

ANNUAL REPORT 2013

CSR Report



บริษัท ประชาอากรณ์ จำกัด (มหาชน)
PEOPLE'S GARMENT PUBLIC COMPANY LIMITED



Vision

Sustainable develop textile and garment business along with society and environment.

Mission

- : To increase income and profit growth rate consistently
- : To improve employees' knowledge, competence and quality of life
- : To develop quality of and add value to products
- : To strengthen business base and expand to all business line
- : To provide returns to shareholders regularly and in the long run
- : To support activities beneficial to the society and environment

Corporate Values

- Creative communications that are comprehensive and relevant.
- Engendering knowledge and innovative developments.
- Harmonious approach towards a common goal.
- Security and sustainability, with a good conscience and good practices manifested in good deeds.

Organization Culture

- | | |
|--------------|---|
| Employees | : Strict adherence to good faith, honesty, and fairness |
| Products | : Focus on quality and fair price |
| Stakeholders | : Focus on sound and reasonable returns |

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Investors may access further information details per the Annual Registration Statement (Form 56-1) displayed by the company at www.sec.or.th or at the company website www.pg.co.th

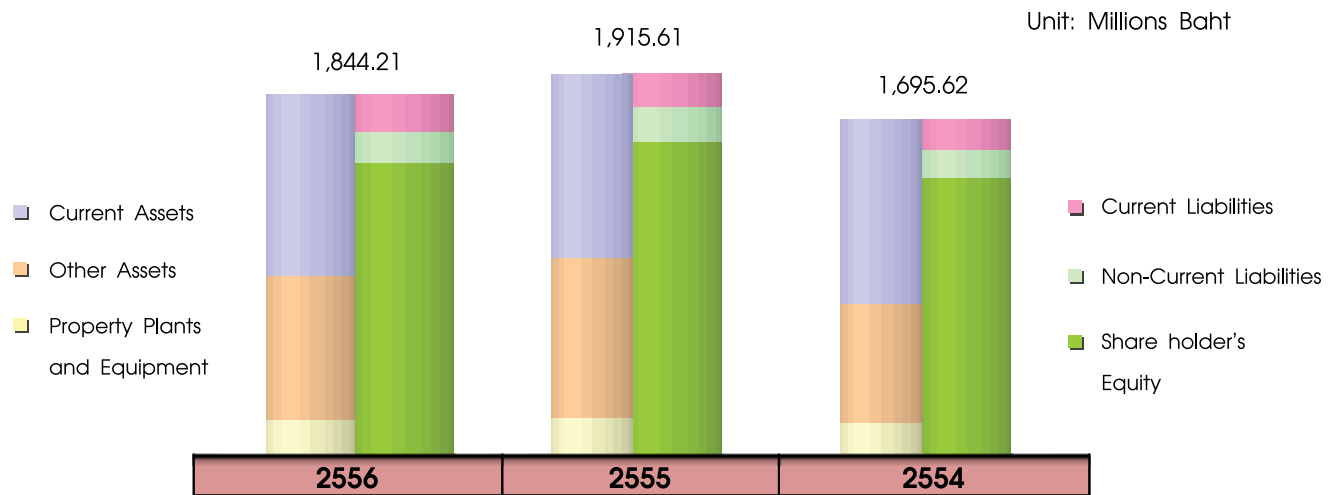
Financial Overview

DATA	2013	2012	2011
Operating Result (Millions Baht)			
Net Sales	1,057.62	1,197.54	1,266.12
Profit before income tax	87.34	135.09	139.12
Net Profit	84.03	119.66	118.91
Per Share Data (Baht)			
Par Value	1.00	1.00	1.00
Book Value	15.62	16.42	14.77
Earning	0.88	1.25	1.24
Dividend	*0.45	0.60	0.60
Market Price	11.20	12.70	11.10
Liquidity Ratio (Times)			
Current Ratio	4.92	5.43	5.89
Quick Ratio	2.84	3.55	3.96
Profitability Ratio (%)			
Return on Equity	5.46	7.99	8.66
Return on Sales	7.95	9.99	9.39
Return on Total Assets	4.47	6.63	7.27
Financial Policy Ratio (Times)			
Debts to Equity Ratio	0.23	0.22	0.20
Cash Basis	0.04	0.51	0.33
Dividend per Share (%)	**51.41	48.14	48.44
Growth Rate (%)			
Total Assets	(3.73)	12.97	7.62
Total Equity	12.33	12.33	7.32
Net Sales	(11.68)	(5.42)	26.50
Profit before income tax	(35.35)	(2.90)	1.69
Net Profit	(29.78)	0.63	(3.83)

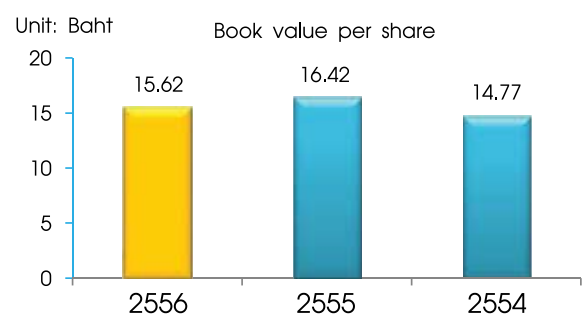
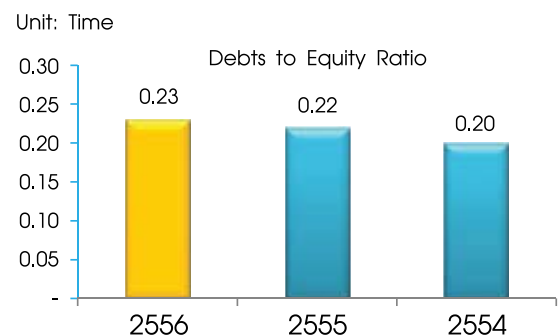
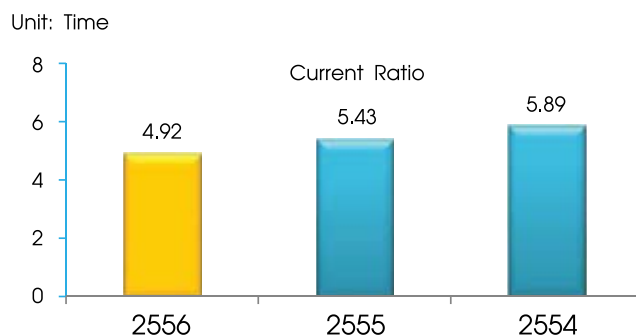
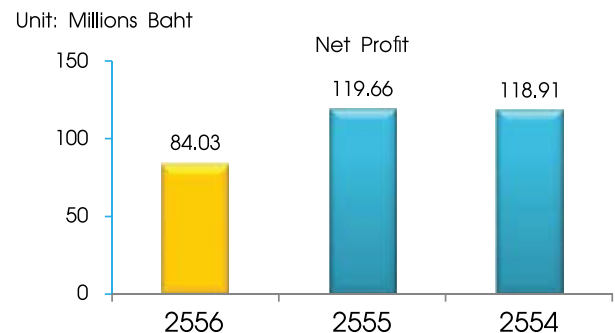
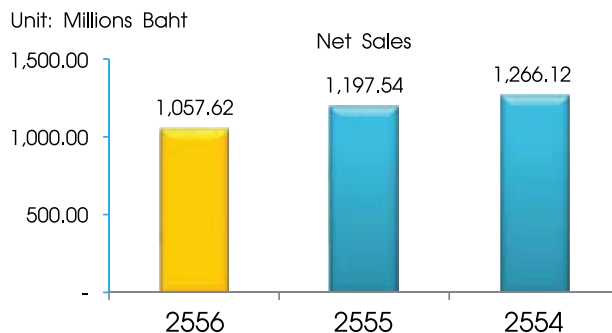
* The Board of Directors' Meeting has proposed the resolution of dividend payment at the rate 0.45 baht per share. This resolution will be proposed in the general shareholder's meeting held on 22 April 2014

** The Company has a policy to pay dividends at a rate which is not over than 50 percent of net profit and depends on the company's operation and trends in economic.

Statements Of Financial Position



Financial Data



“

Speed is the main factor
for success in the business
world of the future.

”



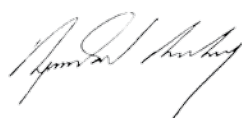
Report of the Board of Directors

The Thai textile and garment industry saw an increase in exports in 2013 due to economic recoveries in the United States and European Union markets and recurring purchase orders from countries constituting the major market group, e.g. Japan, China and ASEAN. The market for textile products, in particular, expanded, while that of garments contracted from the year 2012. On the other hand, there was an increase in imports of finished clothing from China, Vietnam, Turkey and Hong Kong, most of which were fashion products. The Industrial Economic Report published by the Office of Industrial Economics in the 4th quarter of 2013 stated that consumer confidence index fell for all items due to concerns over the Thai political situation. Consumers delayed spending while customers revised their inventory levels in line with the situation. As a consequence, business confidence declined in terms of performance, purchase orders, investments, employment and manufacturing.

In regard to performance in the year 2013, the Company generated sales revenue in the amount of 1,057.62 million baht and net profits in the amount of 84.03 million baht. After a review of the performance results and financial standing, as well as the overall economic situation, the Board of Directors passed a resolution to propose to the 35th Ordinary Meeting of Shareholders on 22 April 2014 the approval of a dividend payout for 2013 at the rate of 0.45 baht per share, or 51.41 percent of net profits. Payments are to be made from BOI activities and are due on 20 May 2014.

The Board of Directors and Executive Officers remain committed to undertaking management in accordance with good governance principles. There is a suitable internal control system and risk management. Also, as part of the Saha Group, the Company adheres to the working philosophy of Dr. Thiam Chokwattana. The Board of Directors, Executive Officers and employees are strongly committed to performing their duties diligently, honestly and justly at all times. On 19 February 2014, the Board of Directors passed a resolution to sign the Collective Action Coalition Declaration drawn up by the Thai private sector to combat corruption. It is firmly believed that throughout the Company's 33-year history, the Company has operated its businesses transparently, accountably and fairly with a full appreciation of the importance of continual involvement in social responsibilities and the environment and money & Banking Magazine. As a result, the Company has become a valued organization of society. In 2013, the Company received the "CSRI Recognition" award from the Corporate Social Responsibility Institute (CSRI) and "SET Awards 2013" under the Outstanding Corporate Social Responsibility Awards category from the Stock Exchange of Thailand and money & Banking Magazine. In addition, the Company also received an "Outstanding" rating under the corporate governance survey conducted by the Thai Institute of Directors (IOD).

On behalf of the Board of Directors, we would like to express our gratitude to all shareholders, customers, trading partners, communities in which the Company's activities are situated, stakeholders, public and private agencies, including the Executive Officers and employees, for their enduring support for the Company's operations.



Mr. Boonkiet Chokwatana
President



Mr. Charoen Charoenwatanasuksom
Chief Executive Officer

Company Profile

Dr. Thiem Chokwatana, founder of the Saha Group business empire, pursues the working philosophy "grow then burst, burst then grow" in order to build business diversity within the group. People's Garment Public Company Limited is one of Saha Group commencing textile and garment business established on 30 January 1980.

- 1980 : Established with a registered capital of Baht 3 million
- 1983 : Increased registered capital to 6 million Baht.
- 1984 : Increased registered capital to 12 million Baht.
- 1987 : Increased registered capital to 24 million Baht..
- 1989 : Increased registered capital to 48 million Baht and changed Par value from 100 Baht to 10 Baht.
- 1996 : Increased registered capital to 72 million Baht.
- 2003 : Changed Par value from 10 Baht to 1 Baht on May 2nd 2003
- 2006 : Increased registered capital to 96 million Baht

◎ Company's Status

- 1988 : Approved by Ministry of Finance to be a listed company in the Stock Exchange of Thailand on September 29, 1988.
- 1994 : Became People's Garment Public Company Limited on May 12, 1994.

◎ Company's Development

- 1980 : The first year of operation, the company was granted the right to manufacture men's slack under the "Arrow" trademark. In the following year, the company started manufacturing of clothing by using stretch fabric such as polo-shirts, warm up suit and sport wear under "Arrow" trademark.
- 1985 : Granted the right to manufacture 'Arena' swimwear.

- 1987 : Granted the rights to manufacture an entire range of products under the trademark "Lacoste" from France.
- 1998 : Granted the right to manufacture an entire range of swim ware products under the trademark "ELLE".
- 1999 : Granted the rights to manufacture swimwear under the trademark "Streamline".
- : Granted the rights to manufacture men's casual clothes and swimwear under the trademark "BSC" (Best Select Collection).

◎ Joint - Venture

- 1989 : Joint - venture company with Mizuno Corporation of Japan named Thai Sports Garment Co., Ltd. to manufacture sportswear to export to Japan.

◎ Expansion of production base

- 1989 : Expanded by construction a factory in Lumpun.
- 1994 : Started construction a factory in Amphor Kabinburi Prachinburi province.
- 1995 : Started the construction a factory at Wellgrow Industrial Estate on Bangna-Trad Km.36 Road.
- 2006 : Expanded knitting factory and production of ready to wear cloth at Kabinburi Branch

◎ Saha Group Activities

- 1995 : The company had participated BOI Fair 1995 organized by Office of the Board of Investment and Private Company at the Laemchabang port, Chonburi in the name of SAHA GROUP
- 1997 : Participated in "Thais help Thais to Strengthen the Baht" organized by Bangkok and Saha Group to sale products under symbol of "Saha Group Thailand Best" at Sanam Luang.

- 1998 : Participated in "Thais help Thais to Strengthen the Baht 2 nd at Sanam Luang in the name of Saha Group.
- 2002 : Participated with Saha Group in project "Majesty in the artist's mind" for 75 Anniversary of his Majesty the King.
- 2003 : Participated in project "Don't hurt the elephant" of ARROW and project "The Cardiac Children Foundation of Thailand" of LACOSTE
- 2005 : Sponsored swimsuit for Miss Universe 2005 under the trademark "BSC" held in Thailand
- 2006 : Participated with Saha Group in publishing calendars under the title "60 years Yen Sira Phror Phra Bosibaan" by donation to the Royal Charity through Rajapracha Nukroh Foundation under the Royal Patronage of the King for extolling His Majesty the King Bhumibol Adulyadej on the occasion of celebrating the 60th anniversary accession to the throne.
- 2007-2009
- : ARROW's special collection has participated in "Elephant Back to The Wild Project" in accordance with the Royal Initiative of Her Majesty the Queen. In 2007 - 2008, 5 elephants were released to nature, and 3 elephants were released to nature in 2009 respectively.

1997-2013

- : Participated in **Saha Group Export & Trade Exhibition 17th at Sirikit National Convention Center under concept of "Heal the World".**

© Management

- 1998 : Started the project of ISO 9001
- 1999 : Received ISO 9001 certification. The company is the first designer and manufacturer of ready to wear cloth in Thailand which was certificated from BUREAU VERITAS QUALITY (BVQI) on February 3rd, 1999.
- 2001 : Applied SAP R/3 (System Application Products) in working for the efficiency management.
- 2003 : Improved ISO 9001 : 1994 to ISO 9001: 2000 which was approved by United Registrar of System (Thailand) on February 24, 2003.
- 2005 : Upgraded software SAP R/3 from version 4.0 to version 4.7 for supporting new technology in the future and getting more efficiency management.
- 2009 : Improved ISO 9001 : 2000 to ISO 9001: 2008 which was approved by United Registrar of System (Thailand) on May 1, 2009.
- 2012 : Declared the policy and engaged business according to the Worldwide Responsible Apparel Production Standard or "WRAP" which was approved, in the Gold Certificate of Compliance, by the Worldwide Responsible Accredited Production on October 19, 2012.
- 2013 : Declared the policy and engaged business according to the Worldwide Responsible Apparel Production Standard or "WRAP" which was approved, in the Gold Certificate of Compliance, by the Worldwide Responsible Accredited Production at Kabinburi branch on January 22, 2013.
- : Participated with the Thailand Textile Institute in the "Clean Technology for the Middle and Small Textile Industry in the Central and Provincial Part" project in order to develop environmental friendly products, on March 27, 2013.
 - : Received the certificate of ISO 14001:2004 in recognition as the organization has its scope of design and manufacturing of men's wear, ladies' wear, swimwear, children's wear and knitting, which complies with the Environmental Management System, by the United Registrar of Systems (URS) on October 30, 2013.

◎ Social and Environmental Awards

Institute/Organization	Year	Awards
Ministry of Labour	1999	Received a certificate from the Ministry of Labor a Social Welfare for actively participating in the proactive women and child labor protection project among enterprises involved in export promotion, fully complying with current women and child labor protection measures.
	2002	Awarded a certificate issued by the Department of Labor Protection and Welfare to honor operators who obtained successes in complying with labor standards voluntarily and cooperated with government agencies.
	2004	<ul style="list-style-type: none"> - Awarded an Honorary Certificate for "Best Workplace for Recruiting Disabled Persons". - Awarded a "Certificate and Notice under the White Factory Project". - Awarded "Standard Certification for AIDS Management in Accordance with ASO Thailand Gold Level Standards". - Awarded a prize for "Green Factory in Celebration of Her Majesty the Queen's 72nd Anniversary".
	2007	<ul style="list-style-type: none"> - Awarded an ultimate of "Certificate and Notice under the White Factory Project" in regard of preventing and solving drug problem in workplace. - Received "Certificate of TLS 8001-2010" for primary in regard of meeting the standard of Social responsibility of Thai Business. - Awarded an Honorary Certificate for "Best Workplace for Recruiting Disabled Persons".
	2008	Awarded "Standard Certification for AIDS and Tuberculosis Management in Accordance with ASO Thailand Platinum Level Standards".
	2009	Received an award for "Outstanding Mid-Size Workplace of the Category without a Labour Union for Labour Relations and Welfare".
	2010	<ul style="list-style-type: none"> - Awarded excellent establishments on Labour Relations and Social Welfare (for 3 continuous years). - The Company received a distinction for being in a "Workplace which supports the employment of disabled persons Project". - Received primary "Certificate of TLS 8001-2010". - Awarded an ultimate of "Certificate and Notice under the White Factory Project" in 2011.
	2011	<ul style="list-style-type: none"> - Awarded the Certificate of Thai Labour Standards TLS 8001-2553, initial completion level. - Awarded excellent establishments on Labour Relations and Social Welfare (for 4 continuous years).
	2012	Awarded excellent establishments on Labour Relations and Social Welfare (for 5 continuous years since 2008 - 2012).

	2013	<p>Awarded the Excellent Establishments on Labour Relations and Social Welfare</p> <ul style="list-style-type: none"> - Head Office : 6 consecutive years (2008 - 2013) - Lumphun : 6 consecutive year (2008 - 2013) - Kabinburi : 5 consecutive years (2009 - 2013) - Wellgrow : 2 consecutive years (2012 - 2013) <p>- Awarded the Standard on Prevention and Solution to Drugs Problems in an Establishment (SDE)</p> <p>- Awarded the Excellent Establishment on Safety, Occupational Hygiene and Working Environment in the provincial level at Lumphun branch.</p> <p>- Awarded the Excellent Establishment on Skill Development at Kabinburi branch.</p> <p>- Awarded the golden certificate from “Zero Accident Campaign”</p>
Ministry of Social Development and Human Security	2010	Awarded an Honorary Certificate for “Best Workplace for Recruiting Disabled Persons”.
	2013	Received the certificate for promoting of recruiting disable persons higher level than the requirement of the law.
Ministry of Industry	2006	Awarded a prized for “Pleasant factory and kindly to environment” to extol His Majesty the King on occasion of celebrating the 60 th anniversary accession to the throne.
	2011	Awarded a prized for “Corporate Social Responsibility, Department of Industrial Works/CSR-DIW”.
Thai Chamber of Commerce	2003	Received grant of the royal permission, “Suwannachart”, Thong Daeng Shirt, on 21 January 2003.
Thailand Productivity Institute	2003	Received a commendation from the Thailand Productivity Institute due to the Company’s involvement in creating a national database under the “Productivity and Investment Climate Survey of Thailand in 2003 Project”.
Ministry of Public Health	2010	Awarded a prize and certification of standard for AIDS management, ASO Thailand, Gold Level.
Thai Red Cross	2005	Lumphun branch has awarded “Best Workplace for AIDS Management”.
	2010	Awarded for workplace cooperation in the procurement of group blood donors in aid of mankind for 5 continuous years.
The Governor	2009	- Received a distinction for being a “workplace which supports the employment of disabled persons in 2009”.
		- Received a “Distinction Trophy for Outstanding Workplace on Factory Strength to Combat Narcotic Drugs”.
Thailand Greenhouse Gas Organization (Public Organization)	2011	Received a certification of “The Carbon Foot Print Label” from Thailand Greenhouse Gas Organization (Public Organization), Ministry of Natural Resources and Environment, for white polo shirts for males carrying the ARROW brand.

SHAREHOLDING AND MANAGEMENT STRUCTURE

◎ Divided by Shareholder's Nationality

As at the close of share register on March 26, 2013

				Juristic Persons			Private Individuals		
	Person	Shares	%	Person	Shares	%	Person	Shares	%
Thail	764	95,280,000	99.25	30	54,229,362	56.49	734	41,050,638	42.76
Foreign	1	720,000	0.75	1	720,000	0.75	-	-	-
Total	765	96,000,000	100.00	31	54,949,362	57.24	734	41,050,638	42.76

◎ Divided by Shareholding Ratio

As of share registration book closing date on March 26, 2013

Shareholders				Juristic Persons			Private Individuals		
	Person	Shares	%	Person	Shares	%	Person	Shares	%
- Holding share over 0.5%	22	78,098,594	81.35	10	53,420,665	55.65	12	24,677,929	25.70
- Holding share not over 0.5% but not less than 1 selling unit	672	17,900,495	18.65	18	1,528,658	1.59	654	16,371,837	17.06
- Holding share less than 1 selling unit	71	911	0.00	3	39	0.00	68	872	0.00
Total	765	96,000,000	100.00	31	54,949,362	57.24	734	41,050,638	42.76

◎ 10 Major Shareholders as at closing date on March 26, 2013

Names	Number of Shares	%
1. Thanulux Public Company Limited	13,484,000	14.046
2. Sahapathana Inter-holding Public Company Limited	12,240,000	12.750
3. Mr.Samreng Manoonpol	10,135,066	10.557
4. Sahapathanapibul Public Company Limited	8,450,000	8.802
5. I.D.F. Co.,Ltd.	7,290,000	7.594
6. Mr.Boonsithi Chokwatana	5,256,666	5.476
7. ICC International Public Company Limited	5,040,000	5.250
8. Naraporn Co.,Ltd.	3,930,533	4.094
9. Mr.Boonkiet Chokwatana	2,562,933	2.670
10. Mrs.Sirina Pawalolan-Wittaya	1,308,133	1.363

Note : Shareholders can update their number of shares at www.pg.co.th before commencement of 35th annual general meeting of shareholders.

◎ DIVIDEND PAYMENT POLICY

The Company has a policy to pay dividends at a rate which is not over than 50 percent of net profit, and it depends on the company's operation and economic trend. After the board of directors approved the policy, it has to be proposed to ordinary shareholder's meeting for getting approval excepting the interim dividend payment. The board of directors has the right to approve interim dividend payment and the board of directors must report the payment to shareholders in the next meeting.

Divined Payment details for the past periods are as follows;

	2013	2012	2011	2010	2009
Earnings per share	0.88	1.25	1.15	1.27	1.34
Rate of Divined per share (Baht)	**0.45	0.60	0.60	0.60	0.60
Rate of Divined from Net Profit (%)	51.41	49.93	52.25	47.36	44.88

Remark : ** The Board of Directors' meeting no.1/2014 voted in order to consider divined payment in rate of 0.45 Baht per share and proposed divined payment for 2013 by presenting to the Shareholders General Meeting on April 22, 2014 for getting an approval.

◎ CROSS-SHAREHOLDING

While the company allows the structure for cross-shareholding, nevertheless, such cross-shareholding is not of the nature conflicting with nor contradicting to the announcement by The Capital Market Supervisory Board no. Thor Chor. 28/2008 regarding "the permission request and the permission to offer newly-issued shares" no. 14

Cross-shareholding details as of December 31, 2013

ชื่อบริษัท	สัดส่วนการถือหุ้น (%)	
	PG ถือหุ้นบริษัทอื่น	บริษัทอื่นถือหุ้น PG
1. In the case of over 50% shareholding		
(A) Other companies holding over 50% shares in the company Cross-shareholding by the company in other companies is not allowed.	-	-
(B) The company holding over 50% shares in other companies Cross-shareholding by other companies in the company is not allowed.	-	-
(C) The company holding over 50% shares in 2 other companies and over Cross- shareholding between other such companies is not allowed.	-	-
2. In the case of over 25% shareholding, but not exceeding 50% shareholding		
(A) Other companies holding over 25% but not exceeding 50% shares in the company. Over 10% cross-shareholding by the company in other companies is not allowed.	-	-
(B) The company holding over 25% but not exceeding 50% shares in other companies. Over 10% cross-shareholding by other companies in the company is not allowed.	-	-
3. In the case of not exceeding 25% shareholding*		
(A) Other companies holding not exceeding 25% shares in the company Over 25% shareholding by the company in other companies is not allowed.	-	-
(B) The company holding not exceeding 25% shares in other companies Over 25% shareholding by other companies in the company is not allowed.	-	-
1. Saha Pathana Inter-holding Public Company Limited (SPI)	0.44	13.78
2. Saha Pathanapibol Public Company Limited (SPC)	0.07	8.80
3. I.C.C. International Public Company Limited (ICC)	0.60	5.25

Remark : * Only items showing cross-shareholding by the companies are displayed.

☉ Management structure

Management structure consisted of:-

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

☉ Company's Director

In 2013, there are 12 members of the board of directors who named in the certificate letter of Ministry of Commerce as follows;

Name		Position	Date of Appointed	Term of Office
1. Mr.Boonkiet	Chokwatana	President	April 24,1989	24 years
2. Mrs.Somporn	Tiyaviboonsiri	Director	July 2,1982	31 years
3. Mr.Chailert	Manoonpol	Director	July 29,1985	28 years
4. Mrs.Sunan	Niyomnaitham	Director	July 29,1986	27 years
5. Ms.Pisamai	Chunmanu	Director	April 20,1988	25 years
6. Mr.Charoen	Charoenwatanasuksom	Director	April 27,1992	21 years
7. Mrs.Teerada	Ambhanwong	Director	April 26,1999	14 years
8. Mrs.Nuchanart	Thammanomai	Independent Director	April 26,1999	14 years
9. Mr.Amorn	Asvanunt	Independent Director	April 20,2002	11 years
10. Mrs.Chotip	Pramoj Na Ayudhya	Independent Director	April 22,2002	11 years
11. Gen.Konecharnart	Chunnabhata	Independent Director	April 28,2009	4 years
12. Mr.Santi	Bangor	Independent Director	April 28,2009	4 years
	Mrs.Suvimol Charoensrichai	Company Secretary		

☉ BOARD OF DIRECTORS

An authorized act having a binding effect on the Company are requires the signatures of 2 directors out of the following 7 directors as well as the Company seal, namely.

1. Mr.Boonkiet Chokwatana
2. Mr.Chareon Chareonwatanasuksom
3. Mrs.Sunan Niyomnaitham
4. Mrs.Somporn Tiyaviboonsiri
5. Mr.Chailert Manoonpol
6. Ms.Pisamai Chunmanu
7. Mrs.Teerada Ambhanwong

◎ Report on the change in shareholding of the Directors and Executives as of 31 December 2013

Name		2012		Increase/ Decrease During the year	2013 Total	%	2013	
		Director	Spouse				Director	Spouse
1. Mr.Boonkiet	Chokwatana	2,562,933	90,000	-	2,652,933	2.76	2,562,933	90,000
2. Mr.Charoen	Charoenwatanasuksom	39,000	-	-	39,000	0.04	39,000	-
3. Mrs.Sunan	Niyomnaittham	150,000	40,000	-	190,000	0.20	150,000	40,000
4. Mrs.Somporn	Tiyaviboonsiri	795,000	240,000	-	1,035,000	1.08	795,000	240,000
5. Mr.Chailert	Manoonpol	280,000	170,000	-	450,000	0.47	280,000	170,000
6. Ms.Pisamai	Chunmanu	232,000	-	-	232,000	0.24	232,000	-
7. Mrs.Teerada	Ambhanwong	224,550	-	-	224,550	0.23	224,550	-
8. Mrs.Chortip	Pramoj Na Ayudhya	10,000	-	-	10,000	0.01	10,000	-
9. Mr.Amorn	Asvanunt	-	-	-	-	-	-	-
10. Mrs.Nuchanart	Thammanomai	-	10,000	-	10,000	0.01	-	10,000
11. Gen.Konechamart	Chunnabhata	-	-	-	-	-	-	-
12. Mr.Santi	Bangor	-	-	-	-	-	-	-
13. Ms.Orawan	Thammarakkhit	45,000	-	-	45,000	0.05	45,000	-
14. Ms.Nopparat	Asawasiripong	36,000	-	-	36,000	0.04	36,000	-
15. Mrs.Sasivimol	Kluyasritrakul	33,000	-	-	33,000	0.03	33,000	-

Note: Included spouse but not included children due to becoming maturity and not a shareholder.

◎ Organization of Company's Director

According to the Company Articles of Association: Chapter 3 "Board of Directors" Article 18 stipulating that the Company's Board of Director shall consist of at least 5 persons and a half of them shall have resident in Thailand.

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.

◎ Procedure of Appointment and Deprivation of Directors

Procedure to appoint Company's Directors

According to the Company Articles of Association: Chapter 3 "Board of Directors" Article 20 stipulating that the director shall be elected at the shareholder's meeting in accordance with the following rules and procedures:

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.

Procedure to Deprive Company's Directors

- Termination

According to the Company Articles of Association: Chapter 3 "Board of Directors" Article 21 stipulating that every Annual General Meeting, one-third of the director shall be retired. If its number cannot be divided into three parts, the nearest number towards such one-third shall be retired. In the first and second year of retirement will be effected by drawing and in subsequent year director who holds his position longest will be retired.

- Other Terminations

According to the Company Articles of Association: Chapter 3 "Board of Directors" Article 22 stipulating termination of directors in Article 21 as follows;

1. Death
2. Resignation
3. Lack of qualities or possession of characteristics prohibited by law or these articles
4. Deprived by resolution of Shareholders' meeting
5. Deprived by the court's order

In case of vacancy besides other termination, the Board shall select a person who has qualification and does not possess characteristics prohibited by law to be substitute director at the next meeting unless the remaining term of such director is less than two months.

According to the Company Articles of Association: Chapter 3 "Board of Directors" Article 25 stipulating that the shareholders' meeting may pass a resolution of removing any director before his termination by the votes. Such vote has not less than three-fourths of the number of shareholder present at the meeting and entitled to vote and total shares have not less than half of the number of shares.

◎ Company Board of Directors

Authorities

1. To supervise and manage the administration in compliance with objective, company's articles and resolution of shareholders' meeting as well as legal compliance.
2. To appoint one Director to be President and anybody to be Vice - President as appropriate.
3. To appoint, demote or empower the advisor of board of directors, managing director, audit committee, executive board, remuneration committee and nomination committee, risk management committee, and company secretary as appropriate.

Functions and Responsibilities

1. Performing by company's regulation and managing the operation complying with law, company's objective, regulation and resolution of shareholder meeting.

2. To formulate visions, tasks and business policies of the Company in order to implement a proper governance system.
3. To consider the organization's long-term operational plans and capabilities.
4. Providing an efficient and effective accounting system, financial report, audit report, internal control system and internal audit.
5. Managing the problem on possible conflict of interest to be solved and related party transactions.
6. To protect the interests of shareholders equitably as well as disclose accurate, complete, up-to-date, transparent and accountable information.
7. To consider the payment of interim dividend and report such payment to the shareholders' meeting.
8. To consider the approval of other transactions outside the powers of the Executive Committee, provided that they are not inconsistent with the Company's memorandum of association.
9. To arrange company directors' meeting and shareholders' meeting including the minute of such meeting.
10. To give the opinion on the agenda of shareholders' meeting.
11. To report on shareholding whenever changing.
12. To approve the charter of company director and/or other committee.
13. Being a leader and good model of performance.

◎ Audit Committee

The Board of Directors' meeting No.2/2013 held on May 14, 2013 approved a resolution of appointment of Audit Committee. The committee appointed at least 3 persons who have qualification in accordance with laws of The Stock Exchange of Thailand and one of them must have accounting and financial knowledge to be audit committee as named below.

Names	Position	
1. Mr.Amorn Asvanunt	Chairman of Audit Committee	Independent Director having knowledge on Accounting and Finance
2. Mrs.Nuchanart Thammanomai	Member of Audit Committee	Independent Director having knowledge on Law
3. Mr.Santi Bangor	Member of Audit Committee	Independent Director having knowledge on Financial
Mrs.Napatsorn Sudlapa	Secretary to the Audit Committee	

Remark: Audit Committee has its term for one year, which starts counting on May 14, 2013.

Meeting: In 2013, Audit Committee convened 4 meeting. All 3 members of the committee attended all meetings

Functions and Responsibility of Audit Committee performing by the Charter of Audit Committee

1. To review the financial statements of the Company to ensure that financial reporting is accurate and in accordance with generally accepted accounting principles.
2. To review the internal control system and internal audit to ensure efficiency and effectiveness and 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.
3. 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.
4. 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.
5. 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 that such transactions are entered into reasonably and are in the best interests of the Company.

6. 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 members 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.

7. 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.

- 8. To support and monitor the Company's implementation of an efficient risk management system.
- 9. To revise and amend the Charter of the Audit Committee and propose such revision or amendment to the Board of Directors for approval
- 10. 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.

Responsibility

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.

◎ Remuneration Committee

In 2013, the Board of Director meeting no.2/2013 on May 14, 2013 considered and approved the appointment of the previous Remuneration Committee, with 1 Independent Director, to renew the term as following names;

Names	Position	
1. Mr.Boonkiet Chokwatana	Chairman of Remuneration Committee	Non-Executive Director
2. Mrs. Sunan Niyomnaitam	Director	Executive Director
3. Mrs.Chotip Pramoj Na Ayudhya	Director	Independent Director

Remark : Remuneration Committee has its term for one year, which starts counting on May 14, 2013.

Meeting : In 2013, the Remuneration Committee convened 2 meetings. All 3 members of the committee attended all meetings in order to consider monthly compensation of executive director for 2013 and propose yearly compensation for 2014 by presenting to company director and shareholder meeting respectively for getting an approval.

Functions and Responsibility of Remuneration Committee

- 1. To determine the remuneration of Company Directors, taking into 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.

2. To consider the distribution of remuneration of Company Directors, Audit Committee members, Nominating Committee members and Remuneration 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.

3. To revise and amend the Charter of the Remuneration Committee and to submit such revisions or amendments to the Board of Directors for approval.
4. To carry out any other acts as assigned by the Board of Directors.

Responsibility

In performing the above duties, the Remuneration 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

© Nomination Committee

In 2013, the Board of Director meeting no.2/2013 on May 14, 2013 considered and approved the appointment of Nomination committee, with 1 Independent Director, as following names;

Names		Position	
1. Mr.Boonkiet	Chokwatana	Chairman of Nomination Committee	Non-Executive Director
2. Mrs.Somporn	Tiyaviboonsiri	Director	Non-Executive Director
3. Mrs.Chortip	Pramoj Na Ayudhya	Director	Independent Director

Remark: Nomination Committee has its term for one year, which starts counting on May 14, 2013.

Meeting: In 2013, the Nomination Committee convened 2 meetings. All 3 members of the committee attended all meetings to consider the nomination of replacements for directors who expire their term in the year 2013 and to nominate and appoint sub-committee and to present to company director and ordinary shareholder meeting for getting an approval respectively.

Functions and Responsibility of Nomination Committee

1. To determine rules and procedures for the Nominating of Company Directors.
2. To examine the history and various information on 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 nomination rules, Articles of the Company and relevant laws.
3. To consider the selection of persons having suitable qualifications for a Company Director for nomination to the meeting of the Board of Directors for

approval. Where a directorial position has become vacant by reason of a resignation, the Company Board of Directors shall appoint a director to fill in the position. As for other cases, the Company Board of Directors must submit the candidate to the shareholders for consideration pursuant to the Company's articles.

4. To consider and review the structure and element of company director
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 complete any assignment received from the Board.

Responsibility

In performing the above duties, The Nomination 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

Moreover, the committee arrange meeting for nominating independent director who have qualification in accordance with the rules of Capital Market Supervisory Board in order to support Structure of Company Director pursuant to good corporate governance principal. Therefore, the Company has independent directors one third (1/3) of board of directors.

◎ Risk Management Committee

In 2013, company director meeting no.2/2013 on May 14, 2013 considered and approved the appointment of Risk Management committee, with 1 Independent Director, as following names;

Names		Position	
1. Gen.Konecharnat	Chunnabhata	Chairman of Risk Management Committee	Independent Director
2. Mr.Charoen	Charoenwattanasuksom	Director	Executive Director
3. Ms.Nopparat	Asawasiripong	Director	Executive Director
4. Mrs.Suvimol	Charoensrichai	Director/Secretary to the Risk Management Committee	Company Secretary

Remark : Risk management committee has its term for one year which start counting on May 14, 2013.

Meeting : In 2013, the Risk Management Committee convened 4 meetings. All 4 members of the committee attended all meetings.

Function and responsibility of Risk Management Committee

1. To accept the risk management policy from company director for planning risk management for all level in the organization
2. To propose the appointment of risk management team to company director for acknowledgement
3. To follow, specific and evaluate the risk which presented by risk management team
4. To evaluate and consider risk management plan which presented by risk management team
5. To report the risk management to company director for getting agreement

6. To supervise the effective of risk management
7. To revise and amend the Charter of the Risk Management Committee and to submit such revisions or amendments to the Board of Directors for approval.
8. To complete any assignment related to risk management received from the Board.

Responsibility

In performing the above duties, The Risk Management 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.

◎ Corporate Governance Committee

In 2013, company director meeting no.2/2013 on May 14, 2013 considered and approved the appointment of Corporate Governance committee, with 1 Independent Director, as following names;

Names	Position	Position	
1. Mr. Santi Bangor	Chairman of Corporate Governance Committee	Independent Director	
2. Mr.Charoen Charoenwattanasuksom	Director	Executive Director	
3. Mrs.Sunan Niyomnaitham	Director	Executive Director	
4. Mrs.Suvimol Charoensrichai	Director/Secretary to the Corporate Governance Committee	Company Secretary	

Remark : Corporate Governance committee has its term for one year which start counting on May 14, 2013.

Meeting : In 2013, the Corporate Governance Committee convened 2 meetings. All 4 members of the committee attended all meetings.

Function and responsibility of Corporate Governance Committee

1. To revise and consider Corporate Governance Policies, Business Ethics and Code of Conduct for Employees to ensure the appropriate and up-to-date.
2. To propose the guideline to perform in accordance with the corporate governance principle for the Company's directors, sub-committee, executives including employees in every level.
3. To follow and supervise the operation of the Board of Directors, managements and employees in order to conform with corporate governance framework, the Company's policies and related laws and regulations.
4. To propose the corporate governance report to the Board of Directors including opinion and suggestion for conduct appropriated revision.
5. To assign policies and guideline for the operation of Corporate Social Responsibility and follow such operation then report to the Board of Directors.

6. To control the effectiveness of corporate governance to be consecutively and appropriated success.
7. To propose the appointment of corporate governance team to company director for acknowledgement.
8. To revise and amend the Charter of the Risk Management Committee and to submit such revisions or amendments to the Board of Directors for approval.
9. To complete any assignment related to risk management received from the Board.

Responsibility

In performing the above duties, the Corporate Governance 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.

๑ Executive Committee

The company director meeting no.2/2013 on May 14, 2013 considered and approved the appointment of 11 members of Executive Committee as following name;

Name		Position
1. Mr.Charoen	Charoenwattanasuksom	Chief Executive Director/Managing Director
2. Mrs.Sunan	Niyomnaitham	Deputy Managing Director/Chief Financial Officer
3. Ms.Orawan	Thammarakkhit	Manager, Business 1 Department
4. Ms.Nopparat	Asawasiripong	Assistant Manager, Personnel Department
5. Mrs.Sasivimol	Kluyasritrakul	Assistant Manager, Account and Finance Department
6. Mrs.Nutchapunporn	Sunthornwiset	Manager, Business 1 Division
7. Mr.Suwat	Panichlers	Manager, Production Division
8. Ms.Pragairat	Sae-na	Manager, Information Technology Division
9. Mrs.Kalayanee	Chantarapikul	Manager, Purchasing Division
10. Mrs.Photchamarn	Engkanisarn	Manager, Business 2 Division
11. Mrs.Suvimol	Charoensrichai	Manager, Registration Division/Secretary to the Executive Board

Remark: Executive Committee has its term for one year which start counting on May 14, 2013.

Functions and Responsibility of Executive Committee

1. To supervise operations in line with the Company's tasks and to comply with the Company's business policy in view of achieving the Company's business goals as well as the objectives of shareholders' resolutions
2. Developing the organization and personnel in terms of knowledge and full competence and building organizational culture
3. To sequence the importance of company director's decision and use it for getting effective management
4. To consider the agenda before presenting to the company director
5. Having a duty to report on plan progression and budget approved to the Board of Directors every quarter.
6. Arranging for a meeting with chief officers of each department every month on the quarterly basis to follow up and monitor operating results
7. Arranging for the General Meeting with chief officers of each department in the fourth quarter of each year to jointly set business targets and the Company's plans for next year with aim at the continual and sustainable growth.
8. Considering financial policies, loan raising, investment, and lease/lease agreements within specified amount limit.
9. To consider policies pertaining administration and organizational restructuring.
10. To consider business and marketing policies.
11. To consider personnel policies and approve the adjustment of employee salary scales and bonuses
12. To consider the approval of juristic acts binding on the Company or other acts not performed in the usual course of business within the prescribed financial limit.
13. To report on shareholding whenever changing

14. To promote the good conscience of executives and employees in their performance of duties in line with the Company's business policies, business ethics and employee code of conduct.
15. Others followed by meeting's resolution

Responsibility

In performing the above duties, The Remuneration 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

Functions and Responsibility of Managing Director

The Board of Directors has recognized the Principle of Good Corporate Governance, and to be in compliance with Chapter 3/1 of the Securities and Exchange Act, B.E. 2535 as amended by the Securities and Exchange Act (No. 4), B.E. 2551, it deems expedient to establish the Charter of Managing Director as follows:

1. To manage the Company and administer the operations in compliance with 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 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 command, allocate, appoint, relieve, transfer, promote, enforce disciplines, evaluate as well as to determine the company personnel's remuneration and welfare benefits of employees. All said power must not be inconsistent with the power of Executive Committee.
4. To issue regulations on the Company's operations, such regulations not being inconsistent with or contrary to the policies, articles of the Company, regulations orders and resolutions of the Board of Directors and/or Executive Committee.
5. To grant or approve the investment in permanent asset in the specific amount
6. To grant or approve selling or buying ordinary shares and/or others securities issued by other companies in the specific amount
7. To approve the juristic act of non financial transaction in the specific amount
8. To report the operation under article 5,6,7 to the Executive Board whenever performing
9. To grant and/or delegate powers to other persons to perform specific tasks on behalf of the Managing Director.
10. 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.
11. In the event that the above powers may not be thoroughly clarified or causing any doubt (uncertain) in exercising, the matter must be submitted for the Board of Directors' consideration.
12. To carry out any other acts as assigned by the Board of Directors and/or Executive Committee.

