributing	Co-management, Co-shareholders
31. Thai Takaya Co., Ltd.	Jeans manufacturing	Co-directors, Co-shareholders
32. Thai Gunze Co., Ltd.	Garment manufacturing	Co-management, Co-shareholders
33. Waseda Education (Thailand) Co., Ltd.	Education institution	Co-directors, Co-shareholders
34. Thai Bunka Fashion Co., Ltd.	Fashion institution	Co-directors, Co-shareholders
35. Sriracha Aviation Co., Ltd.	Machinery and plane maintenance	Co-directors, Co-shareholders
36. Sunrise Garment Co., Ltd.	Garment manufacturing	Co-shareholders



RELATED PARTIES	TYPES OF BUSINESS	RELATIONSHIP
37. K. Commercial and Construction Co., Ltd.	Construction contractor	Co-directors, Co-shareholders
38. H & B Intertext Co., Ltd.	Fabric doll manufacturing	Co-shareholders
39. Sriracha BSC Bowling Co., Ltd.	Bowling alley	Co-directors, Co-shareholders
40. Thai Shikibo Co., Ltd.	Cotton yarn manufacturing	Co-shareholders
41. Thai Staflex Co., Ltd.	Fabric products	Co-shareholders
42. Treasure Hill Co., Ltd.	Golf course	Co-shareholders
43. Thai Asahi Kazei Spandex Co., Ltd.	Manufacturing and distributing spandex	Co-shareholders
44. Value Added Textile Co., Ltd.	Fabric embroidering and printing	Co-shareholders
45. Panland Co., Ltd.	Property development	Co-directors, Co-shareholders
46. Wien International Co., Ltd.	Direct sale	Co-shareholders
47. Sahapat Real Estate Co., Ltd.	Real estate development	Co-directors, Co-shareholders
48. Janome (Thailand) Co., Ltd.	Sewing machines	Co-shareholders
49. Sahapat Properties Co., Ltd.	Property development	Co-shareholders
50. Thai Itokin Co., Ltd.	Garment manufacturing	Co-shareholders
51. Racha Uchino Co., Ltd.	Household textile	Co-directors, Co-shareholders
52. Erawan Textile Co., Ltd.	Spun yarn and fabrics manufacturing	Co-directors, Co-shareholders
53. Pattaya Manufacturing Co., Ltd.	Garment manufacturing	Co-shareholders
54. Ramasorn Thaveekarn Co., Ltd.	Investment	Shareholder
55. Deluxe Bijou Societe Anonyme Co., Ltd.	Manufacturing and distributing ornament	Co-directors, Co-shareholders
56. PTK Multi Services Co., Ltd.	Security service	Co-shareholders
57. I.D.F. Co., Ltd.	Investment	Co-shareholders
58. Bangkok Tokyo Socks Co.,Ltd.	Manufacturing and distributing socks	Co-shareholders
59. Fujix International Co.,Ltd.	String distributing	Co-shareholders
60. PELLETTERIA TNL - S.R.L.	Leatherware manufacturing	Co-directors, Co-shareholders



Pricing policies of related party transactions are as follows:-

Transactions	Pricing policies
Sale of goods	Agreed-upon price by referring to market price
Purchase of goods	Agreed-upon price/ market price
Selling and administrative expenses	Contractually-agreed prices
Interest income	At 3.75%- 4.75% per annum.
Directors' remunerations (directors' fee, annual compensation)	Rates approved by shareholders
Purchase of immovable property	Market price (based on value of property assessed by an independent valuer)
Fixed assets construction service	Contractually-agreed prices

## 7.2 RELATED PARTY REVENUE AND EXPENSES

The revenue, expenses and other transaction for the years ended 31 December 2013 and 2012 are as follows:-.

	(UNIT: THOUSAND BAHT)			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Sales				
- I.C.C. International Plc.	1,105,154	1,414,911	1,105,286	1,414,219
- Other companies	93,479	72,924	158,963	143,092
Total	1,198,633	1,487,835	1,264,249	1,557,311
Dividend income (Notes 14,15 and 16)	47,924	46,437	47,924	49,893
Other income	68,141	77,303	74,978	82,933
Purchase of goods and raw materials	189,420	272,197	174,476	240,031
Selling and administrative expenses	70,780	79,493	81,822	89,373
Purchase of fixed assets	25,382	-	24,960	-
Fixed assets construction service	-	7,750	-	7,750

### Management benefit expenses

Management benefit expenses represent benefits paid to the Company's management such as salaries and related benefits including benefits paid by other means. The Company's management is the persons defined under the Securities and Exchange Act.

Management benefit expenses for the years ended 31 December 2013 and 2012 are as follows:-.

	(UNIT: BAHT)	
	Consolidated and Separate financial statements	
	2013	2012
Short-term employee benefits	32,338,262	32,792,265
Post-employment benefits	2,623,314	2,136,932
Total	34,961,576	34,929,197

## 7.3 INTER-COMPANY BALANCES OF ASSETS AND LIABILITIES

As of 31 December 2013 and 2012, inter-company balances are as follows :-

	(UNIT: THOUSAND BAHT)			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Accounts receivable - trade				
- I.C.C. International Plc.	164,980	257,956	165,248	257,894
- Others	30,558	29,373	77,416	80,784
Total (Note 10)	195,538	287,329	242,664	338,678
Short-term loans (Note 11)	117,000	125,610	134,500	132,610
Accrued income	3,604	5,371	3,777	5,725
Investments - net				
(Notes 14,15 and 16)	1,327,290	1,461,643	1,379,373	1,513,404
Accounts payable - trade (Note 24)	22,806	31,468	18,120	22,153
Accrued expenses	6,941	12,065	7,134	13,219

Movements of loans to related parties for the years ended 31 December 2013 and 2012 are as follows:-

	(UNIT: THOUSAND BAHT)					
	Consolidated financial statements		Separate financial statements		Interest per annum (per cent)	
	2013	2012	2013	2012	2013	2012
<b>SSDC (Tigertex) Co., Ltd.</b>						
Beginning balance	45,000	45,000	45,000	45,000		
Add increase during the year	-	-	-	-		
Less repayment during the year	-	-	-	-		
Ending balance	45,000	45,000	45,000	45,000	4.25	4.00
<b>Erawan Textile Co., Ltd.</b>						
Beginning balance	70,000	70,000	70,000	70,000		
Add increase during the year	-	-	-	-		
Less repayment during the year	-	-	-	-		
Ending balance	70,000	70,000	70,000	70,000	4.75	4.50
<b>International Leather Fashion Corp., Ltd.</b>						
Beginning balance	-	-	-	-		
Add increase during the year	2,000	-	2,000	-		
Less repayment during the year	(2,000)	-	(2,000)	-		
Ending balance	-	-	-	-	-	-
<b>Celebrate Wealth Co., Ltd.</b>						
Beginning balance	-	-	7,000	4,000		
Add increase during the year	-	-	10,500	3,000		
Less repayment during the year	-	-	-	-		
Ending balance	-	-	17,500	7,000	3.75	3.75



(UNIT: THOUSAND BAHT)

	Consolidated financial statements		Separate financial statements		Interest per annum (per cent)	
	2013	2012	2013	2012	2013	2012
<b>Morgan De Toi (Thailand) Ltd.</b>						
Beginning balance	9,000	-	9,000	-		
Add increase during the year	-	9,000	-	9,000		
Less repayment during the year	(7,000)	-	(7,000)	-		
Ending balance	2,000	9,000	2,000	9,000	4.00	4.00

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Beginning balance	1,610	-	1,610	-		
Add increase during the year	-	1,610	-	1,610		
Less repayment during the year	(1,610)	-	(1,610)	-		
Ending balance	-	1,610	-	1,610	-	6.00
<b>Total short-term loans - net</b>	<b>117,000</b>	<b>125,610</b>	<b>134,500</b>	<b>132,610</b>		

**8. CASH AND CASH EQUIVALENTS**

(UNIT: BAHT)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash on hand	694,922	602,356	306,104	395,132
Deposits - saving accounts	20,307,790	27,686,551	13,324,884	18,188,577
Fixed deposits and bill of exchanges	72,510,510	121,348,789	65,010,510	106,010,343
<b>Total</b>	<b>93,513,222</b>	<b>149,637,696</b>	<b>78,641,498</b>	<b>124,594,052</b>

**9. SHORT-TERM INVESTMENTS**

(UNIT: BAHT)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
1) Fixed deposits & certificate of deposits(*)	551,344,117	294,902,074	535,002,117	294,902,074
2) Bill of exchanges & promissory notes(**)	-	20,612,000	-	-
3) Trading securities				
- Mutual funds	228,970	7,747,077	228,970	7,747,077
Unrealized gain on revaluation of investment	18,023	2,784,799	18,023	2,784,799
Net	246,993	10,531,876	246,993	10,531,876
4) Held-to-maturity debt securities - due within 1 year				
- Debentures (note 17)	50,000,000	92,000,000	50,000,000	92,000,000
- Fixed deposits (note 18)	15,500,000	20,000,000	15,500,000	20,000,000
<b>Total</b>	<b>617,091,110</b>	<b>438,045,950</b>	<b>600,749,110</b>	<b>417,433,950</b>



(\*) Fixed deposit and certificate of deposits are subject to the interest at 1.50 – 4.00 percent per annum.  
(2012 : 1.75 – 3.90 percent per annum)

(\*\*) As of 31 December 2012, Bill of exchanges and promissory notes are subject to the interest at 2.50 – 3.45 percent per annum. (2013 : nil)

Movements of investments in mutual funds for the years ended 31 December 2013 and 2012 are as follows:-

	(UNIT: BAHT)			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Beginning balance - fair value	10,531,876	5,366,057	10,531,876	240,143
Acquisition	-	7,536,291	-	7,536,291
Redemption	(7,518,107)	(5,018,184)	(7,518,107)	(18,184)
Changes in unrealized gain on revaluation of investment	(2,766,776)	2,647,712	(2,766,776)	2,773,626
Ending balance - fair value	246,993	10,531,876	246,993	10,531,876

#### 10. TRADE AND OTHER RECEIVABLES

	(UNIT: BAHT)			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<b>Account receivables - trade</b>				
Related companies (Note 7.3)	195,538,273	287,329,476	242,663,782	338,677,821
Others	166,839,005	159,921,826	133,269,735	117,528,684
Total	362,377,278	447,251,302	375,933,517	456,206,505
<u>Less</u> Allowance for doubtful accounts	(88,953)	(676,818)	(88,953)	(676,818)
Allowance for goods returned	(28,724,000)	(28,724,000)	(28,724,000)	(28,724,000)
Account receivables - trade - net	333,564,325	417,850,484	347,120,564	426,805,687
<b>Other receivables</b>				
Accrued income	7,758,599	10,799,197	5,761,121	9,098,649
Accrued interest	7,807,107	6,433,634	7,626,325	6,330,930
Advance payment for goods	5,716,102	2,477,484	5,629,817	2,477,484
Others	10,753,513	11,830,540	7,455,922	8,499,813
<b>Total trade and other receivables</b>	<b>365,599,646</b>	<b>449,391,339</b>	<b>373,593,749</b>	<b>453,212,563</b>



The aging of trade accounts receivable are as follows:

	(UNIT: BAHT)			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<b>Related companies</b>				
Trade notes receivable - current	6,892,731	2,213,473	6,892,731	2,180,990
Accounts receivable - trade				
Current	183,937,515	268,812,552	219,429,502	320,220,373
Overdue within 3 months	4,518,743	15,904,112	15,535,009	15,877,119
Over 3 to 6 months	189,284	399,339	806,540	399,339
Total	195,538,273	287,329,476	242,663,782	338,677,821
Less Allowance for goods returned	(28,724,000)	(28,724,000)	(28,724,000)	(28,724,000)
Net	<u>166,814,273</u>	<u>258,605,476</u>	<u>213,939,782</u>	<u>309,953,821</u>
<b>Other companies</b>				
Trade notes receivable - current	2,378,086	2,983,754	-	-
Accounts receivable - trade				
Current	130,407,979	129,650,167	99,590,709	91,256,749
Overdue within 3 months	27,962,052	25,818,813	27,611,669	25,296,347
Over 3 to 6 months	6,001,936	792,274	5,978,405	298,770
Over 6 to 12 months	28,285	676,818	28,285	676,818
Over 12 months	60,667	-	60,667	-
Total	166,839,005	159,921,826	133,269,735	117,528,684
Less Allowance for doubtful accounts	(88,953)	(676,818)	(88,953)	(676,818)
Net	<u>166,750,052</u>	<u>159,245,008</u>	<u>133,180,782</u>	<u>116,851,866</u>
<b>Total</b>	<u><b>333,564,325</b></u>	<u><b>417,850,484</b></u>	<u><b>347,120,564</b></u>	<u><b>426,805,687</b></u>

Movements of allowance for goods returned for the years ended 31 December 2013 and 2012 are as follows:-

	(UNIT: BAHT)	
	Consolidated and Separate financial statements	
	2013	2012
<b>Beginning balance</b>	28,724,000	38,000,000
Decrease (included in revenue from sales in the statement of income)	-	(9,276,000)
Ending balance	<u>28,724,000</u>	<u>28,724,000</u>

#### 11. SHORT-TERM LOANS TO RELATED COMPANIES

The loans represent promissory notes which are unsecured and repayable at call with the repayment period within 1 month, renewable, and subject to the interest at 3.75 - 4.75 percent per annum. (2012 : 3.75 - 6.00 percent per annum) (Note 7.3)

#### 12. SHORT-TERM LOAN TO OTHER COMPANY

Short-term loan to a local company is subjected to interest at the rate of 7 per cent per annum with a monthly installment of Baht 225,000. The loan is guaranteed by other two individuals and mortgaged by land and building of the two persons. (2012: nil)

## 13. INVENTORIES - NET

(UNIT: BAHT)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Finished goods	170,202,630	198,183,787	119,045,508	149,617,594
Work in process	60,258,884	86,875,404	56,061,777	86,187,207
Raw material	103,618,076	128,602,784	96,914,677	116,918,873
Supplies	1,992,932	2,060,916	1,360,388	1,421,980
Goods in transit	10,265,703	6,242,919	6,457,647	5,633,254
Total	346,338,225	421,965,810	279,839,997	359,778,908
Less Allowance for slow-moving stock	(800,083)	(261,888)	-	-
Net	345,538,142	421,703,922	279,839,997	359,778,908

## 14. INVESTMENTS IN SUBSIDIARIES - NET

(UNIT: THOUSAND BAHT)

	Separate financial statements							
	Paid - up share capital		Percentage of shareholding		Cost method		Dividend for the years ended	
Subsidiary companies	2013	2012	2013	2012	2013	2012	2013	2012
S. Apparel Co., Ltd.	36,000	36,000	80.00	80.00	27,730	27,729	-	3,456
T-CHAMBER Co., Ltd	10,000	10,000	99.99	99.99	9,999	9,999	-	-
Celebrate Wealth Co.,Ltd.	40,000	40,000	86.00	86.00	29,036	29,036	-	-
					66,765	66,764	-	3,456
Less Allowance for impairment					(14,682)	(15,003)	-	-
Net					52,083	51,761	-	3,456

Movements of allowance for impairment for the years ended 31 December 2013 and 2012 are as follows :-

(UNIT: THOUSAND BAHT)

	Separate financial statements	
	2013	2012
Beginning balance	15,003	19,719
Decrease (included in loss on impairment of investment)	(321)	(4,716)
Ending balance	14,682	15,003


**15. INVESTMENTS IN AVAILABLE-FOR-SALE SECURITIES - NET**

(UNIT: THOUSAND BAHT)

	Consolidated and separate financial statements			
	Investment		Dividend for the years ended	
	2013	2012	2013	2012
<b>Marketable equity securities</b>				
Related companies	295,683	295,683	33,865	31,195
Others	68,287	47,833	2,043	1,657
Total cost	363,970	343,516	35,908	32,852
Add Unrealized gain on investment revaluation	708,745	901,639	-	-
Total fair value	1,072,715	1,245,155	35,908	32,852
<b>Debt securities</b>				
Government bonds	43,275	40,017	-	-
The Bank of Thailand's bonds	-	11,192	-	-
Promissory notes and oversea bank bond	5,046	11,101	-	-
Debentures	30,533	41,597	-	-
Total cost	78,854	103,907	-	-
Add Unrealized gain on investment revaluation	539	243	-	-
Total fair value	79,393	104,150	-	-
<b>Total fair value of investments</b>	<b>1,152,108</b>	<b>1,349,305</b>	<b>35,908</b>	<b>32,852</b>

Unrealized gain on investment revaluation movements for the years ended 31 December 2013 and 2012 are as follows:-

	Consolidated and separate financial statements		
	2013		
	Equity securities	Debt securities	Total
Beginning balance	901,639	243	901,882
Increase (decrease) during the year - net	(192,894)	296	(192,598)
Ending balance	708,745	539	709,284
	2012		
	Equity securities	Debt securities	Total
	Equity securities	Debt securities	Total
Beginning balance	700,585	(508)	700,077
Increase during the year - net	201,054	751	201,805
Ending balance	901,639	243	901,882

As of 31 December 2013 and 2012, investments in marketable equity securities consist of:-

(UNIT: THOUSAND BAHT)

	Paid - up capital	Percentage of shareholding		Investment		Dividend for the years ended	
		2013	2012	2013	2012	2013	2012
Related companies							
1. People's Garment Plc.	96,000	14.05	14.05	52,684	52,684	8,090	8,090
2. I.C.C. International Plc.	290,634	3.44	3.44	125,562	125,562	12,508	11,007
3. Sahacogen (Chonburi) Plc.	955,000	1.77	1.77	32,759	32,759	3,047	2,540
4. Thai Wacoal Plc.	120,000	1.39	1.39	22,476	22,476	4,009	3,507
5. Textile Prestige Plc.	108,000	0.96	0.96	10,185	10,185	569	414
6. Saha Pathana Inter-Holding Plc.	494,034	0.68	0.68	36,976	36,976	773	773
7. Far East DDB Plc.	75,000	0.35	0.35	505	505	207	233
8. O.C.C. Plc.	60,000	0.13	0.13	41	41	64	56
9. Saha Pathanapibul Plc.	323,380	0.07	0.07	995	995	233	210
10. President Bakery Plc.	450,000	1.00	1.00	13,500	13,500	4,365	4,365
Total				295,683	295,683	33,865	31,195
Add Unrealized gain on investment revaluation				678,057	865,663	-	-
Net				973,740	1,161,346	33,865	31,195
Others							
1. Thai Toray Textile Mill Plc.				265	265	180	45
2. Nation Multimedia Group Plc.				15,213	8,608	-	-
3. Bangkok Bank Plc.				11,560	11,224	823	760
4. Kasikorn Bank Plc.				779	654	45	38
5. The Siam Cement Plc.				5,625	5,215	300	230
6. PTT Plc.				2,248	2,004	65	60
7. Thoresen Thai Agencies Plc.				75	75	-	46
8. Thai Oil Plc.				368	368	18	15
9. PTT Global Chemical Plc.				450	450	26	15
10. MK Restaurant Group Plc.				373	-	-	-
11. BTS Growth mutual fund				12,931	-	300	-
12. Regal Corporation				9,853	9,853	221	168
13. Others				8,547	9,117	65	280
Total				68,287	47,833	2,043	1,657
Add Unrealized gain on investment revaluation				30,688	35,976	-	-
Net				98,975	83,809	2,043	1,657
Total				1,072,715	1,245,155	35,908	32,852




**16. GENERAL INVESTMENTS - NET**

(UNIT: THOUSAND BAHT)

	Consolidated financial statements		Separate financial statements		Dividend for the years ended	
	2013	2012	2013	2012	2013	2012
Related companies	396,454	345,005	392,454	341,005	14,059	15,242
Others	12,283	12,283	12,283	12,283	100	175
Total	408,737	357,288	404,737	353,288	14,159	15,417
Less Allowance for impairment	(46,415)	(48,144)	(42,415)	(44,144)	-	-
Net	362,322	309,144	362,322	309,144	14,159	15,417

Movements of general investments for the years ended 31 December 2013 and 2012 are as follows:-

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Beginning balance	357,288	361,414	353,288	357,414
Increase during the year	53,512	4,633	53,512	4,633
Decrease during the year	(2,063)	(8,759)	(2,063)	(8,759)
Ending balance	408,737	357,288	404,737	353,288

Movements of allowance for impairment for the years ended 31 December 2013 and 2012 are as follows:-

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Beginning balance	48,144	42,671	44,144	38,671
Increase (decrease ) during the year				
(included in loss on impairment of investment)	(241)	14,157	(241)	14,157
Decrease during the year (selling investment)	(1,488)	(8,684)	(1,488)	(8,684)
Ending balance	46,415	48,144	42,415	44,144

Significant movements of general investments for the years ended 31 December 2013 and 2012 are as follows:-

- In March 2013, the Company invested in shares of the increased shares capital (proportionate acquisition to existing shareholding interest and acquisition from former shareholders who forgo share subscription rights) of Erawan Textile Co., Ltd. at Baht 46,915,200. The company had already registered the shares increase with the Ministry of Commerce.
- In July 2013, the Company invested in shares of the increased shares capital (proportionate acquisition to existing shareholding interest) of Morgan De Toi (Thailand) Ltd. at Baht 2,401,297. The company had already registered the shares increase with the Ministry of Commerce.
- In September 2013, the Company invested in shares of the increased shares capital (from former shareholders who forgo share subscription rights) of 3,000 ordinary shares of Fujix International Co., Ltd. amounting to Baht 3,000,000. The company had already registered the shares increase with the Ministry of Commerce.
- In December 2013, the Company sold the entire investment in Sriracha BSC Bowling Co., Ltd. for Baht 1,000,000 resulting in total gain on disposal of investment of Baht 488,600.
- In August 2012, the Company invested additionally in 30,000 ordinary shares of Thai staflex Co., Ltd. amounting to Baht 3,962,700.

As of 31 December 2013 and 2012, general investments consist of:-

(UNIT: THOUSAND BAHT)

Consolidated and separate financial statements							
	Paid - up capital (Thousand)	Percentage of shareholding		Investment		Dividend for the years ended	
		2013	2012	2013	2012	2013	2012
Separate financial statements							
- Related companies							
1.Thai Monster Co., Ltd.	20,000	19.00	19.00	* 5,549	* 5,549	-	-
2.Total Way Image Co., Ltd.	20,000	19.00	19.00	7,132	7,132	1,520	1,520
3.Thai Naxis Co., Ltd.	20,000	19.00	19.00	4,700	4,700	627	228
4.SSDC (Tigertex) Co., Ltd.	324,000	18.96	18.96	68,635	68,635	2,458	1,843
5.International Commercial Coordination (Hong Kong) Ltd.	HKD 2,000	18.00	18.00	* 2,291	* 2,291	-	-
6.International Leather Fashion Corp., Ltd.	50,000	18.00	18.00	8,810	8,810	2,250	1,980
7.Wise Winner Co., Ltd.	10,000	18.00	18.00	* 1,800	* 1,800	-	-
8. Five Stars Plus Co., Ltd.	50,000	17.00	17.00	* 8,500	* 8,500	-	-
9.Morgan De Toi (Thailand) Ltd.	40,000	16.00	15.99	6,401	3,999	320	400
10.Champ Ace Co., Ltd.	40,000	15.00	15.00	6,000	6,000	1,500	1,500
11.Pak Numpo Wattana Co., Ltd.	1,000	14.00	14.00	1,037	1,037	28	14
12.S.T.G.C. Co., Ltd.	2,500	13.00	13.00	325	* 325	-	-
13.Erawan Textile Co., Ltd.	465,094	16.02	15.18	110,769	63,854	-	828
14.Grand Star Industry Co., Ltd.	20,000	12.50	12.50	4,992	4,992	750	1,250
15.Intanin Chiangmai Co., Ltd.	5,000	12.50	12.50	2,781	2,781	125	125
16.Koraj Wattana Co., Ltd.	1,000	12.50	12.50	1,528	1,528	13	13
17.Sun & sand Co., Ltd.	1,000	12.50	12.50	1,499	1,499	25	-
18.Eastern I.C.C. Co., Ltd.	1,000	12.50	12.50	2,938	2,938	25	25
19.Maharachapruек Co., Ltd.	1,000	12.00	12.00	415	415	12	12
20.Thai Takaya Co., Ltd.	30,000	11.00	11.00	3,300	3,300	132	198
21.Thai Gunze Co., Ltd.	180,000	8.00	8.00	* 17,280	* 17,280	-	-
22.Wazeda Education (Thailand)	56,000	7.14	7.14	4,000	4,000	-	-
23.Thai Bunka Fashion Co., Ltd.	25,000	8.00	8.00	* 2,000	* 2,000	-	-
24.Sriracha Aviation Co., Ltd.	55,000	3.64	3.64	* 2,000	* 2,000	-	-
25.Sunrise Garment Co., Ltd.	10,000	5.00	5.00	1,966	1,966	125	110
26.K. Commercial and Construction Co., Ltd.	50,000	5.00	5.00	6,694	6,694	250	250
27.H & B Intertext Co., Ltd.	40,000	5.00	5.00	2	2	280	200
28.Bangkok Tokyo Socks Co., Ltd.	143,220	4.89	4.89	5,755	5,755	420	350
29.Sriracha BSC Bowling Co., Ltd.	47,000	-	4.26	-	* 2,000	-	-
30.Thai Shikibo Co., Ltd.	237,500	4.81	4.81	11,425	11,425	1,485	2,056
31.Thai Staflex Co., Ltd.	60,000	9.00	9.00	6,363	6,363	810	288



(UNIT: THOUSAND BAHT)