Furthermore, the Executive Committee sets up sub-committees for employees can participate in management of various matters in the Company to be accurate, appropriate, efficient and effective. The sub-committees are composed of the followings, each of which contains a member of the Executive Committee as advisor:

Sub-Committees	Advisor	
1. Quality Standard System ISO9001 Committee	Mr.Charoen	Charoenwattanasuksom
2. Safety, Occupational Hygiene and Working Environment Committee	Mr. Charoen	Charoenwattanasuksom
3. Environment Management Standard ISO14001 Committee	Mr. Charoen	Charoenwattanasuksom
4. Thai Corporate Social Responsibility TLS8001 Committee	Mrs. Sunan	Niyomnaittham
5. Worldwide Responsible Apparel Production Standard WRAP Committee	Mrs. Sunan	Niyomnaittham
6. Company Welfare Committee	Mrs. Sunan	Niyomnaittham
7. Prevention and Solution to Drugs Problems in an Establishment Committee	Mrs. Sunan	Niyomnaittham
8. Energy and Environment Conservation Committee	Ms. Nopparat	Asawasiripong
9. KAIZEN Committee	Mr. Suwat	Panichlers
10. Innovation Committee	Mr. Suwat	Panichlers

◎ Summary of Number of Meeting during 2013

The attendance of committee meetings by Company directors may be summarized as follows;

Name		Director	Audit Committee	Remuneration committee	Nomination Committee	Risk Management Committee	Corporate Governance Committee	Shareholders Meeting No.34 23/4/2013
1. Mr.Boonkiet	Chokwatana	5/5	-	2/2	2/2	-	-	1
2. Mr.Charoen	Charoenwattanasuksom	5/5	-	-	-	4/4	2/2	1
3. Mrs.Sunan	Niyomnaittham	5/5	-	2/2	-	-	2/2	1
4. Mrs.Somporn	Tiyaviboonsiri	5/5	-	-	2/2	-	-	1
5. Mr.Chailert	Manoonpol	5/5	-	-	-	-	-	1
6. Ms.Pisamai	Chunmanu	*4/5	-	-	-	-	-	1
7. Mrs.Teerada	Ambhanwong	5/5	-	-	-	-	-	1
8. Mrs.Chortip	Pramoj Na Ayudhya	5/5	-	2/2	2/2	-	-	1
9. Mr.Amorn	Asvanunt	5/5	4/4	-	-	-	-	1
10. Mrs.Nuchanart	Thammanomai	5/5	4/4	-	-	-	-	1
11. Gen.Konecharnart	Chunnabhat	5/5	-	-	-	4/4	-	1
12. Mr.Santi	Bangor	5/5	4/4	-	-	-	2/2	1
13. Ms.Nopparat	Asawasiripong	-	-	-	-	4/4	-	1
14. Mrs.Suvimol	Charoensrichai	-	-	-	-	4/4	2/2	1

Remark : * Absence the Board of Directors meeting because of traveling to oversee to complete the assignment.

Name		Executive Director	Shareholders Meeting No.34 23/4/2013
1. Mr.Charoen	Charoenwatanasuksom	12/12	1
2. Mrs.Sunan	Niyomnaitham	**11/12	1
3. Ms.Orawan	Thammarakkhit	12/12	1
4. Ms.Nopparat	Asawasiripong	12/12	1
5. Mrs.Sasivimol	Kluyasritrakul	12/12	1
6. Mrs.Nutchapunporn	Sunthornwiset	12/12	1
7. Mr.Suwat	Panichlers	12/12	1
8. Ms.Pragairat	Sae-na	12/12	1
9. Mrs.Kalayanee	Chantarapikul	12/12	1
10. Mrs.Photchamarn	Engkanisarn	12/12	1
11. Mrs.Suvimol	Charoensrichai	12/12	1

Remark : ** Absence the Executive Director meeting because of traveling to oversee to complete the

◎ Remuneration of Committee Members and Executives

The Remuneration Committee submitted a determination of remuneration to the Company Board of Director by having regard to the performance of the company and results achieved by each director and executive. Approval of the Company Board of Directors was given in the meeting No.5/2012 on December 21, 2012 and got an approval from the 34th ordinary shareholders meeting in the amount of not exceeding 10 million Baht.

1. Monetary remuneration

- Annual Remuneration (All company Directors)
- Meeting Allowance (Attendance only)

	2013 (Baht/Meeting)	2012 (Baht/Meeting)
President	12,000	10,000
Director	9,000	9,000
Chairman of Audit Committee	12,000	10,000
Member of Audit Committee	9,000	9,000
Chairman of Remuneration Committee	10,000	6,000
Member of Remuneration Committee	5,000	5,000
Chairman of Nomination Committee	10,000	6,000
Member of Nomination Committee	5,000	5,000
Chairman of Risk Management Committee	10,000	6,000
Member of Risk Management Committee	5,000	5,000
Chairman of Corporate Governance Committee	10,000	-
Member of Corporate Governance Committee	5,000	-

- Remuneration of other sub committees which organized by the Board will be in the consideration of The Board of Directors and considered by appropriateness, duties, and responsibilities.

1.1 The remuneration paid to directors is meeting allowance and pension as following details;

Name		Remuneration : Year 2013			Remuneration : Year 2012		
		Meeting Allowance	Remuneration	Total	Meeting Allowance	Remuneration	Total
1. Mr.Boonkiet	Chokwatana	84,000	400,000	484,000	59,000	600,000	659,000
2. Mr.Charoen	Charoenwattanasuksom	75,000	400,000	475,000	69,000	600,000	669,000
3. Mrs.Sunan	Niyomnaittham	65,000	380,000	445,000	49,000	580,000	629,000
4. Mrs.Somporn	Tiyaviboonsiri	55,000	200,000	255,000	40,000	600,000	640,000
5. Mr.Challert	Manoonpol	45,000	200,000	245,000	35,000	200,000	235,000
6. Ms.Pisamai	Chunmanu	36,000	200,000	236,000	44,000	200,000	244,000
7. Mrs.Teerada	Ambhanwong	45,000	200,000	245,000	36,000	200,000	236,000
8. Mrs.Chortip	Pramoj Na Ayudhya	65,000	200,000	265,000	54,000	200,000	254,000
9. Mr. Amorn	Asvanunt	89,000	350,000	439,000	94,000	360,000	454,000
10. Mrs.Nuchanart	Thammanomai	81,000	250,000	331,000	88,000	250,000	338,000
11. Gen.Konecharnart	Chunnabhata	77,000	300,000	377,000	73,000	300,000	373,000
12. Mr.Santi	Bangor	101,000	300,000	401,000	88,000	250,000	338,000
		818,000	3,380,000	4,198,000	729,000	4,340,000	5,069,000

1.2 Summary of Director's Remuneration

	2013		2012	
	Directors	Remuneration	Directors	Remuneration
Meeting Allowance	12	818,000	12	729,000
Directors' Remuneration	12	3,380,000	12	4,340,000
Total		4,198,000		5,069,000

1.3 Total remuneration paid to executive directors

Remuneration for the executive directors and the forth 4 directors of the executive board ranking from manager and the equal ranks to the 4th executive, totaling 5 persons.

Remuneration	2013		2012	
	Person	Baht	Person	Baht
เงินเดือน และเงินอุดหนุน	5	13,800,500	5	11,738,500
ค่าเบี้ยประชุม	5	470,000	5	272,000
รวม		14,270,500		12,010,500

2. Other remuneration

People's Garment Public Company Limited has established a provident fund. Executives who have joined the provident fund receive a monthly contribution to the fund in the amount of 3 - 5 percent of wages. Members of the fund must also contribute to the fund at the same rate. If in any month a member fails to remit his/her contribution to the fund, the employer is not obliged to remit its contribution for such member in the same month. Upon the expiration of membership, the member would receive the contributions as well as a share of net benefits pursuant to the conditions of the fund.

Employees

As at December 31, 2013, the Company had 1,314 employees;

	Administration		Factory		Total		Monthly staff		Daily staff		Total	
	Man	Woman	Man	Woman	Man	Woman	Man	Woman	Man	Woman	Man	Woman
Head Office : Bangkok	84	210	21	189	105	399	96	238	9	161	105	399
Lumphun Branch	23	16	77	351	100	367	38	42	62	325	100	367
Kabinburi Branch	26	15	49	136	75	151	59	41	16	110	75	151
Well Grow Branch	5	5	12	95	17	100	11	19	6	81	17	100
Total	138	246	159	771	297	1,017	204	340	93	677	297	1,017

In 2013, Total remuneration paid to employees both monthly staff and daily staff consisted of salary, bonus, allowance, over time, wages, skill, and target achieving was 304.15 million Baht as following details;

Remuneration	2013	2012
Salary and wages	221,449,621.90	210,130,787.72
Bonus and others	82,698,329.57	88,847,933.17
Total	304,147,951.47	298,978,720.89

Salary and wages

The remuneration paid to employee was considered by employees' performance, duties, and responsibility.

Bonus

Special remuneration paid to employees is considered by company's operation result. Such remuneration is not a specific rate and must be approved by the board of director annually.

Provident fund

People's Garment Public Company Limited has established a provident fund for employee welfare and promoting saving including motivating employees to work with company for long term. Employees who have joined the provident fund receive a monthly contribution to the fund in the amount of 3 - 5 percent of wages. Members of the fund must also contribute to the fund at the same rate. Upon the expiration of membership, the member would receive the contributions as well as a share of net benefits pursuant to the conditions of the fund.

Details of Executives and Authorized Persons

Name	PG	Related Companies														
		SPI	ICC	Far east DDB	BRC	SCG	TSG	CA	Treasure Hill	Pan Land	SSDC	Thai Bunka	S&J	OCC	Itokin	PAF
1. Mr.Boonkiet Chokwatana	X	/	//			X	X	X	X	/			X		X	X
2. Mr.Charoen Charoenwatanasuksom	//										/					
3. Mrs.Sunan Niyomnaittham	//						//									
4. Mrs.Somporn Tiyaiviboonsiri	//						//	/				/			/	
5. Mr.Challert Manoonpol	//						//	//								
6. Ms.Pisamai Chunmanu	/		//													
7. Mrs.Teerada Ambhanwong	/												/	//		
8. Mrs.Chotlip Pramaj Na Ayudhya	/															
9. Mr.Amorn Asvanunt	**		**	**		**										
10. Mrs.Nuchanart Thammanamai	**				/											
11. Gen.Konecharnart Chunnabhata	/															
12. Mr.Santi Bangor	**															
13. Ms.Orawan Thammarakkhit	//															
14. Ms.Nopparat Asawasiripong	//															
15. Mrs.Sasvimol Kluyasitfrakul	//															
16. Mrs.Nutchapunporn Sunthomwiset	//															
17. Mr.Suwat Panichlers	//															
18. Ms.Pragairat Saena	//															
19. Mrs.Kalayanee Chantarpikul	//															
20. Mrs.Photchamarn Engkanisarn	//															
21. Mrs.Suvimol Charoensichai	//															

X = President / = Director // = Executive Director ** = Audit Committee

1. PG : People’s Garment Plc. 7. TSG : Thai Sports Garment Co., Ltd. 13. S&J : S&J International Enterprise Plc.

2. SPI : Saha Patana Inter-Holding Plc. 8. CA : Champ Ace Co., Ltd. 14. OCC : OCC Plc.

3. ICC : ICC Internation Plc. 9. Treasure Hill : Treasure Hill Co., Ltd. 15. Itokin : Thai Itokin Co., Ltd.

4. Far East DDB : Far East DDB Plc. 10. Pan Land : Pan Land Co., Ltd. 16. PAF : Pan Asia Footwear Co., Ltd.

5. BRC : Bangkok Rubber Plc. 11. SSDC : SSDC (Tigertext) Co., Ltd.

6. SCG : Sahacogen (Chonburi) Plc. 12. Thai Bunka : Thai Bunka Fashion Co., Ltd.

Details of Board of Directors and Executives

Name	Age	Education/Training	Shares holding	Family relationship between directors	Experiences		
					Period	Position	Company
1. Mr.Boonkiet Chokwatana Position : • President • Chairman of Remuneration Committee • Chairman of Nomination Committee • Authorized Director Term of Office : 24 Years 8 Months	66	• Bachelor Degree in Engineering Worcester Polytechnic Institute, Massachusetts, USA. • Honorary Doctorate Degree in Business Administration (Management) from Sripatum University • Honorary Doctorate Degree in Business Administration College of Commerce from Burapa University • Honorary Doctorate Degree in Business Administration from Naresuan University Training of Thai Institute of Directors • Director Accreditation Program (DAP) 3/2003 • Director Certification Program (DCP) 41/2004	2,562,933 or 2.67%	Uncle Mrs.Teerada Ambhanwong	Listed company :	President/Chairman of Executives	6 Companies
					1980 - Present		I.C.C. INTERNATIONAL PLC.
					1986 - Present	Director	Saha Pathana Inter-Holding PLC.
					1993 - Present	President	S&J International Enterprises PLC.
					1989 - 1993	Director	People's Garment PLC.
					1994 - Present	President	People's Garment PLC.
					2008 - Present	President	Sahacogen PLC.
					2011 - Present	President	Pan Asia Footware PLC.
					Non listed company :		47 Companies
					Holding a position of Director in related company :		5 Companies
						President	I.C.C. INTERNATIONAL PLC.
						Director	Saha Pathana Inter-Holding PLC.
						President	Champace Co.,Ltd.
						President	Thai Sports Garment Co.,Ltd.
						President	Thai Itokin Co.,Ltd.
2. Mr.Charoen Charoenwatanasuksom Position : • Company Director • Managing Director • Member of Risk Management Committee • Member of Corporate Governance Committee • Authorized Director Term of Office : 21 Years 8 Months	53	• BS. Economics in Finance Ramkhamhaeng University Training of Thai Institute of Directors • Director Certification Program (DCP) 32/2003	39,000 or 0.04%	- None -	Listed Company :		1 Company
					1992 - Present	Director	People's Garment PLC.
					Non listed company :		1 Companies
					Holding a position of Director in related company :		-None-
3. Mrs. Sunan Niyornnaittham Position : • Company Director • Deputy Managing Director • Chief Financial Officer • Member of Remuneration Committee • Member of Coporate Governance Committee • Authorized Director Term of Office : 27 Years 5 Months	55	• Bachelor Degree in Public Finance Chulalongkorn University • Master of Public and Private Management, NIDA Training of Thai Institute of Directors • Director Certification Program (DCP) 27/2003 • Roles of Compensation Committee 1/2006 Training of Internal Audit and Control • Chief Finance Officer (CFO) 3/2005	150,000 or 0.16%	-None-	Listed Company :		1 Companies
					1986 - Present	Director	People's Garment PLC.
					Non listed company :		1 Company
					Holding a position of Director in related company :		1 Company
						Director	Thai Sports Garment Co.,Ltd.

Name	Age	Education/Training	Shares holding	Family relationship between directors	Experiences		
					Period	Position	Company
4. Mrs. Somporn Tiyaiviboonsiri Position : • Company Director • Member of Nomination Committee • Authorized Director Term of Office : 31 Years 5 Months	65	<ul style="list-style-type: none"> Master Degree in Education Emporia State University Kansas U.S.A Training of Thai Institute of Directors Director Accreditation Program (DAP) 3/2003 Director Certification Program (DCP) 68/2005 Roles of Compensation Committee 3/2007 	795,000 or 0.83%	-None-	Listed Company :	1 Company	
					1982 - Present	Director	People's Garment PLC.
					2001 - 2012	Managing Director	People's Garment PLC.
					Non listed company :	4 Companies	
					Holding a position of Director in related company :	3 Companies	
5. Mr. Chailert Manoonpol Position : • Company Director • Authorized Director Term of Office : 28 Years 5 Months	54	<ul style="list-style-type: none"> Master Degree in Management Abilene Christian University Texas, U.S.A. Training of Internal Audit and Control Director Accreditation Program (DAP) 3/2003 	280,000 or 0.29%	-None-	Listed Company :	3 Companies	
					2001 - 2011	Deputy Managing Director	People's Garment PLC.
					2011 - Present	Director	People's Garment PLC.
					1987 - Present	Director	OCC PLC.
					2000 - 2010	Vice President, Division I	I.C.C. INTERNATIONAL PLC.
6. Ms.Pisamai Chunmanu Position : • Company Director • Authorized Director Term of Office : 25 Years 8 Months	63	<ul style="list-style-type: none"> BS. Communication Art in Mass. Com. Chulalongkorn University Training of Thai Institute of Directors Director Accreditation Program (DAP) 3/2003 	232,000 or 0.24%	- None -	2011 - Present	President, Division S	I.C.C. INTERNATIONAL PLC.
					Non listed company :	9 Companies	
					Holding a position of Director in related company :	2 Companies	
					Managing Director	Managing Director	Champace Co., Ltd.
					Managing Director	Managing Director	Thai Sports Garment Co., Ltd.
					Listed Company :	2 Companies	
					1988 - Present	Director	People's Garment PLC.
					2000 - Present	President, Division I	I.C.C. INTERNATIONAL PLC.
					Non listed company :	5 Companies	
					Holding a position of Director in related company :	1 Company	
					President, Division I	President, Division I	I.C.C. INTERNATIONAL PLC.

Name	Age	Education/Training	Shares holding	Family relationship between directors	Experiences		
					Period	Position	Company
7. Mrs. Teerada Ambhanwong Position : • Company Director • Authorized Director Term of Office : 14 Years 8 Months	43	<ul style="list-style-type: none"> Master Degree in Business Administration (Marketing) SASIN Training of Thai Institute of Directors <ul style="list-style-type: none"> Director Accreditation Program (DAP) 3/2003 Director Certification Program (DCP) 51/2004 	224,550 or 0.23%	niece Mr. Boonkiet Chokwatana	Listed Company :		4 Companies
					1999 - 2006	Audit Committee	People's Garment PLC.
					2006 - Present	Director	People's Garment PLC.
					2008 - Present	Managing Director	OCC PLC.
					1999 - Present	Director	S&J International Enterprises PLC
8. Mr. Amorn Asvanunt Position : • Independent Director • Chairman of Audit Committee Term of Office : 11 Years 8 Months	65	<ul style="list-style-type: none"> Master of Business Administration Bowling Green State University, Ohio USA. Bachelor of Accountancy, Chulalongkorn University Syandford-NUS Executive Program, Stanford University with National University of Singapore Changing Organization Behavior Program, Wharton School, University of Pennsylvania USA Training of Thai Institute of Directors <ul style="list-style-type: none"> Director Accreditation Program 4/2003 	- None -	- None -	2006 - Present	Asst. to President, Division I	I.C.C. INTERNATIONAL PLC.
					Non listed company :		17 Companies
					Holding a position of Director in related company :		1 Company
9. Mrs. Nuchanart Thammanomai Position : • Independent Director • Audit Committee Term of Office : 14 Years 8 Months	62	<ul style="list-style-type: none"> Bachelor of Laws, Thammasat University Training of Thai Institute of Directors <ul style="list-style-type: none"> Director Accreditation Program (DAP) 3/2003 	- None -	- None -	Listed Company :		2 Companies
					2002 - Present	Audit Committee	People's Garment PLC.
					2001 - Present	Director	Bangkok Rubber PLC.
					Non listed company :		1 Company
					Holding a position of Director in related company :		- None -
					Non listed company :		3 Company
					Holding a position of Director in related company :		1 Company
						Audit Committee	I.C.C. INTERNATIONAL PLC.
					Listed Company :		6 Companies
					1980 - 1998	Director	I.C.C. INTERNATIONAL PLC.
					1999 - Present	Audit Committee	I.C.C. INTERNATIONAL PLC.
					2006 - Present	Risk Management Committee	I.C.C. INTERNATIONAL PLC.
					2002 - Present	Chairman of Audit Committee	People's Garment PLC.
					2002 - Present	Audit Committee	Sahacogen PLC.
					2002 - Present	Audit Committee	Far East DDB PLC.
					2003 - Present	Executive Director	Thai Military Bank PLC.
					2005 - Present	Director	Krungdhep Sophon PLC.
					2008 - Present	Risk Management Committee	Krungdhep Sophon PLC.

Name	Age	Education/Training	Shares holding	Family relationship between directors	Experiences		
					Period	Position	Company
10. Mrs.Chorlip Pramoi Na Ayudhya Position : • Independent Director • Member of Remuneration Committee • Member of Nomination Committee Term of Office : 11 Years 8 Months	62	• Bachelor of Liberal Arts, Kiriak University Training of Thai Institute of Directors • Director Accreditation Program (DAP) 11/2004 • Audit Committee Program 19/2007	10,000 or 0.01%	- None -	Listed Company :	1 Company	
					2002 - 2006	Director	People's Garment PLC.
					2006 - 2008	Audit Committee	People's Garment PLC.
					2009 - Present	Director	People's Garment PLC.
					Non listed company :	1 Company	
11. Gen. Konecharnart Chunnabhadra Position : • Independent Director • Chairman of Risk Management Committee Term of Office : 4 Years 8 Months	66	• Thailand National Defence College (NDC) • Joint Staff College, National Defence Studies Institute, Royal Thai Army Forces Headquarters	- None -	- None -	Listed Company :	1 Company	
					2009 - 2010	Audit Committee	People's Garment PLC.
					2010 - Present	Director	People's Garment PLC.
					Non listed company :	2 Companies	
					Holding a position of Director in related company :	-None-	
12. Mr.Santi Bangor Position : • Independent Director • Chairman of Corporate Governance Committee • Audit Committee Term of Office : 4 Years 8 Months	67	• Bachelor of Political Science (Fiscal Studies), Chulalongkorn University • Master of Agricultural Economics Texas Tech University, USA • Development Certificate Cambridge University UK • Diploma National Defence College (NDC 38) Training of Thai Institute of Directors • Director Certification Program (DCP) 12/2001 • Advanced Audit Committee Program (ACP) 10/2013 • Role of the Compensation Committee Program (RCC) 16/2013 • Monitoring Fraud Risk Management (MFM) 9/2013 • Monitoring the System of Internal Control and Risk Management (MIR) 14/2013 • Monitoring the Internal Audit Function (MIA) 14/2013 • Monitoring the Quality of Financial Reporting (MFR) 17/2013	- None -	- None -	Listed Company :	2 Companies	
					2009 - Present	Director	People's Garment PLC.
					2010 - Present	Audit Committee	People's Garment PLC.
					2012 - Present	Independent Director/Chairman of CG and Audit Committee	Thoresen Thai Agencies PLC.
					2013 - Present	Independent Director/Chairman of CG Committee and Audit Committee	People's Garment PLC.
Non listed company :	1 Company						
					Holding a position of Director in related company :		
					-None-		

Name	Age	Education/Training	Shares holding	Family relationship between directors	Experiences		
					Period	Position	Company
13. Ms. Orawan Thammarakkhit Position : • Executive Director • Manager, Business 1 Department	60	<ul style="list-style-type: none"> MINI MBA, Chulalongkorn University Training of Thai Institute of Directors Director Certification Program (DCP) 37/2003 	45,000 or 0.05%	- None -	Listed Company :	1 Company	
					1992 - Present	Director	People's Garment PLC.
					Non listed company :		-None-
					Holding a position of Director in related company :		-None-
14. Ms. Noppapat Asawasiripong Position : • Executive Director • Member of Risk Management Committee • Assistant Manager, Personnel Department	52	<ul style="list-style-type: none"> Master of Art in Counselling Psychology, Chulalongkorn University Training of Thai Institute of Directors Finance for Non - Finance Director (FND) 36/2007 	36,000 or 0.04%	-None-	Listed Company :	1 Company	
					1993 - 1994	Assistant Division Manager	People's Garment PLC.
					1995 - 2012	Division Manager	People's Garment PLC.
					2012 - Present	Assistant Department Manager	People's Garment PLC.
15. Mrs. Sasivimol Kluyasritrakul Position : • Executive Director • Assistant Manager, Account/Finance Department	53	<ul style="list-style-type: none"> Bachelor of Accountancy, Ramkhamhaeng University Tax Controller Major in General Business from School of Tax Training of Internal Audit and Control Chief Finance Officer (CFO) 12/2009 	33,000 or 0.03%	-None-	Non listed company :	-None-	
					Holding a position of Director in related company :		-None-
					Listed Company :	1 Company	
					1993 - 1994	Assistant Division Manager	People's Garment PLC.
16. Mrs. Nutchaporn Sunthornwiset Position : • Executive Director • Manager, Business 1 Division	48	<ul style="list-style-type: none"> Bachelor of Business Administration (Marketing), Bangkok University 	5,000 or 0.005%	-None-	1995 - 2012	Division Manager	People's Garment PLC.
					2012 - Present	Assistant Department Manager	People's Garment PLC.
					Non listed company :		-None-
					Holding a position of Director in related company :		-None-
17. Mr. Suwat Panichlers Position : • Executive Director • Manager, Production Division	49	<ul style="list-style-type: none"> Bachelor of Industrial Engineering, Rajamangala University of Technology Thanyaburi 	-None-	-None-	Listed Company :	1 Company	
					1995 - 2003	Department Manager	People's Garment PLC.
					2003 - 2011	Assistant Division Manager	People's Garment PLC.
					2011 - Present	Division Manager	People's Garment PLC.
					Non listed company :		-None-
					Holding a position of Director in related company :		-None-
					Listed Company :	1 Company	
					1995 - 2003	Department Manager	People's Garment PLC.
					2003 - 2011	Assistant Division Manager	People's Garment PLC.
					2011 - Present	Division Manager	People's Garment PLC.
					Non listed company :		-None-
					Holding a position of Director in related company :		-None-

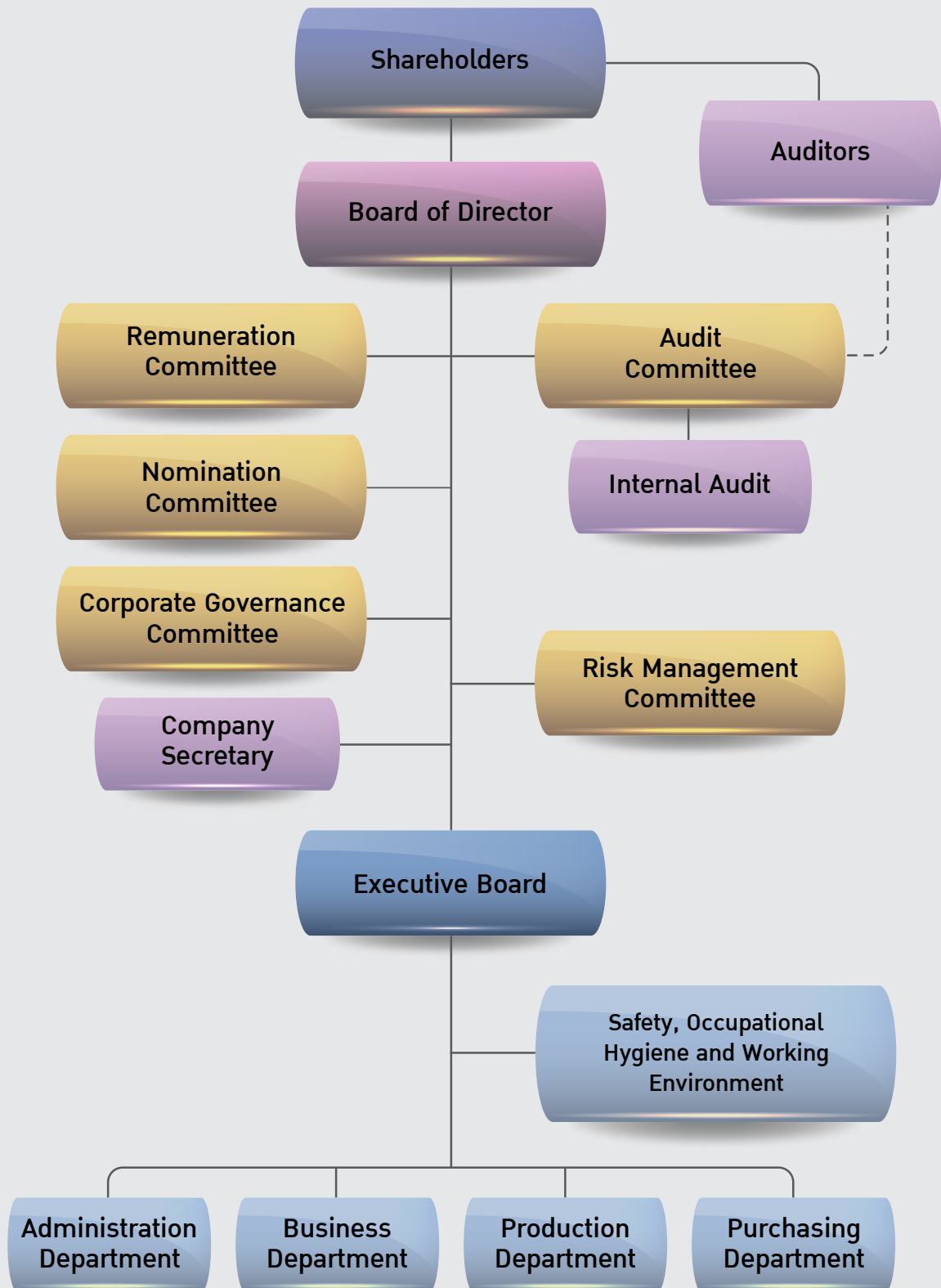
Name	Age	Education/Training	Shares holding	Family relationship between directors	Experiences		
					Period	Position	Company
18. Ms.Pragairat Sae-na Position : • Executive Director • Manager, Information Technology Division	54	• Bachelor of General Management, Bansomdejchaopraya Rajabhat University	60,800 or 0.06%	-None-	Listed Company :	1 Company	
					1995 - 2006	Department Manager	People's Garment PLC.
					2006 - 2011	Assistant. Division Manager	People's Garment PLC.
					2011 - Present	Division Manager	People's Garment PLC.
19. Mrs.Kalayanee Chantarapikul Position : • Executive Director • Manager, Purchasing Division	49	• Master of Business Administration (Marketing), Chulalongkorn University	11,000 0.01%	-None-	Non listed company :	-None-	
					Holding a position of Director in related company :	1 Company	
					Director	Naraporn Co.,Ltd.	
					Listed Company :	1 Company	
20. Mrs.Pholchamam Engkanisarn Position : • Executive Director • Manager, Business 2 Division	47	Master of Business Administration (Marketing), Chulalongkorn University	11,000 0.01%	-None-	2003 - 2006	Department Manager	People's Garment PLC.
					2006 - 2011	Assistant. Division Manager	People's Garment PLC.
					2011 - Present	Division Manager	People's Garment PLC.
					Non listed company :	-None-	
21. Mrs.Suvimol Charoensrichai Position : • Company Secretary • Executive Director • Member of Risk Management Committee • Member of Corporate Governance Committee • Manager, Registration Division	50	• Bachelor of General Management, Bansomdejchaopraya Rajabhat University Training of Thai Institute of Directors • Company Secretary Program (CSP) 7/2004	589,533 0.61%	-None-	Holding a position of Director in related company :	-None-	
					Listed Company :	1 Company	
					2008 - Present	Company Secretary	People's Garment PLC.
					2004 - 2011	Department Manager	People's Garment PLC.
					2011 - Present	Division Manager	People's Garment PLC.
					Non listed company :	-None-	
					Holding a position of Director in related company :	-None-	

Note: No controversy of all 21 persons : Date of appointed see "Shareholding and Management Structure" page 12
Forbidden Qualifications

1. No record of lawbreaking about wealth which is dishonest.

2. No record of being in conflict provided an interest of the company in the year 2012.

Organization Chart



Board of Director



Mr.Boonkiet Chokwatana
Chairman



Mr.Charoen Charoenwatanasksom
Managing Director



Mrs.Sunan Niyomnaitham
Deputy Managing Director



**Mrs.Somporn
Tiyaviboonsiri**
Director



Mr.Chailert Manoonpol
Director



Ms.Pisamai Chunmanu
Director



Mrs.Teerada Ambhanwong
Director

Independent Director



Mr.Amorn Asvanunt
Independent Director
Chairman of Audit Committee



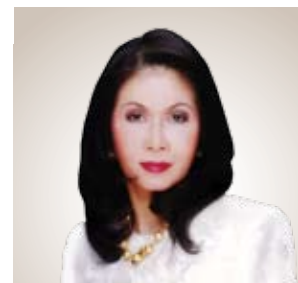
GEN Konecharnart Chunnabhata
Independent Director
Chairman of Risk Management
Committee



Mr.Santi Bangor
Chairman of Corporate Governance
Committee
Audit Committee



Mrs.Nuchanart Thammanomai
Independent Director
Audit Committee



Mrs.Chortip Pramroj Na Ayudhya
Independent Director
Nomination Committee
Remuneration Committee

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UNIFORM



17th Saha Group Fair

Trade Export Exhibition



TEXWORLD



Situation for Thai textile and Garment Industry



In 2013, exports of textiles and garments from Thailand totaled 7511.16 million USD, a 4.01 percent increase compared to 2012. This was thanks to orders from the United States, other ASEAN countries and Japan. The ASEAN countries, particularly Vietnam, Indonesia, Myanmar and Bangladesh, showed demand for manufacturing and exports to other markets as detailed below.

1. Textiles. The export value of textiles totaled 4639.76 million USD, an 8.61 percent increase compared to the previous year. This accounted for 61.77 percent of total textile and garment exports. The most important products were fabric and yarn and the major export markets were China, Vietnam, Japan, Indonesia and Bangladesh.

2. Garments. This area accounted for the remaining 38.23 percent of the export value of the sector, with a total value of 2476.39 million USD, a 2.31 percent decrease compared to the previous year. This decrease was the result of shrinking orders from the EU, an important market, due to the region's ongoing economic slowdown. Other major export markets were ASEAN member countries, Japan and the USA.

◎ Competition

Thailand's textile industry still faces challenges from higher production costs as a result of government policies to increase wages. In addition, exports to significant markets such as the US and EU have slowed due to continuing sluggish economic conditions and continuing caution in spending by customers in those regions. As a result, inventory stocks have been adjusted and fewer orders are being placed. It is suggested that entrepreneurs should follow the following, more aggressive strategies.

1. Focus on new and emerging markets in Asia, including ASEAN member countries and Japan, which have potential for growth. Japan has reduced its dependence on imports from China, and is buying more textiles from Thailand. However, Japan is also considering expanding its production base in CLMV countries (which have lower production costs than Thailand) by creating a network of trading partners and by entering into joint ventures with local businesspeople.

2. Focus on expanding markets for raw materials, yarn, fabric, and knitted or crocheted fabrics to accommodate the needs of the CLMV countries. These constitute the world's largest garment manufacturers and they rely on raw materials from Thailand. Operators should create a variety of materials and distinct added-value at a competitive quality in order to cope with increased competition after the implementation of the ASEAN Economic Community in 2015.

◎ Textile and garment outlook in 2014

In 2014, textile and garment exports are expected to grow since our trading partners' economies are expected gradually to recover. In addition, orders from ASEAN member countries, particularly upstream and midstream products such as fabric and fiber, are expected to grow. However, the market may be affected by cheaper Chinese products looking for market share. As regards the garment sector, increased orders are expected from the US and EU countries as their economies recover but the industry may be adversely affected by prolonged political unrest in Thailand, which may shake foreign investors' confidence.

Nature of Business

People's Garment Public Company Limited started business as a garment manufacturer in 1980, before subsequently expanding into the manufacturing of knitted fabrics and it is now an integrated textile and garment manufacturer.

◎ Garment business (Manufacture and Distribution of ready-to-wear garments)

The company's core business is manufacturing ready-to-wear garments. This includes menswear, womenswear, children's clothing and swimwear for house brands and under copyright for international brands such as Arrow, Lacoste, Elle, Arena, Stream Line and BSC. The company has expertise in manufacturing shirts, trousers, T-shirts and swimwear and it also produces sportswear, tracksuits, blazers, jackets and uniforms, under licensed trademarks and on order for its customers.

◎ Textile business

To support its core business, the company has opened a new production line for knitted fabric

in Kabin Buri. This has increased the range and variety of its products, and built its competitiveness as an integrated T-shirt manufacturer. The company manages the entire production process of the ready-to-wear garments, from design to completion, using modern technology and machinery with the help of a skilled and constantly developing labor force to ensure that the quality of its products continues to meet and to exceed international standards.

◎ A manufacturer and a distributor

The Company is committed to promoting steady and sustainable corporate growth and is aware of the importance of creating its own house brand to distribute its products directly to consumers. Currently, the company's house brands include Primo Linea, Proud, 360 (Three-Six-O) and Swoop.

With its expertise and business potential, the company has expanded into the workwear and uniform markets, manufacturing garments for leading government and corporate and private organizations.

Location of branch offices and plants

	Location	
Headquarters	Bangkok	T-shirt and swimwear production management center
Lamphun plant	Lamphun	Ready-to-wear garments made from woven fabrics
Kabin Buri plant	Prachin Buri	Knitted fabrics and ready-to-wear garments made from knitted fabrics
Well Grow plant	Chachoengsao	Variety of ready-to-wear garments

Income structure

(Unit: million baht)

Total sales	2013	%	2012	%	2011	%	2010	%
Domestic	970.42	91.75	1,138.71	95.09	1,098.82	86.79	941.13	94.03
Overseas	87.20	8.25	58.83	4.91	167.31	13.21	59.79	5.97
Total	1,057.62	100.00	1,197.54	100.00	1,266.12	100.00	1,000.92	100.00

◎ Operating results

In 2013, the company had total sales of 1,057.61 million baht, a decrease of 11.68 percent on the previous year. 970.41 million baht came from domestic sales, a 14.78 percent decrease from 2012, and 87.20 million baht came from overseas sales, a 48.23 percent increase over the previous year. T-shirts, trousers, and other items represented 50, 40, and 10 percent of the total, respectively.

◎ Overseas market

Overall, growth of ready-to-wear garments market dropped in 2013 due to shrinking orders from EU countries, which are a significant market. However, low levels of growth are expected to be seen in 2014 as a result of economic recovery in the EU and US, as well as continuing growth of the Japanese and Korean markets.

In 2013, the company focused on expanding its export base in Japan, Korea, Vietnam and other ASEAN countries by creating new and innovative products, including knitted fabrics, woven fabrics, and ready-to-wear garments. As a knitted fabric manufacturer, the company has created a variety of unique materials in terms of design, structure, and texture. The patterns used are also contemporary. In the development process, samples are shown to prospective clients to ensure that new products are sure to meet the requirements of the target group and with sound management and service systems, customers have full confidence in the quality of the products. As a result, the company broke its own sales targets.

In addition, the company in cooperation with its suppliers, are diversifying into EU and UK markets by developing, in cooperation with their customers, fabrics and ready-to-wear garments, some of which have already been introduced into the customers' fabric library. This is another opportunity to create new business, develop distribution channels and build competitiveness and so be recognized in overseas markets.

The company has also met overseas agents in countries including Korea, Vietnam, and Japan, to strengthen relationships and to offer innovations in design, production, pattern making and original design manufacture, all of which help to enhance competency. In addition, the company also participates in international textile trade fairs including, for example, Texworld in France, at which the company showed its innovative knitted fabrics and ready-to-wear garments.

Overseas distribution channels The company distributes knitted fabric and ready-to-wear garments both through trading firms and also by selling directly to customers in the US, Europe, and Asia. In 2014, People's Garment PCL remains committed to expanding into Japan, Korea, Europe and the US markets and anticipates improved growth from that seen in 2013. Sportswear, in particular, has good prospects for growth grow since people are increasingly concerned about their health and their responsibilities towards the environment.

◎ Domestic market

The company's production costs were significantly affected by the government's policy of increasing national minimum wages. Moreover, in 2013 ready-to-wear garments from countries with lower production costs, such as China, Vietnam, Hong Kong and Turkey, flooded into Thailand. This setback was compounded by the fact that many new brand name products were also imported, leading to stronger competition for market share.

Political turmoil in Thailand in the fourth quarter of 2013 also affected business and industry, as well as the tourism sector. Tourist arrivals decreased in number, consumers were cautious about spending and major customers placed fewer orders, adjusting their inventory levels accordingly. This situation inevitably affected the ability of the company to meet its goals. As a result of this and to achieve the highest efficiency, cost management was imposed and budget constraints were introduced. More generally, all aspects of the business were closely examined to find room for improvement.

The company is aware of the importance of implementing vigorous marketing strategies in conjunction with ICC International Public Company Limited a key customer and distributor for the company. Both companies regularly carry out surveys of customers' needs and satisfaction to ensure they are best able to respond to the customers' requirements. The two companies also work hard to create activities to appeal to target markets and brand image and the creating of shared value is always taken into account in their marketing promotions.

As always, trademarks remain a key factor in business competition; customers are still fond of brand name products, but the company is confident that its products are well-known and are recognized as meeting international standards.

◎ Uniforms

In 2013, the company's income from sales of uniforms increased over the previous year and the market share of workwear, both for corporate and plant working environments, is expected to grow as well. The Company has an efficient 'made to order' unit which covers all aspects of the work, from designing and knitting to product delivery and after-sales service. As a result of the unit's expertise, the products are of good quality and sell at a reasonable price. Customers include many well-known financial institutions, state-enterprises, private companies and several educational institutions.

◎ Knitted fabric

The Company is determined to expand its markets for knitted fabrics, both domestically and internationally with the intention of making this its main source of income in the future. The company has a skilled team who specialize in designing innovative structures and textures to create a variety of new fabrics and when producing its high quality T-shirts, the company always uses only upstream raw materials which are guaranteed to satisfy the requirements of customer safety and environmental responsibility.

◎ House brands

In 2013, total sales of the four house brands showed only low levels of growth compared to the previous year. However, with a policy of steadily expanding its marketing base, the company's marketing plan concentrates now and in the future on increasing the number of retail outlets and will focus on AEC countries, in particular. The company believes in the competitive advantages of being a manufacturer for leading brands, which builds customer trust and satisfaction.

◎ "PRIMO LINEA"

"PRIMO LINEA" is a Thai brand name offering modern and stylish clothing. These classic T-shirts, polo shirts and trousers go well with all lifestyles and are suitable for all occasions; with colorful designs, it is easy for everyone to create a look for themselves.

◎ "PROUD"

"PROUD" is a range of stylish clothing for larger women. The company has developed innovative fabrics, both knitted and woven, which are quite distinct from that of its competitors and the products are of good quality and comfortable to wear. As such, they are popular with the target market.

◎ "360 (THREE SIX O)"

360 (THREE SIX O) is a fashion brand for modern women. The product line is outstanding and comprises hand-made ornaments and fashionable designs and colors. In this line, customers can freely pick any item, maybe in different sizes and colors, to mix and match as they want, thus creating their own unique brand. 360 is popular among tourists in Thailand and in overseas markets.

◎ "SWOOP"

The Swoop brand specializes in casual clothing, matching environmentally friendly raw materials with chic design for men and women.

◎ Distribution channels

1. The company has assigned ICC International PLC, a significant company in the Saha Group and a key customer of the company, to be a distributor. ICC has expertise in domestic marketing; its main distribution channel comprises department stores, discount stores, and shops in leading shopping centers nationwide.

2. The company's shops are under its own management. These include corners and counters in leading department stores in Bangkok and its suburbs which sell house brand products and this ensures efficient coverage of the target market in all areas. Sales channels for the products have now been expanded to include community malls and factory outlets of the Saha Group and other trade partners. In previous years, the company has arranged sales promotion activities and has exhibited products at many trade fairs, thus increasing brand exposure.

3. The company also distributes corporate uniforms and plant workwear directly to leading government and private organizations.

◎ Raw material procurement

The company principally uses locally-sourced raw materials as it believes in the quality of local products. Moreover, the company and its partners have continuously developed their products in order to promote local trade. For knitted fabrics, the company uses raw materials from its own plant and by integrating T-shirt manufacturer, from designing, knitting, to producing ready-to-wear garments, the company gains significant competitive advantages. Moreover, the company has also received promotional privileges from the Board of Investment as its production plant is located in Investment Promotional Zone 3 and as a result, the company now has lower production costs.

The company uses highly developed production processes to produce environmentally-friendly products. In the production process, the chemicals used meet international requirements for

customer safety and the products are well-accepted by both local and international customers and the company cooperates closely with its partners to keep chemicals within WRAP standards and also to meet international environmental standard ISO14001. For locally-made knitted yarn, the company chooses products for which upstream raw materials come largely from Australia and the US, an internationally accepted source of raw materials.