## Consolidated and separate financial statements

	Paid - up capital (Thousand)	Percentage of shareholding		Investment		Dividend for the years ended	
		2013	2012	2013	2012	2013	2012
32.Treasure Hill Co., Ltd.	200,000	4.00	4.00	* 6,300	* 6,300	-	-
33.Thai Asahi Kazei Spandex Co., Ltd.	1,350,000	4.00	4.00	* 54,000	54,000	-	1,115
34.Value Added Textile Co., Ltd.	16,500	3.00	3.00	67	67	-	30
35.Panland Co., Ltd.	300,000	3.00	3.00	* 9,000	* 9,000	-	-
36.Wien International Co., Ltd.	30,000	2.40	2.40	1,547	1,547	180	144
37.Sahapat Real Estate Co., Ltd.	250,000	2.40	2.40	6,165	6,165	180	180
38.Janome (Thailand) Co., Ltd.	97,400	2.00	2.00	2,759	1,760	440	440
39.Sahapat Properties Co., Ltd.	20,000	1.00	1.00	* 200	200	-	-
40.Thai Itokin Co., Ltd.	100,000	1.00	1.00	* 1,411	* 1,411	-	-
41.Racha Uchino Co., Ltd.	121,500	0.49	0.49	359	163	59	98
42.Pattaya Manufacturing Co., Ltd.	30,000	0.33	0.33	741	741	45	45
43.Fujix International Co., Ltd.	100,000	3.00	-	3,000	-	-	-
44.PELLETERIA TNL — S.R.L.	EUR 10	4.25	19.00	18	81	-	-
Total				392,454	341,005	14,059	15,242
Less Allowance for impairment (*)				(38,904)	(40,708)	-	-
<b>Total general investments stated in the separate financial statements-net</b>				<b>353,550</b>	<b>300,297</b>	<b>14,059</b>	<b>15,242</b>
General investment subsidiary company							
45. Treasure Hill Co., Ltd.				4,000	4,000	-	-
Less Allowance for impairment				(4,000)	(4,000)	-	-
<b>Total general investments (related companies) stated in the consolidated financial statements-net</b>				<b>353,550</b>	<b>300,297</b>	<b>14,059</b>	<b>15,242</b>

(UNIT: THOUSAND BAHT)

Consolidated and separate financial statements										
			Paid - up capital		Percentage of shareholding		Investment		Dividend for the years ended	
			(Thousand)		2013	2012	2013	2012	2013	2012
- Other companies										
1.Miwaki SDN. BHD.	RM	1,000	19.00	19.00	2,481	2,481	-	-		
2.Miwaki Philippines Inc.	USD	400	19.00	19.00	* 3,317	* 3,317	-	-		
3.Intersouth Co., Ltd.		1,000	12.50	12.50	4,286	4,286	100	100		
4.Builton (Thailand) Co., Ltd.		4,000	10.00	10.00	250	250	-	-		
5.Sunlots Enterprise Co., Ltd.		130,000	2.69	2.69	* 4	* 4	-	-		
6.Khonkaen Vithes Suksa Co., Ltd.		60,000	1.67	1.67	1,000	1,000	-	75		
7.Sigma Holding Co., Ltd.		46,364	0.26	0.26	* 120	120	-	-		
8.Osoth Inter Laboratories Co., Ltd.		600,000	0.15	0.15	* 825	* 825	-	-		
Total					12,283	12,283	100	175		
Less Allowance for impairment (*)					(3,511)	(3,436)	-	-		
Total general investments - other companies - net					8,772	8,847	100	175		
Total general investments - net					362,322	309,144	14,159	15,417		

**17. INVESTMENTS IN DEBT SECURITIES HELD TO MATURITY - NET**

As of 31 December 2013 and 2012, investments in debt securities held to maturity are as follows :-

		(UNIT : BAHT)	
		Consolidated and separate financial statements	
		2013	2012
Debentures		124,000,000	181,000,000
Less current portion of debentures with redemption within			
1 year (Shown in short-term investments - Note 9)		(50,000,000)	(92,000,000)
Net (Redemption within 2 - 4 years)		74,000,000	89,000,000

Movements of investments in debt securities for the years ended 31 December 2013 and 2012 are as follows :-

		Consolidated and separate financial statements	
		2013	2012
Beginning balance - net book value		181,000,000	197,000,000
Acquisition		35,000,000	39,000,000
Redemption		(92,000,000)	(55,000,000)
Ending balance - net book value		124,000,000	181,000,000



As of 31 December 2013 and 2012, investments in debt securities are as follows :-

(UNIT : BAHT)		
Consolidated and separate financial statements		
	2013	2012
The Siam Cement PCL.	44,000,000	44,000,000
CH. Karnchang PCL.	-	7,000,000
Charoen Pokphand Foods PCL.	-	5,000,000
PTT Global Chemical PCL.	-	10,000,000
Advanced Info Service PCL.	10,000,000	10,000,000
Quality Houses PCL.	20,000,000	20,000,000
CP All PCL.	10,000,000	-
Thanachart Capital PCL.	5,000,000	5,000,000
Toyota Leasing (Thailand) Co., Ltd. (*)	-	30,000,000
TICON Industrial Connection PCL.	15,000,000	10,000,000
Pruksa Real Estate PCL.	-	10,000,000
Bank of Ayudhya PCL.	20,000,000	20,000,000
TISCO Bank PCL.	-	10,000,000
Total	124,000,000	181,000,000
Fair value - ending balance	125,019,463	182,254,117

All the debentures are unsecured and unsubordinated (except\* debentures of Baht 30 million issued by Toyota Leasing (Thailand) Co., Ltd. which is secured and unsubordinated) which bear interests at the rates at 3.36 to 6.00 percent per annum (2012 : 3.08 to 6.20 percent per annum).

Interests are payable every 3 and 6 months as from the issuance dates of the debentures.

#### 18. OTHER LONG-TERM INVESTMENT - NET

(UNIT : BAHT)		
Consolidated and separate financial statements		
	2013	2012
Fixed deposits	22,500,000	28,500,000
Less current portion of investment with redemption within		
1 year (Shown in short-term investments - Note 9)	(15,500,000)	(20,000,000)
Net	7,000,000	8,500,000

Movements of other long-term investment in fixed deposits for the years ended 31 December 2013 and 2012 are as follows:-

Consolidated and separate financial statements		
	2013	2012
Beginning balance - net book value	28,500,000	45,000,000
Acquisition	7,000,000	8,500,000
Redemption	(13,000,000)	(25,000,000)
Ending balance - net book value	22,500,000	28,500,000

As of 31 December 2013 and 2012, other long - term investment represents fixed deposits with maturity of over 12 months with local financial institutions which bear interests at the rates at 3.25 - 3.50 per cent per annum. (2012 : 3.25 - 4.30 per cent per annum)



## 19. INVESTMENT PROPERTY - NET

(UNIT : BAHT)

	Consolidated and separate financial statements			
	Land	Land improvement	Building	Total
<b>Cost:-</b>				
31 December 2012	30,933,750	5,925,997	171,200	37,030,947
Acquisition	5,481,864	2,155,190	17,314,560	24,951,614
Disposal	-	-	-	-
31 December 2013	36,415,614	8,081,187	17,485,760	61,982,561
<b>Accumulated depreciation :-</b>				
31 December 2012	-	5,925,980	77,767	6,003,747
Depreciation for the year	-	340,107	691,655	1,031,762
Disposal	-	-	-	-
31 December 2013	-	6,266,087	769,422	7,035,509
<b>Net book value</b>				
31 December 2013	36,415,614	1,815,100	16,716,338	54,947,052
31 December 2012	30,933,750	17	93,433	31,027,200
Appraised value (*)	38,830,000	-	2,008,444	40,838,444
Appraised value (**)	5,240,250	2,155,050	17,314,560	24,709,860
Total appraised value	44,070,250	2,155,050	19,323,004	65,548,304

(\*) The appraised value was determined by an independent appraiser on 5 August 2011.

(\*\*) The appraised value was determined by an independent appraiser on 26 October 2012 (for investment property acquisition during the year 2013).



20. PROPERTY, PLANT AND EQUIPMENT - NET

(UNIT : BAHT)

	Consolidated financial statements							
	Land	Land improvement	Building	Machinery	Office equipment	Vehicles	Furniture and fixtures	Assets under installation
Cost:-								Total
31 December 2012	202,005,688	22,472,841	381,109,960	415,275,934	166,606,604	39,698,369	212,127,800	643,551
Acquisition	-	49,000	-	-	3,169,318	302,400	1,286,798	15,795,204
Transferred in	-	-	-	5,102,931	2,003,498	-	7,584,326	-
Disposal	-	-	-	(5,990,368)	(739,816)	(1,199,000)	(6,395,462)	-
Written off	-	-	-	(1,037,708)	(3,394,729)	-	(2,881,608)	-
Transferred out	-	-	-	-	-	-	-	(14,670,755)
31 December 2013	202,005,688	22,521,841	381,109,960	413,350,789	167,644,875	38,801,769	211,701,854	1,768,000
Accumulated depreciation :-								1,438,904,776
31 December 2012	-	9,967,051	254,662,923	350,351,599	138,933,289	27,265,838	177,656,621	-
Depreciation for the year	-	2,857,147	8,989,139	18,746,417	10,333,359	3,290,303	9,584,814	-
Disposal	-	-	-	(5,956,921)	(737,946)	(1,198,999)	(6,395,452)	-
Written off	-	-	-	(977,807)	(3,378,954)	-	(2,425,071)	-
31 December 2013	-	12,824,198	263,652,062	362,163,288	145,149,748	29,357,142	178,420,912	-
Net book value								991,567,350
31 December 2013	202,005,688	9,697,643	117,457,898	51,187,501	22,495,127	9,444,627	33,280,942	1,768,000
31 December 2012	202,005,688	12,505,790	126,447,037	64,924,335	27,673,315	12,432,531	34,471,179	643,551
								481,103,426

As of 31 December 2013 and 2012, the Company and its subsidiaries have fully depreciated fixed assets, but are still in use at cost of Baht 714.27 million and Baht 725.77 million, respectively.

(UNIT : BAHT)

## Separate financial statements

	Land	Land improvement	Building	Machinery	Office equipment	Vehicles	Furniture and fixtures	Assets under installation	Total
<b>Cost:-</b>									
31 December 2012	186,075,743	22,472,841	334,448,330	346,595,795	150,153,686	36,969,088	177,806,373	505,117	1,255,026,973
Acquisition	-	49,000	-	-	2,507,122	302,400	327,608	14,729,845	17,915,975
Transferred in	-	-	-	5,059,394	1,908,601	-	6,498,967	-	13,466,962
Disposal	-	-	-	(5,990,368)	(739,816)	-	(6,395,462)	-	(13,125,646)
Written off	-	-	-	-	(3,159,803)	-	(1,610,000)	-	(4,769,803)
Transferred out	-	-	-	-	-	-	-	(13,466,962)	(13,466,962)
31 December 2013	186,075,743	22,521,841	334,448,330	345,664,821	150,669,790	37,271,488	176,627,486	1,768,000	1,255,047,499
<b>Accumulated depreciation :-</b>									
31 December 2012	-	9,967,051	216,034,561	286,006,836	125,196,807	24,616,817	144,973,434	-	806,795,506
Depreciation for the year	-	2,857,147	7,949,584	17,591,556	9,262,428	3,210,041	8,939,471	-	49,810,227
Disposal	-	-	-	(5,956,921)	(737,946)	-	(6,395,452)	-	(13,090,319)
Written off	-	-	-	-	(3,157,068)	-	(1,609,998)	-	(4,767,066)
31 December 2013	-	12,824,198	223,984,145	297,641,471	130,564,221	27,826,858	145,907,455	-	838,748,348
<b>Net book value</b>									
31 December 2013	186,075,743	9,697,643	110,464,185	48,023,350	20,105,569	9,444,630	30,720,031	1,768,000	416,299,151
31 December 2012	186,075,743	12,505,790	118,413,769	60,588,959	24,956,879	12,352,271	32,832,939	505,117	448,231,467

As at 31 December 2013 and 2012, the Company has fully depreciated fixed assets, but are still in use at cost of Baht 620.97 million and Baht 631.85 million, respectively.