In 2013, the company bought 80 percent of its materials from local sources and 20 percent from overseas. The company currently has 215 suppliers, who have been evaluated as being at ISO9001 standard.

The company also acquires substitute raw materials of compatible quality from local and overseas sources in order to protect the environment and to remain consistent with the company's policies on sustainable development.

◎ Business strategies

Quality is a core feature of all the company's business operations, and is the organizational value instilled in all staff members; at every step of the production process, from raw material selection to completion of ready-to-wear garments, this value is emphasized.

The company is committed to meeting customer demand by developing products as needed by each group of customers and this avoids price competition. Paying close attention to research and development of products, operation procedures, and production processes also increases the company's ability to serve markets efficiently, to reduce losses during production, and to create added-value with innovation.

Cooperating with distributors to conduct surveys of customer satisfaction on a regular basis helps the company keep abreast of rapidly shifting customer behavior. The company also regularly undertakes sales promotions and advertising, and arranges marketing events and activities to maintain brand image and shared-value for society.

Explanation and Analyses of Performance and Financial Standing

◎ Synopsis

Global economy is still vulnerable. Many countries have experienced lower economic growth compared to 2012. However, the US economy is gradually recovering. Problems of EU started to resolve, but public debts and unemployment rates still remain high. Chinese economic slowdown has affected other countries' economy. Exporters of emerging countries have been affected most. For financial situation, central banks of many countries tend to keep their interest rates low to boost a vulnerable recovering economy amid high inflation.

In Thailand, domestic demands for consumer durable goods dropped, obviously in automobile after the end of the first-time car buyer tax rebate period. Investment spending also declined, both in government and private sectors. Government spending on utilities grew. Overseas demands rose, especially in service sector, but imports and exports shrank.

The year 2013 was another year that Thai industries had been challenged by a drop of demands in every aspect. The domestic demands were lower than expected, while the export sector recovery also slowed more than expected, in line with economic situations of large countries. For domestic consumption, household consumers were cautious on their spending due to rising debt burdens and decreasing confidence.

Thai textile and garment industry in 2013 grew from a steady increase of orders from main importers of the main markets such as the US, EU and Japan. However, the industry still face problems of labor shortage and higher production costs due to an increase of minimum wages to 300 baht/day. Some entrepreneurs had relocated to neighboring countries for ample labor force at lower costs force

and also for being entitled to GSPs grants, which will be their competitiveness.

Textiles and garments exports was 4.01 percent increase from previous year due to orders from the US, ASEAN countries and Japan. On the contrary, imports decreased by 3.19 percent from last year.

For the operation in 2013, the company was significantly affected by outside situations. In regards of household consumption, the consumers were cautious on spending due to the rising debt burdens and decreasing confidence. Moreover, the ongoing political turmoil also affected tourism sector, resulted in a drop of domestic sales. Exports rose thanks to ASEAN and EU markets. Attempting to keep the target, the company had closely monitored and analyzed the situation and adjusted coping strategies. Although the company missed the 2013 goal, the management have tried to explore new strategies and management approaches to cope with the situation and generate growth for the company.

◎ Sales Revenue

In 2013, the company reached total sales of 1,057.62 million baht, decreased by 139.92 million baht or 11.68 percent from 1,197.54 million baht in 2012, of which 168.29 million baht were from domestic sales which decreased by 14.78, and 28.37 million baht from overseas sale which increased by 48.23 percent. Key customers have slowed down their orders, therefore the company needed to expand customer base, both in domestic and international markets.

(Unit: Million baht)

Total sales	2013	2012	2011	2013/2012 % increase (decrease)	2012/2011 % increase (decrease)
Domestic	970.42	1,138.71	1,098.82	(14.78)	3.63
Overseas	87.20	58.83	167.30	48.23	(64.84)
Total	1,057.62	1,197.54	1,266.12	(11.68)	(5.42)

◎ Other Revenues

The company had other revenues of 49.33 million baht in 2013, a 1.89 million baht or 3.70 percent decrease from 51.23 million baht in 2012. Other Revenues included interest benefit which declined by 3.60 million baht or 17.10 percent.

◎ Sales Costs

The company's sales costs in 2013 amounted 69.85 percent which increased by 2.13 percent compared to 67.72 percent in 2012. As a consequence, gross profit was 32.01 percent, lower than 36.71 percent of the previous year. In 2013, the company had gross profit of 30.15 percent while in 2012 the gross profit was 32.28 percent. Expanding domestic and international customer base had impact on a selling price which decreased by 2.27 percent in average. An increase of minimum wages put a 25 percent increase to the company's labor costs in provinces.

◎ Administrative Expenses

In 2013, the company had Administrative expenses of 228.34 million baht, decreased by 13.18 million baht or 5.45 percent from 241.52 million baht in 2012. This was due to a 17.60 million baht decrease of the company's expenses on personnel.

◎ Sale Expenses

The company had 52.54 million baht of sales expense in 2013, 9.06 million baht or 14.16 percent lower from 61.20 million baht in 2012 due to a 9.61 million baht decrease of royalty to use trademarks.

Some items in the financial statement as at 31 December 2012 and 1 January 2012 and in the comprehensive income statement ended 31 December 2012 were re-categorized to be in accordance with the items reported in the financial statement of the current year.

◎ Corporate Income Tax

The company's corporate income tax in 2013 was 3.31 million baht, decreased by 12.12 million baht or 78.54 percent from 15.43 million baht in 2012. The decrease was due to an exemption from corporate income tax since the business received promotional privileges from the Board of Investment (BOI).

Income tax in 2013 was 7.75 million baht.

Income tax was composed of current tax income and deferred income tax

◎ Net Profits

The company had 84.03 million baht of net profit in year 2013, a 35.63 million baht or 29.78 percent drop from 119.66 million baht in 2012 due to a decrease of domestic sales and an increase of sales costs.

◎ Comprehensive Income

The company's comprehensive gain (loss) for the year 2013 was (18.71) million baht, lower than 215.91 million baht in 2012 due to the annual profit and the gain (loss) from fair value measurement of available-for-sale securities that met market demand. The fair value was reflected in the comprehensive income statements.

◎ Shareholder Returns

Year 2013 The Board of Directors' meeting of 1/2013 on 19 February 2013 proposed a dividend payment for the year 2013 at 0.45 baht (total 96,000,000 shares), which will total to 43.2 million baht, or about 51.41 percent of the net profit, and the approval will be further sought from the shareholders' meeting.

Year 2012 The company paid dividend at 0.60 baht per share (96,000,000 shares in total). The dividend amounted to 57.69 million baht or 48.14 percent of net profit.

	2013	2012	2011
Dividend payment ratio (%)	51.41	48.14	48.44

◎ Financial standing

At the year-end of 2013, the company's total assets were 1,844.21 million baht, decreased by 71.40 million baht or 3.73 percent from 1,915.61 million baht in 2012. Total liabilities were 344.45 million baht; shareholders' equity was 1,499.76 million baht

Total assets of the company at the end of the year 2013 comprise cash and cash equivalents 6.46 percent, short-term investments 6.87 percent, trade and other receivables 10.72 percent, inventories 21.14 percent, which were inventories prepared for production and sales in early 2013. Long-term investment consisted investment in more than 1 year-straight bonds, available-for-sale securities, investment in a related party and deposits at financial institutions amounted 36.47 percent, net land, property and equipment amounted to 11.39 percent.

The company had net cash flow from operating activities at 7.02 million baht, and during the year had invested in machinery and equipment and available-for-sales securities.

Total liabilities

As ended 2013, the company had total liabilities of 344.45 million baht, increased by 1.45 percent compared to 339.54 million baht in 2012.

Shareholders' equity

As ended 2013, shareholders' equity amounted 1,499.76 million baht. The number decreased by 76.31 million baht or 4.84 percent from 1,576.07 million baht in 2012 due to net profit and gain (loss) on change in value of available-for-sale.

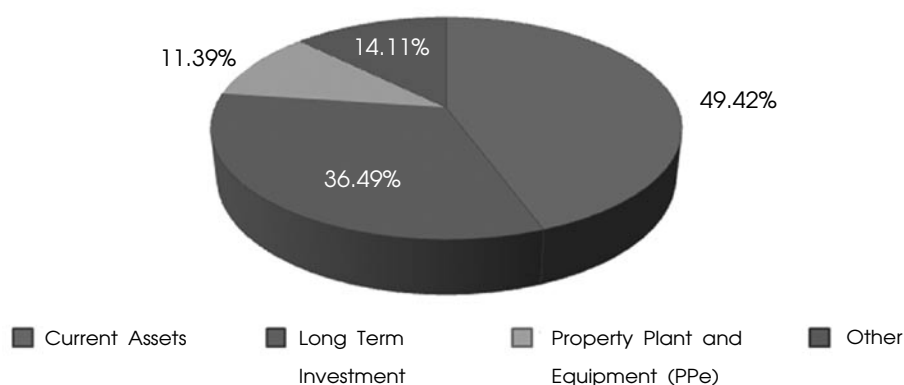
Earnings per share

Earnings per share for 2013 was 0.88 baht, decreased by 0.37 baht from 1.25 baht per share in 2012.

Book Value per share

Book value in 2013 was 15.62 baht, increased by 0.80 baht per share compared to 16.42 baht per share of 2012.

Total Assets in 2013



◎ Liquidity

In 2013, the company's cash and cash equivalents rose by 48.32 million baht, of which 7.02 million baht came from operating result, 98.90 million baht from investment, and 57.60 million baht was spent in financing activities

Investment activities. The company had long-term investment in equity securities and debt securities that give the highest yields. Moreover, the company also invested in fix assets, with an aim to optimize the use of fixed assets.

For financing activities, the company paid dividends to shareholders according to the dividend payment policy.

Liquidity ratio was 4.92 times at the yearend of 2013, and was 5.43 times at the yearend of 2012.

As ended of 2013, quick liquidity ratio equivalents to 2.84 times while the ratio of was 3.55 times in 2012.

Adequacy of liquidity	2013	2012	2011
Liquidity ratio (time)	4.92	5.43	5.89
Quick liquidity ratio (time)	2.84	3.55	3.96
Cash flow from operating activities (million baht)	7.02	138.82	42.15

◎ Sources of capital

Shareholders' equity at yearend 2013 was 1,499.76 million baht, decreased by 76.31 million baht or 4.84 percent from 1,576.07 million baht in 2012.

Debt to equity ratio was 0.23 times, indicating that shareholders' equity is more than total liabilities, and the company can have a broad expansion of financial obligations.

Appropriateness of capital structure

Appropriateness of capital	2013	2012	2011
Debt to equity ratio (time)	0.23	0.22	0.20

Risk Factors

© Risks from reliance on key customers or distributors

The Company produces textiles and garments according to customers' specifications. The company started operations in 1980, but since then its only major customer has been ICC International Public Company Limited; in 2013, ICC orders accounted for 74.55 percent of total sales in Thailand, and for 68.41 percent of total sales.

The company is confident this customer will continue to place orders in the future. Both partners have had and continue to have an excellent relationship and to collaborate effectively, developing business and launching new products to meet demand and provide greater satisfaction to their customers, thus ensuring their long-term performance.

© Risks from the use of licensed trademarks

The Company supplies textiles and garments under several international brands. Some are directly licensed by trademark owners while others are licensed through the company's major shareholders. The products under these trademarks are popular both domestically and internationally and generate a high proportion of company revenue and therefore the company will be severely affected if contracts are canceled. However, the company has always enjoyed good relationships with trademark owners; the partners regularly work together on product development. The company has strengthened the trademark owners' confidence in the company by restlessly advancing their business in terms of materials, production techniques, and the introduction of new products to ensure their products maintain international standards, and so

uphold the brand image and credibility of the company. We strictly follow its term of trade and keeps the highest business ethics and so the chance of the relationship coming to an abrupt halt is slim.

In addition, the company has joined other companies in the Saha Group to create "BSC" with the intention of becoming an international brand. The company is now an authorized manufacturer of swimwear and menswear.

To enhance distribution channels for both textiles and garments and to reduce the risk of dependence on licensed trademarks and from having only one major customer, the company also manufactures and sells its own house brand products via its own shops and factory outlets. These products include uniforms and knitted fabrics.

© Risks from brand loyalty

Local customers are still fond of brand name products and customer behavior changes rapidly according to fashion trends. This contributes to more aggressive competition in the ready-to-wear garment industry. More liberalized trade is another factor that has increased competition from popular international brand products.

The Company is, however, confident in the quality of its products, both of the international brands and of the house brand. The products have been developed to ensure customer satisfaction, particularly with regard to quality and value and as such they create a good impression on customers, which in turn contributes to increased brand loyalty. The company, in cooperation with ICC International PCL, continues to generate proactive strategies to retain the existing customer base and also to attract new customers.

☉ Risks from exchange rate fluctuations

The Company exports its products and imports machinery and equipment, so it is open to being affected by fluctuations in exchange rates. In light of this and to minimize risk, the company has set up a committee to monitor closely movements in exchange rates. Moreover, the company balances revenue and expenses denominated in foreign currencies, a natural form of hedging. Other instruments the company uses include managing foreign currency deposits and making forward contracts.

☉ Risks from investments

The Company investment activity is under the supervision of a working committee on investment, which is itself under the executive board, who decide the investment and portfolio management guidelines. The company produces a quarterly review of the investment and portfolio management policy and uses diversification strategies by investing in a variety of financial institutions. Additionally, ceilings are placed on each investment to limit the scope of possible damage. As regards debt instruments, the company invests in bonds, saving deposits, mutual funds, and private debt securities assigned a rating of at least A-or equivalent.

The company continuously tracks the level of risk to investments to ensure that the value at risk is within the determined level and the investment ceiling and portfolio investments are constantly reviewed in light of the current situation and possible risks.

☉ Risks from credit loans

Risks from credit loans may occur when debtors fail to abide by the terms of their agreement with the company and this may affect the level of working capital and company liquidity.

☉ Risk management

- Analyze the financial status of customers and apply a customer assessment tool to consider credit terms and credit limits for each customer, ensuring more efficient credit management.
- Hold monthly meetings between the accounting and business departments to regularly follow up on debtors.
- Have the accounting and business department staff cooperate to regularly monitor loan payments by debtors and also have them do their utmost to collect outstanding debts. This should be under the supervision of the management executives and the legal affairs department, who should regularly review the value at risk of credit loans.
- The company has a policy to set allowance for doubtful customer debts, and has disclosed the allowance in the notes to the financial statements.
- The company will make arrangements for financial hedging instruments, such as bank guarantees or letters of credit, and request new customers pay in advance for goods.
- The company will diversify its trade account base and increase the number of trade accounts. The company will not be tied to any particular group of trade accounts, but aims to grow its customer base to ensure sustainable growth.

Internal Controls

The Board of Directors, in Meeting No. 1/2557, on 19 February 2014, deliberated on the sufficiency of the Company's internal control systems. The Audit Committee had reported assessments results of the internal control system as proper and consistent with international standards, with a risk management system installed. Business operations were efficient and effective, transparent and compliant with regulations and prescriptions of the Stock Exchange of Thailand and relevant laws.

In 2013, the Company established a Governance Committee pursuant to resolution of Board of Directors Meeting No. 2/2556 on 14 May 2013. The Company has continually been managed in accordance with good governance principles. Business policies are governed alongside responsibilities to the society, communities and the environment, as well as the custodianship of stakeholders from all sectors. These practices serve to further the promotion and development of the Company's attainment of international standards.

The Company's internal control system comprises 5 components, namely Control Environment, Risk Assessment, Control Activities, Information and Communication System and Monitoring Activities. The Audit Committee has conducted an assessment of the internal control system and found clear internal administration and management processes with exchanges of communications on significant items and systematic monitoring activities. The Internal Audit Department was able to perform duties independently. The Internal Auditor submitted the internal audit report directly to the Audit Committee. There is a Chief Internal Auditor who oversees audit operations under the Internal Audit Charter and supports the functioning of the Audit Committee to ensure the existence of a procedure for the assessment of sufficiency in the

system, operations, various activities in the organisation, including the expression of independent opinions and advice on defects in order to initiate operational system arrangements and revisions of working processes. Significant items are monitored and rectified to retain confidence that all defects are suitably dealt with. In all events, the Audit Committee conducts assessments of a variety of risks as identified by the Risk Management Working Group.

The internal control system assessment form prescribed by the Office of the Securities and Exchange Commission was subject to framework revisions in May 2013. The revised version of the assessment form has greater clarity and allows a clearer assessment of each section. The Audit Committee and Board of Directors has jointly deliberated on the internal control system assessment form, the findings in each section may be summarised as follows:

- **Control Environment.** The Audit Committee and Board of Directors jointly deliberated on organisational management. There was an appreciation of the commitment to the value of integrity and ethics. The Board of Directors is under a duty to govern the Company's business operations in pursuance of the set targets. The roles and duties of Directors have been explicitly stated in the Charter of the Board of Directors. The organisational structure exhibits a separation of functions and responsibilities. The Management has arranged an operational structure, chain of command and key units thus creating a balance of power to enable clear checks and balances. The Board of Directors governs the Management to ensure that objectives are met and oversees compliance with the prescribed internal control framework.

- **Risk Assessment.** The Audit Committee has established a Risk Management Working Group for the organisation to ensure that risk management takes into account both internal and external factors in a timely manner. Risks can be comprehensively identified in regard to the entire organisation to enable assessments of opportunities and impact on business operations. The risk management process determines measures and risk management plans which maintains risks at acceptable levels, reduces risks, avoids risks and share risks in a proper manner. Risk events are suitably and efficiently responded. Risks of dishonest acts and corruption in the organisation are also considered. The Risk Management Working Group has reviewed the financial statements, in particular significant changes, and has not found any irregularities. The Company communicates practices pursuant to governance principles to all employees throughout the entire organisation.

- **Control Activities.** The Company has determined essential policies and practices, financial transaction guidelines, procurements and general administration. Procedures, functions and suitable levels of authority have been prescribed. Functions have been segregated to enable mutual checks and balances to ensure transparency in operations. Defects can be identified and remedies can be effectively rendered. Information technology has been applied to the recording of accounting transactions with great efficiency. The Management revises policies and monitoring activities on a regular basis to tighten the Company's policies and achieve the organisational objectives.

- **Information & Communication.** Internal communications within the organisation are effected by way of an Intranet System. This system allows clear and swift communications which support operations towards the set goals. The Management reports significant data to the Board of Directors to enable the latter to make efficient decisions.

- **Monitoring Activities.** Under the monitoring process, the unit supervisor conducts regular performance assessments under the internal control system and considers revisions or changes to the internal control as deemed fit. There is an Internal Auditor who monitors and assesses the internal control results to maintain confidence in the suitability and effectiveness of internal controls. Where a significant defect is identified, the result and progress of remedies would be reported to the Audit Committee and Board of Directors for acknowledgement, who would then undertake joint deliberations to ensure that all aspects of internal control are suitable and complete.

The Audit Committee has reviewed the audit summary report for 2013 and found no significant defects that would affect the Company. Assessments of the internal control system showed satisfactory results in accordance with the standards for assessment of internal control systems jointly prescribed by the Audit Committee and Company Management. The Auditor has also submitted an opinion on the Company internal control system and undertook joint deliberations with the Management, as well as gave an explanation of practices under the Accounting Standards to ensure compliance with the Generally Accepted Accounting Principles.

In 2013, the Board of Directors was of the opinion that the internal control system was sufficient. There was neither any significant item nor irregularity indicating that the Company failed to comply with regulations, prescriptions and laws relevant to the Company. There was also no indication of any dishonest act. The Company has actively participated in showing responsibility to society and operated in a transparent manner. Transactions with major shareholders, Directors, Executive Officers or persons connected thereto showed no conflict of interests. Lastly, financial statements are reliable, and showed full and accurate disclosures.

Connected Transaction (Related Transaction)

At the meeting No. 5/2012 on December 21, 2012, the board of directors has approved the entered material assets or services into a related person for the year 2013 which the interested directors do not attend and vote. The details of Connected transaction are following (4 transactions);

Connected Company	No. of Shares	Relationship/Connected Person		Description of Transaction	Value of the Approved	Reality Valued
		Co-Directors	Co-The majority shareholder			
1. Thai Sports Garment Co., Ltd. (TSG)	19.00%	Mr.Boonkiet Chokwatana Mrs.Somporn Tiyaviboonsiri Mr.Challert Manoonpol Mrs.Sunan Niyomnaittham	Saha Phatana Inter-Holding PLC (hold PG shares 12.75%) (hold TSG shares 15.00%)	Material Assets and Services Transaction - Rental Income - Advisory Income	4.5 Million 1.5 Million (Baht)	3,898,080.00 Baht <u>1,200,000.00 Baht</u> 5,098,080.00 Baht
2. ICC International PLC. (ICC) ICC hold PG's shares 5.25%	0.60%	Mr.Boonkiet Chokwatana Mr.Amorn Asvanunt	Saha Phatana Inter-Holding PLC (Hold PG Shares 12.75%) (Hold ICC Shares 22.10%)	Business Transaction - Royalty Expenses	3.5 Million (Baht)	1,006,898.85 Baht
3. Saha Phatana Inter-Holding PLC. (SPI) SPI hold PG's Shares 13.78%	0.44%	Mr.Boonkiet Chokwatana	PG's Majority shareholder	Material Assets and Services Transaction - Consultancy fee expense	400,000 (Baht)	360,000.00 Baht
4. Schapatthanapibul PLC. (SPC) SPC hold PG shares 8.80%	0.07%	-	Saha Phatana Inter-Holding PLC (hold PG Shares 13.78%) (hold SPC Shares 20.63%)	Material Assets and Services Transaction - Rental Expenses	8.0 Million (Baht)	6,480,000.00 Baht

◎ Remuneration Policy

Rental Income

- The price is set by market price which depends on the location and the use of assets.

Consultancy Fee Income

- The compensation is set by difficulty and scope of service

Royalty Expenses

- The rate is percentage of the net ex-factory price.

Consultancy Fee Expense

- The compensation is set by difficulty and scope of service

Rental Expenses

- The price is set by market price which depends on the location and the use of assets.

◎ The Volume of the Transaction

These transactions are the transactions between the Company and Related Company, which considered to be transactions prescribed in the notification of the Stock Exchange of Thailand.

Category 2: Supporting normal business transaction.

Category 4: Assets or services transaction.

The notification of the Stock Exchange of Thailand on Disclosure of the Information and Operation of the Listed Company B.E. 2546 as of the Category 2 and 4 states that the transactions is more than Baht 1 million but less than Baht 20 million or the transactions is more than 0.03% but less than 3% of Net Tangible Assets (NTA), whichever is higher. The Company's NTA as of December 31, 2013 was 1,485.31 million baht.

◎ Opinion of the Board of Director and Audit Committee

All 4 transactions were approved because of the reasonable prices and other conditions. Transactions are about assets or services. Its size is more Baht 1 million but less than Baht 20 million or

more than 0.03% but less than 3% of Net Tangible Asset (NTA) whichever is higher. That transaction must be approved from the Board of Director and disclosed the information to Stock Exchange of Thailand without approval from Shareholder.

◎ Approval Procedures of related transaction

1. In the event of a connected transaction being a regular transaction, the management requested for Board of Directors Meeting no.2/2013 on May 14, 2013, approved the authorization to management for those transactions under normal trading terms that would be reasonably made between parties generally in the same circumstances and under trade bargaining powers free from influence in the capacity of being a Director, executive officer or connected person. In this regard, the management would make regular reports of all transactions under such conditions for the acknowledgement of the Board of Directors Meeting every quarter.

2. In the event of a connected transaction not being a regular transaction, if the value of the transaction does not require the approval of the meeting of shareholders under the Regulations of the Stock Exchange of Thailand, it will first be considered by the Executive Committee of the company. If the value of the transaction is within the authority of the Executive Committee, approval of the connected transaction would be complete at this stage where in the interested person would not participate in the meeting and cast vote. However, if the value of the connected transaction exceeds the authority of the Executive Committee, the Executive Committee would summarize its resolution and make a submission to the Board of Directors, also attended by the Audit Committee, for approval. Also in such a meeting, the interested person would not participate in the proceedings and cast votes.

The Board of Directors considers transaction that might have conflict of interest or related transaction appropriately. Such related transactions are reviewed by Audit Committee. Moreover, the company discloses details of transaction that might have conflict of interest to public accurately and completely according to the notification of the Capital Market Supervisory Board No. Tor Jor. 21/2551 subject Rules for Connected Transaction.

◎ Related Transaction in Future

Transactions with related parties will prevail but the volume depends on the economic situation as those with possible conflict of interests are the company's supply chain. The flexibility and adaptability of the supply chain will eventually facilitate the business competition and thus benefit the shareholders.

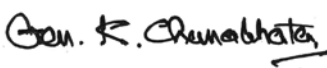
In future, related transaction will be transactions of normal business operating and without transferring interest between company and related person. The company holds regulations of Capital Market Supervisory Board, or other regulations strictly and concerns on reasonable in price and significant conditions in order to sustain benefits to shareholders and stakeholders equally and fairly.

Risk Management Committee Report

In 2013, the general economy faced a crisis. Businesses in several industrial sectors were affected by a multitude of external and internal factors such as recurring natural disasters and the generally acknowledged uncertainties in the political situation. As a consequence, the Risk Management Committee has had to focus risk assessment and analysis on particular instances in every quarter of 2013, including circumstances which are expected to present consequential opportunities in 2014.

The Board of Directors has great concern for and has closely monitored the events that have occurred. Marketing plans and policies have been regularly modified in response to the situation and factors which could potentially have a direct impact on the business. Risk management constitutes one of several approaches applied by the organization as a key tool for control and management. It serves as an indication of business efficiency and promotes business efficiency through the implementation of practices. It may be said that the organization, to a certain extent, has managed to weather the business crisis in a satisfactory fashion. An overview of the Company still shows asset security, operational liquidity and acceptable gross earnings per share when compared to other organisations under these fluctuating circumstances where the general economy has been significantly affected.

In order to maintain the confidence of shareholders, the Board of Directors has prescribed a strategy which is implemented by means of a policy on a 3-year long-term operational plan. This plan, as approved by the Board of Directors, encompasses all aspects of the operation and is supportive of the operational plan for 2014. The plan provides security for potential organizational risks. In any event, the Risk Management Committee will continue to brainstorm to collate data from all parties in the organization and carry out risk management functions pursuant to the assigned scope of responsibilities in order to achieve material benefits for the organization.

Gen. 

(Konecharnart Chunnabhata)

Chairman of the Risk Management Committee

Audit Committee Governance Report

People's Garment Public Company Limited's Audit Committee consists of 3 independent directors, namely Mr. Amorn Asvanunt, Chairman of the Audit Committee, Mrs. Nuchanart Thammanomai and Mr. Santi Bangor as Audit Committee Members. All Members of the Audit Committee possess the qualifications required by regulations of the Stock Exchange of Thailand. The Members also have qualifications and expertise in the fields of accounting, finance, law, economics and management.

Guidelines for the performance of functions by the Audit Committee have been clearly prescribed in the Audit Committee Charter. This charter is subject to regular reviews. The Audit Committee is independent in the performance of functions within its responsibility. There is an appreciation and attachment of significance to good governance to ensure that continual and sustained business growth. Operations are managed in a reliable manner to shareholders and all stakeholders in accordance with prescriptions of the Stock Exchange of Thailand and the Securities and Exchange Commission. Significant tasks performed by the Audit Committee in the year 2013 may be summarised as follows:

Review of Financial Statements

The Audit Committee has reviewed the financial statements and undertook joint considerations with the Company Auditor in each quarter and for the 2013 Annual Period. Observations and suggestions given by the Auditor were reasonably heard and joint consultations were taken with the Management and Company Accounts Department on items marked by observations in order to establish an understanding of practices which are of the essence to the Company. The Audit Committee has consulted with the Auditor on practices to reflect accurate financial data and the preparation of financial statements in compliance with Accounting Standards and prescriptions of the Stock Exchange. In addition, the Audit Committee has conducted independent inquiries on the Auditor in regard to the auditing limitations to ensure that the Auditor was provided with full and correct data for the completion of the audit. Thus, the Audit Report has expressed an opinion with no reservation that the financial statement is accurate and consistent with Accounting Standards, and that there has been full disclosure which is free from any significant conflicting data. The Audit Committee, finding compliance to the Accounting Standards, grants approval to the financial statement which is presented to the Board of Directors for endorsement as the Financial Statement for the Year 2013.

Review of Connected Transactions

The Audit Committee has reviewed the connected transactions in 2013 and found that those transactions were executed under normal trading terms, and are transparent, fair and beneficial to the Company. There were no conflicts of interests. There was also full compliance with the prescriptions of the Securities and Exchange Commission. Quarterly reports of connected transactions have been submitted to the Audit Committee and the Board of Directors for acknowledgement.

Internal Control Review

The Audit Committee has considered the Internal Audit Report for 2013 and found that audit had been undertaken in accordance with the audit plan as well as specially assigned tasks. The Audit Department was independent and reliable. The Audit Committee has granted approval for the internal audit guideline, rendered advice, endorsed the annual audit plan and also reviewed plans to ensure that clear targets were set for internal audit and that there was consistence with the Company's annual business plan.

In 2013, the Audit Committee reviewed the assessment of the Company internal control system in regard to operational systems and operations. A summary of internal audit results was prepared, containing

assessments of activities carried out by various units. Insignificant defects were found in the operations. Appropriate improvements and remedies of all items pursuant to the advice were monitored. The Internal Auditor has reported to the Audit Committee on the sufficiency of internal control systems. Risk management report also shows that risks have been managed at acceptable levels. Internal control defects did not have any significant impact on the Company's internal controls regardless of any error that occurred. Proper remedies were implemented. These undertakings show that the Company has a sufficient internal control system.

Review of Compliance with Laws, Articles and Regulations

The Audit Committee has reviewed compliance with regulations and prescriptions of the Securities and Exchange Commission and laws relevant to the Company and found that the Company's business operations were consistent with business regulations and laws, including regularly taking business responsibilities in accordance with important laws and regulations.

Auditor Appointment and Determination of Audit Fee

The Audit Committee has reviewed the performance of the Auditor for the year 2013 and was of the opinion that the audit process undertaken by the Auditor has supported the efficiency of internal controls and gave opinions which were beneficial to the Company's internal control system. The Auditor has also complied with Accounting Standards and ensured that financial statements were presented with greater accuracy and clarity. Hence, the Audit Committee approved the re-nomination of the current Auditor, ANS Audit Company Limited, who possessed all the qualifications required by the Stock Exchange of Thailand. The appointment of Mr. Vichai Ruchitanont, registration number 4054, or Mr. Atipong Atiponsukul, registration number 3500, or Mr. Sathien Vongsnan, registration number 3495, or Miss Kultida Pasurakul, registration number 5946 as auditors for the annual period ending 31 December 2014 is therefore proposed, along with the determination of audit fee in the amount of 790,000 baht for further submission to the Ordinary Shareholders' Meeting of 2014.

Meetings and Performance Assessment of the Audit Committee

In the 2013 annual period, the Audit Committee held a total of 4 meetings. All 3 Members of the Audit Committee were present at all meetings. Important items approved by the meeting were the review and opinion on the accuracy, completeness and reliability of the financial statement, sufficiency of internal control system and internal audit plan. The Audit Committee has fulfilled its prescribed duties with due diligence and independence. Performance assessments have been satisfactory. The Audit Committee played a key role in supporting the Board of Directors' compliance with prescriptions of the Stock Exchange of Thailand as well as guardianship of shareholders' interests and stakeholders pursuant to good governance principles.

The Audit Committee has the duties and responsibilities prescribed by the Charter and tasks assigned by the Company. Duties include the consideration, exercise of discretion, decision-making, assessment of internal audit, approval and giving advice on key matters by applying knowledge, competencies, prudence and due diligence in an independent manner, equally for all stakeholders. The Audit Committee is of the opinion that the Company has properly and sufficiently complied with prescriptions of the Stock Exchange and relevant laws. Efficient and effective internal control systems are in place. Accounting policies are clear, and finally, financial statements are reliable.

On behalf of the Audit Committee



Mr. Amorn Asawanant

Chairman of the Audit Committee

Report on the Board of Directors' Responsibilities with respect to the Financial Statements

The Company's Financial Statements have been compiled under the policies of the Board of Directors which are in compliance with the generally accepted accounting principles, and to be conservatively recorded. Due circumspection of estimation has also been given in the preparation of the financial statements to reflect truthfully the company's performance.

Recognizing the essential of the quality of the financial statements, the Board of Directors then managed to provide reviewing of the financial data and sufficient information in the Notes to the Financial Statements and the Explanation and Analysis Report for the interest of the shareowners and investors who seek access into the financial statements.

The Board of Directors has appointed an Audit Committee consisting of independent directors who response for quality of financial statements in charge of reviewing financial data, internal control systems and internal audits. The opinions of the Audit Committee appear in the Audit Committee's Report and are also included in this annual report.

According to the above-mentioned administrative structure and internal control system as well as the audit results of the certified public accountant, the Board is confident that the company's financial statements as of December 31, 2013, have shown an essentially accurate picture of its financial status, performance and cash flow statements according to the generally accepted accounting principles.



Mr. Boonkiet Chokwatana
Chairman



Mr. Charoen Charoenwatanasuksom
Managing Director

Auditor's Report

To the Shareholders and the Board of Directors of People's Garment Public Company Limited:

I have audited the accompanying financial statements of People's Garment Public Company Limited which comprise the statements of financial position as at December 31, 2013, and the related statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of People's Garment Public Company Limited as at December 31, 2013, and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

As explained in the Note 2 to the financial statements, during the year ended December 31, 2013, the Company has adopted new and revised Thai Financial Reporting Standards, which are issued by the Federation of Accounting Professions and effective for the financial statements for the period beginning on or after January 1, 2013, for the preparation and presentation of these financial statements. The financial statements for the year ended December 31, 2012 and the statements of financial position as at January 1, 2012, which have been presented herewith for comparative information have been restated for the effects of the adoption of new and revised Thai Financial Reporting Standards.

Other Matter

The financial statements for the year ended December 31, 2012 (before restated) and the statements of financial position as at January 1, 2012 (before restated) of People's Garment Public Company Limited were audited by another auditor, whose report dated February 20, 2013 and dated February 13, 2012, respectively, expressed an unqualified opinion.



(Vichai Ruchitanont)

Statements of Financial Position

People's Garment Public Company Limited

As at December 31, 2013

Assets

Unit: Thousand Baht

	Notes	December 31, 2013	December 31, 2012 (Restated)	January 1, 2012 (Restated)
Current Assets				
Cash and cash equivalents	5	119,119	70,802	171,630
Temporary investment - net	6	126,797	267,440	138,471
Current portion of long-term investments	10.1	77,000	40,000	60,000
Trade and other receivables - net	4, 7	197,674	205,704	217,656
Inventories - net	8	389,806	317,584	295,830
Other current assets		1,080	3,466	2,926
Total Current Assets		911,476	904,996	886,513
Non-Current Assets				
Long-term investments - available for sale securities	9	468,601	462,078	341,761
Long-term investments - others	10	203,944	277,501	192,957
Investments property	11	387	387	387
Property, plant and equipment - net	12	210,133	231,586	240,129
Intangible assets - net	13	11,039	6,448	6,658
Deferred tax assets	14	32,219	26,634	21,423
Other non-current assets		6,414	5,984	5,789
Total Non-Current Assets		932,737	1,010,618	809,104
Total Assets		1,844,213	1,915,614	1,695,617

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

Statements of Financial Position

People's Garment Public Company Limited

As at December 31, 2013

Liabilities and Shareholders' Equity

Unit: Thousand Baht

Notes	December 31, 2013	December 31, 2012 (Restated)	January 1, 2012 (Restated)
Current Liabilities			
Short-term borrowings from financial institutions	18,366	-	-
Trade and other payables 4, 15	162,085	150,614	129,817
Accrued income tax	2,429	9,771	14,411
Other current liabilities	2,306	6,262	6,284
Total Current Liabilities	185,186	166,647	150,512
Non-Current Liabilities			
Deferred tax liabilities 14	48,100	72,642	47,667
Employee benefit obligations 16	111,170	100,256	79,682
Total Non-current Liabilities	159,270	172,898	127,349
Total Liabilities	344,456	339,545	277,861
Shareholders' Equity			
Share capital			
Authorized share capital			
96,000,000 common shares,			
at Baht 1 each	96,000	96,000	96,000
Issued and paid-up share capital			
96,000,000 common shares,			
at Baht 1 each	96,000	96,000	96,000
Premium on share capital	325,200	325,200	325,200
Retained earnings			
Appropriated			
Legal reserve 17	9,600	9,600	9,600
General reserve 18	2,500	2,500	2,500
Unappropriated	883,980	857,552	795,492
Other components of shareholders' equity	182,477	285,217	188,964
Total Shareholders' Equity	1,499,757	1,576,069	1,417,756
Total Liabilities and Shareholders' Equity	1,844,213	1,915,614	1,695,617

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

Statements of Comprehensive Income

People's Garment Public Company Limited

For the year ended December 31, 2013

Unit: Thousand Baht

	Notes 3, 4, 22	2013	2012 (Restated)
Revenues			
Revenues from sales		1,057,616	1,197,540
Other incomes	20	49,336	51,230
Total revenues		1,106,952	1,248,770
Expenses	21		
Costs of sales		738,733	810,960
Selling expenses		52,535	61,202
Administrative expenses		228,344	241,518
Total expenses		1,019,612	1,113,680
Profit before finance costs and income tax expenses		87,340	135,090
Finance Costs		(1)	(2)
Profit before tax expenses		87,339	135,088
Tax expenses	14	(3,311)	(15,428)
Profit for the years		84,028	119,660
Other comprehensive income			
Gain (loss) on investment-available for sale revaluation		(128,425)	120,316
Add benefit (expenses) tax		25,685	(24,063)
Gain (loss) on investment-available for sale revaluation - net from tax		(102,740)	96,253
Total comprehensive income (loss) for the years		(18,712)	215,913
Basic earnings per share (Baht)	3	0.88	1.25
Issued and paid-up common shares (shares)		96,000,000	96,000,000

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

Statements of Changes in Shareholders' Equity

People's Garment Public Company Limited

For the year ended December 31, 2013

	Notes	Share capital Issued and paid-up	Premium on share capital	Retained earnings			Other components of shareholders' equity	Total
				Appropriated		Unappropriated	Gain (loss) on investment - available for sale revaluation	
				Legal reserve	General reserve			
Balance as at December 31, 2011 - as previously reported		96,000	325,200	9,600	2,500	774,495	236,205	1,444,000
Effects of change in accounting policies								
Deferred tax	2	-	-	-	-	20,997	(47,241)	(26,244)
Balance as at January 1, 2012 (After restated)		96,000	325,200	9,600	2,500	795,492	188,964	1,417,756
Dividend paid	19	-	-	-	-	(57,600)	-	(57,600)
Total comprehensive income for the year		-	-	-	-	(119,660)	96,253	215,913
Balance as at December 31, 2012		96,000	325,200	9,600	2,500	857,552	285,217	1,576,069
Dividend paid	19	-	-	-	-	(57,600)	-	(57,600)
Total comprehensive income (loss) for the year		-	-	-	-	84,028	(102,740)	(18,712)
Balance as at December 31, 2013		96,000	325,200	9,600	2,500	883,980	182,477	1,499,757

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

Statements of Cash Flows

People's Garment Public Company Limited

For the year ended December 31, 2013

Unit: Thousand Baht

	2013	2012
Cash flows from operating activities:		
Profit before income tax	87,339	135,088
Adjustments to reconcile income to net cash flow from operating activities:		
Depreciations	37,110	41,151
Amortization of intangible assets	2,299	2,052
Amortization of leasehold right	470	470
Reversal allowance for doubtful accounts	-	(743)
Increase bad debt	598	615
(Reversal) provisions for goods returned	711	(1,000)
Allowance for obsolescence stock	3,545	6,174
(Reversal) allowance for long-term investments devaluation	(225)	456
Gain on disposal of long-term investments	(9,665)	-
Loss from reclassified its investments in trading securities		
to investment in available-for-sale securities	12,974	-
Unrealized gain on temporary investments	(141)	(16)
Dividend income from investments	(13,565)	(12,978)
Interest income	(17,433)	(21,029)
Gain on disposal of fixed assets	(488)	(386)
Unrealized (gain) loss on exchange rates	618	(130)
Interest expenses	1	2
Provisions for employee benefits obligations	15,968	23,715
Profit from operating activities before changes in operating		
assets and liabilities	120,116	173,441
Operating assets (increased) decreased		
Temporary investment	(47,595)	(10,954)
Trade and other receivables	7,109	13,183
Inventories	(75,767)	(27,930)
Other current assets	(670)	281
Other non-current assets	(900)	(664)
Operating liabilities increased (decreased)		
Short-term borrowings from financial institutions	18,366	-
Trade and other payables	10,465	18,998
Other current liabilities	(3,956)	(22)

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

Statements of Cash Flows (xx)

People's Garment Public Company Limited

For the year ended December 31, 2013

Unit: Thousand Baht

	2013	2012
Cash received from operating activities	27,168	166,333
Employee benefits obligations paid	(5,054)	(3,141)
Interest paid	(1)	(2)
Income tax paid	(15,095)	(24,368)
Net cash from operating activities	7,018	138,822
Cash flows from investing activities:		
(Increased) decreased in deposit at financial institutions	173,000	(138,000)
Cash paid for long-term investments	(115,762)	-
Cash received from sales of long-term investments	14,666	-
Cash received from investments in debt securities held-to-maturity	40,000	60,000
Cash paid for investments in debt securities held-to-maturity	(25,000)	(105,000)
Dividend income from investments	13,565	12,978
Received from interest income	20,489	20,210
Cash paid for acquisition of fixed assets	(15,679)	(30,781)
Cash received from sales of fixed assets	510	387
Cash paid for acquisition of intangible assets	(6,890)	(1,844)
Net cash from (used in) investing activities	98,899	(182,050)
Cash flows from financing activities:		
Dividend payment	(57,600)	(57,600)
Net cash used in financing activities	(57,600)	(57,600)
Net increased (decreased) in cash and cash equivalents	48,317	(100,828)
Cash and cash equivalents at beginning of the years	70,802	171,630
Cash and cash equivalents at end of the years	119,119	70,802
Supplemental Disclosures of Cash Flows Information		
Non-Cash transaction:		
Gain (loss) from available for sale securities revaluation - net from tax	(102,740)	96,253
Increased in accounts payable for purchase fixed assets	-	1,828

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

PEOPLE'S GARMENT PUBLIC COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

◎ 1. GENERAL INFORMATION

People's Garment Public Company Limited ("the Company") is a juristic person established under Thai law and listed on the Stock Exchange of Thailand.

Head office and factory is located	at 666 Rama 3 Road, Kwaeng Bangpongpan, Khet Yannawa, Bangkok 10120.
Factory-branch 1	is located at 77 Moo 6, Lampang-Chiangmai Road, Tambol Baanklang, Amphur Muang, Lamphun 51000.
Factory-branch 2	is located at 114 Moo 5, Wellgrow Industrial Estate, Bangna-Trad Road, Tambol Bangsamak, Amphur Bangpakong, Chachoengsao 24130.
Factory-branch 3	is located at 216 Moo 5, Suwannasorn Road, Tambol Nonthri, Amphur Kabinburi, Prachinburi 25110.

The Company's activity is Manufacturing and distributing ready-made clothes.

◎ 2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Thai Accounting Standards ("TAS") including related interpretations and guidelines promulgated by the Federation of Accounting Professions ("FAP") and with generally accepted accounting principles in Thailand and applicable rules and regulations of the Securities and Exchange Commission.

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated September 28, 2011, issued under the Accounting Act B.E. 2543.

They are prepared on the historical cost basis, except as disclosed in respective accounting policies.

The accompanying financial statements have been prepared in the Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided by translating from the Thai version of the financial statements.

The preparation of financial statements in conformity with TAS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Therefore, actual result may differ from these estimates.