**21. INTANGIBLE ASSETS - NET**

As of 31 December 2013 and 2012, computer software consist of :-

(UNIT : BAHT)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<b>Cost</b>				
31 December 2012	34,881,259	31,563,385	33,755,906	30,467,432
Acquisition	5,605,128	3,317,874	5,550,978	3,288,474
Disposal/written off	-	-	-	-
31 December 2013	40,486,387	34,881,259	39,306,884	33,755,906
<b>Accumulated amortization</b>				
31 December 2012	23,560,920	22,022,379	22,554,397	21,150,682
Amortization expenses for the year	1,805,678	1,538,541	1,742,286	1,403,715
Disposal/written off	-	-	-	-
31 December 2013	25,366,598	23,560,920	24,296,683	22,554,397
<b>Net</b>	<b>15,119,789</b>	<b>11,320,339</b>	<b>15,010,201</b>	<b>11,201,509</b>
<b>Computer software under installation</b>				
31 December 2012	1,800,839	1,476,089	1,800,839	1,476,089
Increase	-	324,750	-	324,750
31 December 2013	1,800,839	1,800,839	1,800,839	1,800,839
<b>Net</b>	<b>16,920,628</b>	<b>13,121,178</b>	<b>16,811,040</b>	<b>13,002,348</b>

As of 31 December 2013 and 2012, the consolidated financial statements and the separate financial statements show fully amortized intangible assets but are still in use at cost of Baht 18.91 and Baht 17.87 million, respectively.

**22. LEASEHOLD RIGHT - NET**

(UNIT : BAHT)

	Consolidated and separate financial statements	
	2013	2012
<b>Cost :-</b>		
31 December 2012	23,446,576	23,446,576
Increases	-	-
31 December 2013	23,446,576	23,446,576
<b>Accumulated amortization :-</b>		
31 December 2012	15,037,750	14,030,114
Amortization expenses for the year	997,521	1,007,636
31 December 2013	16,035,271	15,037,750
<b>Net</b>	<b>7,411,305</b>	<b>8,408,826</b>

**23. BANK OVERDRAFTS**

The subsidiary companies have bank overdrafts from the financial institutions as follows.

Bank overdraft lines			
Subsidiaries	(Million Baht)	Interest rates per annum	Guaranteed by
Celebrate Wealth Co., Ltd.	2.00	MOR	Parent company
S. Apparel Co., Ltd.	15.00	MOR	-

**24. TRADE AND OTHER PAYABLES**

(UNIT : BAHT)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<b>Accounts payables - trade</b>				
Related companies (Note 7.3)	22,805,594	31,468,360	18,119,741	22,153,335
Others	99,686,899	118,434,256	82,299,930	102,763,615
Total accounts payables - trade	122,492,493	149,902,616	100,419,671	124,916,950
<b>Other payables</b>				
Accrued bonus	54,229,716	74,623,993	51,427,648	73,813,353
Accrued expenses	27,717,590	35,020,589	24,427,418	31,478,276
Accrued royalties	18,994,126	26,949,517	18,546,394	26,486,655
Others	11,220,785	8,459,231	9,887,953	7,111,721
<b>Total trade and other payables</b>	<u>234,654,710</u>	<u>294,955,946</u>	<u>204,709,084</u>	<u>263,806,955</u>

**25. RETIREMENT BENEFIT OBLIGATION**

Movement of retirement benefit obligation for the years ended 31 December 2013 and 2012 are as follows:-

(UNIT : BAHT)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Retirement benefit obligation				
- beginning balance - 1 January	160,462,337	134,963,180	146,734,195	122,254,721
Employee benefit expenses for the year	24,522,842	31,646,233	21,820,983	29,648,150
Employee benefit paid during the year	(7,430,212)	(6,147,076)	(6,772,890)	(5,168,676)
Retirement benefit obligation				
- ending balance - 31 December	<u>177,554,967</u>	<u>160,462,337</u>	<u>161,782,288</u>	<u>146,734,195</u>





Employee benefit expenses were recognized in statements of income for the years ended 31 December 2013 and 2012 are as follows :-

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Current service costs	19,060,020	18,639,724	16,859,112	16,855,456
Interest costs	5,462,822	5,340,179	4,961,871	4,873,024
Actuarial losses	-	7,666,330	-	7,919,670
Total	24,522,842	31,646,233	21,820,983	29,648,150

The principle actuarial assumption used to calculate the defined benefit obligation for the year ended 31 December 2013 and 2012 are as follows :-

The principle actuarial assumptions:-	Consolidated and separate financial statements	
	2013	2012
Discount rate	3.25% - 3.56%	3.25% - 3.56%
Disability rate	5.00% (TMO 2008)	5.00% (TMO 2008)
Salary increase rate	2.30% - 5.00%	2.30% - 5.00%
Turnover rate	Age-Related Scale	Age-Related Scale

## 26. LEGAL RESERVE

Under the Public Limited Companies Act B.E. 2535 the Company is required to allocate not less than 5 percent of its annual net profit, less any accumulated losses brought forward (if any), as legal reserve until this account reaches an amount not less than 10 per cent of the registered capital. The legal reserve is not available for dividend distribution.

## 27. GENERAL RESERVE

The Company has appropriated part of its net profit for general reserves with no specific objective.

## 28. EXPENSES CLASSIFIED BY NATURE OF EXPENSES

For the years ended 31 December 2013 and 2012 expenses classified by their nature are as follows:-

(UNIT : BAHT)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Changes in finished goods and work-				
in process (increase) decrease	54,594,677	(38,998,666)	60,697,516	(32,587,062)
Purchases of finished goods	208,375,728	269,432,623	141,077,873	207,334,837
Raw material and supplies used	782,817,374	939,334,350	736,429,207	874,757,412
Management benefit expenses	34,961,576	34,929,197	34,961,576	34,929,197
Employee benefit expenses	711,755,699	748,898,763	608,244,041	644,905,143
Depreciation and amortization expenses	57,232,312	52,944,433	53,581,796	48,734,975
Royalty expenses	103,907,223	129,122,883	103,041,168	128,375,170

## 29. PROMOTIONAL PRIVILEGES

By virtue of the Investment Promotion Act, B.E. 2520, the Company has been granted some promotional privileges from the Board of Investment (BOI) as follows:-

1. Promotional certificates No.	1396/2543	1329(1)/2544	1604(2)/2550	1627(2)/2554	1628(2)/2554
2. Dates of promotional certificates	24/7/00	2/5/01	18/6/07	31/5/11	31/5/11
3. The first receiving revenues dates	1/8/00	1/2/03	1/10/07	4/5/11	2/9/11
4. The type of business promoted	Leather products or artificial leather	Textile or fragment	Leather products or artificial leather	Textile or fragment	Leather products or artificial leather
5. Important privileges which are granted:-					
5.1 Exemption from corporate income tax on net profit from promotional operations, commencing from the first receiving revenue date.	8 years (Expired on 31/7/08)	8 years (Expired on 31/1/11)	8 years (Expired on 31/12/11)	8 years	8 years
5.2 Exemption from income tax on dividends from promoted business which was exempted from income tax in 5.1.	8 years (Expired on 31/7/08)	8 years (Expired on 31/1/11)	8 years (Expired on 31/12/11)	8 years	8 years
5.3 Reduction of the corporate income tax on net profit from promoted business at 50% of normal rate after the end of exemption period.	5 years (Expired on 31/7/13)	5 years	5 years	5 years	5 years
5.4 Double deduction of expenses for utilities (electricity, water and transportation) for the year.	10 years (Expired on 31/7/10)	10 years (Expired on 31/1/13)	10 years	10 years	10 years
5.5 Exemption from corporate income tax for amounts not exceeding (Adjustable to capital investment amount excluding cost of land and working capital).	-	-	Baht 25.85 million	Baht 40.98 million	Baht 67.60 million

As a promoted entity, the Company must strictly comply with certain terms and conditions stipulated in the promotional certificates.



Income derived from BOI and non-BOI activities are summarized as follows :-

(UNIT : MILLION BAHT)

	Consolidated financial statements					
	2013			2012		
	Local	Export	Total	Local	Export	Total
BOI promoted business	518.22	324.00	842.22	592.59	341.43	934.02
Non - BOI promoted business	1,006.89	455.69	1,462.58	1,205.47	496.99	1,702.46
<b>Total</b>	<b>1,525.11</b>	<b>779.69</b>	<b>2,304.80</b>	<b>1,798.06</b>	<b>838.42</b>	<b>2,636.48</b>
	Separate financial statements					
	2013			2012		
	Local	Export	Total	Local	Export	Total
BOI promoted business	518.22	324.00	842.22	592.59	341.43	934.02
Non - BOI promoted business	876.37	390.44	1,266.81	1,070.83	381.21	1,452.04
<b>Total</b>	<b>1,394.59</b>	<b>714.44</b>	<b>2,109.03</b>	<b>1,663.42</b>	<b>722.64</b>	<b>2,386.06</b>

### 30. FINANCIAL INFORMATION BY SEGMENT

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 Group's business operation involves 2 principal segments: (1) men's apparel (2) women's apparel with geographical segments of both local and export sales. Segment performance is considered by revenue and gross profit, and is also measured based on the group operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. Revenue and gross profit of operating segments for the years ended 31 December 2013 and 2012 are as follows :-

(UNIT : THOUSAND BAHT)

	For the year ended 31 December 2013			
	Men's apparel	Women's apparel	Other segment	Consolidated financial statements
<b>Revenue</b>				
Revenue from sales - net	1,601,221	647,787	-	2,249,008
Revenue from rendering of services	55,792	-	-	55,792
<b>Gross profit by segment</b>	<b>438,103</b>	<b>182,739</b>	<b>-</b>	<b>620,842</b>
Interest income	-	-	32,437	32,437
Other income	-	-	125,594	125,594
Selling expenses	(117,359)	(67,084)	-	(184,443)
Administrative expenses	(106,523)	(36,420)	-	(142,943)
Unallocated expenses	-	-	(237,673)	(237,673)
Finance costs	-	-	(27)	(27)
<b>Profit before income tax expenses</b>	<b>214,221</b>	<b>79,235</b>	<b>(79,669)</b>	<b>213,787</b>
Income tax expenses				(11,040)
<b>Net profit for the period</b>				<b>202,747</b>
<b>Additional information :-</b>				
Depreciation and amortization expenses				57,232

(UNIT : THOUSAND BAHT)

	For the year ended 31 December 2012			
	Men's apparel	Women's apparel	Other segment	Consolidated financial statements
<b>Revenue</b>				
Revenue from sales - net	1,866,934	726,159	-	2,593,093
Revenue from rendering of services	52,662	-	-	52,662
<b>Gross profit by segment</b>	<b>552,669</b>	<b>217,536</b>	<b>-</b>	<b>770,205</b>
Interest income	-	-	30,164	30,164
Other income	-	-	131,211	131,211
Selling expenses	(129,356)	(68,245)	-	(197,601)
Administrative expenses	(119,315)	(40,499)	-	(159,814)
Unallocated expenses	-	-	(244,905)	(244,905)
Finance costs	-	-	(14)	(14)
<b>Profit before income tax expenses</b>	<b>303,998</b>	<b>108,792</b>	<b>(83,544)</b>	<b>329,246</b>
Income tax expenses				(35,179)
<b>Net profit for the period</b>				<b>294,067</b>
<b>Additional information :-</b>				
Depreciation and amortization expenses				52,944

As of 31 December 2013 and 2012, segment assets and liabilities of the Group are as follows :-

(UNIT : THOUSAND BAHT)

	As of 31 December 2013				
	Men's apparel	Women's apparel	Total segments	Unallocated assets/liabilities	Consolidated financial statements
Segment assets	446,717	240,692	687,409	3,033,936	3,721,345
Segment liabilities	54,249	78,815	133,064	433,433	566,497

(UNIT : THOUSAND BAHT)

	As of 31 December 2012				
	Men's apparel	Women's apparel	Total segments	Unallocated assets/liabilities	Consolidated financial statements
Segment assets	574,762	286,475	861,237	3,061,466	3,922,703
Segment liabilities	90,456	79,363	169,819	502,704	672,523



(UNIT : THOUSAND BAHT)

	For the year ended	
	31 December 2013	31 December 2012
<b>GEOGRAPHICAL AREAS</b>		
Domestic sales	1,525,109	1,798,057
Export sales		
- JAPAN	177,491	143,772
- GERMANY	99,669	113,783
- USA	87,959	91,732
- FRANCE	76,226	42,182
- ITALY	70,875	81,997
- ENGLAND	29,528	20,295
- SINGAPORE	46,204	86,962
- Other countries	191,739	257,699

**Information of major customers**

The Company has one major customer from segment of Men's apparel and Women's apparel for the years ended 31 December 2013 and 2012, in the amount of Baht 1,105.15 million and Baht 1,414.91 million, respectively.

**31. TAX INCOME EXPENSES**

As of 31 December 2013 and 2012, the components of deferred tax assets and deferred tax liabilities are as follows :-

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December			
	2013	2012	2013	2012
		(Restated)		(Restated)
Deferred tax assets				
- Retirement benefit obligation	34,413	29,472	31,258	29,347
- Consignment sales	1,682	3,820	1,393	1,521
Total deferred tax assets	36,095	33,292	32,651	30,868
Deferred tax liabilities				
- Depreciation	3,224	2,814	2,325	2,216
- Unrealized gain on revaluation of available for-sale-investments	141,857	180,376	141,857	180,376
Total deferred tax liabilities	145,081	183,190	144,182	182,592



Income tax expenses for the year ended 31 December 2013 and 2012 are as follows :-

(UNIT : THOUSAND BAHT)

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December			
	2013	2012	2013	2012
		(Restated)		(Restated)
Current income tax				
Corporate income tax for the year	13,434	40,251	13,310	40,032
Deferred tax				
Relating to origination and reversal of temporary differences	(2,393)	(5,072)	(1,674)	(6,460)
Income tax expenses reported in the- statements of comprehensive income	11,041	35,179	11,636	33,572

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2013 and 2012.