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

Adoption of new and revised TFRS

The Federation of Accounting Professions issued Thai Accounting Standards ("TAS"), Thai Financial Reporting Standard ("TFRS"), Thai Interpretations ("TI") and Accounting Guidance which are effective for fiscal years beginning on or after January 1, 2013 as follows:

TAS/TFRS/TI/FAP's Announcement	Topic
TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosures of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rate Operating Segments
TFRS 8	Operating Segments
TI 10	Government Assistance - No Specific Relation to Operating Activities
TI 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TI 25	Income Taxes - Changes in the Tax Status of an Enterprise or its Shareholders
No. 34/2012	Accounting Guidance for Transfer and Transferred of Financial Assets

In the year 2013, the Company has adopted new and revised TAS/TFRS/TI/FAP'S Announcement which are effective for the financial statements for the period beginning on or after January 1, 2013. Such transition affected the Company's overall financial position and financial performance as follows:

Thai Accounting Standard (TAS) No. 12 - Income taxes

The main change introduced by TAS 12 is the requirement to account for deferred tax assets and liabilities in the Company's financial statements. Deferred tax assets and liabilities are the amounts of income taxes recoverable and payable, respectively, in future periods in respect of temporary differences between the carrying amount of the assets or liabilities in the statement of financial position and the amount attributed to that assets or liabilities for tax purposes; and the carry forward of unused tax losses.

The Company adopted TAS 12 with effective from January 1, 2013. The effects of the change were recognized retrospectively in the financial statements and the statements of financial positions as at December 31, 2012 and January 1, 2012 and the statements of comprehensive income for the years ended December 31, 2013 and 2012 were adjusted accordingly. The management estimates that the impact on the financial

Unit : Thousand Baht

รายการ	December 31, 2013	December 31, 2012	January 1, 2012
Statement of financial position			
Increase in deferred tax assets	32,219	26,634	21,423
Increase in deferred tax liabilities	48,100	72,642	47,667
Increase in retained earnings	29,738	25,296	20,997
Decrease in other components of shareholders' equity	45,619	71,304	47,241
Statement of comprehensive income			
Decrease in income tax expenses	4,442	4,299	
Increase in profit for the years	4,442	4,299	
Increase (decrease) in other comprehensive income	25,685	(24,063)	
Increase (decrease) in total comprehensive income	30,127	(19,764)	
Increase in basic earning per share (Baht per share)	0.05	0.04	

New and revised Thai Financial Reporting Standards not yet effective

The Company has not yet adopted the new and revised Thai Financial Reporting Standards as follows:

a) Thai Accounting Standards ("TAS"), Thai Financial Reporting Standards ("TFRS"), Thai Financial Reporting Interpretation ("TFRI") and Thai Interpretation ("TI") which are effective for the financial statements for the period beginning on or after January 1, 2014 as follows:

TAS/TFRS/TFRI/TI	Topic
TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Venture
TAS 34 (revised 2012)	Interim Financial Reporting
TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations

TAS/TFRS/TFRI/TI	Topic
TFRS 8 (revised 2012)	Operating Segments
TFRI 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRI 4	Determining whether an Arrangement contains a Lease
TFRI 5	Rights to Interests arising from Decommission, Restoration and Environmental Rehabilitation Funds
TFRI 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRI 10	Interim Financial Reporting and Impairment
TFRI 12	Service Concession Arrangements
TFRI 13	Customer Loyalty Programmes
TFRI 17	Distributions of Non-cash Assets to Owners
TFRI 18	Transfers of Assets from Customers
TI 15	Operating Leases-Incentives
TI 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TI 29	Disclosure-Service Concession Arrangements
TI 32	Intangible Assets-Web Site Costs

The management of the Company is assessing the impacts of these TAS/TFRS/TFRI/TI on the financial statements for the period in which they are initially applied.

b) Thai Financial Reporting Standard (TFRS) which is effective for the financial statements for the period beginning on or after January 1, 2016 as follows:

TFRS	Topic
TFRS No. 4	Insurance Contracts

The management of the Company is assessing the impacts of this standard on the financial statements for the period in which they are initially applied.

◎ 3. SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenses recognition

The Company recognized revenues and expenses on an accrual basis.

The Company recognized sales and cost of sales whenever goods are delivered, and the significant risks and rewards have been transferred to the buyer.

The Company recognized dividend income when the shareholder's right to receive is established.

The Company recognized rental income over the lease period.

Cash and cash equivalents

Cash and cash equivalents are cash on hand and deposits at financial institutions, and all highly liquid investments due not more than 3 months from the date of acquisition with no obligation.

Investments in Open-end Fund

Investments are investments in Open-ended Fund, which are classified in the statements of financial position as trading securities, are carried at their fair values. The fair value is calculated by net asset value of the fund as at the reporting date. Gain or loss on valuation is realized in the statements of comprehensive income.

The Company calculated cost of disposed securities during the year by the weighted average method.

Investments in securities

Investments in trading securities are marketable securities which stated at fair value, with the objective for trading. Gain or loss on valuation is realized in the statements of comprehensive income..

Investments in available-for-sale securities are marketable securities which stated at fair value, with the objective for long-term investments. Gain or loss on valuation is realized on gain (loss) on investment-available as separate item in the statements of comprehensive income.

The Company recognized of reclassified its investments in marketable equity securities from investment in trading securities to investment in available-for-sale securities by using fair value at the date of transfer in the accounting and recognize the difference between the carrying value and fair value at that date in the income statement immediately.

The Company calculated cost of the disposed securities during the year by the weighted average method.

Investments in debt securities are classified as held-to-maturity.

Trade receivables

Trade receivables are stated at net realizable value.

Allowance for doubtful accounts

The Company provided allowance for doubtful accounts for the estimated losses that may be incurred from the uncollectible accounts receivable.

Allowance for good returned

The estimation for goods returned is set up by assessing from the past experience and other relative factors.

Inventories

Finished goods are stated at cost or net realizable value, whichever is the lower. Cost is based on the average method.

Goods in process are stated at average cost of raw materials including labor and manufacturing expenses.

The Company set up provision for diminution in value for the non-moving inventories over six months.

Investments in related companies

The related companies are those companies in which the Company has shareholding and/or the companies which directly or indirectly have some common management, major shareholders or such related persons. Investments in related companies are recorded at cost and deducted with provision for diminution in investment value.

Investments property

Investments property includes property and plant stated at cost. Depreciation of building is calculated by the straight-line method based on the estimated useful life of 20 years.

Property, plant and equipment

Property, plant and equipment are stated at cost. Depreciation is calculated by the straight-line method based on the estimated useful life of the following assets:

	Useful life (years)
Building	20 and 50
Machinery	5, 10, 15, and 20
Others	3, 5, 10 and 15

Intangible assets

Intangible assets mean the computer software used in the Company's operations which are stated at cost less cumulative amortization.

Amortization is calculated by the straight-line method based on the estimated useful life of 5 years.

Leasehold right

Leasehold right stated at cost less cumulative amortization.

Amortization is calculated by the straight-line method based on the lease period.

Employee benefits

Short-term benefits

The Company recognized salaries, wages, bonus and social security contribution as expenses on an accrual basis.

Post-employment benefits - defined contribution plan

The Company operates a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and the Company. Contributions to the provident fund are charged to the statement of comprehensive income in the period to which they relate.

Post-employment benefits - defined benefit plan

The employee benefits obligations for severance payment as the labor law is recognized as a charge to results of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Company in the current and future periods, with such benefit being discounted to determine the present value. The reference point for

setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by actuarial technique using the Projected Unit Credit Method.

When the employee benefits are improved, the portion of the increased benefit relating to past service by employees is recognized in the statement of comprehensive income on a straight-line basis over the average period until the benefits become vested.

When the actuarial assumptions are changed, the Company recognized actuarial gains or losses in the statement of comprehensive income for the period in which they arise.

Provisions

Provisions are recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Income tax

Income tax expense comprise current tax and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income 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 Company 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 which such deductible temporary differences and tax losses carried forward can be utilized.

At each reporting date, the Company review and reduce 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 Company record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to the statement of comprehensive income over the lease period. The property, plant or equipment acquired under finance leases is depreciated over the useful life of the asset.

Lease of assets where a significant portion of the risks and rewards of ownership are retained by the lesser are classified as operating leases. Payments made under operating leases are recognized as expenses in the statement of comprehensive income over the period of the lease.

Foreign currency transactions

Foreign currency transactions are recorded in Baht at the rate ruling on the date of transactions. Outstanding foreign currency assets and liabilities at the statements of financial position converted to Baht at the rate of exchange in effect on that date. Except the agreed transactions of forward exchange contracts with the banks, will be recorded at fair value.

Gains or losses on exchange rates are credited or charged to statement of comprehensive income.

Earnings per share

Basic earnings per share are calculated by dividing the annual net profit by the number of issued and paid-up common stocks at the end of the year.

◎ 4. TRANSACTIONS WITH RELATED PARTIES

The Company had business transactions with related parties. These parties are directly and indirectly related through common shareholding and/or directorship. The financial statements reflect the effects of these transactions on the conditions specified in the mutual agreement and in normal business. The Company and the parties concerned.

Related parties	Relationship
1. Listed companies on the stock exchange	See Note 9
2. Related companies	See Note 10
3. Thanulux Plc.	Sharedholders
4. S&J International Enterprises Plc.	Co-directors

The significant transactions with related parties as at December 31, can be summarized as follows:

	Unit: Thousand Baht	
	2013	2012
Statements of financial position		
Trade receivables		
- I.C.C. International Plc.	114,872	141,513
- Other companies	1,601	4,320
Total	116,473	145,832
Other receivables	238	680
Investment-fair value (Notes 9 and 10)	406,675	496,204
Trade payables	5,854	7,698
Other payables	1,302	1,033
Allowance for goods returned	5,711	5,000

	2013	2012
Statements of comprehensive income		
Revenue from sales		
- I.C.C. International Plc.	729,271	919,764
- S&J International Enterprise Plc.	6,348	12,286
- Other companies	4,676	9,472
Total	740,295	941,522
Dividend Income	12,187	12,598
Other incomes	9,350	10,941
Purchase of goods and raw materials	28,471	34,262
Royalty fees	18,313	23,709
Other expenses	9,788	11,216

Income from sales, purchase of goods and raw materials, other income and expenses as shown in the statements of comprehensive income are in accordance with general trading conditions under fixing price or at market price. For the transactions with no reference of market price, the agreed prices according to the agreement are applied.

Management compensation - for key management personnel

Management compensation - for key management personnel for the years ended December 31, were consist of the following:

Unit : Thousand Baht

	2013	2012
Short-term benefits	19,877	23,104
Post-employment benefits	435	703
Total management compensation - for key management personnel	20,312	23,807

◎ 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, consisted of:-

Unit : Thousand Baht

	2013	2012
Cash on hand	347	406
Cash at banks - current account	9,840	12,820
Cash at banks - saving account	13,929	16,573
Fixed deposits/Certificates of Deposits/Bills of Exchange	95,003	41,003
Total cash and cash equivalents	119,119	70,802

◎ 6. TEMPORARY INVESTMENT- NET

Temporary investment as at December 31, consisted of:-

Unit : Thousand Baht

	2013	2012
Deposit at financial institutions	99,003	243,003
Open-end Fund-Debt securities	27,653	24,372
Temporary investment - at cost	126,656	267,375
<u>Add</u> unrealized gain on investment revaluation	141	65
Total temporary investment - net	126,797	267,440

◎ 7. TRADE AND OTHER RECEIVABLES - NET

Trade and other receivables as at December 31, consisted of:-

Unit : Thousand Baht

	2013	2012
Trade receivables		
Trade receivables - related companies	116,473	145,832
Trade receivables - other companies	79,777	62,061
Total trade receivables	196,250	207,893
<u>Less</u> Allowance for doubtful accounts	(2,000)	(2,000)
<u>Less</u> Allowance for goods returned	(5,711)	(5,000)
Total trade receivables-net	188,539	200,893
Other receivables		
Other receivables - related companies	238	680
Other receivables - other companies	8,897	4,131
Total other receivables	9,135	4,811
Total trade and other receivables - net	197,674	205,704

As at December 31, 2013 and 2012, the Company had outstanding balances of trade receivables aged as follows:

Unit : Thousand Baht

	2013	2012
Trade receivables - related companies		
Current	116,228	145,635
Overdue		
within 2 months	245	149
Over 2-6 months	-	29
Over 6-12 months	-	19
Total trade receivables - related companies	116,473	145,832
Trade receivables - Other companies		
Current	56,951	41,937
Overdue		
within 2 months	13,638	14,411
Over 2-6 months	3,677	3,403
Over 6-12 months	3,167	162
Over 12 months	2,344	2,148
Total trade receivables - other companies	79,777	62,061
Total trade receivables	196,250	207,893

◎ 8. INVENTORIES - NET

Inventories as at December 31, consisted of:-

Unit : Thousand Baht

	2013	2012
Finished goods	220,694	208,995
Goods in process	42,493	29,667
Raw materials	117,455	86,937
Supplies	4,501	4,906
Raw material in transit	27,269	6,140
Total inventories	412,412	336,645
<u>Less</u> Allowance for devaluations	(22,606)	(19,061)
Total inventories - net	389,806	317,584

© 9. LONG-TERM INVESTMENT - AVAILABLE FOR SALE SECURITIES

Long-term investment-available for sale securities as at December 31, consisted of:-

Unit : Thousand Baht

	Holding (%)		Investments		Dividends	
	2013	2012	2013	2012	2013	2012
Marketable securities						
Investments in related companies						
Saha Pathana Inter-Holding Plc.	0.44	0.44	25,597	25,597	501	501
I.C.C. International Plc.	0.60	0.60	45,655	45,655	2,173	1,912
Boutique New City Plc.	0.02	0.02	124	124	1	1
Far East DDB Plc.	0.03	0.03	117	117	19	21
Thai President Foods Plc.	0.04	0.04	1,046	1,046	260	237
Bangkok Rubber Plc.	0.02	0.02	385	385	-	-
Saha Pathanapibul Plc.	0.07	0.07	1,220	1,220	233	210
Thai Wacoal Plc.	0.04	0.04	760	760	120	105
President Bakery Plc.	1.00	1.00	13,500	13,500	4,365	4,365
Sahacogen (Chonburi) Plc.	0.54	0.54	12,152	12,152	922	769
Total - at cost			100,556	100,556	8,594	8,121
<u>Add</u> Unrealized gain on investment revaluation in related companies			252,175	349,147		
Investment in related companies - fair value			352,731	449,703		

Unit : Thousand Baht

	Investments		Dividends	
	2013	2012	2013	2012
Investment in other company				
Central Pattana Plc.	13,144	-	105	-
Land and houses Plc.	4,986	-	-	-
Minor International Plc.	4,960	-	60	-
Krung Thai Plc.	14,678	-	250	-
The Erawan Group Plc.	10,499	-	-	-
Tisco Financial Group Plc.	10,600	-	-	-
BTS Rail mass transit growth infrastructure fund	421	-	11	-
CH. Karnchang Plc.	7,548	-	68	-
AP (Thailand) Plc.	5,450	-	250	-
Kasikornbank Plc.	8,812	-	25	-
Sansiri Plc.	9,595	-	-	-
Bangkok Bank Plc.	-	5,001	-	379
Total - at cost	90,693	5,001	769	379
<u>Add</u> unrealized gain (loss) on investment revaluation in other company	(24,029)	7,374		
Investment in other company - fair value	66,664	12,375		
Open-end Fund-Debt securities and Equity securities	49,256	-		
<u>Add</u> unrealized loss on investment revaluation	(50)	-		
Open-end Fund-Debt securities and Equity securities at fair value	49,206	-		
Investment in available for sale securities at fair value	468,601	462,078	9,363	8,500

During the years ended December 31, 2013 and 2012, the Company recognized gain loss from revaluation, sale, and reclassified of investment - net as "Other incomes" in statements of comprehensive income:-

Unit : Thousand Baht

	2013	2012
Unrealized loss from reclassified its investments in trading securities to investment in available-for-sale securities	(12,974)	-
Gain from sale investment		
available for trading securities	4,014	-
available for sale securities	9,677	270
Unrealized gain - available for trading securities	141	-
Total	858	270

Unit : Thousand Baht

Related companies	Type of Business	Relationship	Paid-up Capital	
			December 31, 2013	December 31, 2012
Saha Pathana Inter-Holding Plc.	Investment	Co-director and shareholder	494,034	494,034
I.C.C. International Plc.	Commerce	Co-director and shareholder	290,634	290,634
Boutique New City Plc.	Garment	Shareholder	120,000	120,000
Far East DDB Plc.	Agency and advertising	Co-director and shareholder	75,000	75,000
Thai President Foods Plc.	Food	Shareholder	180,000	180,000
Bangkok Rubber Plc.	Footwear	Co-director and shareholder	1,634,572	1,634,572
Saha Pathanapibul Plc.	Commerce	Shareholder	318,422	318,422
Thai Wacoal Plc.	Garment	Shareholder	120,000	120,000
President Bakery Plc.	Food	Shareholder	450,000	450,000
Sahacogen (Chonburi) Plc.	Generating and distributing electricity	Co-director and shareholder	955,000	955,000

◎ 10. LONG-TERM INVESTMENTS – OTHERS

Long-term investments - others as at December 31, consisted of:-

Unit : Thousand Baht

	2013	2012
Debt securities - mature on 2 to 5 years	75,000	97,000
Debt securities - mature on 6 to 7 years	35,000	65,000
Investment in related companies	62,574	55,356
Deposit with financial institutions (mature over 12 months)	40,000	69,000
Less Allowance of investment devaluation	(8,630)	(8,855)
Total of long-term investments - others	203,944	277,501

10.1 Investment in Debt Securities

Unit : Thousand Baht

	2013				2555			
	Mature on				ครบกำหนดภายใน			
	1 year	2 - 5 year	6 - 7 year	Total	1 year	2 - 5 year	6 - 7 year	Total
PTT Global Chemical Public Company Limited	7,000	-	-	7,000	20,000	7,000	-	27,000
Thai Oil Public Company Limited	20,000	-	-	20,000	-	20,000	-	20,000
BANPU Public Company Limited	30,000	-	-	30,000	-	30,000	-	30,000
PTT Public Company Limited	20,000	30,000	35,000	85,000	-	20,000	60,000	80,000
Bank of Ayudhya Public Company Limited	-	20,000	-	20,000	-	20,000	-	20,000
TISCO Bank Public Company Limited	-	-	-	-	20,000	-	-	20,000
IRPC Public Company Limited	-	5,000	-	5,000	-	-	5,000	5,000
CP ALL Public Company Limited	-	20,000	-	20,000	-	-	-	-
Total investment in debt securities	77,000	75,000	35,000	187,000	40,000	97,000	65,000	202,000

10.2 Investments in Related Companies

Unit : Thousand Baht

	Holding (%)		Investments		Dividends	
	2013	2012	2013	2012	2013	2012
Thai Sports Garment Co., Ltd.	19.00	19.00	1,900	1,900	950	1,900
Champ Ace Co., Ltd.	15.00	15.00	6,000	6,000	1,500	1,500
S.T.G.C. Co., Ltd.	10.00	10.00	250	*250	-	-
Waseda Education (Thailand) Co.,Ltd.	7.14	7.14	4,000	4,000	-	-
Thai Takaya Co., Ltd.	3.33	3.33	1,000	1,000	40	60
Cosmo Express Trading Co., Ltd.	4.00	4.00	*256	*256	-	-
Sriracha Aviation Co., Ltd.	1.82	1.82	*1,000	*1,000	-	-
SSDC (Tigertext) Co., Ltd.	2.35	2.35	8,977	8,977	304	228
Sahapat properties Co., Ltd.	2.00	2.00	*400	400	-	-
Thai Staflex Co., Ltd.	2.00	2.00	1,200	1,200	180	144
Treasure Hill Co., Ltd.	2.00	2.00	*4,000	*4,000	-	-
Sahapat Real Estate Co., Ltd.	2.00	2.00	5,000	5,000	150	150
Thai Naxis Co., Ltd.	1.50	1.50	300	300	50	18
Pan Land Co., Ltd.	0.67	0.67	*2,000	*2,000	-	-
Five Star Plus Co., Ltd.	5.00	5.00	*2,500	*2,500	-	-
Thai Bunka Fashion Co., Ltd.	4.00	4.00	*1,000	*1,000	-	-
Erawan Textile Co., Ltd.	2.46	2.33	17,041	9,823	-	128
Bangkok Tokyo Socks Co.,Ltd.	4.89	4.89	5,750	5,750	420	350
Total investment in related companies			62,574	55,356	3,594	4,478
Less *Allowance of investment devaluation			(8,630)	(8,855)	-	-
Investment in related companies			53,944	46,501	3,594	4,478

Unit : Thousand Baht

Related companies	Type of Business	Relationship	Paid-up Capital	
			December 31, 2013	December 31, 2013
Thai Sports Garment Co., Ltd.	Manufacturing and distributing garment	Co-management/ director and shareholders	10,000	10,000
Champ Ace Co., Ltd.	Manufacturing and distributing garment and leather	Co-management/ director and shareholders	40,000	40,000
S.T.G.C. Co., Ltd.	Research and develop weaving materials	Shareholders	2,500	2,500
Waseda Education (Thailand) Co., Ltd.	Language institute	Shareholders	56,000	56,000
Thai Takaya Co., Ltd.	Manufacturing and distributing garment	Shareholders	30,000	30,000
Cosmo Express Trading Co., Ltd.	Trading	Shareholders	8,000	8,000
Sriracha Aviation Co., Ltd.	Maintenance	Shareholders	55,000	55,000
SSDC (Tigertext) Co., Ltd.	Bleaching and dyeing	Co-directors and shareholders	324,000	324,000
Sahapat Properties Co., Ltd.	Investing	Shareholders	20,000	20,000
Thai Staflex Co., Ltd.	Manufacturing and distributing paste lining	Shareholders	60,000	60,000
Treasure Hill Co., Ltd.	Golf course	Co-directors and shareholders	200,000	200,000
Sahapat Real Estate Co., Ltd.	Real estate	Shareholders	250,000	250,000
Thai Naxis Co., Ltd.	Producing and distributing label	Shareholders	20,000	20,000
Pan Land Co., Ltd.	Real estate	Co-directors and shareholders	300,000	300,000
Five Star Plus Co., Ltd.	Manufacturing and distributing garment	Co-directors and shareholders	50,000	50,000
Thai Bunka Fashion Co., Ltd.	Design institute	Co-directors and shareholders	25,000	25,000
Erawan Textile Co., Ltd.	Spun yarn and fabrics	Shareholders	465,094	181,832
Bangkok Tokyo Socks Co., Ltd.	Manufacturing and distributing socks	Shareholders	143,220	143,220

© 11. INVESTMENT PROPERTY

Investment property as at December 31, consisted of:-

Unit : Thousand Baht		
รายการ	2556	2555
Investment property-net	387	387
Fair Value	11,000	11,000
Rental income	3,898	3,898

The fair value assessed by an independent appraiser, using market data and replacement cost.

Investment property represented the land and plant which has been rented to a related company with rental charge of Baht 3.9 million per year. The agreement is automatically renewed unless either of the parties hereto terminates the agreement

© 12. PROPERTY, PLANT AND EQUIPMENT - NET

Property, plant and equipment as at December 31, 2013 consisted of:-

	Unit : Thousand Baht										
	Land	Building	Machinery	Tools equipment	Furniture and fixture	Furniture and equipment	Vehicles	Tools equipment under installation	Furniture and fixtures under process	Furniture and equipment under installation	Total
Cost											
As at January 1, 2013	43,540	117,460	303,789	54,322	112,330	115,209	23,256	29	9,896	737	780,568
Increase during the year	-	191	1,500	822	1,519	3,008	6,053	102	2,257	227	15,679
Decrease during the year	-	-	-	-	(25)	(2,105)	(2,700)	-	-	-	(4,830)
As at December 31, 2013	43,540	117,651	305,289	55,144	113,824	116,112	26,609	131	12,153	964	791,417
Accumulated depreciation											
As at January 1, 2013	-	67,511	233,432	44,825	89,274	95,903	18,037	-	-	-	548,982
Increase during the year	-	4,215	12,812	1,408	9,468	6,684	2,523	-	-	-	37,110
Decrease during the year	-	-	-	-	(6)	(2,102)	(2,700)	-	-	-	(4,808)
As at December 31, 2013	-	71,726	246,244	46,233	98,736	100,485	17,860	-	-	-	581,284
Net book value as at January 1, 2013	43,540	49,949	70,357	9,497	23,056	19,306	5,219	29	9,896	737	231,586
Net book value as at December 31, 2013	43,540	45,925	59,045	8,911	15,088	15,627	8,749	131	12,153	964	210,133

Depreciation for the years ended December 31, 2013 and 2012 of Baht 37.11 million and Baht 41.15 million are respectively, in the statements of comprehensive income.

As at December 31, 2013 and 2012 the Company's plant and equipment amounting to Baht 431.58 million and Baht 382.82 million, respectively, are fully depreciated but are still in use.

© 13. INTANGIBLE ASSETS - NET

Intangible assets as at December 31, 2013 consisted of:-

Unit : Thousand Baht

	Deferred computer program	Computer program under installation	Total
Cost			
As at January 1, 2013	20,168	817	20,985
Increase during the year	6,890	-	6,890
As at December 31, 2013	27,058	817	27,875
Accumulated amortization			
As at January 1, 2013	14,537	-	14,537
Increase during the year	2,299	-	2,299
As at December 31, 2013	16,836	-	16,836
Net book value as at January 1, 2013	5,632	817	6,448
Net book value as at December 31, 2013	10,222	817	11,039

© 14. DEFERRED TAX ASSETS AND LIABILITIES

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

Unit : Thousand Baht

	January 1, 2013	Movement increase (decrease)		December 31, 2013
		Profit (loss)	Other comprehensive income	
Deferred tax assets :				
Allowance for goods returned	1,000	143	-	1,143
Inventories	3,812	709	-	4,521
Investment in related companies	1,771	(45)	-	1,726
Unrealized loss from reclassified its investments in trading securities to investment in available - for sale securities	-	2,595	-	2,595
Employee benefit obligations	20,051	2,183	-	22,234
Total deferred tax assets	26,634	5,585	-	32,219
Deferred tax liabilities:				
Available-for sale securities	71,304	-	(25,685)	45,619
Property, Plant and equipment (Depreciation)	1,338	1,143	-	2,481
Total deferred tax liabilities	72,642	1,143	(25,685)	48,100

Tax expenses for the years ended December 31, were as follows:-

Unit : Thousand Baht

	2013	2012
Profit before income tax	87,339	135,088
Income tax rate	20%	23%
Current income tax expense as tax rate	17,468	31,070
Non-deductible expenses by the Revenue Code	296	454
Double expenses by the Revenue Code	(1,452)	(2,151)
Exception revenue by Revenue Code		
- Dividend income	(2,713)	(2,985)
- BOI	(10,288)	(11,128)
Difference from income tax rate	-	168
Income tax expense	3,311	15,428
The average effective tax rate	4%	11%

The Company used income tax rate of 20% for the calculation of corporate income tax for the year ended December 31, 2013 and used income tax rate of 23% for the calculation of corporate income tax for the year ended December 31, 2012 attributable to the Section 5 of the Royal Decree Issued Under the Revenue Code Regarding Deduction in Tax Rate (No. 530) B.E. 2554.

© 15. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, consisted of:-

Unit : Thousand Baht

	2013	2012
Trade payables		
Trade payables - related companies	5,854	7,698
Trade payables - other companies	122,777	88,321
Total trade payables	128,631	96,019
Other payables		
Accrued royalty expenses	6,464	7,905
Unearned income	450	1,423
Accrued bonus	8,675	28,131
Others	17,865	17,136
Total other payables	33,454	54,595
Total trade and other payables	162,085	150,614

© 16. EMPLOYEE BENEFIT OBLIGATIONS

Movement of the present value of employee benefits obligation for the years ended December 31, 2013 and 2012 as follows:

Unit : Thousand Baht		
	2013	2012
Post-employment benefit plan		
Employee benefit obligations as at beginning of the years	100,256	79,682
Current service cost	12,984	10,156
Interest cost	3,228	3,143
Paid of employee benefits obligations during the years	(5,054)	(3,141)
Differences of provision	(244)	10,416
Net employee benefit obligations as at ending of the years	111,170	100,256

Employee benefit expenses in the statements of comprehensive income for the years ended December 31, consisted of:-

Unit : Thousand Baht		
	2013	2012
Current service cost	12,984	10,156
Interest from obligation	3,228	3,143
Actuarial (gains) loss on defined employee benefit plans	(244)	10,416
Total employee benefits expenses	15,968	23,715

Employee benefit expenses for the years ended December 31, as shown in the statements of comprehensive income as follows:-

Unit : Thousand Baht		
	2013	2012
Costs of sales	6,303	8,988
Administrative expenses	9,665	14,727
Total employee benefits expenses	15,968	23,715

Principal actuarial assumptions (express as weighted averages) as follows:-

	Percentage	
	December 31, 2013	December 31, 2012
Discount rate	3.31	3.31
Salary increase rate	5.00 - 10.00	5.00 - 10.00
Average employee monthly turnover rate	8 - 40	8 - 40
Average employee daily turnover rate	17 - 70	17 - 70

The actuarial assumption of discount rate is estimated from weighted average of yield rate of government bonds as at the end of reporting date that reflects the estimated timing of benefit payments. The actuarial assumption of mortality rate for reasonable estimation of probability of retirement in the future is estimated from mortality table.

© 17. LEGAL RESERVE

In compliance with the Public Company Act, B.E. 2535 (1992), the Company has to set aside legal reserve at least 5% of annual net profit until meet 10% of authorized share capital. Such legal reserve is not allowed to pay for dividend. The Company has completely provided for the legal reserve which duly met 10% of authorized share capital.

© 18. GENERAL RESERVE

The Company allocated portion of profit as general reserve without specific objective.

© 19. DIVIDEND PAYMENT

The Ordinary General Shareholders' Meeting No. 34 held on April 23, 2013, approved the dividend payment for the year 2012 at rate of Baht 0.60 per share, amounted of Baht 57.60 million which the dividend payments are drawn from BOI promotional net profit of the BOI Certificate No. 1446(2)/2550 at rate of Baht 0.52 per share and from Non-BOI promotional net profit, which subject to 30 % corporate income tax, at rate of Baht 0.08 per share. The dividend was paid on May 21, 2013.

The Ordinary General Shareholders' Meeting No. 33 held on April 24, 2012, approved the dividend payment for the year 2011 at rate of Baht 0.60 per share, amounted of Baht 57.60 million which the dividend payments are drawn from BOI promotional net profit of the BOI Certificate No. 1446(2)/2550 at rate of Baht 0.33 per share and from Non-BOI promotional net profit, which subject to 30 % corporate income tax, at rate of Baht 0.27 per share. The dividend was paid on May 18, 2012.

© 20. OTHER INCOMES

Other incomes for the years ended December 31, were as follows:-

Unit : Thousand Baht		
	2013	2012
Rental income	5,703	5,450
Interest income	17,433	21,029
Dividend income	13,565	12,978
Gain from investment (note 9)	858	270
Other	11,777	11,503
Total other incomes	49,336	51,230

© 21. Expenses by Nature

Significant expenses by nature for the years ended December 31, were as follows:-

	Unit : Thousand Baht	
	2556	2555
Increase in changes of finished goods and work in process	(24,525)	(26,817)
Purchase of finished goods	55,006	70,803
Raw materials and consumable used	477,945	593,045
Directors and management benefit expenses	19,877	23,104
Employee benefit expenses	285,992	303,596
Depreciation and amortization expenses	39,879	43,674
Royalty expenses	39,854	49,465
Loss on diminution in inventories	3,546	6,174

© 22. OPERATING SEGMENTS

The Company operates in one business segment, that is the business of manufacturing and distributing ready-made garment and has geographical areas with both local and export sales. The operation results for years ended December 31, are classified as follows:-

	Unit : Thousand Baht					
Particulars	2013			2012 (Adjusted)		
	Local	Export	Total	Local	Export	Total
Revenue from sale	970,414	87,202	1,057,616	1,138,713	58,827	1,197,540
Other income			49,336			51,230
Cost of sales			(738,733)			(810,960)
Selling expenses			(52,535)			(61,202)
Administrative expenses			(228,344)			(241,518)
Finance costs			(1)			(2)
Tax expenses			(3,311)			(15,428)
Profit (loss) for the years	87,260	(3,232)	84,028	122,527	(2,867)	119,660
Property, plant and equipment - net			210,133			231,586

The operating segments of the year 2012 had been adjusted in order to conform to the operating segments presentation of current year.

© 23. DISCLOSURE OF FINANCIAL INSTRUMENTS

The Company has information relating to financial instruments both in and off the statements of financial position as follows:-

23.1 Accounting policies and procedure

Accounting policies are disclosed in Note 3 to the financial statements.

23.2 Credit risk

- The Company has concentrations of risks as most of trade accounts receivable are related parties. However, such account receivables are customer with trading transactions for a long time and have a capability to pay debt.
- For other customers, management has a credit policy to control credit risk by analyzing the financial position of all customers who request credit term.
- For the financial assets shown in the statements of financial position, the book value of such assets is net from various provisions to be estimated fair value. Such provisions are assumed to be the highest value of credit risk.

23.3 Interest rate risk

Risk from the fluctuation in interest rate may have negative effect to the Company for the current and the future years. The Company expects that they can manage the contingent risk, due to the Company has set a plan and follow up the situation closely.

23.4 Risk from exchange rate

The Company has risk from the fluctuation of foreign exchange rates, due to some debtors and creditors arisen from the trading in foreign currencies. The Company has entered into some forward exchange contracts according to Note 24.2. These assets and liabilities are mainly in short terms. The Company, therefore, expects no material risk from the exchange rate.

23.5 Fair value of financial instruments

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

- Financial assets shown at book value which equal to estimated fair value.
- Financial liabilities shown at book value almost the same with fair value, due to such liabilities will be matured in short term.

23.6 Capital management

The Board's policy is to maintain a strong capital base so as to maintain assurance of shareholder, investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital which the Company defines as result from operating activities divided by total shareholders' equity, excluding Non-controlling interests and also monitors the level of dividends to ordinary shareholders.

© 24. FOREIGN CURRENCY TRANSACTIONS

24.1 Assets and liabilities in foreign currencies

The Company has a policy to cover foreign exchange exposure of assets and liabilities in foreign currencies whereby the Company will deposit money received from sales in foreign currencies with bank for payment of expenses and creditors in foreign currencies. Balance of significant assets and liabilities of the Company in foreign currencies as at December 31, as follows:

Unit : Thousand Baht				
Particulars	2013		2012	
	Foreign currencies	Convert to Baht	Foreign currencies	Convert to Baht
Assets				
USD	855	27,859	562	17,091
EUR	-	-	122	4,903
Total		27,859		21,994
Liabilities				
USD	1,484	48,996	241	7,426
EUR	1	38	1	34
HKD	8	34	9	35
YEN	72	23	-	-
Total		49,091		7,495

24.2 Buying and selling forward exchange contracts

As at December 31, 2013, the Company had purchased and sold forward exchange contracts with a commercial bank to hedge against the exchange rates risk on collections and payment denominated in foreign currencies for anticipated purchase and sales. These forward contracts cover the period less than 1 year are summarized below:

Currency	Foreign currency	Baht equivalent
Purchased contract of foreign currency USD	81,370	2,635,750

© 25. REGISTERED PROVIDENT FUND

The Company has set up and registered provident fund in accordance with the Provident Fund Act, B.E. 2530 (1987), in order to be the savings and welfare promotion, as well as the fringe benefits upon resignation or retirement to its employees according to the Company's regulation. The Company and the employees partly contribute 3-5% of their basic salaries. It has also appointed TISCO Asset Management Company Limited to be the fund manager.

Provident fund contributions made by the Company for its employees and recorded as expenses in the statements of comprehensive income for the years ended December 31, 2013 and 2012 are Baht 5.70 million and Baht 5.38 million, respectively.

◎ 26. PROMOTIONAL PRIVILEGES

The Company was grant 1 promotional certificates as follows:

	XXXXXXXXXX
1. Promotional certificates No.	1446(2)/2550
2. Date of promotional certificate	4/5/2550
3. Effective date	15/2/2551
4. To promote investment in the business of	Weaving products or fragment
5. Important privileges which are granted:	
5.1 Exemption from corporate income tax on net profit from promotional operation commencing from the revenue generating date.	8 Years Not exceeded Baht 184.63 million
5.2 Exemption from income tax on dividend from promoted business which was exempted from income tax as 5.1.	8 Year
5.3 Allowance for reduction the corporate income tax from promotional net profit at 50% of normal rate after the exemption for corporate income tax ended, as 5.1.	5 Year
5.4 Allowance for double deduction of transportation expenses, electricity and water supplies, commencing from the revenue generating date	10 Year
5.5 Allowance for deduction the investment for installation or construction of facility in addition to normal depreciation.	25% of invesment

◎ 27. COMMITMENTS AND CONTINGENT LIABILITIES

27.1 As at December 31, 2013 and 2012, the Company had a commitment with bank for the letters of guarantee issued by bank totaling Baht 7.29 million and Baht 2.72 million, respectively.

27.2 As at December 31, 2013, the Company had unused letters of credit amount of USD 50,803.20.

27.3 The Company has entered into an agreement with the person who is granted in a trademark license agreement for manufacturing and distributing ready-made garment. It is the counter agreement which each party must comply according to the conditions stipulated in the agreement of totaling 4 trademarks. The royalty fees are payable at 5.00% - 7.50% on sale income.

27.4 The Company has entered into Building Lease Contract of No. 21/33 and 21/77 Soi Soonvijai, Kwaeng Bangkokpi, Khet Huay-kwang, Bangkok with Narai Ruamphiphat Co., Ltd. for 27 year period, commencing from December 1, 1993 to November 30, 2020. The Company has to pay amount of Baht 12,688,421 for compensation on transferring lease right on the contractual date and the monthly rental payments are as follows:

- December 1, 2008 to November 30, 2013 rental rate at Baht 3,997 per month.
- December 1, 2013 to November 30, 2018 rental rate at Baht 4,400 per month.
- December 1, 2018 to November 30, 2020 rental rate at Baht 4,839 per month.

- 27.5 The Company has entered into the Lease Agreement to lease the office space on the 2nd floor Room No. 2 SC3 of The Mall Department store at 99 Ratchadapisek Road, Kwaeng Bukklo, Khet Thonburi, Bangkok with Naraporn Co., Ltd. for the total period of 2 years and 4 months, commencing from September 1, 2011 to December 31, 2013, which the Company has commitment to pay monthly rental amount of Baht 50,000.
- 27.6 The Company has entered into the Lease Agreement to lease the space of Khaoyai Village Mall at 146/1 Moosi, Pakchong District, Nakhonratchasima with Khaoyai Village Mall Co., Ltd. for the total period of 6 years, commencing from April 1, 2011 to March 31, 2017, which the Company has commitment to pay for the first 3 years of Baht 539,000 and next 3 years, the new lease agreement under the same conditions in all respect has to be made, except the rental rate to increase not exceeding 15 per cent.
- 27.7 The Company has entered into the Lease Agreement to lease the space of The Circle Ratchapruk at 39 Ratchapruk Road, Kwaeng Bangramad, Khet Thaling Chan, Bangkok with Suwan Ratchapruk Co., Ltd. for the total period of 3 years, commencing from December 29, 2011 to December 28, 2014, which monthly rental rate are as follow :
- Year 1 monthly rental amount of Baht 24,000.
 - Year 2-3 monthly rental amount of Baht 25,200.
- 27.8 The Company has entered into the Lease Agreement to lease the space of The SANTORINI PARK CHA-AM at 555 Moo 3, Tambol Khaoyai, Amphur Cha-am, Phetchaburi with Theme Plaza Development Co., Ltd. for the total period of 3 years, commencing from April 11, 2012 to April 10, 2015, which the Company has commitment to pay monthly rental amount of Baht 21,656.25.
- 27.9 The Company has entered into the Lease Agreement to lease the space of The Porto Chino at 93/120 Moo 4, Tambol Nadee, Amphur Muang Samutsakhon, Samutsakhon with D-Land Property Co., Ltd. for the total period of 3 years, commencing from August 1, 2012 to July 31, 2015, which the Company has commitment to pay monthly rental amount of Baht 27,000.

© 28. RECLASSIFICATION OF ACCOUNTS

The Company has reclassified certain accounts in the statements of financial position as at December 31, 2012 and January 1, 2012, and the statement of comprehensive income for the year ended December 31, 2012 to conform to the presentation of the financial statements of current year.

Unit : Thousand Baht

	December 31, 2012			January 1, 2012		
	Before reclassifi- cation	Reclassifi- cation	After reclassifi- cation	Before reclassifi- cation	Reclassifi- cation	After reclassifi- cation
Statement of financial position						
Current assets						
Current portion of long-term investments	-	40,000	40,000	-	60,000	60,000
Temporary investment - net	307,440	(40,000)	267,440	198,471	(60,000)	138,471
Non-Current assets						
Investments in debt securitie mature over 1 year	162,000	(162,000)	-	97,000	(97,000)	-
Investments in related companies	46,501	(46,501)	-	46,957	(46,957)	-
Deposit at financial institutions	69,000	(69,000)	-	49,000	(49,000)	-
Long-term invesment - other	-	277,501	277,501	-	192,957	192,957
Leasehold	3,873	(3,873)	-	4,343	(4,343)	-
Other non-current assets	2,111	3,873	5,984	1,446	4,343	5,789
Current Liabilities						
Trade and other payables	122,484	28,130	150,614	100,751	29,066	129,817
Accrued bonus	28,130	(28,130)	-	29,066	(29,066)	-

Unit : Thousand Baht

	Before reclassification	Reclassification	After reclassification
Statement of comprehensive income			
Dividend income	12,978	(12,978)	-
Rental income	5,449	(5,449)	-
Interest income	21,029	(21,029)	-
Gain on exchange rates	1,070	(1,070)	-
Other	10,704	(10,704)	-
Other income	-	51,230	51,230
Selling expenses	236,069	5,449	241,518
Management compensation	5,449	(5,449)	-

© 29. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's authorized directors to be issued February 19, 2014.