(UNIT : THOUSAND BAHT)

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December			
	2013	2012	2013	2012
		(Restated)		(Restated)
Accounting profit before corporate income tax	213,787	329,247	237,512	340,544
Applicable tax rate	20%	23%	20%	23%
Accounting profit before corporate income tax multiplied by applicable tax rate	42,757	75,727	47,502	78,325
Effects of :				
Promotional privileges (Note 29)	(25,318)	(28,563)	(25,318)	(28,563)
Non-deductible expenses	1,176	(1,378)	652	(1,499)
Additional expense deductions allowed	(1,280)	(2,457)	(1,278)	(2,447)
Exemption of income	(9,922)	(11,798)	(9,922)	(11,798)
Effect from un-recording of deferred tax assets	3,577	916	-	-
Effects of changes in the applicable tax rates	-	(131)	-	(446)
Effect of elimination entry on the consolidated financial statements	51	2,863	-	-
Total	(31,716)	(40,548)	(35,866)	(44,753)
Income tax expenses reported in the statement of comprehensive income	11,041	35,179	11,636	33,572

Corporate income tax of the Group for the year ended 31 December 2013 and 2012 are calculated from the accounting profit and adjusted with revenues and expenses which are exempted from income tax or expenses not allowed by tax law.

Non - BOI business operations are subjected to corporate income tax at the rate of 20 per cent (2012 : 23 per cent).

BOI business operations are subjected to income tax according to the privileges which are granted (note 29).

Corporate income taxes of the subsidiaries are calculated at the rate of 20 per cent of taxable profit (2012 : 23 per cent).



### 32. PROVIDENT FUND

The Company and its subsidiaries have set up a provident fund for their employees under the Provident Fund Act B.E. 2530 (1987) for the staff's welfare as well as security upon their resignation or retirement as defined by the Company's regulations, which is contributed by its employees and by the Company at the rate of 3-5% of salary. The Company has appointed the BT Asset Management Company Limited to act as the fund manager.

The Company and subsidiaries' contributions to the employee provident fund were recorded as expenses in the statements of comprehensive income for the years ended 31 December 2013 and 2012 as follows:-

(UNIT: MILLION BAHT)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Thanulux Public Company Limited	10.63	9.53	10.63	9.53
S. Apparel Co.,Ltd.	0.83	0.86	-	-
T- CHAMBER Co.,Ltd.	0.04	0.04	-	-
Celebrate Wealth Co.,Ltd.	0.32	0.17	-	-
Total	11.82	10.60	10.63	9.53

### 33. CAPITAL MANAGEMENT

The Board's 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 Group defines as result from operating activities divided by total equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

### 34. COMMITMENT AND CONTINGENT LIABILITIES

34.1 As of 31 December 2013 and 2012 the Group has commitments and contingent liabilities as follows :-

(UNIT : MILLION)

Commitments and contingent liabilities	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Bank guarantee with Customs Department (Baht)	19.56	11.83	18.02	11.00
Bank guarantee for electricity (Baht)	5.67	5.67	5.01	5.01
Bank guarantee for business operations (Baht)	3.24	0.59	3.24	0.59
Loan guarantee for related companies (Baht)	5.31	5.31	5.31	5.31

34.2 The Company has entered into 8 trademark contracts with respective owners for the manufacturing and distribution of garments and leather products under their trademarks. Both parties have mutual obligations to fulfill under these contracts whereby the Company must pay the royalty fees at the rate of 3.5 - 7.5 % of total sales (under the agreed contracts).

One subsidiary company has entered into 1 trademark contract with respective owner whereby it must pay the royalty fee at the rate of 7 % of total sales (under the agreed contracts).

34.3 The Company has commitments relating to land and building lease agreements, whereby the Company must pay the monthly rentals in respect of the said contracts as follows :-

	Period	Lease term (years)	(UNIT: BAHT) Monthly rental
Land lease right	2008-2018	10	45,000
Building lease right	2004-2021	17	6,396

34.4 As of 31 December 2013, the Company has commitment relating to fixed assets construction agreement of Baht 10.49 million (2012 : nil).

34.5 As of 31 December 2013, the Company has commitment relating to software implement agreement of Baht 0.32 million (2012 : Baht 0.32 million).

34.6 As of 31 December 2013, the Company has commitment relating to fixed asset purchase agreement of Baht 10.17 million (2012 : Baht 3.54 million)

34.7 As of 31 December 2013 and 2012, a subsidiary company has commitment relating to building lease agreement, whereby the subsidiary company must pay the rentals as follows:-

	(UNIT: MILLION BAHT)	
	2013	2012
Within 1 year	7.27	1.64
Second year and third year	12.23	-

### 35. DIVIDEND PAYMENT, GENERAL RESERVE AND DIRECTORS' REMUNERATION

35.1 On 23 April 2013, the Company's Annual General Meeting of shareholders approved the following resolutions:-

- To pay dividends of Baht 1.20 per share, to the existing shareholders of 120 million shares was paid on 17 May 2013 as follows :-
  - To pay dividends from BOI business operations of Kabinburi Project 4 according to the Promotional Certificate No. 1627(2)/2554 at Baht 0.16 per share (120 million shares) totaling Baht 19.20 million.
  - To pay dividends from BOI business operations of Lamphun Project 4 according to the Promotional Certificate No. 1628(2)/2554 at Baht 0.215 per share (120 million shares) totaling Baht 25.80 million.
  - To pay dividends from Non - BOI business operations the amount of which corporate income tax was paid at 30 per cent at Baht 0.825 per share (120 million shares) totaling Baht 99.00 million.
- To pay the directors' remuneration not more than Baht 10 million.
- To appropriate net profit for general reserve in the amount of Baht 15 million.

35.2 On 24 April 2012, the Company's Annual General Meeting of shareholders approved the following resolutions:-

- To pay dividends from BOI business operation of Baht 1.10 per share, to the existing shareholders of 120 million shares. The interim dividend was paid on 7 September 2011, at Baht 0.4638 per share. The remaining dividend at Baht 0.6362 per share, totaling Baht 76.344 million was paid on 18 May 2012 as follows:-
  - To pay dividends from BOI business operations of Kabinburi Project 4 according to the Promotional Certificate No. 1627(2)/2554 at Baht 0.0592 per share (120 million shares) totaling Baht 7.104 million.
  - To pay dividends from BOI business operations of Lamphun Project 4 according to the Promotional Certificate No. 1628(2)/2554 at Baht 0.0887 per share (120 million shares) totaling Baht 10.644 million.
  - To pay dividends from Non - BOI business operations at Baht 0.4883 per share (120 million shares) totaling Baht 58.596 million.
- To pay the directors' remuneration not more than Baht 9 million.
- To appropriate net profit for general reserve in the amount of Baht 13 million.



### 36. FINANCIAL INSTRUMENTS

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

#### 36.1 Accounting policies and procedure

See Note 6.

#### 36.2 Credit risk

Credit risk refers to the risk that accounts receivable will default on its contractual obligations resulting in a financial loss to the Company.

The Company has concentration of risks as most of trade accounts receivable are related companies (note 7.2). However, the said customers have been associated continuously for many years and maintained good payment capability.

For other customers, the management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

As at the statements of financial position date there was no other significant credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position

#### 36.3 Interest rate risk

Interest rate risk arises from the potential of a change in interest rates to have an effect on the operation of the Company in the current reporting period and in future years. The Group is confident that the risk can be managed because the Group has maintained plans and monitor the market situation closely.

Furthermore the Group has invested in debt securities, interest risk are depended on the fluctuation of prices of the debt securities due to the changes of interest rates. If the interest rate increased, the price of debt securities will be decreased and if the market interest rate decreased, the price of debt securities will increase.

#### 36.4 Risk from currency exchange

The Group's risk from the fluctuation of foreign exchange rates, due to some debtors and creditors arisen from the trading in foreign currencies. The Group will make the forward exchange contract, in case the Baht currency is highly fluctuated and it is considered appropriate.

##### 36.4.1 Selling forward exchange contracts

The Group has entered into exchange forward contracts with a local commercial bank to hedge against risk in exchange rate fluctuation which might affect the Baht currency receivable from export trade accounts receivable which having the term not over one year.

As of 31 December 2013 :-

Foreign currency	Consolidated financial statements			Separate financial statements		
	Amount (Million)	Delivery will be made during	Exchange rates on delivery date (Currencies exchange to Baht)	Amount (Million)	Delivery will be made during	Exchange rates on delivery date (Currencies exchange to Baht)
USD	0.03	Jun. 14	32.54	0.03	Jun. 14	32.54
JPY	20.09	Jun. 14	0.31 - 0.32	-	-	-
EUR	0.10	May. 14	43.67	0.10	May. 14	43.67

As of 31 December 2012 :-

Foreign currency	Consolidated financial statements			Separate financial statements		
	Amount (Million)	Delivery will be made during	Exchange rates on delivery date (Currencies exchange to Baht)	Amount (Million)	Delivery will be made during	Exchange rates on delivery date (Currencies exchange to Baht)
USD	2.18	Feb. 12 - Jun. 12	29.90 - 31.50	1.68	Feb. 12 - Jun. 12	29.90 - 31.50
JPY	38.11	Jan. 12 - Jun. 12	0.37 - 0.40	5.00	Feb. 12	0.40
EUR	0.44	Apr. 12 - Jun. 12	41.05 - 42.20	0.44	Apr. 12 - Jun. 12	41.05 - 42.20

**36.4.2 Uncovered transactions**

As of 31 December 2013 and 2012, the Group has outstanding assets and liabilities denominated in foreign currencies which are not covered by any hedging transaction as follows :-

(UNIT : MILLION)

	Consolidated financial statements				Separate financial statements			
	Foreign currencies		Converted to Baht		Foreign currencies		Converted to Baht	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>Assets</b>								
USD	2.41	2.24	78.86	68.14	2.38	2.23	77.83	67.98
EUR	0.63	0.04	28.02	1.80	0.63	0.04	28.02	1.80
JPY	43.29	26.47	13.42	9.27	35.20	2.66	10.92	0.93
Total			<b>120.30</b>	<b>79.21</b>			<b>116.77</b>	<b>70.71</b>
<b>Liabilities</b>								
USD	0.40	0.51	13.29	15.55	0.38	0.31	12.64	9.65
EUR	0.40	0.13	18.03	5.31	0.39	0.12	17.56	4.84
JPY	18.00	13.43	5.68	4.80	8.67	3.09	2.74	1.11
Total			<b>37.00</b>	<b>25.66</b>			<b>32.94</b>	<b>15.60</b>

**36.5 Fair values of financial instruments**

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable willing parties in an arm's length transaction.

The following methods and assumptions were used by the Group in estimating fair value of financial instruments as disclosed herein:

- Cash and cash equivalents, current investments, accounts receivable - trade and short-term loans; the carrying values approximate their fair values.
- Investment in marketable securities; fair value is based on quoted market price. For investment in non-listed companies; fair value is based on net asset value of related security.
- Trade accounts payable; the carrying value approximates fair value.





### 37. RECLASSIFICATION

For the financial statement presentation, certain amounts in the consolidated and separate financial statements for the year ended 31 December 2012 have been reclassified to conform to the current period's classification, without any effect to the previously reported profit or shareholder's equity, as follows:-

(UNIT : THOUSAND BAHT)

	Statements of comprehensive income for the year ended 31 December 2012			
	Consolidated financial statements		Separate financial statements	
	After reclassification	As previously reported	After reclassification	As previously reported
Revenue from sales	2,583,817	2,636,479	2,343,889	2,386,057
Revenue from rendering of services	52,662	-	42,168	-
Cost of sales	(1,844,156)	(1,827,397)	(1,669,726)	(1,646,475)
Cost of rendering of services	(31,394)	-	(24,912)	-
Administrative expenses	(371,990)	(420,143)	(336,423)	(384,586)

### 38. EVENTS AFTER THE REPORTING PERIOD

#### Proposed dividend payment of the Company

On 19 February 2014, the Board of Directors' meeting of the Company approved the appropriation of dividends of Baht 0.95 per share, amounting to Baht 114 million, as follows:-

- To pay dividends from BOI business operations of Kabinburi Project 4 according to the Promotional Certificate No. 1627(2)/2554 at Baht 0.18 per share (120 million shares) totaling Baht 21.6 million.
- To pay dividends from BOI business operations of Lamphun Project 4 according to the Promotional Certificate No. 1628(2)/2554 at Baht 0.53 per share (120 million shares) totaling Baht 63.6 million.
- To pay dividends from Non - BOI business operations the amount of which corporate income tax was paid at 30 per cent at Baht 0.24 per share (120 million shares) totaling Baht 28.8 million.

The proposed dividends must be further approved by the Company's Annual General Meeting of shareholders.

### 39. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issuance by the Company's board of directors on 19 February 2014.

## Synopsis of Operations of the Company and Subsidiaries

(UNIT:THOUSAND BAHT)

Selected Data	2013	%	2012	%	2011	%
<b>STATEMENTS OF COMPREHENSIVE INCOME</b>						
Revenue from sales	2,304,800	93.58	2,645,755	94.25	2,456,996	94.02
Other incomes	158,031	6.42	161,375	5.75	156,367	5.98
<b>Total revenues</b>	<b>2,462,831</b>	<b>100.00</b>	<b>2,807,130</b>	<b>100.00</b>	<b>2,613,363</b>	<b>100.00</b>
Cost of sales	1,683,958	*73.06	1,875,550	*70.89	1,746,603	*71.09
Selling and administrative expenses	565,300	22.95	588,163	20.95	536,355	20.52
<b>Total expenses</b>	<b>2,249,043</b>	<b>91.32</b>	<b>2,477,884</b>	<b>88.27</b>	<b>2,283,248</b>	<b>87.37</b>
EBITDA	271,450	11.02	382,205	13.62	372,479	14.25
Depreciation and amortization	57,636	2.34	52,944	1.89	42,310	1.62
Profit before finance costs and corporate income tax	213,814	8.68	329,260	11.73	330,169	12.63
<b>Net profit for the year attributable to owners of the parent company</b>	<b>207,261</b>	<b>8.42</b>	<b>294,767</b>	<b>10.50</b>	<b>278,756</b>	<b>10.67</b>
<b>STATEMENTS OF CASH FLOWS</b>						
Net cash received from operating activities	261,243	10.61	220,712	7.86	201,433	7.71
Net cash used in investing activities	(173,370)	(7.04)	(86,031)	(3.06)	(120,431)	(4.61)
Net cash used in financing activities	(143,997)	(5.85)	(76,734)	(2.73)	(93,629)	(3.58)
<b>Cash and cash equivalent increase(decrease)-net</b>	<b>(56,124)</b>	<b>(2.28)</b>	<b>57,947</b>	<b>2.06</b>	<b>(12,627)</b>	<b>(0.48)</b>
<b>STATEMENTS OF FINANCIAL POSITION</b>						
Cash and cash equivalents	93,513	2.51	149,638	3.81	91,691	2.65
Short - term investments	617,091	16.58	438,046	11.17	277,458	8.01
Trade and other receivables	365,600	9.82	449,391	11.46	379,757	10.96
Inventories - net	345,538	9.29	421,704	10.75	400,996	11.58
Total current assets	1,553,657	41.75	1,594,009	40.64	1,271,104	36.70
Long - term investments	1,595,431	42.87	1,755,949	44.76	1,637,632	47.28
Property, plant and equipment - net	447,337	12.02	481,103	12.26	470,925	13.60
<b>TOTAL ASSETS</b>	<b>3,721,345</b>	<b>100.00</b>	<b>3,922,703</b>	<b>100.00</b>	<b>3,463,461</b>	<b>100.00</b>
Trade and other payables	234,655	6.31	294,956	7.52	278,564	8.04
Total current liabilities	242,813	6.52	328,237	8.37	314,585	9.08
Retirement benefit obligation	177,555	4.77	160,462	4.09	134,963	3.90
Deferred tax liabilities	145,081	3.90	183,191	4.67	141,343	4.08
Total non - current liabilities	323,684	8.70	344,286	8.78	276,999	8.00
<b>TOTAL LIABILITIES</b>	<b>566,497</b>	<b>15.22</b>	<b>672,523</b>	<b>17.14</b>	<b>591,584</b>	<b>17.08</b>
Registered share capital	120,000	3.22	120,000	3.06	120,000	3.46
Issued and paid - up share capital	120,000	3.22	120,000	3.06	120,000	3.46
Premium on ordinary shares	181,125	4.87	181,125	4.62	181,125	5.23
Other components of equity	565,858	15.21	719,937	18.35	558,495	16.13
Appropriated retained earnings	177,200	4.76	162,200	4.13	149,200	4.31
Unappropriated retained earnings	2,095,903	56.32	2,047,642	52.20	1,842,219	53.19
<b>EQUITY ATTRIBUTABLE TO PARENT COMPANY</b>	<b>3,140,087</b>	<b>84.38</b>	<b>3,230,904</b>	<b>82.36</b>	<b>2,851,039</b>	<b>82.32</b>
Non - controlling interests	14,761	0.40	19,276	0.49	20,839	0.60

Notes \* %cost of sales / sales

The information 2011 that has been presented for comparison has been re - itemized so as to correspond to the accounting items for the years 2012 - 2013.

EBITDA = Earning before interest, corporate income tax, depreciation and amortization



## Financial Ratios

### Thanulux Plc. and Subsidiaries

Description		2013	2012	2011
<b><u>Liquidity Ratios</u></b>				
Current Ratio	(times)	6.40	4.86	4.04
Quick Ratio	(times)	4.30	3.06	2.30
Liquidity of Cash Flow from Operation	(times)	0.91	0.69	0.66
Account Receivable Turnover	(times)	5.69	6.29	6.34
Average Collection Period	(days)	63	57	57
Inventory Turnover	(times)	9.14	10.70	12.99
Average Inventory Turnover Period	(days)	39	34	28
Account Payable Turnover	(times)	12.36	13.40	11.90
Average Payment Period	(days)	29	27	30
Cash Cycle	(days)	73	64	55
<b><u>Profitability Ratios (%)</u></b>				
Gross Profit Margin		26.94	29.11	28.91
Operating Profit Margin		2.41	6.88	7.08
Non - Operating Income		6.42	5.75	5.98
Operating cash flows to operating profit		470.35	121.24	115.74
Net Profit Margin		8.42	10.50	10.67
Return on Equity		6.51	9.69	10.12
<b><u>Efficiency Ratios</u></b>				
Return on Total Assets	(%)	5.42	7.98	8.44
Return on Fix Assets	(%)	54.16	69.96	75.40
Total Assets Turnover	(times)	0.64	0.76	0.79
<b><u>Financial Policy Ratios</u></b>				
Debt-Equity Ratio	(times)	0.18	0.21	0.21
Time Interest Earned	(times)	10,936.88	19,654.35	4,392.06
Leverage Ratio (cash basis)	(times)	0.84	1.06	0.58
Dividend Payout	(%)	55.00	48.85	47.35

## Management Analysis and Explanation

The Company refers to the Consolidated Financial Statements in this analysis and explanation of the Group performance. The year 2013, the Group applies Accounting Standard No. 12 on Income Tax pursuant to Note 3 of the Financial Statements and the effect of such accounting standard is reflected in Note 14 and Note 31 of Financial Statements.

### 1) Performance of the Company and Subsidiaries

#### 1.1) Performance Analysis

In 2013, the Company and its Subsidiaries (Group) generated a total of Baht 2,462.83 million in revenues, a decrease of 12.27 percent from the year 2012. Net profits from operations amounted to Baht 207.26 million, a decrease of 29.69 percent from the year 2012. This change was attributable to the impact sustained by the Group as a consequence of the economic slowdown, domestic political problems, and increase of minimum wage to Baht 300 throughout the country as well as the appreciation of the Baht.

**Domestic sales.** In 2013, sales revenue amounted to Baht 1,525.11 million, a decrease of Baht 272.95 million from the year 2012 or 15.18 percent. The Group's principal distribution channel is distribution in department stores through an agent distributor company. However, due to unfavorable sales conditions in department stores, customers carried high inventory levels, resulting in strict inventory control policies. As a consequence, purchase orders decreased, which in turn reduced the Group's sales volume.

Due to these conditions, the Group proceeded to increase distribution channels in line with the lifestyles of the modern generation, expanded export channels and developed products to match consumer needs.

**Foreign Sales.** In the year 2013, sales revenue amounted to Baht 779.69 million, a decrease of Baht 58.73 million or 7.0 percent from the year 2012. Most distributions were made through direct sales to customers who were distributing companies and trademark owners from various countries such as the United States, Europe and Japan. The Company was able to increase sales volume as a result of the expansion of the existing customer base, especially among customers in Japan, France and England, as well as new customers. However, due to the unit price decreased according to change of product mix and the appreciation of the Thai Baht compared to the Japanese Yen, United States Dollar and Euro, sales revenues consequently declined.

Unit : million Baht

Consolidated Financial Statements	2013		2012		Change	
	Amount	%	Amount	%	Increase(Decrease)	%
Sales Revenue						
Domestic	1,525.11	66	*1,798.06	68	(272.95)	(15.18)
Foreign	779.69	34	838.42	32	(58.73)	(7.00)
Total Sales Revenue	2,304.80	100	*2,636.48	100	(331.68)	(12.58)

\* Excluding allowance for goods return no longer required

#### 1.2) Performance for the Completed Period

##### Total Revenue

The Group generated total revenues of Baht 2,462.83 million in the year 2013, a decrease of Baht 344.30 million or 12.27 percent from the year 2012 due to declining in sales revenue. Details are as follows:

Unit : million Baht

Consolidated Financial Statements	2013		2012		Change	
	Amount	%	Amount	%	Increase(Decrease)	%
Source of Revenue						
- Sales	2,304.80	93.58	2,645.76	94.25	(340.96)	(12.89)
- Others	158.03	6.42	161.38	5.75	(3.35)	(2.07)
Total Revenue	2,462.83	100.00	2,807.13	100.00	(344.30)	(12.27)

##### Sales Revenue

The Group generated sales revenues in the amount of Baht 2,304.80 million in 2013, a decrease of Baht 340.96 million or 12.89 percent from 2012 due to the aforementioned reasons.



### Other Revenues

The Group generated other revenues in the amount of Baht 158.03 million in 2013, a decrease of Baht 3.35 million or 2.07 percent from 2012 due to a proportional decrease in royalties received to the sales volume.

### Sales Costs and Sales and Administrative Expenses

Unit : million Baht

Consolidated Financial Statements	2013		2012		Change	
	Amount	%	Amount	%	Increase (Decrease)	%
Sales Revenue	2,304.80	100.00	2,645.76	100.00	(340.96)	(12.89)
Sales Cost	1,683.96	73.06	1,875.55	70.89	(191.59)	(10.22)
Total Sales and Administrative Expenses	565.30	24.53	588.16	22.23	(22.86)	(3.89)
- Sales Expenses	92.19	4.00	78.87	2.98	13.32	16.89
- Administrative Expenses	360.42	15.64	371.99	14.06	(11.57)	(3.11)
- Royalties	103.91	4.51	129.12	4.88	(25.21)	(19.52)
- Directors' Remuneration	8.79	0.38	8.18	0.31	0.61	7.46

**Sales Costs.** The Group's proportion of sales costs to sales revenues in the year 2013 was 73.06 percent, compared to 70.89 percent in the year 2012 due to a decline in sales revenue by 12.89 percent and the partial utilization of production capacity while labour rates increased to Baht 300 per day throughout the country. The Group had to introduce greater flexibility in the production line to enable small lot productions and the application of a "Lean Manufacturing" system in the administration of production facilities to reduce works in progress and lower lead times. Expenses in production facilities were also curbed and the utilization of raw materials was managed with greater efficiency while maintaining product quality.

### Sales and Administrative Expenses

The Group incurred Baht 565.40 million in sales and administrative expenses in the year 2013, a decrease of Baht 22.86 million or 3.89 percent from the year 2012. The Group's sales expenses were higher due to the increase in wages of sales staff which was introduced to ensure competitiveness, an increase in workforce and expenses to expand distribution channels in department stores and boutiques, external promotional activities and promotional expenses to boost sales. At the same time, however, the Group was able to satisfactorily maintain administrative expenses.

### Profit

Unit : million Baht

Consolidated Financial Statements	2013		2012		Change	
	Amount	%	Amount	%	Increase (Decrease)	%
Sales Revenue	2,304.80	93.58	2,645.76	94.25	(340.96)	(12.89)
Other Revenues	158.03	6.42	161.38	5.75	(3.35)	(2.07)
Total Revenues	2,462.83	100.00	2,807.14	100.00	(344.30)	(12.27)
Sales Costs	1,683.96	*73.06	1,875.55	*70.89	(191.59)	(10.22)
Gross Profit	620.84	*26.94	770.21	*29.11	(149.37)	(19.39)
Sales and Administrative Expenses	565.30	22.95	588.16	20.95	(22.86)	(3.89)
Operating Profit	55.54	*2.41	182.05	*6.88	(126.51)	(69.49)
Income Tax	(11.04)	(0.45)	(35.18)	(1.25)	(24.14)	(68.62)
Earnings on Company Equity	207.26	8.42	294.77	10.50	(87.51)	(29.69)

\* Compared to Sales Revenue



### Gross Profit

The Group's gross profit in the year 2013 was Baht 620.84 million, a decrease of Baht 149.37 million or 19.39 percent from the year 2012 due to contraction of the domestic market. The Group had to launch promotional sale price campaigns which were coupled by an increase in proportion of menswear exports with lower gross profitability.