Remuneration of Company Auditor

1. Audit Fee

(Unit : Baht)

Payer	Auditor Name	Audit Fee
People's Garment Public Company Limited	Mr. Vichai Ruchitanont	700,000
Total		700,000

2. Non-audit fee

(Unit : Baht)

Payer	Facilitator	Type of Work Other Services (non-audit fee)	Remuneration for other Services	
			Payment during Year	Future payment
People’s Garment Public Company Limited	ANS Audit Company Limited	License Examinations	-	20,000
		BOI Examination	-	30,000
		Observation for Products Destruction	-	-
Total Non-Audit Fee			-	50,000

3. Remuneration of Auditors in 2013 and 2012

(Unit : Baht)

Type of Work	2013	2012
Review of the Financial Statement for 1 st , 2 nd and 3 rd	330,000	330,000
Review of the Annual Financial Statement	370,000	340,000
Total	700,000	670,000
License Examine	20,000	25,000
BOI Examination	30,000	30,000
Grand Total	750,000	725,000

General Information

Name of Company : People's Garment Public Company Limited
 Stock Code : PG
 Registration No. : 0107537001552
 Year of Establishment : 1980
 Listed Date : September 29, 1988
 Type of Business : Manufacturing and Distributing Textile & Garment
 Headquarter Address : 666 Rama 3 Road, Bangpongpan, Yannawa, Bangkok 10120
 Tel. 66-2685-6500, Fax 66-2294-5159, Website <http://www.pg.co.th>
 Registered Capital : 96 Million Baht
 Paid-Up Capital : 96 Million Baht Comprised of 96 Million Common Stocks
 Par Value : 1 Baht Per Value
 Preferred Stock : - None -

References Persons

Registrar : Thailand Securities Depository Company limited
 62 The Stock Exchange of Thailand Building,
 Ratchadaphisek Road, Kholng Toei, Khlong Toei, Bangkok 10110
 Tel. 66-2229-2800, Fax 66-2654-5642, 66-2654-5645

Auditor : Mr.Vichai Ruchitanont Certified Public Accountant Registration No. 4054
 Mr.Atipong Atipongsakul Certified Public Accountant Registration No. 3500
 Mr.Sathien Vongsnan Certified Public Accountant Registration No. 3495
 Ms.Kultida Pasurakul Certified Public Accountant Registration No. 5946
 ANS Audit Company Limited 100/72, 22nd Floor, 100/2 Vongvanij Building B,
 Rama 9 Road, Huaykwang, Bangkok, 10320
 Tel. 66-2645-0109 Fax. 66-2645-0110

Investment in the other companies by being shareholder 10% or more

Company Name	Type of Business	Paid-Up Capital (Common Stock)	Share Hold		(%)
			Shares	Amount (Baht)	
Thai Sports Garment Co., Ltd. 666 Rama 3 Road, Bangpongpan, Yannawa, Bangkok 10120	Manufacturing and Distributing Garment	10,000,000	19,000	1,900,000	19
Champ Ace Co., Ltd. 58 soi Charoen Rat 7 Cross.Rd. 29-1 (right side), Bankklo, Bangkholaem Bangkok 10120	Manufacturing and Distributing Garment and Leatherwork	40,000,000	60,000	6,000,000	15
S.T.G.C. Co., Ltd. 930/1 Soi Pradu 1, Sathupradit Road, Bankklo, Bangkholaem, Bangkok 10120	Textile Research & Development	2,500,000	2,500	250,000	10

Corporate Governance Committee Report

People's Garment Public Company Limited Corporate Governance Committee was appointed by Board of Directors Meeting No. 2/2556 on 14 May 2013 and consists of:

Mr.Santi	Bangor	Independent Director and Chairman of the Corporate Governance Committee
Mr.Charoen	Charoenwatanasuksom	Member
Mrs.Sunan	Niyomnaitham	Member
Mrs.Suvimol	Charoensrichai	Member
		Secretary of the Corporate Governance Committee

The Committee is responsible for governance of the Company in accordance with good governance principles which are consistent with relevant provisions of law and regulations including social and environmental responsibility operations. In 2013, the Corporate Governance Committee held 2 meetings which focused on the maintenance of standards and development of good governance to ensure continuity and sustainability, as well as to foster good organisational culture and practices. A summary of proceedings may be stated as follows:

1. Preparation of a Good Corporate Governance Committee Charter to apply as a framework and guideline for the Committee's governance operations.

2. Revision of governance policies, governance principles, business ethics and Company code of conduct for executive officers and employees to ensure that they are up-to-date and appropriate to the Company's businesses, consistent with laws and good practices.

The Corporate Governance Committee has performed duties prudently, diligently and with due regard to the greatest benefit of the organisation, shareholders and all stakeholders. The Committee is confident that the Company has continually undertaken business operations transparently, fairly and responsibly towards society and the environment at all times. The Committee is also committed to extending developments to promote the Company's governance and add value to the organisation.



(Mr. Santi Bangor)

Chairman of the Corporate Governance Committee

Corporate Governance

The Board of Directors of People's Garment Public Company Limited has attached importance and devoted its determination to undertake business operations on the basis of good governance principles. The rules on good corporate governance and regulations of the Securities and Exchange Commission have been factors in strengthening the organization in terms of securing efficient governance systems and exhibiting loyalty, honesty, transparency, fairness, responsibility and accounting of the rights of all stakeholders, which are comprehensive, appropriate and consistent with current situations premised on the foundation of the sufficiency economy principle.

With approval of the Board of Directors Meeting No.1/2005 on 22 February 2005, the company established its good corporate governance policy which comprises Good Corporate Governance, Business ethics and Conducts for Management and Employees Policy. In 2013 the company has revised and developed the existing good governance policy to keep it up to date and consistent with the ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard), which will be one of the tools to justify a "good corporate government of the listed company" for ASEAN member countries. The newly revised good corporate governance policy is also in line

with the "Good Governance Principle for Listed Company 2012". Components of the new policy are as follows.

1. **Good Corporate Governance policy**
2. **5 Sections of Good Governance principles**
3. **Code of Conduct**
4. **Ethics of Board of Directors, management and employees**

The new policy was approved by the Board of Directors Meeting No.1/2014 on 19 February 2014 and was published on the company's Website, www.pg.co.th, and Intranet system for the management and employees to acknowledge and follow accordingly.

The Board of Directors is aware of the importance of good governance, therefore has set up the **Corporate Governance Committee** at the Board of Directors Meeting No. 2/2013 on 14 May 2013 to ensure that the Board of Directors, committees, management, and employees of all levels strictly follow the good governance rules, international standard rules, as well as other related-rules of other agencies involved. The Board of Directors Meeting No. 3/2013 on 13 August 2013 also approved the Good Governance Supervisory Committee's Charter, which has been in effective since 14 August 2013 onwards.

Entering into an alliance with Thai Anti-Corruption Network initiated by the private sector

Since the company realizes importance of anti-corruption principle, and would like to create standards of doing clean business, the company joined the Thai Private Sector Network for Anti-Corruption Campaign and has continuously do activities with the network.

To upgrade standard of clean business, the Corporate Governance Committee expressed its intention to **enter into an alliance with the Collective Action Coalition Against Corruption in Private Sector**, as approved by the Board of Directors Meeting No.1/2014 on 19 February 2014. The company, therefore, stipulated its guidelines to anti-corruption in its "Good Corporate Governance, Business ethics and Conducts for Management and Employees Policy" (The 2nd Revision Edition)

Moreover, the company has also provided communication channels for employees and stakeholders to report clue or to disclose information (Whistle Blowing) or suspicious incident that is likely to be unlawful or related to a corruption by the management executives or employees. Any conduct that might cause damage to the company can be reported as well. The company will receive and take appropriate action to all claims with transparency and fairness. Petitioners will be safe under systematic protection measures, and their conformation will be kept confidential.

In 2013, the Company has been awarded as the listed company which abided by the Good Corporate Governance Principles and regulations of shareholder's meeting.

- The Company has been granted "Investors' Choice Award", with 100% AGM, for 4 consecutive years, since 2009 to 2012. And has granted 100% AGM from the 34th Annual General Meeting of Shareholder in 2013, for 5 consecutive years.
- The Company was evaluated as one of the 87 listed of "Excellent" companies, according to the report of the corporate governance of listed companies in 2013.

In order to comply with the "good corporate governance principles for listed companies 2012" of the Stock Exchange of Thailand, the Company has divided this report into 5 headings, as follows.

© Chapter 1: Rights of Shareholder

The Board of Directors has realized the importance of the shareholders and local institutions rights in having basic rights and individual rights through acceptable methods and measures without violating shareholder rights. However, every shareholder has only one voting right and no privileges. The regulations on shareholders rights are described as follows:

- Right to own, sell, buy or transfer shares.
- Right to participate in the shareholder's meeting, and to vote for any significant approvals.
- Right to authorize the independent directors or any person(s) as his/her proxy in attending the meeting
- Right to appoint or discharge the Directors as well as consider their remuneration
- Right to appoint auditors and their remuneration
- Right to give opinions and ask questions in the meeting of shareholders
- Right to be equally allocated of the profit/dividend
- Right to be acknowledged the adequate, prompt and updated information. If necessary, the Company can disclose some information in both Thai and English languages in the websites of the Stock Exchange of Thailand: www.set.or.th and company's website: www.pg.co.th.

1. The right to Access to the Information

Shareholders have equitable access to information. The Company disseminates information in both Thai and English on the Stock Exchange of Thailand website and the Company's website www.pg.co.th so that the shareholders can be better informed about the Company Disclosure of the Company's shareholding structure, including a list of the 10 largest shareholders of the Company at the close of share register prior to the annual general meeting of shareholders, the number of minority shareholders, minutes of the Shareholders' Meeting (within 14 days of the meeting date), and information necessary for shareholders' decision making, as a notification to the shareholders, via the Company website. These disclosures are undertaken to secure the confidence and trust of shareholders in the operational structure which is transparent and accountable, as well as to show that the operations are efficient and achieving a sustained growth generating a return to shareholders at a suitable rate.

Moreover, all shareholders, both retail shareholders and general investors are able to contact for information directly from the Company Secretary by email at suvmol@pg.co.th or direct line telephone at 0-2685-6509. All information is given on the basis of accuracy and equality.

2. The Right to Attend Shareholders' Meetings and Voting Rights

The Board of Directors has promoted to hold the shareholder's meeting placing importance on rights and equality of shareholders according to the laws, and the good corporate governance principles

of the Office of Stock Exchange of Thailand (SEC) as well as the principles on the rights and equitable treatment of shareholders. The Board of Directors has held a meeting of shareholders every year within 4 months (120 days) as from the end of the Company's annual accounting year on 31 December each year. In case of emergency which the company needs to propose special agenda regarding shareholders' benefit, regulations or related laws which need to be approved by shareholders, the company shall call for an extraordinary shareholders' meeting.

For 2013, the Company does not call for extraordinary shareholders' meeting.

Treatment of Shareholders Prior to the Meeting of Shareholders

In 2013, the Company conducted 34th General Shareholder's Meeting on 23rd April 2013. In this respect, the shareholders holding one share or several shares, but not over 5% of total number of shareholders with voting rights, were allowed to propose agenda and to nominate the candidates to be elected as Directors in advance, during 1st-30th December 2012, according to the Company's regulations. Regarding the meeting, the Company has informed shareholders of "Investor Relations" on 8th November 2012 via information board of SET, and on the company's website: www.pg.co.th. Nonetheless, there was neither meeting agenda nor nomination of the Directors proposed in advance.

- Shareholders were notified of the resolution determining the date of shareholders' meeting 2 months prior to the meeting date, i.e. on February 20, 2013, so as to enable the shareholders to set aside time for attending the meeting.

- The meeting notice together with all relevant documents in both Thai and English were published on the Company website (www.pg.co.th) on March 21, 2013, which was 30 days in advance of the meeting date. The same information was sent to the Thailand Securities Depository Company Limited, the Company's Share Registrar, for forwarding to shareholders in document format on April 2, 2013, i.e. 21 days in advance of the meeting date, so as to give the shareholders sufficient time to study the meeting documents. Advertisements were also placed in daily newspapers for a period of 3 consecutive days, and 14 days prior to the meeting date, i.e. 9 - 11 April 2013.

- Shareholders are notified of the rules and procedures for attending the meeting in the meeting notice, with which Proxy Form B as prescribed by the Ministry of Commerce was also attached so as to enable shareholders who were unable to attend the meeting to grant proxies to other persons or grant proxies to Independent Directors who are Audit Committee of the Company as specified or a choice of either Proxy Form A or Proxy Form C. All three Proxy Forms can be downloaded from the Company website. The Company also gave notice of such publication guidelines via the press release system of the Stock Exchange of Thailand.

In 2014, the Company continuously determined the date for **the 35th general meeting of shareholders on Tuesday 22 April 2014, at 9.00 hrs., Chao Phraya Room 1, Montien Riverside Hotel, No. 372, Rama 3 Road, Bangkhlo Sub-district, Bang Khor Laem District, Bangkok 10120.**

Prior to the meeting date, the Company had provided an opportunity for shareholders to exercise their right to propose matters for inclusion in the agenda of the meeting of shareholders and to propose names of persons for election as Company Directors for 2014 in advance.

Such criteria was disseminated via SET NEWS and company's website (www.pg.co.th) in both Thai and English and was arranged in form of letter addressed to Company Secretary during December 1 - 30, 2013.

For 2014, There were no agenda and candidate proposed for 34th annual general meeting of shareholders.

Day of Shareholders' Meeting

- Shareholders were able to register with the barcode system at least 2 hours prior to the meeting and in the subsequent period until the end of the meeting, a right given to shareholders attending after the meeting had already commenced. Such latecomers would have the right to cast votes in the pending agenda that had not yet been voted on. The quorum would be counted as from the agenda of first attendance and vote, except where held otherwise by the shareholders. The company assigns adequate staff members to administer the registration and prepares duty stamps for affixing on the Proxy Form on their behalf. In addition, voting boards and polling cards were provided to the shareholders for use in casting votes. Shareholders who were unable to attend the meeting can grant proxies to other persons or grant proxies to Independent Directors who are Audit Committee of the Company as specified for retaining the right.

- The Board of Directors has attached significance to the meeting of shareholders. It is deemed as a duty to attend every meeting, with the exception of illnesses or other important engagements. In the 34th annual general meeting of shareholders held on April 23, 2013, 12 Company Directors attended the meeting, including the Chairman of the Board of Directors, Chairman of the Audit Committee, Chairman of the Remunerations Committee, Chairman of the Selection Committee, Chairman of the Executive Committee, Chairman of the Risk Management Committee, Managing Director and Chief Financial Officer, who attended the meeting to give explanations and respond to questions posed on matters related to the meeting agenda, or to the Company.

Mr. Precha Suan an auditor of Dr. Virach & Associates Certified Public Accountants was also attended the meeting and acted as a witness in the counting of votes.

- Prior to the commencement of meeting pursuant to the agenda, the Company Secretary

notified the meeting of the number and proportions of shareholders present and declared the meeting open. An explanation was given on the voting procedures and vote-counting procedures for shareholders casting votes in each agenda according to the law and articles of the Company. The Chairman of the Board of Directors, acting as chairman of the meeting opens the meeting.

Voting rights in the meeting were commensurate with the number of shares held, with one share equal to one vote.

- The shareholders' meeting was carried out in accordance with the agenda notified in the meeting notice. **No additions or changes were made to significant data without giving prior notice to the shareholders.** Appropriate and sufficient time was set aside for presenting various matters in each agenda and opportunities were given to shareholders to pose questions and express opinions fully in each agenda. If shareholders need to propose agenda which were not contained in the notice for consideration during the meeting, such proposal need to be approved by the meeting with the minimum vote of 1/3 of shareholders who attend the meeting and have the right to vote.

For 2013, one shareholder had questions. Such questions were clearly answered by the Company's Director.

- Votes were cast openly. Voting on each agenda is made by barcode system, voting card and ballot were prepared for all shareholders. In vote counting, only votes for **disapproval and /or abstentions** are counted and there are deducted from the total shares represented in the meeting. The balance is counted as votes for approval. The Company employed an information system for summarizing the voting results obtained from the vote counts in each agenda, which was displayed on a screen shown to all shareholders simultaneously. In 2013, ballot papers were used in important agenda, such as the appointment of Directors where in the shareholders were given an opportunity to select Directors individually. In the interest of

transparency, the ballot papers for such votes were kept at the Bangkok Head Office, which could be inspected after the meeting.

Result of Voting in each Agenda

Following are the 34th general meeting of shareholder results of voting in each agenda on Tuesday April 23, 2013 which is unanimous;

Agenda	Approval		
	No. of persons	No. of shares	%
1	109	78,767,619	100
3	109	78,767,619	100
4	109	78,767,619	100
5	110	78,768,119	100
6	110	78,768,119	100
7	112	80,076,252	100

The important meeting agenda were as follows.

1. Appointment of Directors : The Company gave an opportunity for shareholders to elect Directors individually. The shareholders had been provided with preliminary information on the nominees, positions held in other businesses, clearly specifying

the cases of companies carrying out businesses identical to or in competition with the Company, and the attendance of Board of Directors Meetings. The nominees had been vetted by the Selection Committee.

2. Directors' Remuneration : Details were provided on the amount of remuneration proposed, which were in accordance with the policies and conditions for directorial remunerations considered and reviewed by the Remunerations Committee. In any event, the Company has regularly proposed a remunerations limit for approval by the meeting of shareholders every year, and disclosed the remunerations paid to each Director in the Annual Report page 23 - 24 and Form 56-1.

3. Appointment of Auditor and Determination of Audit Fee : The Company provided details on the name of auditor, audit office, the relationship between the audit office and the Company, the number of years of work performed, reasons for changing the auditor, and comparative data on audit fees for the current year and the preceding year. Such information had also been considered by the Audit Committee. The details disclosed in the Annual Report page 100.

Auditor fee comparing between 2013 and 2012

Type of Auditor Fee	2013 The New Auditor	2012 The New Auditor
Review of the financial statement for 1 st , 2 nd and 3 rd	330,000 Baht	330,000 Baht
Review of the annual financial statement	370,000 Baht	340,000 Baht
Total	700,000 Baht	670,000 Baht

Type of Auditor Fee	2013 The New Auditor	2012 The New Auditor
License examination	20,000 Baht	25,000 Baht
Examination by condition of BOI Projects	30,000 Baht	30,000 Baht
Total	50,000 Baht	55,000 Baht

4. Dividend Payment : The Company provided details on profit distribution, dividend payment in accordance with the Company's dividend policy, and a comparison of dividend payment for the current year and the preceding year. The closing date of the register (Record Date) for the determination of the right to receive dividend payment was also specified.

Subsequent to the Meeting of Shareholders

- The Company Secretary recorded the information and prepared accurate and complete minutes for the general meeting of shareholders, including the names of Directors present/absent together with the reasons for absence, essential explanations and a summary of questions or answers or opinions. In the past year, all Directors were present and no questions were posed by the shareholders. The details on each agenda were in accordance with the facts in the meeting. Summaries of the votes in each agenda were divided into approvals, non-approvals and abstentions. Such minutes were signed by the Chairman of the Board of Directors, acting as chairman of the meeting, and submitted to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission within 14 days of the meeting of shareholders. The minutes were also published on the Company website in both Thai and English as a channel for shareholders to search and inspect data without having to wait for the subsequent meeting. A submission was also made to the Ministry of Commerce within the period prescribed by law.

- The meeting atmosphere and minute were tape-recorded and disseminate via company website.

- After the shareholders' meeting approved dividend payment, company shall inform the resolution including dividend payment's details via SET news and cooperate with the registrar of Thailand Securities Depositories Co., Ltd. to ensure all shareholders receiving payment correctly and completely.

3. Distribution of shares

The Company set the Record Date for distribution of shares on March 25, 2013 to determine the persons eligible for attendance of the Annual General Meeting of Shareholders. The names were collected in accordance with Section 225 of the Securities and Exchange Act by closing the share register book on March 26, 2013.

- The Members of the Board of Directors and their spouses as well as children who are underage hold a combined amount of 5.16% of issued shares, which does not exceed 25%.

- The free float proportion was 26.18% of issued shares which was greater than 25% of issued shares.

- The proportion of local institutions' shares was 0.003% of issued shares.

◎ Chapter 2: Equitable Treatment of Shareholders

The Company attaches importance and ensures that all shareholders are treated equally and fairly by without supporting one group of stakeholders. Shareholders can ensure that their rights are protected and they can vote on behalf of taking a part of company owner.

Usage of right to attend the meeting

1. For foreign shareholders, the meeting notice with attached documents were translated in to English and sent together with Thai Version. The notice both Thai and English version were disseminated via company website.

2. The voting right depends on the number of shares held by shareholders, one share, one vote (all of the Company's shares is Common Stocks).

3. The shareholders holding one share or several shares, but not over 5% of total number of shareholders with voting rights, were allowed to propose agenda and to nominate the candidates to be elected as Directors in advance, during 1st-30th December 2012, according to the Company's regulations. Regarding the meeting, the Company has informed shareholders of "Investor Relations" on 8th November 2012 via information board of SET, and on the company's website: www.pg.co.th. Nonetheless, there was neither meeting agenda nor nomination of the Directors proposed in advance.

4. In 2013, the Company had held one shareholders' meeting on Tuesday 23rd April 2013 comprising all 12 Directors attendance. The meeting's resolution was to assign Thailand Security Depository

Co., Ltd. (TSD), Company's Registrar, to send the Notice of the Meeting of Shareholders, 21 days in advance and announced 30 days prior to the meeting in the www.pg.co.th for downloading, in order that the shareholders could have more time studied the information.

5. If any shareholders could not attend the meeting, the Company allowed them to authorize the Independent Directors or anyone as the proxy of voting rights by using the letter of proxy Form B with voting recommendation, Form A, or Form C (for foreign investors with custodians in Thailand to oversee their stocks). The letter of proxy should be attached with the Notice, and announced in the www.pg.co.th for downloading.

The revenue stamps are also provided for the letter of proxy.

In 2013, there were shareholders gave a proxy to the Audit Committee and Independent Directors of the Company as follows;

Total number of attendants was 80,076,252 shares, or 83.41% of total 96,000,000 shares.

Proxy	Persons	No. of Shares	(%)
Proxy to Audit Committee	1	10,266	0.01
Proxy to individual	15	2,904,057	3.63

6. The meeting is conducted according to the order of the agenda items; there is no reshuffling of agenda items, nor any change made to material information without notifying shareholders in advance.

7. Votes were cast openly. Voting on each agenda is made by barcode system, voting card and ballot were prepared for all shareholders. In vote counting, only votes for **disapproval and/or abstentions** are counted and there are deducted from the total shares represented in the meeting. In 2013, ballot papers were used in important agenda, such as the appointment of Directors where in the shareholders were given an opportunity to select Directors individually. In the interest of transparency, the ballot papers for such votes were kept at the Bangkok Head Office, which could be inspected after the meeting.

Supervision of Internal Data Use

- The company has a measurement to the use of insider information by determining in the company's code of business ethics, they must be individuals of integrity, accountability and moral consciousness. Under no circumstance should they exploit their authority for the benefit of themselves and / or others. All relevant employees must protect the interests and the company's asset. They must not use company information or assets for benefit of themselves and/or not to engage in any action which assists any individual in business that competes with company. The code of business ethics were distributed to directors, executives and staff, also disseminated via company website.

- Besides, regulation regarding operation is determined including the discipline punishment which all directors and staff are aware of this and act accordingly.

- In 2013, Directors and executive officers of the Company had observed strict compliance with the said policies. No share trading with the internal data use by Directors and executive officers of the Company was found during the prohibited period.

Stock trading

- Company share trading is covered in the code of business ethics. Directors, Executives and Staff in possession of insider information are prohibited from selling or purchasing company share within one month before disclosing the financial statements to the public. Besides, Directors and executive offers are required and notified of their duties to report changes in securities holdings in the Company to the Office of the Securities and Exchange Commission within 3 working days of such changes together with the submission of a copy to the Company Secretary. A report would then be made to the meeting of the Board of Directors and Executive Committee on every occasion, in which every agenda would include a report of securities holdings of Directors and executive officers. Directors

and executive officers assuming office for the first time are also required to report securities holdings in the Company to the Securities and Exchange Commission within the above time limit.

- Company secretary annually arranges the board of director meeting schedule which is sent to all directors in advance in order to inform the period when securities trading should be abstained.

- In 2013, Directors and executive officers of the Company had observed strict compliance with the said policies. No share trading was found during the prohibited period.

- With regard to the principles of buying-selling company' stocks, the Directors and Executive Directors are requested to inform the Board of Directors and/or the Company Secretary before carrying out the stock transaction for at least 1 day.

Protection of the Conflict of Interest

- With the transparent structure of shareholding, there is no report of the conflicts of interest. Meanwhile, the disclosure of shareholder structure has deliberately shown in the annual report as well as the overall shareholding of the Board of Directors.

- The board of directors proceed carefully and rationally with regard to conflict of interest and connected transaction. The company most concern on its benefits and set pricing strategy in compliance with fair trading conditions as if the transactions are engaged with third party. The process of such transaction is managed transparently and compliance with the regulation of the Stock Exchange of Thailand. Furthermore, the company set the regulation in its good corporate governance and business ethic binding upon company and shareholder. Information such as connected transaction is disclosed to ensure equal access by all.

- The company performs as the announcement of the Capital Market Committee and The Stock Exchange of Thailand in regarding the disclosure of information and operation of registered company on connection transaction.

- The company performs as the announcement of the Capital Market Committee and The

Stock Exchange of Thailand in regarding the disclosure of information and operation of registered company on connection transaction.

- In 2013, the company had no connected transactions neither limit financial assistance; borrowing or guarantee transactions. As well as, there was no transactions prohibiting the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.

Chapter 3: Roles of Stakeholders

The Company attaches importance and has laid down policies for the treatment of each stakeholder group, both externally and internally including governance official, related department through having responsibility to social, community and environmental.

The company concern on business growth, mutually beneficial which lead to sustainable growth. A Practical is established in code of business ethics to be confident that all stakeholders will be treated equally and fairly. In case of disadvantage, the company and stakeholder groups shall find the solution that benefit to all party.

Channels for Stakeholders' Participation

The Company has provided communication channels for stakeholders in suggesting and appealing of any disgraced issues towards the Company and/or the Directors, including the violations accordingly;

	Telephone/E-mail
Audit Committee/ Secretary to the Audit Committee	0-2685-6533 pgaudit@pg.co.th
Risk Management Committee	konechamart@gmail.com
Company Secretary/ Investor Relation	0-2685-6509 suvimol@pg.co.th

The mailing address is People's Garment Public Company Limited 666 Rama 3 Road, Bangpongpan, Yannawa Bangkok 10120. Fax. 0-2294-5159

Stakeholders can file claims directly to the Audit Committee and/or Risk Management Committee. The company has also assigned the Company Secretary and the Secretary of the Audit Committee to be responsible for receiving petitions and claims and report directly to the Audit Committee, the Risk Management Committee, or other related committee, and will further submit to the Board of Directors.

Measures for the Protection of Complainants

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

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

In addition, the Company provides the opportunity to stakeholders to express their opinions, suggestions, as well as complaints through channels and activities organized by the Company, for example, the Annual General Meeting of Shareholders of the Company. The Annual General Meeting of Shareholders of the Company, in particular, is another channel where the Board of Directors, executives, staff, shareholders including major and minor shareholders, and institutional investors meet, communicate and listen to a report on the Company's progress and operating results over the past year in the areas of economy, environment and society.

The deliberate investigation procedures can assure that the whistle-blowers will not be affected. On the contrary, they will be fairly rewarded for their knowledge, capabilities, responsibilities and performance.

The company's Board of Directors has always realized responsibility to all stakeholders. Therefore, in the past year of business operation, there has never been action taken against a later-than stipulated announcement of information, a violence of labor law or any other law related to employment, consumers, business competition, and environment. There also has also never been any claim or petition made by stakeholders.

Business Ethic and Director, Management and Employees Integrity

Practice guidelines are provided in writing in the Code of Conduct and Ethics of Board of Directors, management and employees Handbook (Second Revision Edition) as a practical reference for the Board of Directors, executive officers and employees at all levels. The policies provide an ethical framework for the business operations, taking into account the balance and fairness for all stakeholders in the code of conduct. Such information has also been published in the Company website and intranet system, including the development of a means for participation of stakeholders in the sustained enhancement of the Company's performance. The following were provided in this regard.

Shareholders

The Company respects the basic rights of shareholders as provided by the relevant laws and regulations. All shareholders are treated equally. The Company aims to create the greatest satisfaction for shareholders by taking into consideration the sustained growth of the Company and reasonable, fair and consistent returns, as well as a transparent management system and a reliable accounting system.

In 2013, the Company paid dividends for 2012 operations at a rate of 0.60 baht per share, or 48.14 percent of net profits, which was from BOI 0.52 baht per share and Non-BOI 0.08 baht per share. The payment was paid from BOI project on May 21, 2013. The company continuously pays dividends to

shareholders in order to ensure long-term security to the shareholders.

Moreover, the Company has made quarterly reports of operational results and disclosed transactions with connected persons under similar terms to third parties via the press release system of the Stock Exchange of Thailand and the Company website.

Employees

The Company appreciates and recognizes the importance of employees as an essential element for the success of the organization. As a result, the Company has promoted the development of competencies of all employees in terms of knowledge and skills, and has treated all employees on an equal basis. Company establishes stability in career and gives opportunity to success in career accordance with each potential. Employees are allowed to participate in setting direction and operation. Remuneration and welfare benefits are provided suitably and fairly as well as proper with the employees' achievement.

Employee Welfare

The Company has established the Provident Fund for employees' long-term benefits to promote the money saving for their future as well as to persuade employees to loyalty work for the Company. For members of the Provident Fund, they will monthly receive 3-5% of the wage as monthly contribution, and they will also pay the same amount deducting from their wages for their accumulated fund. When the employment is terminated, the employees will receive accumulated fund, contribution and the net profit of the fund.

The Company has appointed the welfare committee to give opportunity to employees in taking part in the welfare management. The welfare committee will provide services on welfare to employees, namely, quality of working life, ability to effectively perform work with happiness as the following details:

1. Welfare on the Development of Employees

- Promotion of education during working hours and after working hours
- Training constantly on working knowledge, conducted by the Company and others, such as Business Management Strategies, Team Building, and Participation in Reduction of Capital Cost.
- Provision of library, video, internet corner and intranet system

2. Welfare on Living-Cost

- Establishment the welfare shop selling cheap consumer products from the Saha Group and others
- Bonus, shift payment and experiential payment
- Provision of uniform for both daily and monthly employees
- Provision of Transfer bus for employees
- Transportation allowance; vehicle and gas
- Provision of welfare for accidents, the death of parents and spouse
- Provision of hygienic canteen with reasonable price

3. Welfare on Saving

- The Provident Fund
- The Credit Union
- Saving Project in association with the Government Savings Bank

4. Welfare for Development of Employees' Families

- Activities on Children's Day
- Scholarship for employees' children of the Saha Group

5. Welfare of Future Security Promotion

- Provision of pension for the retired employees
- Granting Awards and souvenirs to the employees complete working for 10, 20 and 30 years.
- Welfare fund for the dead employees
- Housing loans in coordination with the Government Housing Bank

6. Health Welfare

- Clinic with doctors, nurses, medical equipments and medicine
- Project "Muscle Stretching" for employees of every branch in preventing working disease
- Medical Checking and tests for the breast cancer, cervical cancer, and etc.
- Health examination regarding working risk factors.
- Health information
- Visiting sick employees

7. Welfare on Sports and Recreation

- Sport Events to foster good health, unison and good relation.
- Cultural activities such as Songkran Day and Loy Krathong Day
- Religious activities such as candle procession on the Buddhist Lent Day
- Sports Club, football field, tennis court, badminton court, table tennis, fitness and swimming pool in association with I.C.C. International Public Co.,Ltd.

Work Safety and Occupational Health

Since the Company focused on the significance of work safety and occupational health, the committee for work safety, occupational health and working environment were appointed to provide employees the safety and occupational health. For instance, the Company provides 24-hour security officers as well as safety equipments i.e. CCTV, fire alarms, warning alarm, fire extinguisher, fighting and evacuation drills as well as the first aids training.

The Company also disseminates news regarding disease protection and health care via exhibition activities, public relation board, voice line and intranet system.

(The details are in "Management of Safety, Occupational Hygiene and Environment" page 157)

Policy on Employee Development

The Company has a policy in enhancing employee's capabilities to meet the requirement of their departments so as to be able to compete in

terms of marketing, career development, management, and quality of life as described in "Personnel Development" page 151

Channel for Employees' Communication

The Company has provided a channel of communication for employees to make suggestions and identify problems between the employees and their superiors by way of a suggestion box of the Welfare Committee / telephone number 02-685-6518 or via intranet system.

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

In the previous year, these suggestions would be considered and implemented in order to maintain good relationships between the parties, including hearings of opinions and suggestions from all employee levels equally and without discrimination.

Human Rights

The Company has conducted the business with strictly respect to law and human rights and the employees that receive the honor and respect the rights of individuals equally not discrimination, whole the separation of color, race, religion, sex, social practices as the main base area of human rights.

- Foster the idea of human rights to the employees and not support any organizations that can lead to violations of human rights.
- Employees are entitled by law to defend themselves from any accusations of malpractice or cheating, and no employee has been terminated.
- Channels shall be provided for employees or persons who believe that their personal rights have been violated or that they have been treated

unfairly to file a complaint with the Company. Such complaints shall be given attention and processed fairly.

Throughout the period of business operation, the Company has never treated employees impartially, nor been complained on this issues.

Customers

The policy of response customers' satisfaction has been implemented to comply with the agreement leading to the business achievement.

The company concentrated on equitable treatment and fairness, ensuring the benefits to customers and company, in delivering of commodity and service with reasonable charge.

- Furthermore, the Company also provides customer the recommendations, adequate and precise information, quick response, and confidentiality without misusing it.

- Crates new innovation in order to add value to its products according to our quality policies **"To be engrossed in producing quality products, delivering on time and continuous improvement"**.

- A dedicated client relations Department was established to facilitate information exchange with clients. In addition, the Company also gives due attention and fair treatment of the customers and consumers. Further information may be requested or opinions may be expressed and problems notified by

	Telephone/E-mail
Business 1 Division	0-2685-6537 nutchapunporn@pg.co.th
Business 2 Division	0-2985-6566 photchamarn@pg.co.th
Company Secretary	0-2685-6509 suvimol@pg.co.th

In 2013, there were no significant complain from customers, for other petitions were analyzed in order to prevent, monitor and adjust to our organization. In order that such defects will not happen again.

Business Competitors

- The Company adheres to the rules of fair competition and plays a role in driving the Company towards greater potentials and the continual development of better products and services.

- The Company will not conduct any malpractices in eliciting secret, defaming, or accusing business competitors.

In 2013, there was no any dispute about business competitors.

Business Partners

The Company realized the significance of impartial and fair treatment with business partners. On the basis of fair business return, the business partner will not disgrace the Company's reputation nor commit any violations.

- The Company has a system for screening trading partners in the value chain who operate businesses in compliance with the law, safety and occupational hygiene standards, and friendliness to the environment.

- Apart from the business agreement, the Company shall not request, gain or accept money or other benefits.

- Consideration to potential development of our trade partners, in parallel with the company's development, under a "Win-Win" situation.

- Installing an assessment and short-listing system of our trade partners, including the verification and performance monitoring system through the Approved Vender List that meets ISO 9001 criteria.

- Promotes the business partnership of the international standard on environment such as WRAP to assure that the Company's Supply Chain is environmentally friendly.

In 2013, there was no violation of contract between the Company and any Business Partners.

Creditor

The Company observes and adheres strictly to its debt obligations along with the fostering of good relationships with debtors. Mutual confidence and trust is promoted by strictly punctual repayments to the debtors.

The company applies Media clearing, transferring system of Bank to facilitate all creditors

→ Billing Date

During 5 - 11 of each month

→ Transferring Date

Every 25 of each month

The Company has only business creditor, and never been complained of default during the previous year.

Labor

The Company oversees that the operations of all branches do not employ illegal labor.

Political Rights

- The Company promoted both executives officers and employees to exercise their political rights with respect to the Institution Law and other relevant laws.

- The Executive Officers and employees cannot convince their colleagues and subordinates to support any political activities directly or indirectly.

Government

Businesses are carried out in strict accordance with the provisions of laws and regulations of supervisory agencies, thus fostering good relations with state agencies. Cooperation is given in terms of providing accurate data as requested by the state agencies. The company makes accurate, full and timely tax payments according to the laws including value added tax, specific business tax, withholding tax, household tax, custom tax, exercise tax and corporate income tax.

Policy to Abstain from Intellectual Property Infringement

With our policy to operate business based on ethical conducts and integrity principle. Business undertakings shall be consistent with laws, regulations and contractual obligations governing intellectual property rights as follows.

Trademark

- **Foreign Trademark** The intellectual property rights of others shall be respected. The works of others shall not be infringed or applied to

personal use except where a license has been obtained or a fee paid to the owner of the work.

The Company has been licensed for trademarks of International Brand, so we strictly honor all trade agreements, insist on legitimate business and not violate copyright. Foster the idea of anti and stop using any copy products to the employees.

- **House Brand** The company adhere not to engage in intellectual property infringement, by creating our business innovation on our own, so we encourage staff to create innovations in terms of both products and services as well as joining hands with customers, trading partners and government to invent and develop high quality products and services to meet the demand of market and customers. The Company is the registered owner of various trademarks through the Department of Intellectual Property, Ministry of Commerce. Accordingly, the Company sold our House Brand products, which were our trademarks, in abroad and we already registered that trademarks with the registrar.

Furthermore, the company also encourages employees to send their innovative products to the Chairman Awards contest on a regular basis. The award-winning products each year bring pride and inspiration to employees that always continue creating innovative products.

Software Usage

The Company mandates that all software used in company's operation is properly licensed. As such, the below is the list of guidelines sets to govern employees activities on computer network as follows.

- Will not use the computer program to conduct any activities that are not against the law, nor that would result in losses for other individuals.

- Will not use the computer program to act contrary to the public order or the moral values of Thai people.

- Do not use a computer network to send the document or take any other action in the manner of infringement of the intellectual property of others.

- Computer networks shall be used to search information for work, or to find useful knowledge to improve work efficiency only.

- Install only legally copyrighted software program onto computers.

- Do not install a computer program that violates the intellectual property rights of others.

In the previous year, the company has never committed any intellectual property infringement or trade piracy.

Policy and Guideline on Anti-Corruption and Anti-Bribery Practices in Business Operation

With business transparency and ethics, the Company has promoted the policy of Anti-Corruption encouraging the Executives and employees to abide by the law and regulations. The Company will not support of any malpractices to gain business achievement. All newly-trained employees shall be informed of the anti-corruption policy and guidelines of the company.

- Company Directors, Executive Officers and employees are prohibited from performing any act which amounts to a demand or acceptance of properties or other benefits for oneself or for others as an inducement to wrongfully perform or refrain from performing a duty or which could result in a loss of the Company's legitimate benefits.

- Company Directors, Executive Officers and employees are prohibited from giving or offering to give properties or any other benefits to third parties to induce such person to unlawfully or wrongfully perform or refrain from an act.

- There shall be a financial reporting system which is transparent and accurate.

- There shall be a channel for employees and related persons to provide notices of causes for suspicion with confidence of protection. Personnel must be appointed to examine all notices of suspicion given.

Moreover, the company has the Internal Audit Unit for internal management to ensure the policy compliance, monitor and assess risks of corruption in the company. There is also the Audit Committee to perform a cross-check for internal

management and follow-up internal management performance. If corruption was founded, the Internal Audit Unit will report the case directly to the Audit Committee and the latter will further report the case to the Board of Directors.

To upgrade standard of clean business, in 2014, the Company expressed its intention to **enter into an alliance with the Collective Action Coalition Against Corruption in Private Sector**, as approved by the Board of Directors Meeting No.1/2014 on 19 February 2014.

Thanks to the working philosophy on honesty and justification of the Founder of Saha Group, Dr. Thiem Chokwatana, the Company has constantly implemented his philosophy throughout the business operation, and never has the Company been encountered with complaint on bribery.

Policy and Principles of giving or receiving gifts or other benefits

- The Company allows the Executives and employees to give or receiving gifts on special traditional occasions, which have no influence on the decision-making in business operation. In other words, giving or receiving gifts has been done with transparency.

- Gifts should not be costly, not in forms of cash or anything appraised as money.

- In case of receiving gifts or others on special occasions from business partners, the Secretary will record list of gifts and report to the Board of Directors.

In 2013, the Executives and employees have sent all gifts to the Secretary to allocate them to the employees under the project of "From Business Partner ... To PG" for consecutive 2 years to foster their pride for being a part of organization achievement.

Since the Board of Directors has the continuous concern on the responsibility for stakeholders, the Company has never been indicted for relinquishing responsibility in announcing significant information, nor been complained on any violations, namely, labor law, employment, consumers, business competition and environment.

Society and Community

Promotion of Participation in Social and Community Development Activities

The Board of Directors has raised awareness on corporate social responsibilities to the Executives and employees through activities. It aims to better the quality of life and increase social benefits for the communities of which operated business. This is regarded as the way to benefit society.

- Acknowledging people in the society and communities on the business operation as well as social responsibility with disclosure information to fostering better understanding

- Organizing career training (sewing) for the group of housewives in Kaset Bang Samuk, granting scholarship, and money donation to the foundations, non-profit organizations, hospitals, and religious events.

- Concerning on utilization of needed resources with less impacts on communities

With respect to the good relationship to the society and communities, the Company has been approved of CSR-DIW Continuous. There have never been any complaints from the communities, (Details are provided in "Social, Communal and Environmental Responsibilities" page 161)

Environment

The Board of Directors realized the significance of undertaken the business in accordance with laws, regulations and policies on the environment with due regard for the impact on natural resources and the environment and regular revisions and assessments of performance results shall be undertaken. Thus, it has been stipulated as one of company's missions.

- Employees throughout the organization are continually encouraged to have a conscience on responsibilities to the society, communities and the environment.

- Continuing to develop and improve production process, machinery, and technology in order to reduce impact to environment and community.

- Conducting the video conference at the head office with the branch companies as a mean to reduce global warming, risks and transportation fee.

- Continual researching and developing new products which are environmental friendly such as evaluated Carbon Footprint, Eco Yard Dyed Look, Cool Mode. (Details are provided in page 177)

With our commitment and policy to run the business together with taking care of the environment, in 2013, the Company received the certificate of the Environment Management System ISO 14001:2004. Moreover, the Company received a certification for "Green System" Rang 3 Green Commitment from the Ministry of Industry.

Promotion on Effective Utilization of Resources

The Company implements a policy to continuously promote all employees to use resources effectively and worthy by means of limiting the use of energy. Consecutively foster the idea of energy, oil and water supply savings to all employees and encouraged them to save energy both at office and home. The Company has also equipped employees with knowledge of energy saving and aware of the effect of Global Warming such as;

- Promote the environmental friendly production for both energy reservation and waste management such as peak demand control system, evaporative.

- Develop of IT system called "Workflow" to replace the use of paper and two-sided printing.

In 2013, the company joined "Clean Technology" campaign to continuously develop, improve, or make changes to production processes to ensure the optimized use of available resources, and to minimize pollution risks which may affect human and environment. This is a preparation for the company before applying for Green Label certification.

Arrangement of Training Coursed with Knowledge on Environment for Staff

The Company aware of environmental conservation by encourages executives and staffs joining the Global Warming alleviation campaign both inside and outside the Company continuously, such as help aquatic animals return to water

resource, plant trees and mangrove forest, build Check Dam. Those activities would increase Green spaces and plentifully. These are samples of training program:-

- Clean Technology Training Program
- The Environmental Management System ISO 14001:2004 Training Program
- The Auditor of the Environmental Management System ISO 14001:2004 Training Program

Chapter 4: Disclosure of Information © and Transparency

The board of Directors recognizes the quality of information, accurate, sufficient, expeditious, nondiscriminatory and fair information disclosure. Ensure disclosure of significant information related to the company, both financial and non-financial information, or information that might affect the company's share prices, to all shareholders and interested investors in a complete, accurate, and equitable manners.

The disclosures are easy accessible to all stakeholders and party. Have all such information published in both Thai and English version on the Website of the Stock Exchange of Thailand and the company's Website, www.pg.co.th, in order to engender the confidential.

1. Corporate Governance : The company arranges the good corporate governance policy and principal, business ethics, and code of conduct, in writing and provide to all directors, executive and staff including public relation billboard, company intranet system, and company website (www.pg.co.th)

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

2. Importance information regarding financial and non-financial : The Board of Directors has

carried out the disclosure of the Company's significant data, including financial data and non-financial data as required under the Regulations of the Stock Exchange of Thailand and the SEC. Such disclosures were accurate, complete, timely and transparent, having been reviewed under the prescribed procedures. The information was published in both Thai and English via channels of the Stock Exchange of Thailand (www.set.or.th) and the Company website (www.pg.co.th).

• **The information shown in the report (Form 56-1) , and the Company annual report** was transparently and completely disclosed in every aspect, according to the Criteria of Disclosure of the Stock Exchange of Thailand and the Securities (SET) and Exchange Commission Thailand (SEC). In order to provide shareholders information in making the investment decision, the information has regularly been updated. In the previous year, the Company has not been charged on any violation of SET or SEC Criteria of Disclosure.

• **Regarding the annual budget and quarterly budget**, the Board of Directors has realized importance of preparing accurate financial statement, compliance with accepted accounting standards; the company has prepared financial statement with caution and good consideration in order to reflect the actual operating results of the company. the auditors have audited them with approval from the Audit Committee and the Board of Directors. Subsequently, the Company has disseminated this information to the shareholders and then presented to the SET and SEC. In this regards, it was disclosed to the investors or shareholders before the due period for investors' benefit.

The company auditors are knowledgeable, skillful, independent, and approved by the SET and SEC. Besides, the auditors do not have business relationship with company, parent company, subsidiaries, Executives, major shareholders, relation with any of them. Thus, the auditors have the independent rights in auditing and commenting on the Company's budgets.

In 2013 The Company financial statement was certified by Company Auditor with no

conditions, though Company Auditor remarked that the Company sent financial statement to SEC and SET on time and not ordered to correct.

3. Report on the Board of Director's Responsibilities with respect to the Financial Statements :

The Board of Directors appreciates the significance of preparing an accurate and complete financial statement in accordance with accounting standards. The disclosure of such data have been reviewed by independent auditors and approved by the Audit Committee and Board of Directors before publication to the shareholders. Also, in order to secure confidence, the Board of Directors have prepared a report on the responsibilities of the Board of Directors to the financial statements, signed by the Chairman of the Board of Directors and the Managing Director, published in the Annual Report and Form 56-1 together with the Auditor's Report. Such report provides evidence of compliance with the Generally Accepted Accounting Principles and the consistent application of appropriate accounting policies. Thus, investors are able to rely on such data when making decisions. (Details are provided in this Annual Report page 64)

4. The Disclosure of Connected Transaction (Related Transaction) and/or the Entered Material Assets or Services Transaction :

All these transaction should be approved by the Audit Committee and the Board of Directors so as to avoid any conflicts of interest. It should be carefully prepared for the best interest of the Company and shareholders. The approved report of budget was presented to the SET in both Thai and English languages, and disseminated in the Company's website, annual report and Form 56-1, according to the regulations of SET.

In 2013, there were 4 connected transactions which were in compliance with the prescribed rules. Details are provided in "Connected Transaction (Related Transaction)" page 58.

5. Conflict of Interest : The Board of Directors and the Executives has to present the report of

stock transaction, company's shareholding, their stake holding included the dependents i.e. spouse and minors related to the Company's operation. In case of any changes, they have to report to the Board of Directors. The criteria of disclosure are as follow:

- Report on the first office holding as the Director or Executive
- Report on any changes of stake holding data
- Report at the end of year
- In case of termination and reappointment as the Director in a consecutive way, the Director shall not present new report if there is no change of stakeholding.

• The Directors and Executives should present report of stake holding to the Secretary within 1 month after being elected/ appointed, and changes. After that, the Secretary will send the copy of report, within 7 days, to the Chairman of Board Directors ,and Chairman of Audit Committee.

In 2013, the Directors and Executives have already reported their stock transaction, the Company' shareholding and changes of stake holdings. According to the report, there was one Director who bought more stocks. (see details on "Shareholding and Management Structure" page 13)

6. Monitoring the use of internal data : The company has implemented a measure to prevent the use of internal data. The stipulation on this issue is the company's business ethics under the topic of Conflict of Interest, and has been disclosed in the annual report under the title of Good Corporate Governance; the topic is "Chapter2: Equitable Treatment of Shareholders" on page 108

7. Policy on Corporate Social Responsibility : The Company set the policy in its mission for practical guideline and substantial perform. This is a mission which all employees shall participate. Its details are provided in annual report under topic "CSR Report" page 137-180

8. Communication between executives : Joint meetings every month between the Executive

Committee and chief executive officers of all work units have been organized in order to disseminate information on the organization's business targets and business strategies. Communications are made to employees throughout the organization in order to share common understanding and practices in the same direction so as to achieve the business targets. The President of the Board gave priority to attend the seminar with Executive Committee and chief executive officers of all work units annually in order to indicate concept, approach strategy and working philosophy, besides, to show opinions freely and encourage business operation for the purpose of the Company's target. In 2013, there are 2 meetings.

9. Investor Relations : The Board of Directors has designated the persons who would be able to provide data and information as required by investors and relevant persons. In this regard, the following person can be contacted:

- **Mrs. Suvimol Charoensrichai**
Company Secretary/Executive Secretary
 Telephone 0-2685-6509
 fax 0-2294-5159
 email: suvimol@pg.co.th
- **Ms. Oranee Kanoksophit**
Legal Counsel
 Telephone 0-2685-6510,
 email: oranee@pg.co.th

The Company announced the person and channel for contact via company website: www.pg.co.th under the topic "Investor Relations".

In 2013, 14 companies in Saha group cooperated with Stock Exchange of Thailand arranged "the 5th Analysts and investors meet Saha Group" held on Friday, June 29, 2013 to coincide with 17th SAHA Group fair at Plenary Hall, Queen Sirikit Conventional Center. The event provided a venue where analysts, investors and mass media could engage in meaningful discussions with company directors and executive. All 14 participated company cooperated on compose a book to summarize company history and performance disseminated to all attendance. The

group received well participation from analyst and investor. Apart from financial report or other information technologies to the Stock Exchange of Thailand (SET) and Securities Exchange of Commission (SEC) via designated channels completely, precisely and timely, the Company has revealed more information on several issues accordingly;

1. The disclosure of structure of shareholding, including name of the first ten major shareholders as closing date in the annual report, page 10 and company website: <http://www.pg.co.th>.
2. The disclosure of shareholding of the Directors and Executives in the annual report, page 13.
3. The disclosure of the Directors, Independent Directors and Sub-Committee, including their backgrounds, roles, duties and responsibilities, numbers of meeting attendance, and training issues, page 44, 46 and 50 which also disseminated in the company website.
4. The disclosure of risky factors in operating, types of risks, causes and effects, as well as guidelines to prevent or decrease risks, page 54
5. The disclosure of policy on distribution of dividend, page 111
6. The disclosure of characters of Company's operation and management, analysis on industrial situation and competitive potential, analysis of performance, and financial status of the Company, page 12-22 and 26-32 respectively.
7. The disclosure of remunerations of each Director and Executive, page 22
8. The disclosure of organization structure in the annual report, page 33
9. The disclosure of internal control according to the concept of COSO revising framework in May 2013 as well as the result of internal control assessment, the results of assessment in 5 aspects with 17 principles, according to the regulations of SET, page 54-55 , and the Corporate Governance report of the Audit Committee, page 61
10. The disclosure of whistle blowing policy, page 110
11. The disclosure of Company's quarterly

budget reported in Thai and English on the company website.

12. The disclosure of annual report and notice of the shareholder's meeting in Thai and English on the company website, which is able to download.

13. The disclosure of charters, duties, responsibilities, qualifications and directorship terms of the Board of Directors and all Board Committees are publicized through the company's website.

14. The disclosure of the Company's article of association, vision and mission on the company's website.

© Chapter 5 ; Responsibility of the Board of Directors

The Board of Directors play a vital role in providing guidelines for Company's execution, monitoring the operation performance, issuing the policy of good corporate governance, business ethics, and employees' morality, protect benefits for the Company and shareholders. Also, they supervise the activities to be legally implemented.

In the previous year, the following cases had never happen to the company.

- Severe violation against stipulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.
- Corruption action or violation of ethics.
- Resignation of a non-executive director due to the reason of good governance.
- Loss of creditability due to the Board of Director's failure in monitoring the business.

1. The Structure of the Board of Directors

The Board of Directors consists of the Directors, Independent Directors, Sub-Committee, Managing Director, and Secretary, with approved qualifications and ability to check and balance each other.

Every time after the shareholders' meeting, the Board of Directors holds a meeting to establish sub-committees which has been earlier screened by

the Nomination Committee. In 2013, the Board of Directors Meeting No. 2/2013 on 7 May 2013 passed resolution to establish 6 sub-committees and clearly authorized their duties and responsibilities and tenure. With regard to the Company's regulations, the Board of Directors is comprised of at least 5 directors, and the greater part is currently living in the Kingdom of Thailand. In 2013, there are 12 Directors consisting of:-

	Person(s)			(%)
	Male	Female	Total	
Executive Director	1	1	2	16.66
Non-Executive Director	2	3	5	41.67
Independent Director	3	2	5	41.67
Total	6	6	12	100.00

The Board of Directors consists of 5 independent directors, or 41.67% of the entire Board which is higher than a standard stipulated (one third or 33.33%) by the Capital Market Supervisory Board.

1.1 Scope of work and responsibility of the Board of Directors

According to the company's regulations, the Board of Directors has authority to make consideration and supervise the operation of the company, and work under charter which is clearly written for each committee.

The company had transaction with connected parties incurred for the year 2013. The transaction was about asset or service valued more than 1 million baht but less than 20 million baht, or more than 0.03%, but less than 3% of NTA, whichever is higher. Approval has been sought from the Board of Directors and information has been disclosed to the Stock Exchange of Thailand without having to seek approval from the shareholders' meeting. (Details have been disclosed under the topic "Connected Transactions (Related Transaction)" on page 58)

1.2 Nomination of Directors

The Company appoints the Nomination Committee to select Directors from a pool of knowledgeable professionals who are equipped with

multiple talents, experience and vision and are known to have integrity and unblemished professional records. They are urged to express themselves freely. The Board of Directors has clearly defined the duties and responsibilities of each committee. The Board of Directors should comply with principles stated in the Director's Guides for the Listed Company accordingly;

1. Fiduciary Duties
2. Duty of Care
3. Duty of Loyalty
4. Accountable

In 2013, the Company has formulated the structure of the Board of Directors. As a result, the proportion of the Executive Directors, Non-Executive Directors, and Independent Directors was more appropriated in monitoring the good corporate governance rigorously, though having the Independent Directors less than 50%.

1.3 Determination of Independent Directors' Qualifications

According to Notification of Capital Market Supervisory Board TorChor 4/2009 title Application for and Approval of Offer for Sale of Newly Issued Shares which was announced on February 20, 2009 and effective on March 1, 2009. The definition of independent director were changed, therefore the qualification of independent director should be conformed to the said notification. People's Garment Public Company Limited has defined the qualification of independent director which is more intensive than the minimum principal of the Securities and Exchange Commission and the Stock Exchange of Thailand. The details are following;

1. Holding not more than 0.5 percent of total voting shares of company or its parent company, its subsidiaries, its associated companies, including stocks held by connected persons of the independent.

2. Not being or never been board member who participated in management of its parent company or an executive director, employee, staff,

advisor who receives salary of a controlling person of company, its parent company, its subsidiaries, its associated companies, same-level subsidiaries or a juristic person who may have conflicts of interest unless the foregoing status has ended for more than 2 years, excluding independent director who ever be government official or advisor for government service which is major shareholder or controlling person of company.

3. Not being a person related by blood or legal registration, such as father, mother, spouse, sibling and chi ld, including spouse of the children, management, major shareholders, controlling persons, 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, its associated companies or a juristic person who may have conflicts of interest, in the manner that may interfere with his independent judgment, or is not or has not ever been a major shareholder, non-independent director or management of any person having business relationship with company, its parent company, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest unless the foregoing relationship has ended for more than 2 years.

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 applicant or 20 million Baht 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 the

Board of Governors of the Stock Exchange of Thailand 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 company, its parent company, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest and is not a major shareholder, non-independent director, management or partner of an audit firm which employs auditors of company, its parent company, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest unless the foregoing relationship has ended for more than 2 years.

6. Not being or never been any professional advisor including legal or financial advisor who receives an annual service fee exceeding 2 million Baht from company, its parent company, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest, and is not a major shareholder, non-independent director, management or partner of the professional advisor unless the foregoing relationship has ended for more than 2 years.

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 being a director in other organization that compete with or related to company, its subsidiaries, or not being a partnership of organization that compete with or related to company, and not being an executive director, employee, staff, advisor who receives salary, and not holding share more than 1 percent of total voting shares of organization that compete with or related to company.

9. Not having characteristics 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 Director for taking part in the business decision of company, its parent company, its subsidiaries, its associated companies, same level subsidiaries, major shareholder or controlling person on the condition that such decision must be a collective one.

Director and Independent Director Selection Process

Nomination Committee nominates and screen independent director who have qualification follow the standard of the Stock Exchange of Thailand and Securities and Exchange Commission to propose to the board of directors and shareholder meeting.

1.4 The Directors' Term of Office Holding

- Members of the Board of Directors are selected by the shareholders' meeting and have tenure of three years, in consistency with the Public Limited Companies Act. When the tenure ends, the directors may be selected to the position again. To ensure the board members' qualification, knowledge, and experience, the Nomination Committee will perform recruitment and screening of the candidates before submitting the recruited names for the Board of Directors' consideration. The company has disclosed the date the members of the Board of Directors and the independent directors took their positions under the topic of "Shareholder Structure and Management" on page 12.

- Like the Directors, the Board of Directors does not specify the term of office holding for the Independent Directors since both positions are appointed by the approval of the shareholders' meeting.

- The Board of Directors gathers information from the letter of proxy and annual report as well as the office holding term in considering for the appointment of the Independent Directors.

In 2013, the Company had 5 Independent Directors as follows:

Independent Directors		Date of Appointment	Holding Term (years)
1. Mrs. Nuchanart	Thammanomai	26 April 1999	14
2. Mr. Amorn	Asavanunt	22 April 2002	11
3. Mrs. Chortip Pramoj	Na Ayudhya	22 April 2002	11
4. Gen. Konecharnart	Chunnabhata	28 April 2009	4
5. Mr. Santi	Bangor	28 April 2009	4

1.5 Holding Office Regulation for the Directors

- The Board of Directors have not specified the number of listed companies that each director takes a director position, believing that competency and business expertise of each director has nothing to do with the number of companies he takes if every director has commitment and determination to perform his duty as he has been trusted by the Board of Directors and the shareholders.

- The Directors who hold office in other companies should be approved by the Board of Directors, according to the regulations of holding office for the Directors.

Listed Company	Directors	%	Name of Directors	
More than 5	2	16.67	Mr. Boonkiet	Chokwatana
			Mr. Amorn	Asavanunt**
4	1	8.33	Mrs. Teerada	Ambhanwong
3	1	8.33	Mr. Chailert	Manoonpol
2	2	16.67	Mrs. Nuchanart	Thammanomai
			Mr. Santi	Bangor
1	6	50.00	Mr. Charoen	Charoenwatanasuksom***
			Mrs. Somporn	Tiyaviboonsiri
			Mrs. Sunan	Niyomnaitam***
			Ms. Pisamai	Chunmanu
			GEN. Konecharnart	Chunnabhata
			Mrs. Chortip	Pramoj Na Ayudhya
	12	100.00		

Remarks: ** Independent Director in more than 5 listed.

*** Executive Director in 1 listed.

The disclosure of name and information of every Director holding office in other companies has been shown in the Form 56-1 and the annual report. At present, there are two Directors who hold office in 5 listed companies. Nonetheless, the company believes that there will not be any impacts on their performance. Furthermore, the Directors have shown their dedication in working and regular attendance in the meetings. Those are the reasons why the Company does not specify the number of listed companies for the Directors to hold.

Regarding holding office in the other listed companies, the Company's Directors and Chief Executive Committee, Directors and Chief Executives Officers of the Saha Group will consider such criteria of those companies as types of business and the necessity in assigning the Managing Director or the Company Executive to be the Company's representative concerning partnership or partnership contract. If necessary, they will send the Director or the Executive who has knowledge, skills, and expertise in that area to hold office.

1.6 Merger or Segregation of Positions

The Company prescribes that the Chairman of the Board of Directors shall not be an Executive Director, Managing Director and shall not have any relationship with the entire management. There is a clear separation in the functions with respect to supervisory policies and the management of routine functions. The Company has prepared a Charter of the Board of Directors which clearly prescribes and delineates the powers of all committees and the Managing Director.

The Chairman of the Board of Directors is the leader and controller of Board of Directors meetings in order to ensure independence. All Directors are able to express opinions or make suggestions fully. The management of the executives is supported through the grant of powers and responsibilities to the Managing Director. The Board of Directors does not interfere with routine management work.

Although the Chairman of the Board of Directors is not an Independent Director, the Company remains confident that the discharge of duties has always been undertaken with an understanding of good corporate governance principles. Decisions on significant matters approved by each relevant committee have achieved a balance and reviewed as well as strictly complied with

In 2013, the Executive Board consists of 11 Executive Directors leading by the Managing Director for the execution of management planning to comply with the policies of the Board of Directors.

The Executive Directors also participated in stipulating policies and missions.

1.7 Company Secretary

Under the Securities and Exchange Act (No. 4) B.E. 2551 (2008), the Board of Directors is required to appoint a Company Secretary to take responsibility for carrying out proceedings prescribed by law on behalf of the Company or the Board of Directors. In this regard, the Board of Directors has appointed

Mrs. Suvimol Charoensrichai as the Secretary.

She has been trained on the Company Secretary Program (CSP) 7/2004 from the Thai Institute of Directors (IOD), and is the Company's Executive Director. The Company prescribed the following scope of functions and responsibilities.

1. To give advice on laws, regulations and rules that must be known and complied by the Board of Directors.

2. To prepare and archive important documents:

- Directors Register
- Board of Directors meeting notices/minutes
- Shareholders' meeting notices/minutes
- Informational reports in accordance with the relevant laws and regulations.
- Annual Report and Form 56-1

3. Keep a report that a director or an executive files with the company on his interest or a related person's interest in relation to management of the company according to Article 89/14; also make copy of such report and submit the copy to the Chairman and Chairman of the Audit Committee within 7 days after receiving such report.

4. To coordinate between the Directors and the executives and to support the implementation of good governance principles as well as compliance with the Regulations and Notifications of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission and Capital Markets Supervisory Board.

5. To ensure the proper and prudent discharge of functions by the Directors and

executive officers, taking into account the rights of shareholders and fair treatment of shareholders.

6. To contact the relevant supervisory authorities.
7. Perform other tasks as stipulated by the Capital Market Supervisory Board.

In addition, the corporate secretary also has other duties as assigned by the Board of Directors as follows.

- Organize the Board of Directors' meeting and shareholders' meeting
- Coordinate with internal agencies to comply with the resolutions of the Board of Directors and the shareholders.
- Ensure that the Board of Directors and executives work properly and cautiously. Taking into account the rights of shareholders and fair treatment to shareholders.
- Arrange orientation for newly-appointed members of the Board of Directors

Other duties as assigned by the company

Moreover, the Department of Secretary consists of:-

- law officers, and
- accountants

who have been trained on the Fundamental Practice for Corporate Secretary from the Thai Listed Company Association to reinforce their capabilities. Besides, they were assigned to conduct the orientation for the new Directors, as well as to enhance knowledge and understanding on Good Governance to the Directors, Executives, and employees. In other words, they perform as the Compliance Unit in building Corporate image.

2. Supporting Committees

The Board of Directors has appointed 5 supporting committees, consisting of:-

	Person(s)	Independent Director	Non-Executive Director	Executive Director	Executive Officer**
1. Audit Committee	3	3	-	-	-
2. Nomination Committee	3	1	2	-	-
3. Remuneration Committee	3	1	1	1	-
4. Risk Management Committee	4	1	-	1	2
5. Corporate Governance Committee	4	1	-	2	1
6. Management Executive	11	-	-	2	9

Remarks : Those 6 supporting committee have their term for 1 year.

** Executive Officer which was not the Company Director.

Certain committees are not comprised entirely of Independent Directors, but Non-Executive Directors, Executive Directors and Independent Directors. All such Directors are qualified and have a good understanding of their roles as Directors and committee members. Functions are performed with responsibility, loyalty, honesty, morality, care, prudence and independence. It is believed that all Directors have such an understanding and carry out strict compliance. The composition of each committee is also accepted by the shareholders.

The Company engaged the Charters of the Board of Directors, Audit Committee, Nomination Committee, Remunerations Committee, Executive Committee and Risk Management Committee as well as the powers and duties of the Managing Director, which had already been approved by each respective committee and the Board of Directors Meeting no. 6/2551, held on 23 December 2008 already approved.

In 2013, the Company also engaged the Charters of Corporate Governance Committee which had already been approved by each respective committee and the Board of Directors Meeting no. 3/2556, held on 13 August 2013 already approved.

(Details on the functions and responsibilities of each committee are provided in the "Shareholding and Management Structure" page 14 - 22)

However, the Directors and Chief Executives have never been employed or be in a partner of the external audit firm during the past two years.

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

The Board of Directors has been elected by the shareholders as their representatives in implementing company's policies. They collaborated with the Executives in formulating vision, missions, strategies, operational plan, annual budget, good governance, and supervision so as to support and direct the performance of the Executives and employees.

In 2013, the Board of Directors has legally operated the company in compliance with the laws and regulation. Therefore, there is no infringement on the official regulations found.

3.1 Leadership and Vision

Leadership

The Board of Directors is comprised of persons with knowledge, competence, skills and experience in the Company's principal business. The vision, mission, strategies and goals as well as working plans and annual budget are determined in

order to enhance operational efficiency for the greatest benefits of the business and achievement of the Company's business goals. In this regard, the Board of Directors undertakes the duties of monitoring the management of the executive according to the various working plans, as well as the determination and delineation of roles, functions and responsibilities between the Board of Directors, executive officers, employees and relevant persons.

In addition, the Audit Committee has been entrusted with the function of supervising the operations of the internal audit section so as to ensure sufficiency for the business and to ensure suitable risk management in order to achieve the highest safeguard of interests. The principles of good corporate governance are applied as management tools for adding value to the business and the shareholders.

Vision

In regard to the Company's vision and missions, the Board of Directors has supervised the Company's performance by considering the **quarterly** report of operation, company's turnover, and security holding of the Directors and Executives in order to appropriately and timely adjust the company's strategies, and is reviewed on a yearly basis.

3.2 Good Corporate Governance

The Board of Directors appreciates the importance of good corporate governance. In consequence thereof, the Board of Directors has laid down a policy on corporate governance in writing, consisting of 4 parties, i.e. corporate governance policies, corporate governance principles, business ethics and employees' code of conduct. Such policies were handed to the Board of Directors, executive officers and all employees of the Company, in order to be a guideline for all employees to responsibly their duty with good conscious, to promote the implementation of good corporate governance systems in the organization, thus achieving transparency in business operations, trust of shareholders and general investors, stability to the business and generation of beneficial returns to

the shareholders, stakeholders and the society as a whole as well as the promotion of advancement of employees. Revisions were made to certain parts of the business ethics which had been approved by the Board of Directors meeting no. 1/2557, held on 19 February 2014. The policies are also published on the Intranet and the Company website.

The company encourages its management executives and employees to acknowledge and follow the **Good Corporate Governance policy, Good Governance principles, Code of Conduct and Ethics of Board of Directors, management and employees (Second Revision Edition)**. The Board of Directors will follow these stipulations to be a good model for employees to follow. Moreover, members of the Board of Directors and new staff will receive this policy manual at an orientation, and they will sign a commitment to follow the policy stipulation in their operation.

The company has the Audit Committee, the Supervisory Committee, and the Internal Audit Unit, to ensure compliance with the good governance policy. A follow-up has been scheduled in a year plan of the company. On a quarterly basis, a follow-up result shall be reported directly to the Audit Committee together with recommendations and solutions to prevent any damage that may occur to the company.

3.3 Conflict of Interests

The Board of Directors has clear guidelines for managing the avoidance of conflict of interests prudently and reasonably, and in order to confer the greatest benefits for the Company and the shareholders. Transactions which might entail conflicts of interests have been notified by the Company and the resolutions disclosed specifying the value of the transaction, the contractual party and reasons of necessity for entering into such a transaction in accordance with the rules of the Stock Exchange of Thailand. The interested Directors have left the meeting room and did not vote on such agenda so as to ensure independence in decisions and information were disclosed immediately in the interest of transparency.

Connected transactions would be considered by the Board of Directors meeting on the suitability of the transaction and the Audit Committee would give its approval for the disclosure of information in Form 56-1 and the Annual Report.

In 2013, the board of directors approved 4 related transactions which perform strictly to prescribed rules. Company Directors and Executives are required to report their own interest and related persons.

Such interest shall connect to the company operation in accordance with the following principals;

1. Directors and Executive Officers shall report their personal and related persons' interests in the report form within 1 (one) month as from the effective date of the law, or as from the date of election/appointment.

2. If there is a change in information on interests, the amended interest report shall be submitted to the Company Secretary within 1 (one) month as from the date of the change.

3. The Company Secretary shall submit a copy of the report to the Chairman of the Board of Directors and Chairman of the Audit Committee within 7 (seven) days as from the date of receipt of interest report.

In 2013, All Directors and Executive Officers have already filed such reports, including any amendments thereto.

3.4 Promotion of Social Responsibility, Environment, and Human Rights

The Company has realizes on the importance of social responsibility and environment in parallel with the business operation. Therefore, the Company focuses on fostering quality of life in surrounding communities, human rights awareness, and fair employment in the sustainable ways.

3.5 Internal Control and Audit Internal Control

Internal Control

The Board of Directors attaches importance to and has installed a control system for operations,

financial reporting and compliance with rules, regulations and policies. The internal audit units were entrusted with the duties and responsibilities of carrying out audits on compliance with the installed internal control systems for subsequent reporting to the Audit Committee and the Board of Directors. Such audit units are independent in the exercise of their functions. The Board of Directors would conduct an annual review of the suitability and sufficiency of internal control systems in all 5 areas, i.e. organization and the environment, risk management, control of executive operations, information and communication system, and monitoring systems.

In Board of Directors meeting no. 1/2014, held on 19 February 2014, which was also attended by the Audit Committee, the sufficiency appraisal form of the Company's internal control system was considered. The meeting was of the opinion that the Company had sufficient and effective internal control systems as per the Audit Committee report in Form 56-1 and the Annual Report page 56

The Internal Audit

The Board of Directors has assigned the Audit Committee to inspect the sufficiency, appropriateness, and effectiveness of the internal control system. The results of the internal audit should be reported to the Board of Directors and shareholders. Moreover, the Internal Audit Unit, separated as one unit of the company, should reports directly to the Audit Committee.

Mrs. Napassorn Sudlapha, the Secretary of the Audit Committee, was appointed as the Manager of the Internal Unit.

Profile in brief

Education : Bachelor in Business Administrations, Accounting, Ramkhanhaeng University

Training Background : Sustainability Accounting : Global Warming by the Federation of Accounting Professions.

Work Experience :

1997 - Present Manager of Internal Audit Unit

2000 - Present Secretary to the Audit Committee

1990 - 1997 Assistant of the Auditor of Thammakan Accounting

Responsibility : the assessment of sufficiency and effectiveness of the internal audit using standard auditing measures in proposing improvement for the added value of the organization, and simultaneously supporting the good corporate governance.

In 2013, the Board of Inspection has effectively performed their responsibilities as assigned. Thanks to the qualified personnel in the Internal Audit Unit, the mission has been completely accomplished. The evaluation of internal control system revealed that there were some issues to be improved as well as recommendations for corporate operation, which were presented to the Board of Directors in the quarterly meeting.

The Internal Audit Unit will report a follow-up and cross-check result of the internal management to the Audit Committee every quarter. In 2013, the Audit Committee had arranged four meetings and reported to the Board of Directors every quarter. The Audit Committee has reported their views on the adequacy of the company's internal audit and risk management system in the Annual Report under the title of "The Report of the Audit Committee" on page 61

3.6 Risk Management

The risk management is a policy implemented systematically in the organization under the supervision of the Risk Management Committee comprising the Independent Directors, Managing Directors, and Executive Directors.

In this regard, the Executives of each department have been appointed as a commission responsible for the risk management according to the policy and assigned duties. The report on risk management is presented to the Audit Committee, the Board of Directors and the Executive Board. The Board of Directors permits the Non-Executive Directors to conduct their meeting without attendance of the management unit. If necessary, they can propose statement of necessity to the Board of Directors to be considered. Whenever there is a significant risk or an irregular transaction. These proceedings are taken to ensure that the level and

magnitude of damages that could occur are maintained within acceptable, assessable and controllable levels for the organization that can be systematically inspected with due consideration to the Organization's goals.

In 2013, the Risk Management Committee arranged totals 4 meetings and report to the Audit Committee, Executives Committee, and Board of Directors in every quarter. Such report regards opinion and consideration which approved from all committee and benefit to company operation.

4. Board of Directors Meetings

- The Board of Directors have determined that meetings shall be held at least once every quarter. A schedule of Board of Directors meetings is prepared one year in advance wherein the agenda are clearly stated. The Company Secretary would submit such schedule in the December meeting of each year together **with the submission of documents at least 7 days prior to the meeting date** so as to give the Board of Directors sufficient time to consider and examine the data prior to attending the meeting, except in the event of urgency for the protection of the Company's interests where notice may be given less than 7 days. Each meeting would last approximately 2 hours.

Directors are able to offer opinions openly and independently. The Chairman of the Board of Directors would compile the opinions and conclusions obtained from the meeting. Interested Directors in each agendum would abstain from voting or abstain from giving an opinion or be absent from the meeting on such agendum, as the case may be. In a meeting of the Board of Directors, if there is a query or a need to obtain additional information from relevant persons, the Managing Director would invite a high level executive officer to give an explanation.

The Company Secretary would record the meeting and archive the minutes of past meetings that had been endorsed by the meeting and verified by signatures of the Chairman of the Board of Directors. In additional, company directors can

express opinion or amend on the minutes of the meeting.

Minutes of Board of Directors meetings and committee meetings are made in writing. Such documents are archived in original document format at the Company Head Office for convenience of reference by the Directors and relevant persons.

- The Board of Directors had scheduled 5 meetings a year, with the possibility of other meetings in the event of an emergency. In 2013, the Company has held 5 meetings which were considered as the appropriate numbers and adequate time for the performance of the Directors. Not less than 80% of the Directors attended the meeting. If the Directors would like to have more information, they could make a request to the Secretary.

In addition, Non-Executive Directors are encouraged to hold meetings amongst themselves in the absence of the management in necessity and present to the board for acknowledgement.

- The Audit Committee and internal audit units have held a joint meeting with the Company Auditor at least once a year, every year. In 2013 the Audit Committee and 2 representatives from Management Executive (Managing Director and Deputy Managing Director) held a freely meeting.

The Company's Management Structure consists of:-

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

(Further details are provided in the Shareholding and management structure page 10-24)

5. Self-Assessment of the Board of Directors

In 2013, the Board of Directors have prepared a self-assessment form for the Board of Directors. Such assessment provides an opinion of

each Director on the performance of the Board of Directors as a whole, not on the individual performances of each Director. The objective was to carry out a review of performances and problems for further improvement in order to enhance the efficiency of the Board of Directors and to foster the relationship between the Board of Directors and the management.

In the meeting of the board of directors no.5/2013 held on December 20, 2013, every company directors answered self-assessment form independently and delivered to company secretary. Self assessment result was "good".

Concerning the assessment of the Managing Directors and the Chief executives' Performance, the Board of Directors and the Remuneration Committee will consider the remuneration from their performance in compliance with the Company's strategies, missions and management, the potential of organizational administration and business, the overall situation of world economic and society.

Regarding the assessment of the Managing Directors' performance, the Chairman will evaluate their performance by using the assessment form of CEO of the Stock Exchange of Thailand. The Nomination Committee and the Managing Directors will consider the remunerations of the Chief executives.

6. Remuneration of the Directors and Executive Officers

The Remunerations Committee would determine the appropriate remunerations limit after taking into account the experience, duties, scope of roles and functions, participation and responsibilities of each Director for proposal to the Board of Directors and to the meeting of shareholders for approval of such remunerations limit.

In this regard, the 34th general meeting of shareholders held on Tuesday, 23 April 2013, approved a directorial remunerations limit of 10 million baht per year. The Board of Directors has delegated to the Remunerations Committee the tasks of determining the remunerations for the

Directors and Committee Members. Such remunerations were in accordance with the resolution of the meeting of shareholders that had approved of the directorial remunerations limit.

The Remunerations Committee would then propose the appropriate remuneration to the Board of Directors for approval. The company fairly and logically specifies the compensation paid to directors, taking into account each director's responsibility, its financial performance, and compatibility with industry peers. The directors who are member in sub-committee shall be paid for such duty appropriately.

In 2013, the remuneration committee held 2 meeting; all 3 members attended the meeting. The meeting considered remuneration for year 2013 to directors and proposed the remuneration amount for the year 2014 to get an approval from the board of director and the shareholder meeting respectively. The amounts of remuneration to each director are disclosed in the Management Structure of Annual Report page 23 and Form 56-1.

7. Development of Directors and Executive Officers

The Board of Directors and executive officers have appreciated their roles, duties and responsibilities to the Company. Thus, the Company has attached importance to the development of all personnel throughout the organization, consistent with the leadership and vision of the Directors and executive officers, in order to enhance knowledge, competencies, skills and potentials. The Board of Directors and executive officers are encouraged to attend seminars and training in courses that are beneficial to the performance of functions as are held internally or externally, including work visits abroad. The following is samples of courses trained by IOD:

- Director Accreditation Program (DAP)
- Director Certification Program (DCP)
- Finance for Non-Finance Director
- Roles of Compensation Committee Program (RCC)

In 2013, the Company's Director attended some training courses, i.e.

- Advanced Audit Committee Program (ACP)
- Monitoring Fraud Risk Management (MFM)
- Monitoring the System of Internal Control and Risk Management (MIR)
- Monitoring the Internal Audit Function (MIA)
- Monitoring the Quality of Financial Reporting (MFR)

Orientation of New Directors

The Company has arranged for the orientation of new Directors in order to inform them of the Company's policies and relevant information, such as the Company's principal business, operating results, organizational structure, shareholders, including relevant rules and regulations as well as plant visiting. Also, for the benefit of the discharge of functions by new Directors, the Company has prepared a handbook for Directors, as follows.

Director's Handbook

1. Securities and Exchange Act (No. 4) B.E. 2551 (2008)
2. Charter of the Board of Directors
3. Certificate of Registration as a Public Limited Company
4. Company Certification and Objects of the Company
5. Articles of Association
6. Good Corporate Governance Handbook
7. SEC's Listed Company Directors Handbook

Other Information

- Visions and goals of the Company;
- Annual Report together with an introductory presentation on the Company's business description for new Directors.

Current directors and Management

Executives

Continuing education is provided to these directors through sponsorship of relevant training courses offered by IOD from twelve Eleven Company Directors, or 91.67% underwent such courses, and participation in more such courses are in the works, both concerning directors' duties and Company business in general.

All executives are continually trained in relevant laws and regulations that are helpful to their performance in the management role.

Relevant parties in corporate governance

The Company Secretary, the secretary to the Audit Committee, officers engaged in investor relations, as well as those doing relevant jobs, regularly attend assorted training courses and sit in on seminars on relevant and current topics, and topics that are helpful to their performance organized by SEC, SET, Listed Companies Association, and IOD.

8. Succession Plan

The Board of Director has realized the importance of preparation for succeeding personnel of the retired Chief executives and Department Managers, the succession plan is as follow;

1. To develop the visions, knowledge and skills of the potential Executives and to promote them as Chief executives respectively.
2. To provide more academic knowledge and hands-on trainings
3. To allow the Executives to collaborate and attend the meeting with the Chief Executives
4. To select the Executives of high potential to succeed and place in the appropriated positions
5. To enhance the management skills to the specialist
6. To give the Executives more opportunities on administration

7. To conduct systematic trainings in every department
8. To train the Chief Executives and Executives to work with responsibilities and honesty focusing on the corporate image.

The Company has conducted monthly meeting moderating by the Managing Director. Apart from this, the meeting on the Company's turnover consisting of the Managing Director, Chief Executives, and nominated Executives (acting successor) has been conducted every quarter. Also, The Annual Meeting has been conducted to stipulate the missions for the next year in order to reinforce collaboration and raise awareness of organizational management as a part in succession plan.

As part of a succession plan, meetings are held on a monthly basis between members of the Board of Directors, high-ranking executives, and executives (to be successors) and the Chairman (who is also a Chairman of the Nomination Committee).

In this regard, the Selection Committee and the Management Executives continuously follow and evaluate the operation of personnel who would be assigned, for approved and after that, present to the Board of Directors for approving.

9. A Survey of Corporate Governance Practices among Listed Company

In 2013, Thai Institute of Director associated with Securities and Exchange Commission Thailand and Stock Exchange of Thailand in a survey of corporate governance practices among listed company in 2013, the total listed is 526 companies, by evaluation from Annual Report 2012 and information disclosure in 2013. The survey result for the Company was "Excellence".

Score	Meaning
70-79	Good
80-89	Very Good
90-100	Excellence

Number of Evaluating Criteria;

Categories	2013 (clause)	2012 (clause)	2011 (clause)
1. Right of Shareholders	24	24	24
2. Shareholder's Equality	16	16	16
3. Right of Stakeholders	18	18	18
4. Transparency and Disclosure of Information	36	36	36
5. Responsibility of the Board	54	54	54
Total	148	148	148

Details of Corporate Governance Evaluation;

Categories	2013 (%)	2012 (%)	2011 (%)
Right of Shareholders	90	90	90
Shareholder's Equality	95	88	88
Right of Stakeholders	98	95	88
Transparency and Disclosure of Information	98	95	94
Responsibility of the Board	81	78	78
Score Average	92	88	87

The company pays serious attention to continuously promote a Good Corporate Governance to upgrade standard of clean business, free from corruption which is a great obstacle for the development of our country. The company has put an anti-corruption policy in its Good Corporate Governance Policy. In the year 2014, after approval by the Board of Directors Meeting No.1/2014 on 19 February 2014, the company expressed its intention to enter into an alliance with the Collective Action Coalition Against Corruption in Private Sector to the Thai Institute of Directors (IOD). The Company has appreciated the importance of Corporate Governance development continually for rewarding to society under balancing between business profits and responsibility to stakeholders, social, community and environment, in order to the sustainable growth.

The 34th Annual General Meeting of Shareholders (Year 2013)



“The 5th Analysts and Investors Meet Saha Group”



Scope of the CSR Report

People's Garment Public Company Limited: PG has prepared this CSR Report, attributing this to the administration for sustainable growth covering the key issues of social, community and environment operations. This report was prepared with reference to the guidelines of the Integrated CSR Reporting Framework recommended by Thaipat Institute to be adopted by the registered companies to prepare CSR report consistent with the international standards.

The Company specifies the important sustainability issues and evaluates the relative importance of those issues related to the goals and operations of the Company. The scope of the content in this report shows the key results of the social, community and environment operation during the fiscal year from January 1, 2556 to December 31, 2556 covering the company's operations and 3 branch factories situated in Lumphun, Kabinburi and Wellgrow.



The Company has participated in **the development of corporate social responsibility reporting for registered companies project** in conjunction with Thaipat Institute, the Foundation for Thailand Rural Reconstruction Movement Under Royal Patronage (TRRM) and the Corporate Social Responsibility Institute (CSRI) to show that the company's policy is to conduct business with social responsibility and environmental concerns for all stakeholders and for the sustainability of the company, including the overall economy, society and environment.



The company plans to prepare a report on CSR on an annual basis and develops systems and procedures to ensure that the data storage solutions and storage process is easy to understand and the completeness of data could be ensured. The company intends to communicate the results of CSR operation to all stakeholders continuously. The result of CSR operations of the company is included in the annual report which made available and could be downloaded from the corporate website. For more information, please contact:

Company Secretary & Investment Relations
Tel 0-2685-6509 - 10
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CSR Report 2013



Message from the Chief Executive Officer and Managing Director



With the current increase in business competition, various resources and technology have been consumed at an alarming rate and thus cause a drastic change towards society and the environmental imbalance like never before. The Company is aware of such effects, and throughout the course of our business operations we are committed to building a more sustainable society through our business activities based on the philosophy of corporate social responsibility (CSR) and environmental concerns, as well as the integrated management policy, the uplifting of business ethics, the upholding of our corporate code of conduct, with a focus also on being responsible for all our stakeholders, including shareholders, employees, customers, partners, surrounding communities and the environment. In each step of the production processes, from designing product, manufacturing and delivering of goods to customers or consumers, we always focus on using the resources effectively and efficiently with a minimal environmental impact including a capable waste management system. Furthermore, we also raise the awareness of the environment concern throughout the organization.

The company creates innovative products using the knowledge and technology that we share with our business partners to develop textile and garments that are environmentally friendly, safe to use and yet very responsive to the needs of consumers.

We use less energy and provide more alternatives for consumers to help reduce the impact on society and the environment, such as the fabric with COOL MODE symbol which become cool to wear and able to absorb the sweat effectively and thus save energy from using the air conditioning or the ECO YARN DYED LOOK product which are innovative textile that use less energy and chemical.

In 2013, the company has been certified with the ISO 14001 standard which is a certification for environmental management from the United Registrar of Systems Company and started the Cleaning Technology: CT which is a pilot project to reduce waste from production process. With a serious commitment in the development of the social responsibility mission from both management and employees alike who put the efforts to focus and drive for achievement, the company is able to receive a CSRI Recognition Award from the Corporate Social Responsibility Institute (CSRI) and also was awarded the "SET Awards 2013" for Outstanding Corporate Social Responsibility Awards from the Stock Exchange of Thailand.

Because "Businesses Can't Stop Thinking", research and development therefore becomes a key factor for company to increase potential to prepare for both domestic and international competition, including further embarking on trade liberalization within the ASEAN Economic Community. With focusing on human resources and commercial researches, the company encourages business partners to co-develop the production process to become more environmental friendly and promote more Green Procurement activities. The company supports all business partners to do business with transparency and fairness and becoming supply chain partners together to benefit the society and strengthen the Thai economy.

On behalf of all the board of directors, management and employees, I would like to thank all our shareholders, our customers, our suppliers, the communities around us, our society, and all relevant individuals from every sector who continue to give support to the company over the years. To achieve maximum benefit for all, the company is committed to conducting business in accordance with principles of good governance along with social responsibility and be a part to create a more sustainable society.

Mr. Charoen Charoenwattanasuksom
Chief Executive Officer and Managing Director

Corporate Sustainability

◎ 1. Management Framework

People's Garment Public Company Limited (PG) is committed to operate in a sustainable manner that ensures sustainable business growth. As one of the leading business operators in textile and garment industry, the corporate mission is to assure that consumers are wearing apparels made with international standards and manufactured by Thai labors. Apart from the comprehensive management for sustainable growth, PG also realizes that sustainability of the society and environment, and related stakeholders in all aspects are the grass-root foundation of community and society as a whole. It thus operates the business based on the key vision of **"We develop textile and garment while promoting social and environmental sustainability."** which includes the following:

Business administration: PG effectively optimizes the production process and the service model to the highest level. It aspires to manufacture environmentally-friendly products that reduce the emission of greenhouse gas into the atmosphere, leading to the mitigation of global warming effects. These initiatives include, but not limited to, identifying amount of Carbon Footprint on polo T-shirts; manufacturing Eco Yarn Dyed Look which replaces thread-dyeing by painting the whole pattern on the garment; and saving energy resources and cutting down unnecessary consumption of power.

Equilibrium among society, community and environment: PG instills and promotes the concept of sustainability among the management and employees of the entire organization to all of them socially, and environmentally responsible to make improvements in human well-beings. These include power and water supply saving project, waste separation project, tree planting project, dam building project and job offering to local people. PG is also certified with CSR-DIW Continuous Award for this effort.

The company believes in a good corporate governance which is expected to improve the management process, making it more effective, fair,

transparent, and examinable. This will not only make all shareholders, stakeholders, and related parties confident in the company's vision, but it will also empower the society, community and environment to move forward with a sustainable growth and increase long-term and sustainable competitive advantages for the organization.

The company appointed several panels of committee and subcommittee under the supervision of the management taskforce to administer specific tasks in economic, social and environmental aspects. The panels are responsible for considering these issues with justifications, appropriate decisions, and effectiveness:

◎ Economic Panel

Executive Committee consists of 11 executives. Managing Director, as the Chairperson, is responsible for ensuring the operations to achieve the goal while complying with the corporate policy as prescribed by the shareholders.

Risk Management Committee consists of 4 committee members which are independent to the other committees. Managing Director, and high-level executives are responsible for monitoring the processes and identifying the risks regarding the project as well as evaluating and approving the Risk Management plan proposed by the Risk Management Committee.