### Operating Profit

The Group's operating profit in the year 2013 was Baht 55.54 million, a decrease Baht 126.51 million or 69.49 percent from the year 2012 due to the decline of gross profit.

### Earnings on Company Equity

The Group's earnings on Company equity was Baht 207.26 million, a decrease of Baht 87.51 million or 29.69 percent from the year 2012 due to the decline of operating profit.

## 1.3) Return on Equity

Return on equity for the year 2013 was 6.51 percent, a decrease from the same period in the previous year which was 9.69 percent. This change was attributable to the decline in earnings on Company equity as already explained under the profit heading.

Pursuant to a resolution of Board of Directors Meeting No. 1/2557 on 19 February 2014, a decision was made to propose to the Ordinary Shareholders' Meeting which is to be held on 22 April 2014 to approve the payment of dividends at the rate of Baht 0.95 per share, i.e. a total of Baht 114 million, from the year 2013 operating results ending on 31 December 2013 and from retained earnings, as follows:

- Dividend payout from BOI activities in the Kabinburi 4 Project, Investment Promotion Certificate No. 1627(2)/2554, at the rate of Baht 0.18 per share for 120 million shares, or a total of Baht 21.6 million.
- Dividend payout from BOI activities in the Lamphun 4 Project, Investment Promotion Certificate No. 1628(2)/2554, at the rate of Baht 0.53 per share for 120 million shares, or a total of Baht 63.6 million.

As regards dividend payouts from the above BOI activities, natural person shareholders are not entitled to tax credits on dividends under section 47 bis of the Revenue Code.

- Dividend payout from Non-BOI activities subject to 30 percent income tax from net profit at the rate of Baht 0.24 per share for 120 million shares, or a total of Baht 28.8 million. Natural person shareholders are entitled to tax credit under section 47 bis of the Revenue Code at the rate of 3/7.

## 2) Financial Standing

### 2.1) Assets

#### Composition of Assets

Table of Financial Standing as at 31 December

Unit : million Baht

Statement of Financial Standing	2013		2012		Change: Increase (Decrease)
	Amount	%	Amount	%	
Cash and Cash Equivalents	93.51	2.51	149.64	3.81	(56.13)
Short-Term Investments	617.09	16.58	438.05	11.17	179.04
Trade Debtors and Other Debtors	365.60	9.82	449.39	11.46	(83.79)
Net Inventories	345.54	9.29	421.70	10.75	(76.16)
Other Current Assets	131.91	3.54	135.23	3.45	(3.32)
<b>Total Current Assets</b>	<b>1,553.66</b>	<b>41.75</b>	<b>1,594.00</b>	<b>40.64</b>	<b>(40.34)</b>



Unit : million Baht

Statements of Financial Standing	2013		2012		Change: Increase (Decrease)
	Amount	%	Amount	%	
Long-Term Investments	1,595.43	42.87	1,755.95	44.76	(160.52)
Net property, plant and Equipment	447.34	12.02	481.10	12.26	(33.76)
Other Non-Current Assets	124.92	3.36	91.64	2.34	33.28
<b>Total Assets</b>	<b>3,721.35</b>	<b>100.00</b>	<b>3,922.70</b>	<b>100.00</b>	<b>(201.35)</b>

In the year 2013, the Group's total asset value was Baht 3,721.35 million, a decrease of Baht 201.35 million from the year 2012. Most of this change was attributable to the decrease in trade debtors, inventories and investments in available-for-sale securities.

Total assets comprised 41.75% current assets, 42.87% long-term investments, 12.02% property, plant and equipment and 3.36% other non-current assets.

#### Asset Quality

##### Trade Debtors

Trade debtors before deductions for potential bad debts and allowances for sales returns amounted to Baht 362.38 million, a decrease of Baht 84.87 million from the previous year. These assets comprised 53.96 percent connected company debtors and 46.04 percent other debtors.

Connected company debtors amounted to Baht 195.54 million, divided into Baht 190.83 million of undue debts, or 97.59 percent, Baht 4.52 million of arrears default for a period not more than 3 months, or 2.31 percent, and Baht 0.19 million of arrears default for a period between 3 months to 6 months, or 0.10 percent. The Group does not face any risk in debt collection since these debtors are longstanding customers that have continuously conducted trade with the Group over a substantial period and carry good credit ratings.

Other debtors in the amount of Baht 166.84 million may be divided into undue debts in the amount of Baht 132.79 million, or 79.59 percent, not more than 3 months arrears default in the amount of Baht 27.96 million, or 16.76 percent, between 3 months to 6 months arrears default in the amount of Baht 6.0 million, or 3.60 percent, and more than 6 months arrears default in the amount of Baht 0.09 million, or 0.05 percent. The Group faces the risk of non-repayment in the amount set aside as an allowance for potential bad debts in the amount of Baht 0.08 million.

##### Inventories

The Group regularly manages inventories to ensure that appropriate levels are maintained and that market demands are met.

**Long-Term Investments** (See Notes 15-18 to the Financial Statements for Further Information) comprise

Available-for-sale Securities: investments in listed securities. These investments are indicated in the Financial Statements at their fair value in the amount of Baht 1,152.11 million for the year 2013, and Baht 1,349.3 million for the year 2012. There is an unrealized gain from change in value of securities in 2013 in the amount of Baht (192.60) million, a decrease of Baht 394.40 million from the year 2012. This has been stated in other comprehensive income statement in the amount of Baht (154.08) million (after income tax).

General Investments: investments in non-listed capital instruments. These investments are stated at net cost prices after depreciation allowances. In the year 2013, there was a net profit from depreciation in the amount of Baht 0.24 million, compared to a loss of Baht 14.16 million in the year 2012. Depreciation losses decreased by Baht 14.40 million.

Investments in Debt Instrument Held to Maturity. These investments are shown at their amortized costs. The debt instruments comprised unsecured and unsubordinated debentures with a credit rating of A- or higher. Interests are paid every 3 months and 6 months as from the date of issue. Interest rates vary between 3.36 - 6.00 percent per annum. (2012 Interest rates varied between 3.08 - 6.20 percent per annum )

Other Long-Term Investments: fixed deposits with a maturity period of over 1 year with a secure domestic financial institution bearing interests between 3.25 - 3.50 percent per annum. (2012 Interest rates varied between 3.25 - 4.30 percent per annum)

The Group received a return from the aforementioned investments at a rate which was higher than the interest of fixed deposits at 5 major commercial banks. In addition, the Group acquired "supply chain" benefits from the investment thus conferring greater raw material security.

#### Property, Plant and Equipment

Land shown in the Financial Statements constitute assets that have been acquired by the Group for over a long period. They are indicated at their cost prices. Current market prices of such land greatly exceed the values stated in the Financial Statements. Machinery and equipment, on the other hand, are efficient and technologically advanced.

Redundant assets have already been disposed from the accounts by the Group.

## 2.2) Liquidity

#### Cash Flow Composition

The Group's net cash flow from activities in the year 2013 amounted to Baht 261.24 million, an increase of Baht 40.53 million from the year 2012. This change was attributable to declining trade debtors and inventories.

Cash flow applied to investment activities in the year 2013 amounted to Baht 173.37 million, an increase of Baht 87.34 million from the year 2012. This change was attributable to short-term and long-term investments as part of the cash management for highest returns, investments in immovable properties for future price increases, investments in machinery in BOI Projects Kabinburi 4 and Lamphun 4 to raise production capacity, investments in machinery to boost production efficiency for non-BOI projects, software upgrades and SAP licence to develop operating efficiency, and renovations to the workplace to enhance the working atmosphere.

Cash flow used in financing activities in the year 2013 amounted to Baht 144.00 million, an increase of Baht 67.27 million from the year 2012. This change was attributable to the dividend payout for 2012 operations at the rate of Baht 1.20 per share, a total of Baht 144.00 million, in the year 2013, while in 2012, the Company paid the remaining dividends from the 2011 interim dividend payout at the rate of Baht 0.6362 per share, or a total of Baht 76.344 million. Subsidiaries made dividend payouts to minority shareholders in the amount of Baht 0.86 million.

The Group's net cash position from the aforesaid activities decreased by Baht 56.12 million. When combined with cash on the initial date of the accounting period in the amount of Baht 149.64 million, the outstanding cash at the end of the period was Baht 93.51 million.

#### Comparative Cash Flow Table for 2013-2012

Unit : million Baht

Consolidated Cash Flow Statements	Year Ending 31 December 2013	Year Ending 31 December 2012	Change: Increase (Decrease)
Operating Cash Flow	261.24	220.71	40.53
Investment Cash Flow	(173.37)	(86.03)	(87.34)
Financing Cash Flow	(144.00)	(76.73)	(67.27)
Net Cash Flow	(56.12)	57.95	(114.07)
Cash Flow at Start of Period	149.64	91.69	57.95
Cash Flow at End of Period	93.51	149.63	(56.12)



#### Liquidity Sufficiency

	2013	2012	2011
Liquidity Ratio (times)	6.40	4.86	4.04
Quick Ratio (times)	4.30	3.06	2.30
Cash Flow Liquidity Ratio (times)	0.91	0.69	0.66
Cash Increase from Operations (million Baht)	261.24	220.71	201.43

From the above financial ratios and continual cash increase from operating inflows, it is apparent that the Group has sufficient liquidity for its business operations. There is no need to incur debts for business expansion, investments, or dividend payments to shareholders.

The Company pursues a policy to manage its excess liquidity through investments in securities, capital instruments and/or debt instruments and/or open-ended funds listed in the Stock Exchange of Thailand, which are secure and offer good returns. The Company also invests in businesses which are complementary to its principal business in order to improve competitiveness. Moreover, the Company seeks to repay its creditors within a shorter period to obtain benefits in the form of cash discounts.

### 2.3) Significant Investment Expenditures

Land and buildings were purchased for future value appreciation. The site is located at Nam Pen Sub-District, Khao Chamao District, Rayong Province. The land area is 17 rai, 1 ngan and 87 square wah. The land value was Baht 24.95 million (including transfer fees), a price valued for public use by an independent property appraiser authorised by the SEC.

Renovations were carried out to the workplace in the amount of Baht 9.01 million.

Machinery was purchased to expand production capacity and enhance production efficiency in the amount of Baht 6.41 million.

Investments in software upgrades and SAP licence amounted to Baht 5.0 million.

All the aforesaid investments were made from the operating cash flow.

### 2.4) Source of Fund

#### Comparative Table of Financial Standing as at 31 December

Unit : million Baht

Liabilities and Shareholders' Equity	2013	%	2012	%	Change: Increase (Decrease)
Trade Creditors and Other Creditors	234.66	6.31	294.96	7.52	(60.30)
Total Current Liabilities	242.81	6.52	328.24	8.37	(85.43)
Retirement Benefit Obligation	177.56	4.77	160.46	4.09	17.10
Deferred Tax Liabilities	145.08	3.90	183.19	4.67	(38.11)
Total Non-Current Liabilities	323.68	8.70	344.29	8.78	(20.61)
<b>Total Liabilities</b>	<b>566.50</b>	<b>15.22</b>	<b>672.52</b>	<b>17.14</b>	<b>(106.02)</b>
Issued and Fully Paid-Up Capital	120.00	3.22	120.00	3.06	0.00
Premium on Ordinary Share	181.13	4.87	181.13	4.62	0.00
Other Component of Equity	565.86	15.21	719.94	18.35	(154.08)
Allocated Retained Earnings	177.20	4.76	162.20	4.13	15.00
Unallocated Retained Earnings	2,095.90	56.32	2,047.64	52.20	48.26
<b>Company Equity</b>	<b>3,140.09</b>	<b>84.38</b>	<b>3,230.90</b>	<b>82.36</b>	<b>(90.81)</b>
Non-Controlling Interests	14.76	0.40	19.28	0.49	(4.52)
<b>Total Liability and Shareholders' Equity</b>	<b>3,721.35</b>	<b>100.00</b>	<b>3,922.70</b>	<b>100.00</b>	<b>(201.35)</b>

### Capital Structure

The Group had a debt to equity ratio of 0.18, which is close to the 0.21 in the previous year. This shows that the Group had maintained a solid financial structure.

### Liabilities

The Group had total liabilities in the amount of Baht 566.5 million, a decrease of Baht 106.02 million from the year 2012. The change was attributable to the decrease in trade creditors and other creditors in line with the policy on inventory management and cost control. In addition, Deferred tax liabilities decreased as a consequence of the unrealized gains from the revaluation of available-for-sale securities pursuant to market conditions.

### Equity

The Group's equity value was Baht 3,140.09 million, a decrease of Baht 90.81 million from the year 2012. This change was attributable to the decrease of other component of equity by Baht 154.08 million due to the unrealized gains from the revaluation of available-for-sale securities pursuant to market conditions.