◎ Social Panel

Corporate Governance Committee is responsible for proposing a framework for the good corporate governance, and reviewing and enforcing the good corporate governance policies. The committee shall oversee and carry out Corporate Social Responsibility (CSR) activities in order to answer all the needs of the stakeholders within the scope of good corporate governance policies, business ethics, and code of conduct for directors, executives, and all employees.

Safety, Health (Occupational) and Environment (SHE) Sub-Committee is responsible for developing the framework and roadmap for Security, Health (Occupational) and Environment (SHE) of the company. This committee shall carry out SHE-related activities of the company, oversee, and evaluate the operations continuously in order to improve the taskforce.

Welfare Sub-Committee is a focal point in delivering social welfare support to all employees and taking care of employees' quality of life. This committee shall involve in social community development, define the directions, and carry out operational plans for the community development initiatives in order to consistently improve the taskforce.

◎ Environmental Panel

Energy and Environment Conservation Sub-Committee is responsible for carrying out energy-saving projects that are aligned with the corporate energy-saving policies and controlling how effectively the energy is consumed by collaborating with other related parties. The objective of this committee is to make the energy management initiatives aligned and complied with the corporate goal.

◎ 2. Corporate Governance

The Board of Directors of People's Garment Public Company Limited emphasizes on a good corporate governance by exercising the best practices from Stock Exchange of Thailand (SET) and the Rules and Regulations from The Office of The Securities and Exchange Commission and Investment Board as framework in supporting the good corporate governance initiatives to achieve effectiveness, integrity, fairness, transparency, responsibility and accountability for all stakeholders and to be aligned with business situations and sustainable economy principles.

◎ Corporate Governance Policy

The principles of good corporate governance of PG consists of corporate governance policies, business ethics, code of conduct for employees which were reviewed and approved by the Board of Director's Meeting minutes 1/2548 dated on

February 22, 2005 and have been regularly updated in order to accommodate the current situations.

In 2013, the company had reviewed and improved the principles of good corporate governance which were then composed of **"Corporate Governance Policies, Principles of Good Corporate Governance, Business Ethics, and Code of Conduct for Company Directors, Executive Officers and Employees"** (2nd Revision) as approved by the Board of Director's Meeting minutes 1/2557 dated on February 19, 2014. The 2nd Revision of the principles of good corporate governance was published on www.pg.co.th and corporate intranet for all employees to acknowledge and follow.

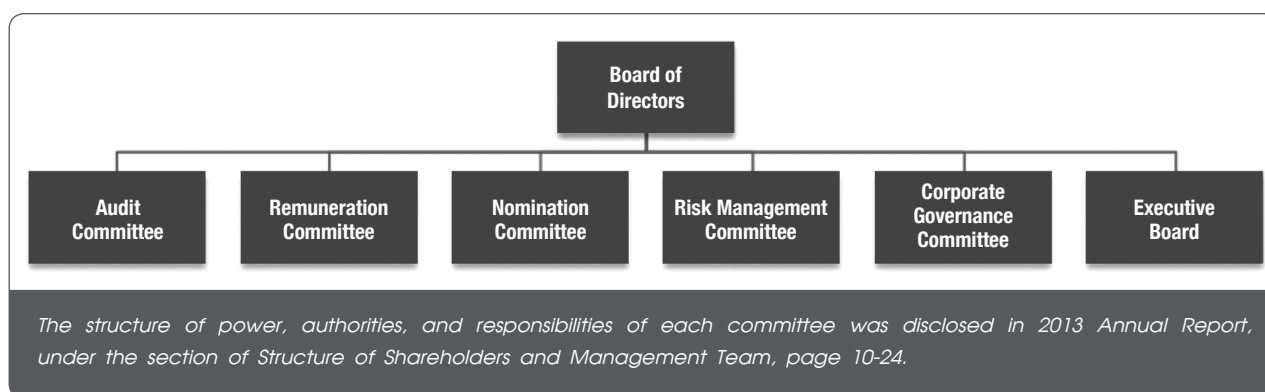
◎ Organization Chart of the Committees

The Board of Directors is responsible for envisioning the business operations, overseeing the operations of administrative office, establishing the corporate governance policies, business ethics, and code of conduct for employees for the sake of optimal benefits for the company and shareholders. It also administers the company to comply with local legislations and other legal requirements.

The structure of Board of Directors consists of Directors, Independent Directors, Sub-Committee, Managing Director, and Secretary of the Board, all of whom are suitably recruited, transparent, and balanced in their power. The company's regulation dictates that the Board of Directors must consist of at least 5 persons. More than half of total Board of Directors must reside in Thailand, regardless of gender. The number of Independent Directors must be 1:3 ratio against all the Board of Directors according to the requirements of SET.

In 2013, there are 12 Board of Directors (6 Males / 6 Females) and 5 Independent Directors (3 Males / 2 Females). More details on Corporate Governance is declared under the section of "Responsibilities of Directors", page 121-134.

In order to make the operations of the Board of Directors the most effective, the company established 6 committees, each of which consists of non-executive directors who are responsible for filtering the assignments with appropriate justifications as below.



In 2013, the Board of Directors recognized the importance of good corporate governance and thus appointed the Corporate Governance Committee who supports the Board of Directors in carrying out corporate governance initiatives and monitoring the operations of directors, sub-committees, executives, and employees of all level to make all under the same standard of corporate governance principles, local legislations, international standards and rules or regulations from related agencies. This committee consists of 4 persons; Independent Director, Executive Director, Managing Director, and High-level Executive. The Independent Director is the chairperson of this committee and in charge of imposing the Charter which is approved by the Board of Director's Meeting No. 3/2013 dated on August 13, 2013, effective date on August 14, 2013.

Throughout the year of 2013, the Corporate Governance Committee held 2 meetings with the focus on the standards and the roadmap towards a good corporate governance in a continuous and sustainable manner, with a hope that it will become a corporate culture for everyone to hold on.

More information about Equitable Treatment of Shareholders was disclosed in 2013 Annual Report under the section of "Corporate Governance", page 103-134. and Corporate Governance Committee Report, page 102.

© Monitoring on Corporate Governance Policies

Directors, executives, and employees all stay complied with the Good Governance best practice and always consistently refreshed with the upcoming plans and announcements.

In 2013, there were no evidence of policy violations and the company did not claim for any loss and damage from the stakeholders.

More information about Corporate Governance is disclosed under the section of "Corporate Governance", page 103-134. in the Annual Report.

Economic Sustainability

© 1. Fair-Trade Business

The company focuses on fair-trade business within legal concerns and code of conduct. It also emphasizes a fair competition based on mutual benefits between partners and account receivables who will be treated fairly. It is agreed that any party shall not ask for, receive or agree to receive assets or other privileges beyond mutual agreements. Doing business with partner, customers, public sector and private sector, including competitors shall not lead to deterioration against the company's reputation or violation against the laws as described in the following details:

- Be committed to customer satisfaction and confidence. Stay customer-focused and take any appropriate action for the benefits of the customers. The company will ensure that the customers receive goods that are in high-quality, safe, and environmentally-friendly within an affordable price. The customers must be informed with essential information to support their buying decision without any omission or distortion provided by the company. The company must strictly take any action as promised in the terms and conditions of the services offered to the customers. There shall be an improvement effort made to add more values to the goods and services offered in order to answer the continuously growing demands of the customers; good relationship management towards sustainable relationship; a refrainment from any action that may cause violation of customer rights and privacy, including the abuse of those pieces of information for individual benefits without an absolute rights.
- Respect the trade agreement that is based on a fair-trade competition. Consider equality, parity, and integrity in doing business for mutual benefits with partners. Have an effective partner recruitment system that builds a value chain from

partners who follow SHE standards, environmentally friendly, nurture good relationship, share and exchange information, collaborate for development and add values to goods and service for mutual growth.

- Treat partners with the law of fair-trade competition. Be committed not to seeking out confidential information from direct competitors in an unethical manner. Stay refrained from committing defamation against the direct competitors.
- Prioritized for transparency and integrity in business transaction with government authorities and stay away from inappropriate actions that may violate the good corporate governance. Stay against all bribery for government officers with an intention to gain benefits for the business.

The company provides extensive channels of communications for partner, customers, and stakeholders to provide their complaints and feedbacks and be treated with fairness in practice.

© Recaptions, Receipts and Grants of Gifts

With an intention for fair-trade competition, the hospitality, entertainment and gift practices are established based on appropriateness and good relationship as followed:

1. No taking or giving gifts or hosting events that may influence any decision. If necessary, the gifts or events that are valued more than expected. All employees must report to their supervisors or managers.
2. In case of assigned by the direct managers to work on-site at other customer's location, the policy is also the same for such occasions as winning a prize, complementary gifts, or lucky draw, etc.
3. If a representative, partners, shareholders or other parties would like to give gifts, complementary assets, and hospitality events on behalf of their company to PG employees, it must be approved by the company before.

4. The expenditure of those activities mentioned above must be in a reasonable range of budgeting.

In 2013, the executives and employees sent forth the gifts from partners to the Department of Secretary and then they were separated and allocated to everyone of the employees under the project "From Partners to PG" which was the second year after 2011. This led to the proud of being a PG employee as part of the company's success.

© Copyright Infringement

The company shall not take any action that violate intellectual properties of others. the executive directors and employees will not use company resources and assets effectively and use only those covered with its copyright properly. As a whole, the company is against the pirated versions of goods and services which violate copyrights of others. The company is thus committed that:

1. Do business with a respect to the laws, regulations and committed agreements related to copyrights.

2. Be responsible for pieces of work as the company's intellectual properties and will not exploit them for others without prior approval.

3. Respect the intellectual properties of others and will not violate other pieces of work by exploiting them for private benefits unless it is

allowed or compensated by the owner of the intellectual properties.

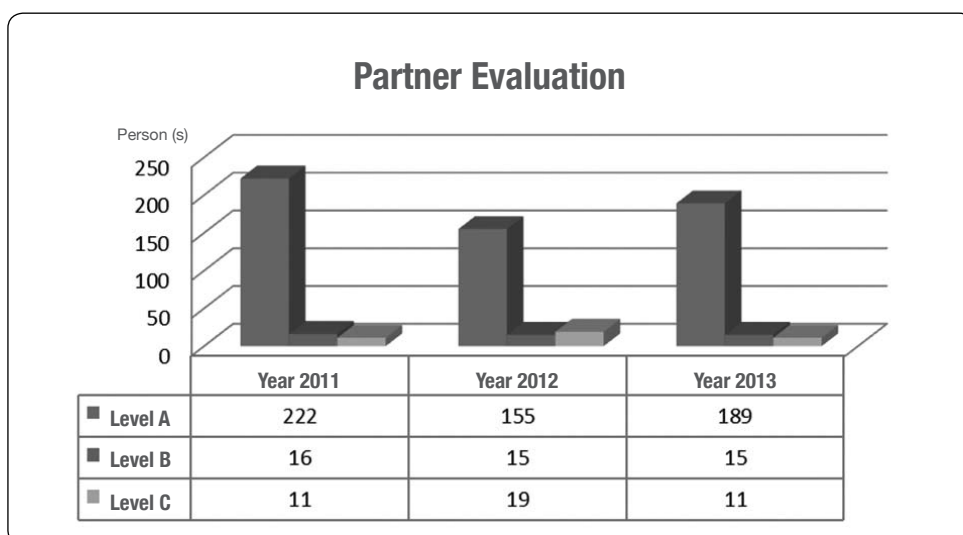
4. The pieces of work contributed by the employees at work are regarded as intellectual properties of the company. If the employees resigned from the company, those pieces of work must be sent back to the company, regardless of any recording formats.

At all times, the company explicitly expresses its commitment to all stakeholders through the production process that takes CSR concerns in mind. The Golden Certificate of Compliance from Worldwide Responsible Accredited Production is thus given to the company as an evidence for this effort.

© 2. Promotion of CSR in the Value Chain

The procurement process is a key process in managing the cost of expense and quality of the goods. To the most optimal values, the company placed a set of requirements for evaluating and selecting partners via auditing and follow-up system of Approved Vendor List as certified by ISO 9001.

The company treats all partner candidates with fairness and quality by consider their business strengths and credibility together with responsiveness to their customers. The process of listing and registering individual partners will lead to identify potential partners to work hands in hands with the company.



Ratios of Partner Evaluation based on ISO 9001

◎ Value Chain Management

The company employs the concept of sustainable business and ethical business under the good corporate governance with the mechanism and strategies that manage value chain of the company in a long-run. This will lead to more effective workflow in different department and be held as regulated policies for every department as below details:

• Production Process

The company improves the effectiveness, analyzes the process starting from raw materials to the finished goods and logistics via the LEAN production (based on PMS). This system adjusts the production process by using chip wood as the source of energy instead of gasoline, cutting off 100% of demands for gasoline. Apart from that, the company also introduces latest cooling technology "Evaporative Cooling System of EVAP" instead of Air Conditioning technology. This reduces the power consumption by 623,740 kilowatts, accounting for 86.76%. It thus increases production volumes while the effects to the production process are always kept minimized at the same time.

LEAN Production is a management tool that maximizes the performance of the production lines by focusing on the values of the production on the customers and adding values to the goods and services while removing loss occurred during the production phases. This is expected to lower the cost of production, maximize profits, and promote business values to the optimum level while the values of the products of high quality and employee engagement are still maintained in the process.

PMS is a system for management working on a real-time basis which can be used as a tool to control the production nodes in each phase, including the output. The input information is by scanning the barcodes on each output from each production team. This systematizes all the processes, making it to produce the outputs with more accurate timing. The system can display the actual volume of outputs compared against the targeted one and can help predict how a specific production line can whether or not can produce in such a volume that meet the targets.

• Partners, Suppliers, and Distributors

The company is striving to open up more opportunities for business partners because in 2013 the company was certified ISO 14001:2004 for its industrial design process and production process of menswear, womenswear, swimwear, kid's wear and weave apparel from the United Registrar of Systems (Thailand). It came with a set of policies on energy and environment conservation management that supports the partner selection and ensures that all partners in the value chain are active and meet the SHE standard. The company thus encourages partners to use environmentally-friendly from the suppliers that meet the SHE requirements or the company's requirements such as legal compliance, resource utilization and energy-saving, production control, and waste management. All of these will enhance the efficiency and the effectiveness of the business doing together and will upgrade the procurement process to be a Green Procurement in the near future.

From those initiatives, the company believes that partners, suppliers, and distributors as the company's business alliance will be able to extend the environmental conservation framework into more nodes of the value chain system.

• Customers, Consumers, and End-Users

The company realizes that business organizations will be sustainable on a condition that it needs to deeply understand the needs of the customers. Nowadays, expectation from the customers is unlimited and not scoped within what the business did to the market. However, they expect more of how the society and environment will benefit in a sustainable way from the actions by the company. So, the company builds innovations while considering the effects on society and environment and business values in mind. These initiatives include, but not limited to, identifying amount of Carbon Footprint on polo T-shirts; manufacturing Eco Yarn Dyed Look which replaces thread-dyeing by painting the whole pattern on the garment; and saving energy resources and cutting down unnecessary consumption of power.

◎ 3. Responsibilities for Consumers

The company realized that customer satisfaction and their confidence are key to success towards sustainable business growth. The best practices and policies are as follows:

1. Manufacture goods that are safe for consumers and friendly to the environment.
2. Improve by providing innovation that gives values to goods and services for the customers as well as give essential information for the customers to make a smart buying decision.
3. Do business based on integrity, fairness, and transparency; do not violate the rights of the customers; do keep customer information confidential; and do not abuse the customer information for any other purpose.
4. Do not claim, take, or agree to take assets or privileges from the customers in an unethical manner, whether express, implied or statutory.

The company will prudently manufacture products that are with high quality, durability and at affordable price. With the concern of quality and safety standard of the products, the company thus place a quality assurance in each process starting from the raw material selection, to the delivery to the hands of the customers. The assurance will help the customers stay away from risks and hazard as follow:

- Control the safety of the raw material by bringing in the REACH : Registration Evaluation and Authorization of Chemicals from EU as a baseline in determining the standards of raw material selection. So, the raw materials are free from hazardous substances such as formaldehyde or fluorescent.
- Control the safety of the products during the production process before reaching the hands of the customers including:
- Control the production site areas to be free from hazardous chemical for local and international customers.
- Examine heavy metal substance in the products such as mercury or lead.
- Examine needles or pieces of metal in the products.

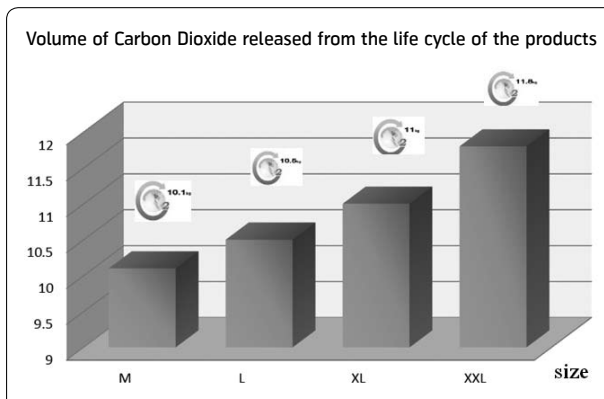
- The product packages are reusable and degradable by nature, leaving no harm to the environment.

◎ Labels of Products and Services

The company realizes the importance of labels on each products. So, it dictates that all products should be labelled or tagged with instruction, advice, or information required by the laws such as legal notice, regulations and international standard for individual products. This is for the customers to gain the most benefits from the product they are buying.



Besides, the company provides a carbon footprint on white polo T-shirts (ARROW Brand) in the size of M, L, XL, XXL. This footprint, which is certified by Thailand Greenhouse Gas Management Organization (Public Organization), Ministry of Natural Resources and Environment, indicates the volume of greenhouse effect gas (carbon dioxide) released into the atmosphere by the life cycle of the products. It also informs the customer to know that the products they before they decide to buy side by side with price and quality of the products. The label will create awareness among the customers to see more values of the products on the environment. Their decision to buy is thus considered their involvement in the company's effort to help reduce the global warming.



◎ Measuring Customer Satisfaction

The company believes that customer satisfaction is a corporate key performance indicator. Customer feedbacks are thoroughly monitored and managed. If there is a suggestion from the customers, the company will analyze and apply with the related production teams and product development team so that the new generation of the products will be much more improved.

◎ Resolving Customer's Reported Incidents

The company implemented the systems and channels to receive complaints or incidents, inquiries, and suggestions from the customers regarding the products and services from any channels they are most convenient. There are multiple channels that the customers can access such as call center which is connected to ICC International (PCL)'s database. The database of ICC is the main database of the company and ICC is also a major distributors of the company. All reports from the customers are regularly updated and resolved consistently.

◎ Communication Channels

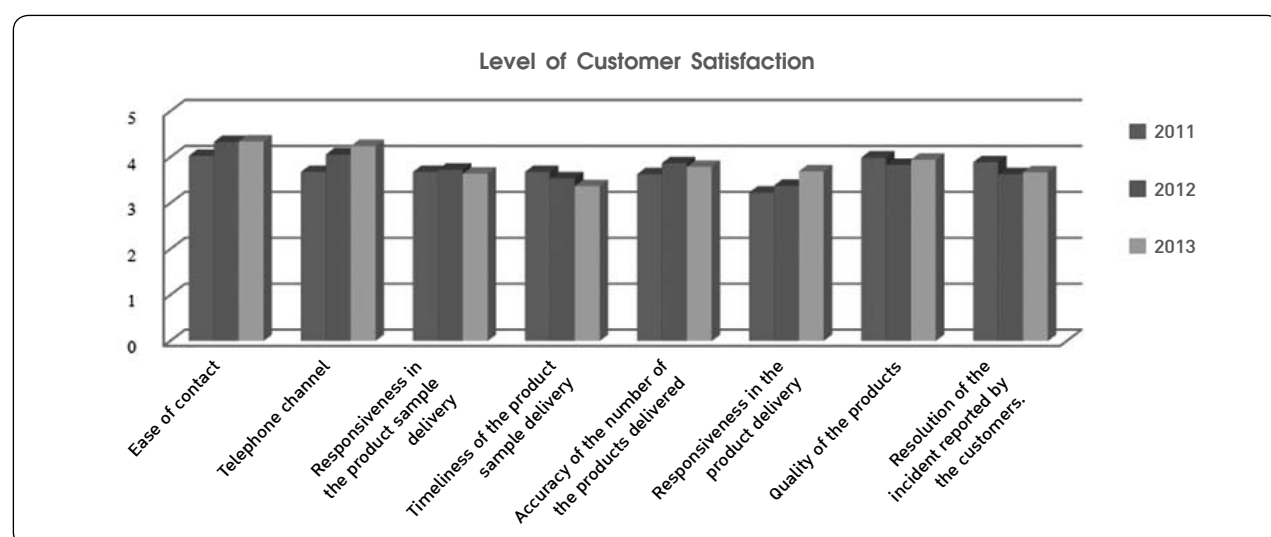
The company implemented the systems and channels to receive complaints or incidents, inquiries, and suggestions from the customers regarding the

	Call Center Number	E-mail
Business Unit 1	0-2685-6537	nutchapunpom@pg.co.th
Business Unit 2	0-2985-6566	photchamarn@pg.co.th
Secretary of the Company	0-2685-6509	suvimol@pg.co.th

products and services from any channels they are most convenient. These channels include:

Apart from this, there are several channels such as social media, website www.pg.co.th and Facebook fanpage, all of which can provide immediate responses to the changing demands of the customer, improving the effectiveness and responsiveness in communication and enhancing products displayed online for such brands as Saha Group Fair Trade Export Exhibition, the one that the company has rigorously involved. This exhibition will give another channel for the customers to browse product items and send comments and feedbacks to the company, bringing up more improvements in the operation processes.

In 2013, no significant reported incidents from the customers were found. Minor issues were analyzed for the cause and resolved accordingly to prevent future failures. All the systems were well-monitored so that the same issues were not repeated in the future.



Ratio of Customer Satisfaction based on ISO 9001

Corporate Social Responsibility

© 1. Anti- corruption

The company strictly follows the principle of transparency and righteousness in pursuit of its business operations. It advocates for anti-corruption and anti-fraud practices, as well as raises awareness, value, and good attitude of its staffs toward honesty. It organizes activities to promote and encourage executives and staffs to be compliant with laws and related company regulations. It discourages its staffs to achieve their job objectives through corruption or fraudulence. All new staffs will receive guidance and training on the company's anti-corruption policy at the new staff's orientation.

The company has clear policy on law compliance and fraudulence as follows:

- No member of the company's board, executives, and employees will conduct any activities to request or accept any assets or other benefits for themselves or for other people that are deemed to persuade others to follow or not to follow in any fraudulence acts resulting in damages to the company;
- No member of the company's board, executives, and employees will provide or offer any assets or other benefits to outside parties in order to persuade them to conduct or misconduct any practices that are unlawful or illegitimate;
- Establish an accurate and transparent financial reporting mechanism;
- Establish an effective communications channel for staffs and parties involved to report suspicious incidents or practices, provide protection for the informants, and conduct investigation of every report;

Moreover, the company has an internal audit unit responsible for providing the effective and efficient control systems, which can examine, monitor, and assess risks associated with corruption in order to prevent staffs from conducting fraudulence or being involved in any corruption/fraudulence practices. The examination committee is responsible for verifying the internal control system and follow up on the internal examination. If a fraudulence incident was detected, the internal examination unit will report the incident directly to the examination committee which will then report it to the company's board respectively.

In 2014, In order to raise the company's standard on business accountability, the company's oversight committee has proposed to the board to enter into an alliance with the collective Active coalition Against corruption in Private Sector – the proposal was approved by the board during the February 19, 2014 board meeting.

To date, the company has operated its business with integrity and in accordance with the philosophy of the founder, Dr. Thiam Chokwatana, as evidenced in 2013 where no single complaint was reported about fraudulence or corruption that involved the company.

© 2. Human rights compliance

The company places great importance on human resource. It ensures its business is operated in accordance with the law and adheres to the human rights principle. All employees are treated with dignity and receive equal respect, regardless of their colors, ethnics, religions, gender, social status, and political rights. In particular, because of the equal treatment to all employees, the company has earned the Worldwide Responsible Accredited Production (WRAP), a globally recognized labor standard.

It has strictly followed the Thai Labour Standard: Corporate Social Responsibility of Thai Business, or TLS 8001-2010 (B.E. 2553), and those provided under the WRAP, which essentially cover issues such as forced labor, child labor, respectful worker treatment, human dignity, sexual harassment, and equal employment. Specifically, the following policies are published on the company's intranet:

- a) Legal compliance and regulations for business establishments;
- b) Forced labor;
- c) Child labor;
- d) Sexual or verbal harassments;
- e) Compensation and welfare;
- f) Health and safety;
- g) Freedom of association and joint negotiation rights;
- h) Environment;
- i) Custom harmonization
- j) Security

© Measures for labor outsourcing companies

In working with labor outsourcing companies, the company's contract has clearly stipulated that sub-contract companies must fully comply with related laws (e.g. Labor law, social security and severance payment) in treating their employees. Neglect in compliance will be deemed as a breach of contract by the labor companies, which will result in termination of the contract without prior notice.

In addition, the company has provided guidance on the environmental safety, energy, and other related policies to the employees of the sub-contract companies and labor outsource companies, as well as food vendors in the canteens, cleaners and security personnel prior to their work. According to the basic human rights principle, the guidance ensures operations consistency and minimizes risks caused by misunderstanding among staff, which could lead to insecurity of staff, visitors and/or other stakeholders. Translation is also provided for foreign workers in order for them to fully understand the guidance.

© 3. Fair treatment for workers

All employees are considered the great assets of the company to achieve its business aspiration and organizational goals. The company is determined to help make its staffs feel confident and proud of the organization. It treats the employees with equity and without preferential treatments. It supports and enables a collaborative environment conducive to generate new innovations and technologies to advance their work. The company's fundamental policy is to foster unity, confidence, and trust among staffs, as well as to treat one another with respect, dignity, based on the individual rights.

The company has established the welfare committee and the labor management relations policy to enable the staffs to participate in welfare management. The committee assists employees with issues related to their welfare, promotes and supports their rights, and enhances their quality of life in order to work effectively and happily.

The company's policy and guidelines for staff treatment aim to:

1. Treat all staffs with respect, dignity, based on the fundamental rights. No confidential information of staffs will be disclosed or shared with unauthorized persons or parties outside the company;
2. Adhere to the legal framework and company's regulations in staff treatments;
3. Promote equal employment, with no preferential treatment or discrimination against gender, colors, religions, age, disability, or other status not directly related to the work objectives;
4. Support and advocate for training, exchange of knowledge in order to advance staffs' capacity, thereby creating job security and career advancement for the staffs;

5. Encourage staff to participate in the company's operations and development;
6. Provide fair compensation for staffs based on knowledge, capacity, duties, responsibilities, and past performance;
7. Provide appropriate welfare and benefits for staffs, such as health insurance, provident fund, savings cooperative;
8. Open communications channels for staffs to provide comments and feedback about their work which will be used to establish good work relations and determine appropriate benefits for all;
9. Provide facilities and tools necessary for staffs to perform their works based on staffs' safety and vocational health to enhance their quality of life;
10. Encourage staff participation at all levels in the corporate social responsibility activities.

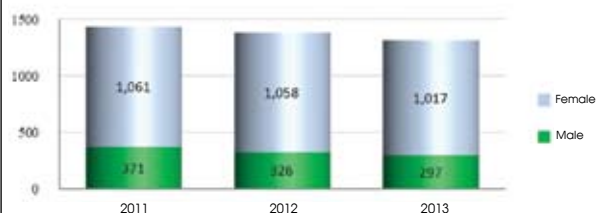
◎ Staff recruitment and employment

In recruiting new employees, the company strictly adheres to the merits, equality, morality, and business necessity as the basis for the recruitment, selection, and hiring of new employees to ensure the "good" and "competent" persons with attitude towards the company's philosophy and culture will be acquired.

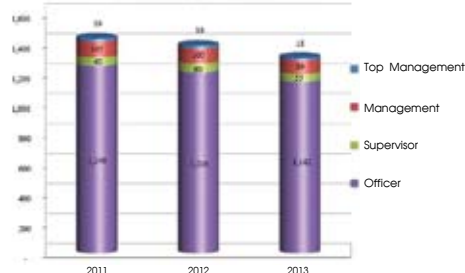
The selection process and recruitment are clearly written and undertaken with transparency and fairness. To increase career advancement, recruitments are undertaken both for internal staffs and outside candidates.

In 2013, the company's total staff was 1,314 persons. The average age of staffs was 38 years, with the average work year of 9.7 years.

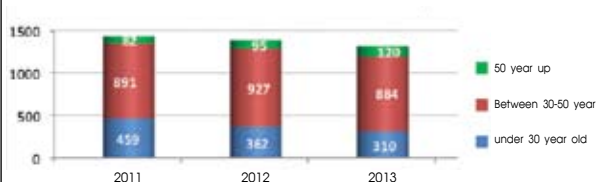
Total Number of Employees Classified by Gender



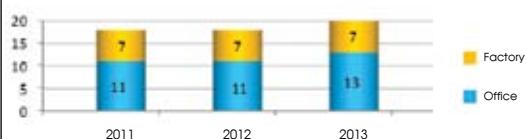
Total Number of Employees Classified by Level



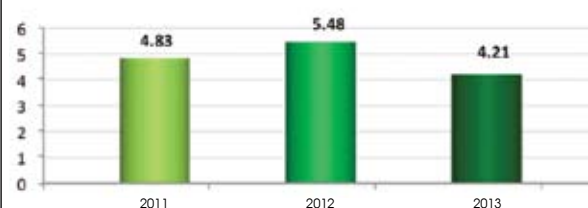
Total Number of Employees Classified by Age Range



Rate of Working Experience

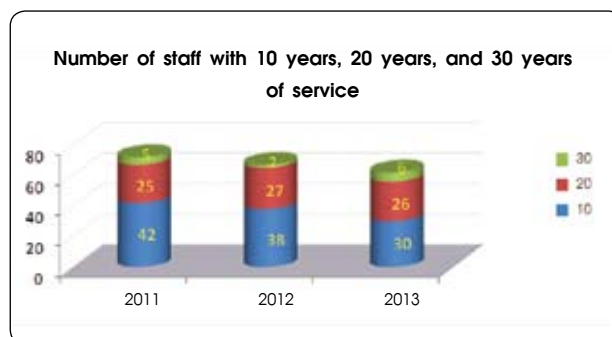


Rate of Employee Resignation (%)



• Employment of people with disability

The company has recognized the potential and capabilities of disabled people. Since 2002, it has consistently employed people with disability, provided them with the facilities and tools that enable them to work and live safely and conveniently in the company.

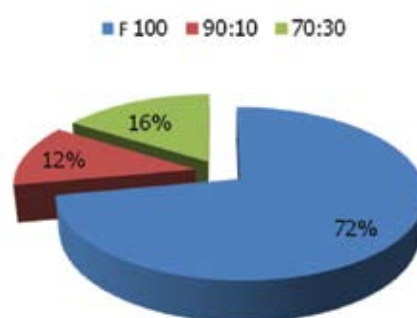


© Payments, salaries, compensations, and welfare management

- The company's payments and compensations policy is based on the principle of fairness appropriate to the staff's duties, responsibilities, and capabilities, without considerations of gender, sexual orientation, and disability. Comparative packages with other similar industries are also offered to attract good and competent people to work for the company and retain existing staffs to advance their careers.
- Appropriate welfare is provided for staffs based on the prevailing social and economic conditions, as well as business requirements. In 2013, several changes in the staff welfare were introduced:
 - Increased value amount of the recognition awards for staffs who have worked for the company for a long time in order to boost their morale and maintain good relationship with the company. Based on current inflation rate and cost of living, the adjusted increases were applied to staffs with 10, 20, and 30 years of service as described in the chart below.

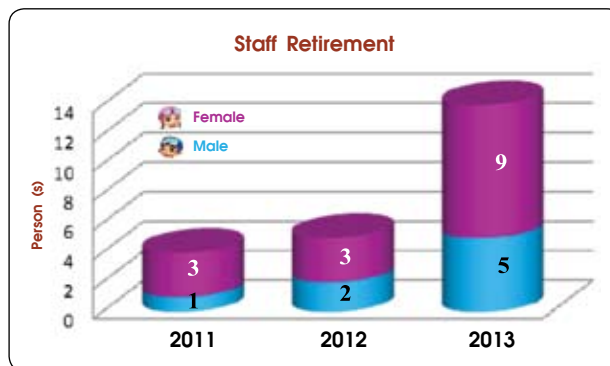
- Provident Fund - In recognition and respect of the human rights, the company has offered additional investment options in the provident fund for staffs' personal retirement from one option to three options. Fund members can choose the options best suited for them based on their needs, life attitude, and risk absorbing abilities.

**Staffs' secection of different investment options
(as of Dec 31, 2013)**



Type	Fixed Income Security	Equity Instruments	% chosen
F 100	100	0	72
90:10	90	10	12
70:30	70	30	16

- o Savings Cooperative for Sahapat Group's Employees - To promote the culture and good habit of savings, the savings cooperative has been set up to provide staffs with financial needs and to provide staffs with a tax exempted, low risk and high return investment option. Within the first four and half months since its opening on August 16, 2013, a total of 242 members have joined the cooperative.
- In addition to the general staff welfare package, the company has provided special assistance to employees who were affected by the severe flooding in Prachinburi Province last year. Staff volunteers were mobilized to help clean up the flooded houses after water receded.
- With regard to nutrition, the company's canteens are available for staffs and people nearby to enjoy clean and nutritional food with reasonable prices. To ensure high environmental health standard, the company's environment and sanitation division provides training to the cooks and food preparers prior to their work in the premises. Random checks for food quality are conducted every year to ensure no contaminations were found in the food.
- As for staff retirement, the company offers special pension fund for staffs with long service years in addition to the standard retirement benefits as required by law.



◎ Personel development

The company's human resource development is based on the principle of integrated knowledge, and in accordance with the company's policies and prevailing situation. These criteria will enable staffs to have the knowledge, skills, and multi-faceted capacities necessary for their jobs, as well as morality, ethics, and good quality of life.

To implement this principle, a training need survey was conducted to understand staffs' needs for training and development. A culture of continuous learning was introduced in the organization where appropriate courses were developed for different jobs; new practical knowledge is used on their jobs; proven applications are translated into practical guidebooks; and new innovations are incubated. Staffs are also encouraged to practice and review their knowledge regularly and participate in learning and sharing of their experiences with peers to institutionalize new knowledge within the organization.

The company puts close attention to the On-the-Job Training (OJT). Experts in different fields will support trainees during the training in order to ensure they would be able to practically apply the new knowledge to their work, leading to tangible and low cost results under the real situation.

The comprehensive human resource development program is designed in response to the company's operations and the learners' needs. In 2013, an average hours of training per person was 4.39 hours per year, a 2.42 hours increase from the previous year. The trainings can be grouped in four main categories:

1. Occupational Safety, Health and Environment trainings provide the knowledge and awareness for staffs on the OSHE subjects in order to help them perform the jobs well and safe based on the international standards, regulations, and the company's business operations;

2. Work skills development trainings offer the knowledge and skill sets necessary for staffs' performance. In designing these training courses, staffs' responsibilities, company's vision and policies were taken into consideration to develop the curricula that would best enable the operations to increase job effectiveness and efficiency.

With respect to occupational development, a special training "Analyzing Your Work to Increase Performance and Effectiveness" was given to skilled sewing workers to optimize the production to meet the set targets and deadlines. The training was conducted by in-house engineers and experienced production chiefs.

The company has continuously developed and advanced its marketing strategy in order to remain competitive with other business competitors and to prepare for the upcoming ASEAN Economic Community in 2015. Technical trainings are given for staffs to learn how to analyze the markets, clients, and competitors, as well as to learn the art and science of business negotiations, marketing promotion tools, and marketing innovations.

3. Energy management and conservation training develops the knowledge, attitude, and desired behaviors that foster team work spirit. The regular team building training allows staffs to accept the value of working together as a team, thereby making them enthusiastic to help their peers and dedicated to work effectively towards the company's goals.

The company strives to nurture staffs' conscious on participatory management and utilization of the company's resources through implementation of the international environment standard. All staffs must undergo ISO 14001:2004 trainings and seek to use clean technology to

advance their performance – with a co-benefit of cost saving across the company.

4. Quality of Life and other trainings aim to instill the mindset of staffs on "determination, positive thinking, responsiveness, and receptive to change" through in-house radio broadcast and training on "Enjoy a happy life with fun work", which nurtures the work-life balance for employees.

In addition, the company has organized training on personal financial management under the "Personal savings and financial management" Program, in partnership with the Center for Promotion of Equity Market Knowledge Development, the Stock Exchange of Thailand. The program supports training of 37 staffs to become advisers on personal savings, book keeping, debt restructuring, and long-term financial planning. The company aims



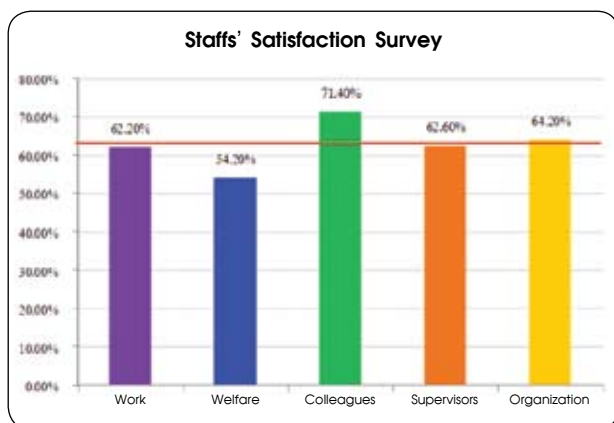
to upgrade the staffs' quality of life by joining the People's Bank's credit program of the Government Saving Bank, which offers low-interest loans as an additional welfare for staffs.

After the trainings, a monitoring and evaluation procedures were undertaken to determine the training effectiveness on the staffs' performance. Both quantitative data and behavioral data are collected to help trainers improve the trainings and staffs' performance.

The company's "Kaizen Group" and the Innovations Development Group, under the Sahapat Group of companies, organize self-learning activities for staffs to keep themselves abreast of the latest in their fields. In addition, the company's library houses a variety of books, computers and other audio-visual

equipment for staffs to access to information from different sources - an environment for the company to become the learning organization as envisioned in the company's long-term human resource development strategy.

To advance the personnel development goal, the company has conducted a staffs' satisfaction survey, in partnership with the Human Resource Institute, Thammasat University. The survey measured staffs' satisfaction in five categories - work, welfare, colleagues, supervisors, and organization. Survey results showed most staffs were satisfied with working with the company in all categories - the average score for all five categories was 3.16 (out of 5.0) or 63.2 percentile. The results helped the company to carry on its operations in all aspects in order to increase staffs' satisfaction with their jobs, thereby creating the joint efforts and devotion toward the organization's success.



In 2013, a total of 75 trainings in four major categories were undertaken:

- Safety, vocational health, and environment
- Work skills development
- Management
- Quality of life and others



• Number of staffs trained (disaggregated by sex)

Total staff (2013): 1,373 persons

Male: 315 persons (23%)

Female: 1,058 persons (77%)

All staffs were trained on ISO 14001 : 2004



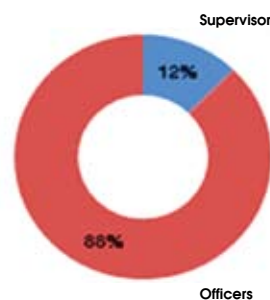
• Number of staffs trained (disaggregated by position)

Total staff (2013): 1,373 persons

Male: 170 persons (12%)

Female: 1,203 persons (88%)

All staffs were trained on ISO 14001 : 2004



2011

© Work-life Balance

The company places great importance on the staffs' good quality of life. It has organized activities to increase happiness of staffs as it believes a happy staff will lead to increased productivity and efficiency. Volunteer activities have provided opportunities for both staffs and the company to assist needy people, under the "Happy 8 Workplace" concept which will drive the company toward a healthy organization. This concept is implemented through different activities as follows:



- Free cervical cancer screening by Bangpakok 8 International Hospital;
- Free bone density test by Anlene milk product company;
- Free screening of work-related risk factors (e.g. lung fitness, hearing capacity, chemical content in body) based on work type;
- No smoking, no alcohol, no drug campaigns, as well as safe driving and no drink-driving campaigns;
- sports events

© Happiness 2: Happy Heart

- Blood drive with the Thai Red Cross Society every three months (77,000 cc of blood donated).
- Donation of used calendars to the Educational Technology Center for the Blinds (180 calendars were donated).
- Hampers for sick staffs at their houses or hospitals as a gesture of care from the company.



© Happiness 1: Happy Body

The following activities and services are provided to all staffs to nurture a happy body :-

- A sick ward with medicines and supplies operated by experienced doctors and nurses;
- Personal hygiene and general medical check-up;
- Body stretching activity every day;
- Free mammogram service by Siriraj Hospital;

© Happiness 3: Happy Society

- Tree planting campaign. A total of 7,120 seedlings were given to staffs to plant at their houses to instill the mindset for environmental conservation mindset and greenhouse gases reduction;



- Recycling campaign for staffs to sort and sell recyclable wastes (e.g. milk cartons, plastic bottles, paper) and donate the proceeds to Wat Phra Singkhueng and Wat Khilek, Lumpoon Province;
- Big clean-up day to help staffs whose houses were affected by the flash floods in Kabinburi last year. The activity was also aimed to instill a sense of support among staffs.

© Happiness 4: Relax

- Charity Mother's Day concert with the proceeds (12,000 baht) donated to the Bang Pakong Home for Persons with Disabilities, Chachoengsao Province (August);
- Kabinburi Karaoke Contest (November);
- PG Got Talents For Dad (December)



© Happiness 5: Happy Brain

- Technical trainings on a wide range of topics, including marketing, management, quality of life, and occupations;



- On-the-Job Training (OJT) with experts to provide practical trainings to staffs to accelerate their learning which leads to measurable results at low cost;
- Lifelong learning culture through provision of books and access to knowledge via multi-media sources (e.g. CD, DVD, internet).

© Happiness 6: Happy Family

- Children's Day activities to promote the family bonds between staffs and their children.
- Breast-feeding corners inside the buildings to promote breast feeding among young mothers.



© Happiness 7: Happy Money

- “No Alcohol for Khao Phansa” campaign to promote reduction of alcohol consumption during the Khao Phansa (Buddhist Lent) period – the tactic that helps staffs maintain healthy lifestyle, while also being socially responsible and save money.
- “Personal Savings and Financial Management” Program, in partnership with the Center for Promotion of Equity Market Knowledge Development, the Stock Exchange of Thailand. The program supports training of 37 staffs to become in-house advisers on (1) personal book keeping, (2) supplement income jobs, and (3) the Government Savings Bank for the People to help alleviate household debts of staffs.
- “Meet the Producers” fairs brought in producers of various consumers products (e.g. fruits, processed foods, and frozen foods) to sell their products directly to staffs at the lower-than-retail prices.



© Happiness 8: Happy Soul

The company has organized the following activities to conserve and carry on Thailand's good culture:-

- Merit making on special days, such as the New Year's Day, company's anniversary, Songkran Day.
- Songkran's water pouring ceremony for senior staffs.
- Procession of “Thien Phansa” (large candle for the Buddhist Lent's ceremony).
- Invention of banana-leaf “krathong” for the Loy Krathong ceremony – a practice that promotes environmental conscious among staffs.