## 3) Audit Fee and Non-Audit Fee

### 3.1) Audit Fee

The Company and subsidiaries paid an audit fee to the Audit Office of the Auditor's affiliation for the year 2013 in the amount of Baht 1,306,500.00 as same as the year 2012 the details as follow:

No.	Company Name	Audit Fee
1	Thanulux Public Company Limited	881,500
2	S. Apparel Company Limited	205,500
3	Celebrate Wealth Company Limited	136,500
4	T-Chamber Company Limited	83,000
Total Audit Fee		1,306,500

### 3.2) Non-Audit Fee

The Company and subsidiaries paid fees for other services, namely reviews of compliance with contracts on the calculation of royalties and compliance with the terms of investment promotion, to the Audit Office of the Auditor's affiliation for the year 2013 in the amount of Baht 101,000 as same as the year 2012 the details as follow.

No.	Company Name	Type of service	Audit Fee
1	Thanulux Public Company Limited	Review of compliance with contractual obligations on the calculation of copyright royalties.	41,000
2	Thanulux Public Company Limited	Review of compliance with investment promotion certificate conditions.	60,000
Total non-audit fee			101,000





## General information and Reference

### General Information

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Thanulux Public Company Limited Registered No. Bor Mor Jor. 0107537001358

Type of Business	: Manufacturer of garment and leather goods
Head Office	: 129/1 Chongnonthri Road, Chongnonthri, Yannawa, Bangkok 10120
Homepage	: <a href="http://www.thanulux.com">www.thanulux.com</a>
TEL.	: 0-2295-0911-9, 0-2295-4171-80, 0-2681-3441-50
FAX	: 0-2294-5101, 0-2294-5918, 0-2294-0794
Customer Relation Center	: 0-2295-0911-9, 0-2295-4171-80, 0-2681-3441-50 กด 101
E-mail	: Company Secretary and Investor Relations <a href="mailto:supachoke@thanulux.com">supachoke@thanulux.com</a> Internal Audit Department <a href="mailto:audit@thanulux.com">audit@thanulux.com</a> Customer Relation Center <a href="mailto:crcenter@thanulux.com">crcenter@thanulux.com</a>
Registered capital	: Baht 120 Million divided into 120 Million shares, fully paid

### Reference

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#### Share Registrar

Thailand Securities Depository Company Limited	
7 Floor the Stock Exchange of Thailand Building No.62,	
Rachadapisek Road, Klongtoey, Bangkok 10110	
TEL.	: 0-2229-2800
FAX	: 0-2359-1259
Call center	: 0-2229-2888
Website	: <a href="http://www.tsd.co.th">http://www.tsd.co.th</a>
E-mail	: <a href="mailto:tsdcallcenter@set.or.th">tsdcallcenter@set.or.th</a>

### Auditor

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ASV & Associates Limited	
47 Soi 53, Rama 3 Road, Bangpongpan, Yannawa, Bangkok 10120	
TEL.	: 0-2294-8504, 0-2294-8587
FAX	: 0-2294-2345
By Mr. Anusorn Kiatgungwalgri	
Certified Public Accountant registration no. 2109, and/or	
Mrs. Kwunjai Kiatgungwalgri	
Certified Public Accountant registration no. 5875	

## Investments in other companies

Investments in companies which Thanulux Public Company Limited holds at 10% and over of the issued shares as follows :

Company Name/Address	Type of Business	Type of Share	Issued Shares	Shares Hold	% of Shares Hold	Amount (Baht)
<b><u>DISTRIBUTING COMPANIES</u></b>						
<b>1. T-Chamber Co., Ltd.</b> 129/1 Chongnonthri Rd., Chongnonthri, Yannawa, Bangkok Tel : 0-2295-4171-9 Fax : 0-2294-5101	Apparel	Ordinary	100,000	99,998	99.99	9,999,391.55
<b>2. Celebrate Wealth Co., Ltd.</b> 129/1 Chongnonthri Rd., Chongnonthri, Yannawa, Bangkok Tel : 0-2294-9505 Fax : 0-2294-9506	Apparel	Ordinary	400,000	344,000	86.00	29,035,995.20
<b>3. Miwaki SDN. BHD.</b> 37B, Jalan SS22/23, Damansara Jaya, 47400 Petaling Jaya Selangor Darul Ehsan, Malaysia Tel : (03) 719-4381 Fax : (03) 719-5399	Apparel	Ordinary	1,000,000	190,000	19.00	2,481,039.21
<b>4. Miwaki Philippines, Inc.</b> 25/F Yuchengco Tower, RCBC Plaza, 6819 cor. Ayala & Sen. Gil Puyat Avenues, Makati City, Philippines 1200 Tel : (632) 753-4791-2 Fax : (632) 753-4794	Apparel	Ordinary	20,800,000	3,952,000	19.00	3,317,590.00
<b>5. International Commercial Coordination (Hong Kong) Limited</b> Room 408, 4/F., Hope Sea Industrial Centre, 26 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong Tel : (852) 2756-5622 Fax : (852) 2753-8631	Apparel	Ordinary	20,000	3,600	18.00	2,290,638.85
<b>6. Wise Winner Co., Ltd.</b> 129/1 Chongnonthri Rd., Chongnonthri, Yannawa, Bangkok Tel : 0-2295-4171-9 Fax : 0-2294-5101	Clothing and Sporting Goods	Ordinary	100,000	18,000	18.00	1,800,000.00



Company Name/Address	Type of Business	Type of Share	Issued Shares	Shares Hold	% of Shares Hold	Amount (Baht)
<b>7. Morgan De Toi (Thailand) Ltd.</b> 129/1 Chongnonthri Rd., Chongnonthri, Yannawa, Bangkok Tel : 0-2295-1737, 0-2295-1730 Fax : 0-2294-1757	Apparel	Ordinary	400,000	64,000	16.00	6,400,597.59
<b>8. Paknumpo Wattana Co., Ltd.</b> 310/47-50 Sawanvithi Road, Paknumpo, Muang, Nakornsawan Tel : (056) 222-354, 223-683 Fax : (056) 223-683	Apparel	Ordinary	10,000	1,400	14.00	1,037,442.00
<b>9. Intanin Chiangmai Co., Ltd.</b> 162/2 Changklan Road, Changklan Muang, Chiangmai Tel : (053) 274-514-15, 282-598-9 Fax : (053) 282-358	Apparel	Ordinary	5,000	625	12.50	2,781,362.50
<b>10. Koraj Wattana Co., Ltd.</b> 3/44-47 Troksoathong, Mukamontree Road, Muang, Nakhonratsima Tel : (044) 253-772 Fax : (044) 261-556-9	Apparel	Ordinary	10,000	1,250	12.50	1,527,575.00
<b>11. Sun &amp; Sand Co., Ltd.</b> 74/220-224 Phoon-pon Road, Muang, Phuket Tel : (076) 213-137, 223-984-5 Fax : (076) 213-137	Apparel	Ordinary	10,000	1,250	12.50	1,498,637.50
<b>12. Intersouth Co., Ltd.</b> 229-231 Dhamnoonvithi Road, hadyai, Songkhla Tel : (074) 243-850, 245-019 Fax : (074) 356-339	Apparel	Ordinary	10,000	1,250	12.50	4,285,612.50
<b>13. Eastern I.C.C. Co., Ltd.</b> 90/5-6, 8 Moo 4, Pipit Road, Bangsai, Muang, Choburi Tel : (038) 285-194 Fax : (038) 285-194	Apparel	Ordinary	10,000	1,250	12.50	2,938,062.50
<b>14. Maharachapreuk Co., Ltd.</b> 470/7 Praaongdam Road, Muang, Phitsanulok Tel : (055) 212-288-90 Fax : (055) 212-288	Apparel	Ordinary	10,000	1,200	12.00	415,584.00

Company Name/Address	Type of Business	Type of Share	Issued Shares	Shares Hold	% of Shares Hold	Amount (Baht)
<b>15. Bulton (Thailand) Co., Ltd.</b> 42 3/f, Songsermprakanpai Bldg., Surawong Rd., Si-Phraya, Bangrak, Bangkok Tel : 0-2266-4630 Fax : 0-2266-4631	Apparel	Ordinary	4,000	400	10.00	250,000.00
<b>SERVICE COMPANIES</b>						
<b>1. SSDC (Tigertex) Co., Ltd.</b> 111 Moo 5, Nonthri, Kabinburi, Prachinburi Tel : (037) 281-930, 281-932 Fax : (037) 281-937	Bleaching, Dyeing Fabric and Yarn	Ordinary	32,400,000	6,144,600	18.96	68,634,718.97
<b>2. S.T.G.C. Co., Ltd.</b> 930/1 Soi Pradoo 1, Sathupradit Rd., Bangklo, Bangkorleam, Bangkok Tel : 0-2289-3100, 0-2291-0851 Fax : 0-2291-1788	Research and Develop Business	Ordinary	25,000	3,250	13.00	325,000.00
<b>MANUFACTURING COMPANIES</b>						
<b>1. S. Apparel Co., Ltd.</b> 4/2 Moo 8, Bangna-Trad Rd., KM.18 Bangchalong, Bangplee, Samutprakarn Tel : 0-2337-1657-8 Fax : 0-2337-1659	Garment	Ordinary	360,000	287,999	80.00	27,729,894.75
<b>2. Total Way Image Co., Ltd.</b> 129/1 Chongnonthri Rd., Chongnonthri, Yannawa, Bangkok Tel : 0-2295-4171-9 Fax : 0-2294-5101	Leather- ware	Ordinary	200,000	38,000	19.00	7,132,316.93
<b>3. Thai Monster Co., Ltd.</b> 129/1 Chongnonthri Rd., Chongnonthri, Yannawa, Bangkok Tel : 0-2295-4171-9 Fax : 0-2294-5101	Garment	Ordinary	200,000	38,000	19.00	5,548,942.47
<b>4. Thai Naxis Co., Ltd.</b> 222 Moo 5, Suwannasorn Rd., Nonthri, Kabinburi, Prachinburi Tel : (037) 205-145-7 Fax : (037) 205-229	Label	Ordinary	200,000	38,000	19.00	4,700,000.00



Company Name/Address	Type of Business	Type of Share	Issued Shares	Shares Hold	% of Shares Hold	Amount (Baht)
<b>5. PELLETERIA TNL-S.R.L.</b> Via Giuseppe Garibaldi N.15 Firenze (FI) 50123 Italy	Leather-ware	Ordinary	10,000	425	4.25	18,275.00
<b>6. International Leather Fashion Corp., Ltd.</b> 129/1 Chongnonthri Rd., Chongnonthri, Yannawa, Bangkok Tel : 0-2295-4171-9 Fax : 0-2294-5101	Leather-ware	Ordinary	500,000	90,000	18.00	8,810,100.00
<b>7. Five Stars Plus Co., Ltd.</b> 911 Moo 15, Teparak Rd., Bangsoathong, Samutprakarn Tel : 0-2295-0911-9 Fax : 0-2294-5101	Garment	Ordinary	500,000	84,993	17.00	8,499,300.00
<b>8. Erawan Textile Co., Ltd.</b> 49 Moo 3 Poochaosamingprai Rd., Samrongtai,Prapradaeng, Samutprakarn Tel : 0-2183-3898-9 Fax : 0-2183-3916	Spun yarn and fabrics manufacturing	Ordinary	4,650,938	745,124	16.02	110,768,762.91
<b>9. Champ Ace Co., Ltd.</b> 3885/2 Bangklo, Bangkorleam, Bangkok Tel : 0-2291-2533-4 Fax : 0-2291-2537	Garment	Ordinary	400,000	60,000	15.00	6,000,000.00
<b>10. People's Garment Public Co., Ltd.</b> 666 Rama 3 Rd., Bangpongpan, Yannawa, Bangkok Tel : 0-2685-6500 Fax : 0-2294-5159	Garment	Ordinary	96,000,000	13,484,000	14.05	52,683,587.15
<b>11. Grand Star Industry Co., Ltd.</b> 1024/94-96 Soi Chaturamitr Sathupradit Road, Bangpongpan, Yannawa, Bangkok Tel : 0-2683-8291-3 Fax : 0-2683-8293	Fabric	Ordinary	200,000	25,000	12.50	4,991,700.00
<b>12. Thai Takaya Co., Ltd.</b> 129/1 Chongnonthri Rd., Chongnonthri, Yannawa, Bangkok Tel : 0-2295-4171-9 Fax : 0-2294-5101	Jeans	Ordinary	300,000	33,000	11.00	3,300,000.00







# ACTIVITIES for 2013





บริษัท ธนูลักษณ์ จำกัด (มหาชน)

129/1 ถนนชองนนท์ แขวงชองนนท์  
เขตยานนาวา กรุงเทพมหานคร 10120  
โทร. (662) 295 0911-19, 295 4171-80  
โทรสาร. (662) 294 5101, 294 5918

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