◎ Management of Occupational Safety, Health and Environment

The company has paid serious attention to the management of Occupational Safety, Health and Environment (OSHE) work on a continued basis by laying down clear-cut policies and prescribing tangible measures. OSHE professionals are hired to work at the company full time to handle three main areas of work: Safety and Occupational Health, Promotion of Health, and Environmental Management. OSHE work is handled via:

1. Occupational Safety, Health and Environment committees

Business Places	Legal Stipulations		Arrangements by the company			
	No. of Employees	No. of Committee Members	No. of Employees	No. of Committee Members		
				Male	Female	Total
Headquarters	500 or over	11	516	11	2	13
Wellgrow	100 - 499	7	142	8	3	11
Lamphun	100 - 499	7	464	11	4	15
Kabin Buri	100 - 499	7	229	9	2	11
Total			1,351	39	11	50
			Percentage (%)	78	22	100

2. Occupational Safety, Health and Environment Teams

Business Places	Headquarters			Wellgrow			Lamphun			Kabin Buri		
	No. of Team Members			No. of Team Members			No. of Team Members			No. of Team Members		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
1. Executive Level	7	21	28	0	1	1	2	1	3	2	0	2
2. Supervisor Level	18	50	68	3	13	16	7	23	30	7	4	11
3. OSHE professionals	2	1	3	2	1	3	2	1	3	1	0	1
Total	27	72	99	5	15	20	11	25	36	10	4	14
Percentage (%)	27	73	100	25	75	100	31	69	100	71	29	100

OSHE professionals who have worked full time at the company who graduated the Bachelor of Science (Public Health) Program in Occupational Health and Safety, Faculty of Public Health and the Bachelor of Science Program in Occupational Health and Safety, School of Health Science.

◎ Safety Management

• Compliance with Laws

The company has placed a strong emphasis on the need to strictly comply with safety and environmental laws. Both OSHE policies and environmental policies, therefore, have been laid down as guidelines for its employees. The company has also assigned its OSHE units to constantly monitor laws updates and ensure compliance with laws. An assessment panel is also in place to evaluate the company's environmental management system at least twice a year. As a result, the company has achieved full compliance with OSHE-related laws. It has never been fined nor punished by any other measure for the non-compliance.

• Promotion of Safety and Health-Conscious Culture

The company has carried out many activities in pursuit of the “Zero Accident” goal every year. In 2013, the activities focused on the prevention of accidents both during and beyond work hours by promoting the safety- and health-conscious culture for employees at all levels. The activities included the Safe Use of Chemicals training course, the Basic Firefighting course for employees in general including two evacuation drills designed to address both regular and overtime work shifts, and the Safe Motorcycle Driving course. With trainers from the Thai Red Cross Society, the company also arranged the Basic First Aid Training and the Comprehensive First Aid Training. Moreover, the company took measures to prevent seasonal diseases and promote healthcare among its employees. To promote safety, cross audits were conducted along with several activities such as the Work Safety Exhibition, the Five Sor (Organizing, Being Neat, Cleaning, Standardizing and Discipline) for Safety, and the educational visits for safety and environmental knowledge.



Basic First Aid Training



Firefighting Training

In addition, the company arranged the Advanced Fire Fighting Training Course for its firefighting teams at all its business places to ensure that they have knowledge and skills needed to control and extinguish fire. The course was designed to teach them to handle fire-extinguishing tools efficiently, to plan fire prevention, to accurately assess the situation and to draw up efficient fire-response strategies. Participants were taught techniques and tactics to control the blaze even with limited staff, to rescue victims, and also to lead the firefighting operations. The Advanced Fire Fighting Training Course was held on 13 and 14 September 2013. Trainers came from the disaster-prevention-and-mitigation unit of Lamphun City Municipality, Lamphun province.



Advanced Fire Fighting Training Course for the company's firefighting teams

• Management of Risks and Business Continuity in Case of Fire

To build confidence among stakeholders, the company has prepared a Business Continuity Plan (BCP) in case of fire. If a fire erupts, the company's production department may be unable to produce ready-to-wear garments due to these reasons: 1) Being unable to access its factory and machinery, and 2) The factory and the machinery suffer severe damage. The BCP is designed to properly respond to and deal with emergencies involving fire. This will allow uninterrupted production of ready-to-wear garments at a substitute factory until the main factory can resume operation. The BCP consists of a process of implementation in dealing with particular events, and carrying out of business during the recovery until a return of normalcy. The goals are to recover within three days after announcement of an emergency, to achieve a minimum output of 50 per cent of the normal capacity, and to minimize any loss of customers, financial loss, and also any damage to the company's reputation.

• Rehearsal of Emergency Plans and Preparations for Disasters

The company places much importance on emergency responses and necessary preparations to effectively deal with disasters. A contingency plan is made to set guidelines and measures of implementation. There is also a plan for rehabilitation and relief, and there are guidelines as to how to coordinate with outside organizations. The plans specify the role and duty of the personnel from different sections. And there are regular drills on cases of emergency, at least once a year. These are aimed at lessening impacts on the lives and assets of the company and employees, and at increasing confidence to the organization's stakeholders and the nearby communities. Drills for emergencies include fire drills twice a year (for day shifts and overtime shifts), emergency plans for steam-boiler leak or explosion and for chemical or oil leak. There are also plans to deal with other disasters such as evacuation plans in case of earthquake, flood, or chemical/oil leak.



Fire evacuation drill during overtime work shift



Chemical-leak response drill

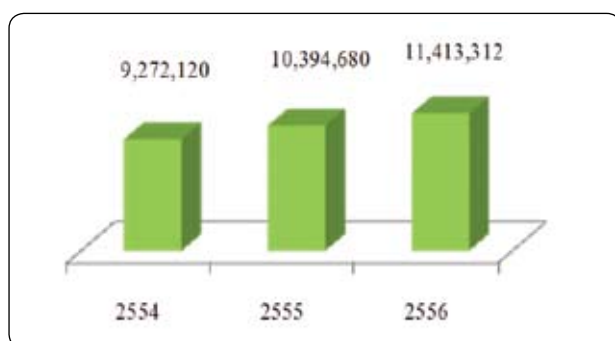


Earthquake response drill

• Chemical Management

The company prepares a Safety Data Sheet (SDS) about all the chemicals being used in the whole production processes. These are 16 types of physically harmful chemicals under the Globally Harmonized System of Classification and Labeling of Chemicals (GHS). This system allows people involved to deal with chemicals safely. There are toolkits to contain chemical leak, emergency eye wash and shower equipment available at the work site. Those responsible for working with the equipment are also trained to ensure that they can use the tools effectively.

Thanks to those pre-emptive measures of accident prevention, the company has been free from any work-related accidents that lead to work stoppage, illnesses or diseases. The company in 2013 was awarded with a gold plaque of excellence (for having been free from work-related accidents for a continuous period of 11,413,312 work hours). This was the sixth consecutive year that the company received the award from the Labour Ministry under the Zero Accident Campaign to reduce the number of work-related accidents to zero. The company in 2013 also received an outstanding safety award in occupational health and workplace environment from the Labour Ministry for the third year in a row.



Number of work hours free from accidents causing injuries that lead to work stoppage



The company won a gold plaque of excellence for its "Zero Accident Campaign" in 2013

◎ Occupational Health and Health Promotion

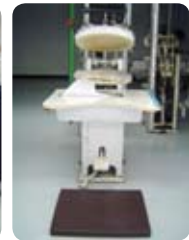
• Guidelines on Work in Sitting/ Standing Positions

In the production process, the company's employees are required be in certain sitting and standing positions at work. They as a result have limited or repeated movements for a long period of time, which could lead to tiredness in their neck, shoulders, back, arms, hands, fingers and toes. The company therefore sets up an ergonomics program to help prevent work-related health problems. The program has laid down the following guidelines.

- Chairs with backrest are provided to support the lower back of employees. The chair's height can be adjusted to fit the person's height. There is sufficient leg room below the desks.
- Mats are provided to help reduce fatigue for employees who have to stand for a long period of time while working. These include those who do ironing and check of fabric quality. The height of ironing machine can be adjusted to fit the height of employees using it. Seats and chairs are also provided to employees who may need a break to sit down during work hours.

- o The company also has an exercise program to help prevent muscle injury or work-related illness. Its safety department has worked with physical-therapy experts from the Somdet Chaopraya Hospital in studying the three different types of work at the company: office work, production and warehousing. The findings are used to design exercise positions for employees in each type of work. Launched in 2008, this exercise program has been implemented for six consecutive years already. The muscle-relaxing positions are changed every three years. Evaluation of the project through questionnaires found that as many as 90 per cent of the employees reported that their back pain lessened. Most employees said that they could bend down and stand up better than before.

The health-promoting program has allowed the employees to work more happily. They now have enjoyed physical and mental health, as well as improved quality of life. Moreover, their families also benefit from this program, which helps prevent muscle injuries and work-related illnesses and improve the work efficiency and production capacity.



The company is featured in the "Fat Fact" TV program, which is broadcast on ThaiPBS

© 4. Community and social Development

To get involved in community and social development is the practical approaches in the operation of this Company. The Company holds true to the ideologies in operation for social development and community with sustainability, together with the reduction of impact on society and the environment. The Company plans to implement the social and community development activities that could meet the needs of the community along with the operation of the organization.

The Company has established a framework for improving the quality of community life and society in the area around the office and factories as follows:

1. Promoting learning for youth and develop skills that benefit to the occupations.
2. Conserving of natural resources and the environment.
3. Supporting employment within the community.
4. Promoting good health within the community.

◎ The Paths to Promote and Develop the Communities and Society

Education	- Summer Internship Program with SAHA Group Project - Education Support for Chalermprakiet 48 Pansa School Project - Life Changing Operating Project - Flow from PG Heart to Countryside Project	- Flow from PG Heart to Countryside Project		
Environment	- PG volunteer projects for sustainable protected forest	- The Trash Recycle PaPha Project - World Environment Day Project - Tree Planting Chalermprakiet	- PG Preserve The Earth, Reforestation, Environment Conservation Project	- Donate Beverage Carton to Recycling Center Project
Society	- Blood Donation Project	- Blood Donation Project	- Blood Donation Project	
Economic and Occupation	- Factory visit Project			
Health		"SAHA Premier League" Project	"Anti-Drug Community Relations SAHA Triathlon" Project	
	Headquarter	Lamphun	Kabinburi	Wellgrow

In 2013, The Company, together with the headquarter, branch factories in Lamphun, Kabin Buri and Wellgrow have been participated in 6 community development and social activities as follows:

◎ Education

• SAHA Group Summer Internship Program Project

In 2013 the Company began to participate in SAHA Group Summer Internship Program to encourage students from universities, both public and private to join the internship during their summer break. This will allow each student to apply his or her knowledge into an empirical work and be prepared before stepping to work in the real world.

In addition, the Company also include student with hearing impaired from the Faculty of Arts, major in fashion design, from Thammasat University, to become an intern in the fabric designing unit and having one of his design accepted into production. The fabric design of Owl Preserve the Earth –a Swoop branded T-shirt which is a house brand was produced for the 17th SAHA Group Fair Trade Export Exhibition on 27 to 30 June 2013.



Student Design

• Education Support for Chalermprakiet 48 Pansa School in Lampoon Province Project

The Company together with The Thai Sport Garment Co., Ltd. (joint venture) donated funds to the Chalermprakiet 48 Pansa School for impoverished girls in the remote areas to prevent them from becoming child prostitutions and to support AIDS orphans and children who have been abused. The project includes disadvantaged children and needy to receive a good care and education in order that they may not become a burden to society in the future and can live a normal life in society.



• Life Changing Operating Project

The Company and Dr.Tiam Chokwadhana Foundation have been helping Ms. Mantra Sriyouklad, a student at Nongyaplong School in Phetchaburi Province continuously for three years, by providing scholarships and support for her family's small grocery shop in order to generate income for her family with a sustained quality of life.



• Flow from PG Heart to Countryside Project

The Company's main objective is to support the education for students in various remote areas with teaching equipment, scholarship, sport equipment and necessary supplies for both students and schools. The Company has been implementing this program consecutively for the last 10 years.

In 2013 the Company launched the project at Wat Ban Kruay, Amphur Sri Prachan, Suphanburi.

© Environment

• PG Volunteer for Sustainable Protected Forest Project

The Company realized the role to participate in environmental conservation by reforestation activities that the planted trees must be regularly monitored seriously to restore the ecosystem back to its normal stage. By enlarging existing forests through combining several separate parcels of forest lands located nearby into a single forest, such as Tharid Forest, Lam Praya Klang Forest, Lam Thonglang Forest into a single large forest. Those forests are the watershed areas for Pasak Cholasit dams, a significant dam in the central part of Thailand. This dam stabilizes the water resources of the country and also restores the ecosystem back to its nature. As a result, the temperature cools down and helps to reduce the Global Warming's effect. The wildlife habitat was restored and sustainable balance of nature was then regained. The Company decided to operate under the name "PG Voluntary for Sustainable Protected Forest" by planting forests and nurture them for a period of 10 years starting from the year 2012 onwards, The Company has been working with the Department of Forest Resource Management 5 (in Saraburi) to choose types of trees to suit the ecology and nurture them until they grow big and strong.

In 2013 the Company chose to work with the reserved national forest of ThaRid Forest, Lam Thong Lang Forest, Lam Phaya Klang Forest in Tambon Phaya Klang , Amphur Muaklek, Saraburi Province.



In 2013 the Company organized a tree planting activity and giving employees a total of 7,120 tree saplings which could absorb carbon dioxide (CO₂) from the air at the amount of 178 Ton CO₂.

• The Trash Recycle PaPha Project

The Company encourages employees and community to gain more knowledge in trash sorting and making contribution to the environment. In 2013, the Company joined with Barnklang municipality in Lamphun province to participate in The Trash Recycle PaPha Project so that employees could participate in sorting valued trashes such as milk cartons, plastic bottles, paper and made a donation from sales to the charity events of Tod PhaPa at Wat Khoeng Wat Phra Singh Koeng and Wat Kong Kham, Tambon BarnKlang, Amphur Muang, Lamphun to be used for public interest. The Company has been continuing this activity for three consecutive years.

• Donation Beverage Cartons to the Recycling Center Project

The Company organized the “beverage carton bank” and supported all employees in the organization to collect the used cartons. The Company



then donated them to a recycling beverage cartons center for recycling into a piece of Green Roof and gave them to the Green Roof Project of Princess Pa Foundation at the Thai Red Cross to support housing maintenance of flood victims in different areas, including giving some to the poor.

The Company has operated the above project for 4 years consecutively since 2010 and able to collect beverage cartons for the total of 211,683 boxes which could be recycled into 106 green roofs used for roofing 3 single houses each required 30 square meters of roofs and able to reduce the carbon dioxide gas from burning or landfill at the amount of 1,905 kgCO₂ and thus further save spaces for landfill.

◎ Society

• Blood Donation Project

The Company encourages employees to participate in donating blood regularly every 3 months to help sustain other life. By donating blood regularly, the donors will make a healthy body because the body will create new blood cells to replace the old ones. This also raises the awareness among the donors with social consciousness. In 2013, the employees donated blood at 77,000 cc.

◎ Economic and Occupation

• The Factory Visit Project

In 2013, the Company partnered with Toyota Motor Thailand to organize a social development program called “Social Innovation” which help to build a society with a sustainable economy among the local business entrepreneur. Toyota adopted the TPS (Toyota Production System) to develop business and

manufacturing systems with effectiveness and cost reduction, which is the principle of continuous improvement. This assistance to the community is provided at no cost. The Company participated by giving know-how derived from being the apparel manufacturing including the skills and technologies. HART sportswear company, an SME in Kanchanaburi producing t-shirts was invited to study the process of Polo Shirt manufacturing at the plant in Kabinburi. These are good ways for knowledge exchange, a good part of doing the CSR with Toyota, a fulfillment of our business policies, coupled with an involvement in helping develop other Thai business enterprises.



◎ Health

• “SAHA Premier League” Project / “Anti-Drug Community Relations SAHA Triathlon”

The Company, in cooperation with the SAHA personnel executive club, organized “ SAHA Premier League” and “ Anti-Drug Community Relations SAHA Triathlon “ for the year 2013. Other than having employees of the Company and employees of other companies in SAHA group joining in this competition, people from the neighboring communities will also participate as athletes in this event in order to create a good relationship between employees and the communities. Employees who do not complete in the event could participate as a cheering team which created so much fun for the employees and the communities.



◎ Others

• Chalmphrakiat Activity

The Company and The I.C.C. International (Public) Co., Ltd. made merit together by giving alms to Buddhist monks on December 4, 2013 to give royal charity to the King and mark the King's 84th birthday anniversary of His Majesty King Bhumibol.



• Dr. Thiam Chokwadhana Foundation

This is a non-profit organization with the intention to promote public participation and cooperating with other charitable organizations in the area of education, religion, community, society, and mitigation and to support and sustain society in a way that is not contradict to morality.

The foundation also support and promote environmental and natural resources conservation, Including promoting national development in various fields. The center could be a place that companies and employees in SAHA group could join in to make merit and benefit to society.



• Thai Red Cross

A donation for “The Bhumisiri Mangkhala Anusorn Building Construction Project” (formerly “building project for combined medical treatments for the King Commemoration”) a center of medical excellence at Chulalongkorn Memorial Hospital, Thai Red Cross, This is the fifth consecutive years (2009 – 2013) of support with the amount of donation 1,000,000 bahts.

• Ramathibodi Foundation

A donations to Ramathibodi Foundation, Medical Center, Ramathibodi Hospital for The Organ Transplant Center at the Queen Sirikit Medical Center. The center is designed to become a modern and combined centers for organ transplant at the international level and replace the out-of-date centers of the Heart Center, the Stem Cell Transplantation Center, the Liver Transplantation Center and the Kidney Transplantation Centers in order to help patients to have a new and normal life. The Company provided support in the amount of 30,000 bahts.

In addition, in 2013 the Company has sponsored contributions and donations for various projects, both in the public and private sectors. The Company provide support for the following activities in the community and society as follows:

Date	Support	Amount (Bahts)
Jan 9, 2013	The Organ Transplant Center Project, Sirikit Medical Center, Ramathibodi Hospital	30,000
Jan 31, 2013	Children's Activities on Children's day at Wat Dokmai School in Bangkok	20,000
April 9, 2013	Maintenance support for Wat Thongbon in Bangkok	7,000
Oct 3, 2013	“The Bhumisiri Mangkhala Anusorn Building Construction Project” in the Chulalongkorn Memorial Hospital	1,000,000
Oct 18, 2013	The restoration of the Grand Hall, Wat Rajasitharam in Bangkok	10,000
Oct 27, 2013	Thod Kathin Ceremony at Wat Sitthisarnpradit(Wat Khok Yang) in Narathiwat Province	10,000
Nov 2, 2013	Thod Kathin Ceremony at Wat Khao Ruak in Lop Buri Province	6,000
Nov 7, 2013	Thod Kathin Ceremony for the pavilion construction at Wat Phothikhun in Tak Province	5,000
Nov 17, 2013	Construction support for a dhamma retreat building at Wat Dannai, Nakhon Ratchasima Province	5,000
Dec 14, 2013	Education equipment for Chalermprakiet 48 Pansa School in Lampoon Province	100,000
Dec 17, 2013	Education and Development Support for Wat Boonralkaram in Surat Thani Province	5,000

◎ Handling complaints from the community

The Company was aware of cultivating and developing the awareness among the board of directors, management and employees to engage in social responsibility and concern with community that may be affected by the operations of the Company. Moreover, the Company has joined the Corporate Social Responsibility - Department of Industrial Works (CSR-DIW) and has been certified by the Ministry as a responsible entrepreneur participants with continuity and sustainability (CSR - DIW Continuous). It is apparent

that the Company has not received any complaint from the community around the site since the operation begun.

The Company is committed to maintain the quality and standards of operation and continue to improve and not to cause any negative effects to society and to the communities.

© Participation with the Stakeholders

The Company has conducted a survey of the needs from stakeholders in all sectors. And held a dialogue with 9 groups of stakeholders including shareholders, employees, communities and society, partners, customers/consumers, competitors, creditors, government agencies and the media to acknowledge what was to expect from the need of each stakeholder and able to respond accurately with proper engagement.



No.	Stakeholders	Participant Communication Processes	Expectation Issues	Responses
1	Shareholders	Report : Company Annual Report/CSR Report, Good Corporate Governance Policy Meeting : Annual General Meeting Activity: "Analysts and Investors Meet SAHA Group, 5th " Activity Communication Channels: Company website/ SET News	<ul style="list-style-type: none"> ■ Returns and Organization Growth ■ Transparent Operation, Could be checked 	<ul style="list-style-type: none"> ■ dividend
2	Employees	Report : Company Annual Report/CSR Report Meetings: Activities: <ul style="list-style-type: none"> ■ Anniversary Event ■ Employee Orientation ■ Employee Relationship Building Activities Communication Channels: <ul style="list-style-type: none"> ■ Intranet ■ Information Board ■ E-learning ■ Intercom 	<ul style="list-style-type: none"> ■ Compensation and welfare ■ Employee Development Project 	<ul style="list-style-type: none"> ■ Building relationship with employees ■ Employee Development Project ■ Activities to build employee's engagement
3	Community and Society	Activities : <ul style="list-style-type: none"> ■ Community Dialogue Activities ■ Meeting ■ Feedback 	Environment and Safety	<ul style="list-style-type: none"> ■ Sharing organization knowledge and skills with communities in term of careers. ■ Community Projects, careers, education, and the environment.

No.	Stakeholders	Participant Communication Processes	Expectation Issues	Responses
4	Partners	Meetings: <ul style="list-style-type: none"> ■ Fairness and Equality ■ Sharing Knowledge, Experiences, and Skills. 	Deliver products on time / as promised. Quality products Fast service Cleanliness and beauty of the service point. Financial stability	Cooperation with business partners the development by treating fairly and equally to build trust. Develop and maintain good relationships with each other as follows. <ul style="list-style-type: none"> ■ regard to mutual benefit. ■ exchange of knowledge, experiences and skills. ■ encourage creative activity of partners.
5	Clients/ Customers	Report : Company Annual Report/CSR Report Meetings : Meeting with Customers Communication Channels: Company website/Customer Visits/pamphlet/ Facebook/E-mail /Tradeshaw	<ul style="list-style-type: none"> ■ Quality Products ■ On time Delivery 	<ul style="list-style-type: none"> ■ Product Quality Development
6	Competitors	Communication Channels: Receive information from the public stage	Compete freely and doing marketing activity fairly	Transparent Operation and fair competition.
7	Creditors	Report : Company Annual Report/CSR Report	<ul style="list-style-type: none"> ■ Maintain and comply strictly with conditions 	<ul style="list-style-type: none"> ■ Payments on time and as agreed, no delinquent
8	Government Agencies	Report : Company Annual Report/ CSR Report Rules and Regulations : Compliance with laws, rules, regulations and corporate governance. Communication Channel : Providing information to the relevant authorities accurately and on time /websites	<ul style="list-style-type: none"> ■ Comply with laws ■ Social Responsibility and concern with the Environment 	<ul style="list-style-type: none"> ■ Comply with law, regulations related to operate business properly with transparent ■ Handle the environmental issues with better standards required by law. ■ Clarify information with government agencies correctly and rapidly.
9	Media	Communication Channels: Interview and giving out information through journals, magazines, exhibitions websites.	<ul style="list-style-type: none"> ■ Efficient data communication. ■ Quick and Accurate information 	Provide information that is accurate and complete

Environmental Sustainability

PG adopts ISO 14001 as a standard for environmental management with an aim to develop environmental sustainability for corporate office and factory locations.

The company maintains the system with full support from directors and executives who empowered Energy Saving Committee to be the project driver in collaboration with all employees and previous project owners. Therefore, in 2013, the company was certified with an environmental standard ISO14001 : 2004 from the United Registrar of Systems (Thailand) on October 30, 2013.

The company was also certified with Green Industry (Level 3: Green System) from the Ministry of Energy of Thailand. The certification is an evidence of continuous effort in driving environmental sustainability as a result from employee engagement in environmentally-friendly initiatives. These efforts are thus integrated into the corporate vision of **We develop textile and garment while promoting social and environmental sustainability.**

The company proactively support the employees to involve in energy-saving activities in order to optimize the resources and environmentally-friendly procurement system.

☉ Energy Management

The energy management practice is dictated by the **company's energy and environmental management policies** as the framework for using energy as effectively as possible. These policies are disclosed to all executives and employees companywide via the intranet and PR boards as follows:

1. Respect the laws and related regulations regarding energy saving and environmental conservation of the company.
2. Nurture a corporate culture and implant an awareness of involvement and accountability on energy and environmental conservation at all level of operations.
3. Promote development initiatives on energy-saving and environmental conservation. Consider the energy and environmental effects in every step of production phases starting from industrial design of product packaging, production, distribution, applications, waste management and resource optimization.
4. Promote energy-saving and environmental conservation activities. design all corporate events with an objective to improve and develop the consumption of energy and natural resources to be more effective and reduce the adverse effects on climate change and ecological system.
5. Promote the management systems for energy-saving environmental conservation. They should start from the effective use of resources with 5R principles (Reduce, Reuse, Recycle, Repair, Reject), reduction of consumption, reuse, recycle, repairs, avoiding the unnecessary use, restoration and rehabilitation, alternative energy, monitoring and preventive programs. These all are aimed to maintain the equilibrium of ecological systems and human life.

In 2013, the company, in collaboration with Department of Alternative Energy Development and Efficiency (DEDE), organized an event with an aim to increase the efficiency of energy consumption and provide demonstration of energy management for factories. The event named "How to Increase Energy Efficiency for Middle-Sized Factories in Paper and Textile Industry" led by professional instructors who trained and analyzed the use of energy inside corporate infrastructures, advised how to use energy smartly, and explained how to cut off unnecessary use of energy and optimize it for the most benefits of all.

The company monitors how efficiently the corporate office and factories consumed energy by focusing on the reduction of energy consumption and omission of greenhouse gas (Carbon Dioxide) through such activities as office electrical appliances management, and office supplies management as below:

- **Personal Computers** - Configure the screensaver after long period of use absence, set up a sleep mode, or turn off the screen monitor after leaving the workstation for 15 minutes. Also consider slim-size screen which consumes less energy than CRT.
- **Printer** - Use network printer and reduce the number of printers located in each spots of the corporate infrastructure in order to consume less energy.
- **Photocopier** - Enable power saver mode to save energy.

Apart from this the company is also carrying out 4 energy projects including air-conditioning system, lighting system, condensation system, and reduction of energy use.

© 1. Air-Conditioning System

❑ Improvement on the air-conditioning system

The company appoints Maintenance Unit and Admin Unit consisting of professional staff experienced in maintaining air-conditioners, electrical appliances, electric generator. Their function is to monitor and control the air-conditioners to work well and ensure the durability of their performance, efficiency in functioning, and cost-effectiveness in using energy.

Particularly, air-conditioners are the most power-consuming facilities. So, the company realizes the importance of cleaning them, removing the dust inside the air duct, fixing the leaks in the system, and checking the cooling substances and the tube insulation. There are maintenance schedules performed regularly on the air-conditioners, condensers, cooling tower and air compressors as below details:

1. Clean the filters at the corporate office 2 times a month and the factories 2 times a week.
2. Clean the condensing unit of the air conditioners 1 time a month.
3. Clean the whole unit of the air-conditioners 1 time every 6 months.
4. Clean the entire air-conditioning system once a year.

❑ Installation of Standard Temperature on the Air-Conditioner

The company installs Standard Temperature which is a machine that controls the level of temperature of the air-conditioners to be at no less than 25°C. This helps reduce the power consumption by 10% compared to an air-conditioner without the controller. It is advised for every employee to turn on and off the air-conditioner on timely basis such as turning it off during lunch break or no one at the office.

Reduction of power consumption: 17,022 kilowatts/ year
and Reduction of CO₂: 10,622 kgCO₂ /year

❑ Implementation of Peak Demand Control System

The controlling system on energy demand called Peak Demand Control System is implement the cost of power supplies caused by peak demand. The system will check for demand for power on regular basis and when the demand reached the demand limit, it will alert and then cut off the machines that are not in necessary use at that time. It can be set as an automatic workflow with prioritized list of tasks in order to reduce the level of consumption to be at the limit set. This is used to control the peak periods throughout the air-conditioning system.

Reduction of power consumption: 491,094 kilowatts/ year
and Reduction of CO₂: 306,442 kgCO₂ /year

❑ Implementation of Evaporative Cooling System - EVAP

With an aim to reduce the use of energy, the company implements Evaporative Cooling System or EVAP instead of typical air-conditioning for some areas that fit for the type of work and area space.

This EVAP is both an air-conditioner and an evaporator. It can reduce the temperature for a specific area to 5-8°C against outside temperature. The evaporative function will adjust the new temperature level inside the building by moving in cool air and moving out old air into outside the building. This will also reduce dust during the cooling process, enhancing coolness from the so-called wind-chill effect that moves wind blow into the building. EVAP makes the working atmosphere comfortable for all employees.

EVAP can save 80% energy compared to typical air-conditioners. So, the power consumption and maintenance costs are reduced while it is friendly to the environment because it is CFC-free. No greenhouse effect is caused by the output of this system.



Reduction of power consumption: 240,000 kilowatts/ year and
Reduction of CO₂: 149,760 kgCO₂ /year

© 2. Lighting System

❑ **Maintain lighting equipment** Because dust and waste in the light bulb or lamp will reduce the degree of lighting, the maintenance service will keep the lamp cleaned and shine at full degree. It thus reduces the costs of purchasing by cleaning lamps and equipment for at least 2 times a year.



❑ **Use a pull-switch** To make the switch on-off meet specific demand of users in different areas, it is thus changed to be a pull-switch.

❑ **Implement on-off switch control panel** This makes the turn-on and turn-off right at the first click. No guessing for one place with too many switches.

❑ **Implement Move Sensor and Timer** The automatic switching controls the use of lighting on the areas that do not need all-time lighting such as delivery lifts, walkway to restroom, and public pathway.

Reduction of power consumption: 254 kilowatts/ year and
Reduction of CO₂: 158 kgCO₂ /year

❑ Change T8 Lamp to T5 Lamp

In 2010, the company replaced T8 lamps (50w) with T5 (30w) because they can reduce the power consumption of the lamps and reduce the CO₂ for 64,000 kgCO₂ a year, accounting for 358,580 baht a year compared with typical T8. This is a cost-saving project as well.

Reduction of power consumption: 102,451 kilowatts/ year and
Reduction of CO₂: 64,000 kgCO₂ /year

◎ 3. Condensation System

□ Condensation System

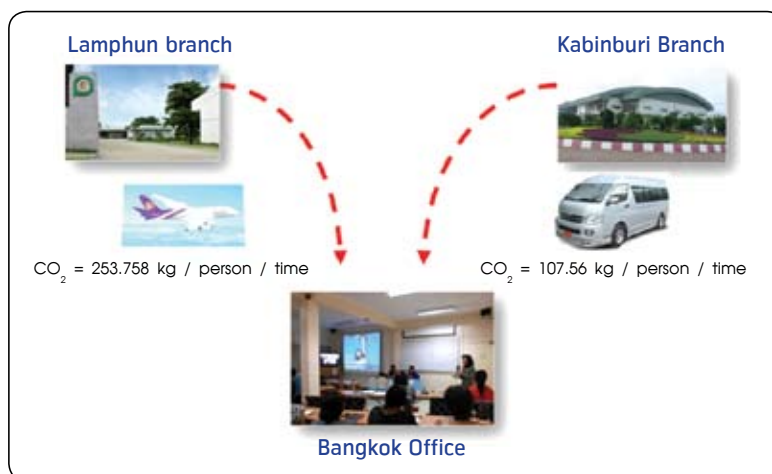
The condensation system brings in vapor from the production process to condensation process. The output is condensate which still has hot air. The condensate is input into the condensation system, heating up the water and reducing the use of fuel. So, the process of evaporation is faster.

From the idea of condensate, the water temperature is between 80-90°C from previously at 40°C. This improves the performance of the vaporization to increase at 6-8% and reduces the use of fuel by 6-8%.

◎ 4. Reduction of Energy Use

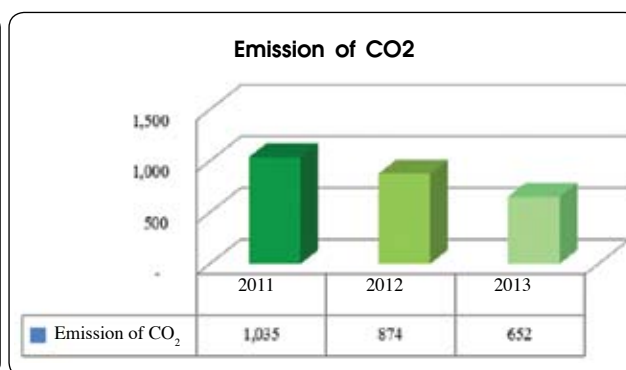
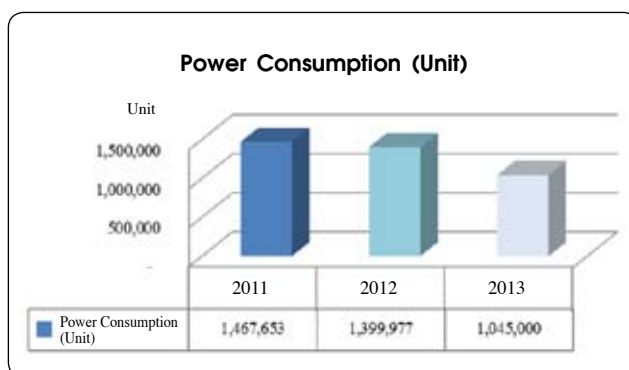
□ Video Conference

The video conference is one of the most effective communications and it is fast in connecting people from different regions, saving time and risks from travelling around the world or across provinces. The use of this communication is an energy-saving and reduces the volumes of CO₂.



◎ Overview of Energy Management

In 2013, the company used energy for up to 1,045,000 units (emitting CO₂ into the air for 652 TonCO₂). The number decreased by 354,977 units from that of the previous year (25.36%). This is one of the success in the company's energy management effort as supported by the directors and executives together with involvement from employees. The company is still working to upgrade the energy management to be better in the future.



◎ Environmental Management

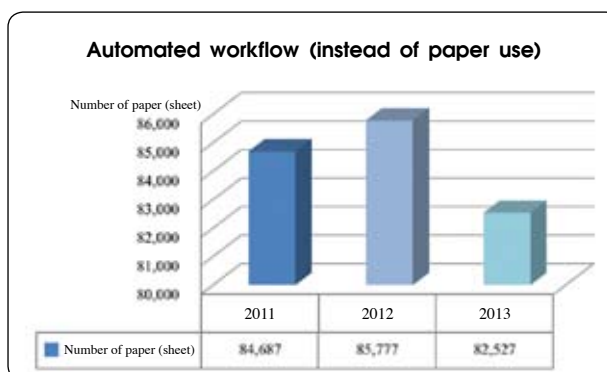
The company takes a proactive approach for the environmental management with the objective to use resources for sustainability, reuse the resources, and control wastes with 3Rs principles: Clean Technology, Green Productivity and Eco Design. There is also a consideration of reducing waste, pollution and emission of greenhouse gas. All the procedures are planned, monitored, evaluated and reviewed for continuous improvement.

◎ Sustainable Resource Utilization

❑ Computer-assisted Workflow

This workflow is an automated system that organizes the steps of tasks to be executed by employees or business units. It is governed by a set of rules and powered by computer software.

The company promotes all employees to use this automated workflow instead of paperwork. The statistics of paper use of 2013 is reduced by 3.79% as in the chart below:



❑ Boiler Bio-Mass Project (Lamphun Branch and Kabinburi Branch)

The company realizes how limited resources are. While the consumption rate is growing higher, the crude oil is being reduced. The company prioritizes that problem and intends to reduce the use of gasoline in order to use it more effectively.

Lamphun Branch and Kabinburi Branch use the Boiler Bio-Mass for heat generation from chip wood instead of gasoline. This has no adverse effect on the environment and helps reduce air pollution from burning. The burning of the chip wood is free from Sulfur Dioxide, leaving no hazardous remains on employee's health and the surrounding community. It then reduces the cost of fuel and the cost of production.

The elimination process of the ashes from the burning is done under the standard of procedures regulated by laws and ISO 14001.



Reduction of gasoline consumption: 1349,355 litres / year and
Reduction of CO₂: 1,075,315 kgCO₂ /year

Because the quality of fuel is critical to success, the company must have an effective fuel management starting from the procurement, logistics, storage, and appropriate applications as below:

Procurement and Logistics of Fuel

1. Selection of chip wood that meets the standard of quality based on humidity and contamination.
2. Planning of the backup in case of having shortage of fuel.
3. Transferring fuel to service providers with a standard of logistics during the delivery period.

Storage and Preparation

1. Keep the chip wood in dry and closed space to prevent rain and humidity as they will lessen the performance of burning.

2. If the humidity level reaches over than 30%, the chip wood will be dried by such a process as sun-bathing.

Burning Control

1. Determine the maintenance plan and cleaning plan for the cremator and the funnel every 3 months in order to remove ashes from the cremator. the ashes will lessen the performance of burning.
2. Determine the cleaning measures for the heat transfer of the evaporator during the break every year.

◎ Pollution Prevention

The company prevents the effects from the burning of hazardous materials or the use of some resources by carrying out a pollution control as regulated by the Ministry of Labor and the Ministry of Industry. This covers lighting at workplace, quality of waste water to public water resources, noise control at workplace, and dust control, with monitoring scheme on regular basis.

◎ Air Quality Management

The company recognizes that air pollution will lead to climate change and carries out pollution control as regulated by laws in order to prevent adverse effects to environment. These include analysis of contaminants in the boiler such as Total Suspend Particulate, Sulfur Dioxide, Nitrogen Dioxide, and Carbon Monoxide.

In 2013, the company re-examined and found that the waste air released from the boiler was not higher than the standard imposed by the Ministry of Industry. This ensure that the quality of the waste air will not affect the surrounding community.

The company concerns the society as a whole about the effects on environment. It thus initiates the carbon footprint label which indicates the level of CO₂ from the products. The carbon footprint is based on the idea of life cycle that starts from raw material selection, logistics, production and the time when the products delivered to the customers.

The carbon footprint project aims to stimulate the manufacturer to develop a technology for production process that is friendly to the environment. The customers also realize that the emission of CO₂ from people consumption. So, they also start thinking to change their lifestyle to use products that reduce the emission of CO₂.

Carbon Dioxide Absorption

The company consumes energy for operating the business and releases CO₂ into the air, being part of global warming.

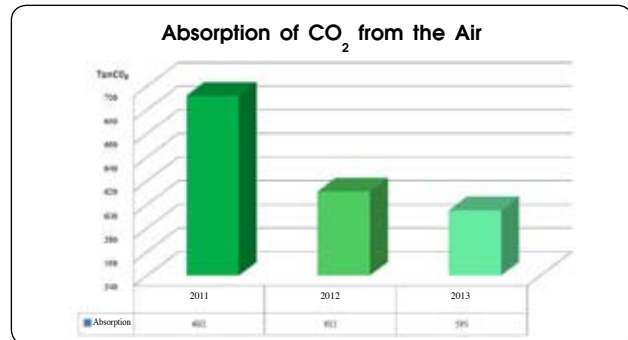
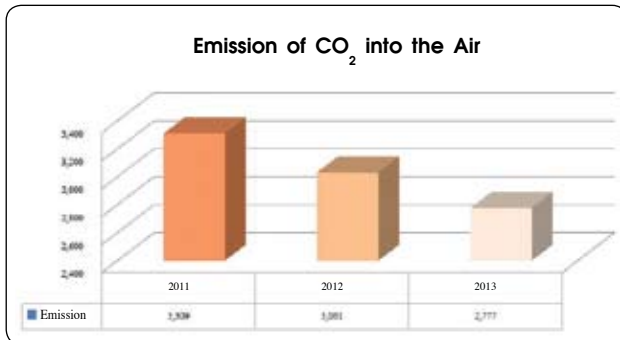
The company thus imposes the environmental management policy that aims to absorb CO₂ and reduce the level of temperature via these activities:

- PG Protects the Forest
- Community Service - Tree Planting
- Young Plant Cultivation for Employees and the Public

These tree planting activities will help absorb CO₂ released into the air through their leaves, stems, and root. The photosynthesis will turn CO₂ into carbon and it becomes part of the tree's organism. So, the CO₂ disappears and the ecological system is back to its equilibrium state.

◎ Overview of Air Pollution Management

In 2013, the company emitted CO₂ for 2,777 TonCO₂, reducing from the previous year by 254 TonCO₂, or 21.43%. To mitigate the effects and restore the air, the absorption activities can help remove 595 TonCO₂.

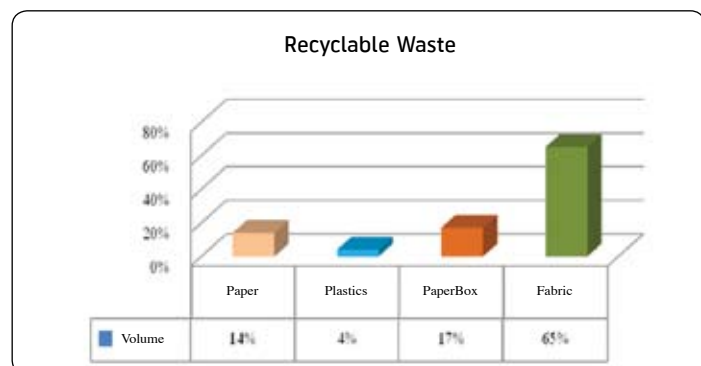
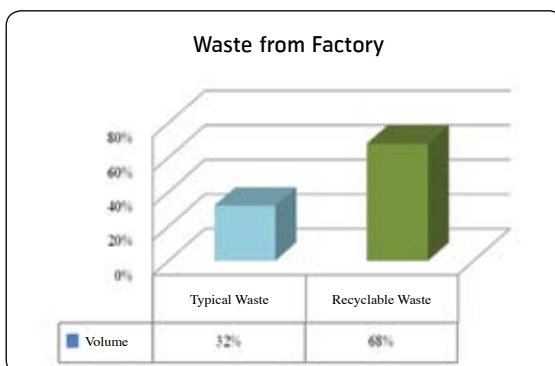


Ratio of Emission and Absorption of CO₂ from each activity of the Company. Year 2013.

◎ Waste Management

The company manages waste with the standard regulated by laws and the principles of 5Rs (Reduce, Reuse, Repair, Reject and Recycle) in order to circulate and optimize the values of resources. The wastes are classified into 4 types including typical waste, degradable waste, recyclable waste, and hazardous waste.

The general guideline of waste management focuses on reusing the wastes and destroying them according to the regulation by the Ministry of Industry and ISO 14001 : 2004. The wastes are required to be classified, stored and examined before transporting to the certified waste disposal operators.



Ratio of Waste in Different Types

❑ “PG Cares For Environment” project

This is a Waste Separation project (based on 5R Principle) by using Reduce, Reuse, Recycle, Repair and Reject elements. It aims to instill the awareness among all employees and the public about thinking about the way to dispose their waste. The result is that people involve and realize about saving the environment and reducing the global warming. It also provides a solid framework for managing waste in a comprehensive way, which is safe to the environment and society.

Reduction of waste: 215,815 kilograms / year
and Reduction of CO₂: 485,312 kgCO₂ /year

❑ “Clean Technology” Project

The company has a production process that helps minimize the output of waste and optimizes the use of energy and resources to the fullest extent. It covers the replacement of raw materials, reuse and recycling that save the environment and cut the costs of production.

In 2013, the company, in collaboration with Thailand Textile Institute : THTI, hosted an event named “Clean Technology for SMEs in the Central Region and Local Areas for Environmentally-friendly Products”. This event collected information about the use of polo T-shirts and swimwear and provided advice from the professionals to the attendees so that they can discuss and find the solution for their problems.

From that event, the company can improve the production process and reduce the turnaround time of production as well as make the most use of resources. In 2014, the Clean Technology project will be repeated in order to support waste management with clearly-defined objectives in all parties involved. The concepts applied include reduction of waste, avoidance of using the resources, control of use and control of other resources for optimized output, all of which are aimed for minimizing environmental effects and reducing costs of production.



© Waste Water Management

Waste water from the production activities will be managed by natural treatment and non-chemical method. The waste water is purified by means of natural processes, leaving no hazardous remains to the nature and living organisms. With this concept, the ecological system is back to its equilibrium.

In 2013, the company regularly examined and tracked down the result of the quality of waste water. The purification makes the water at standard level as regulated by laws before being released into natural sources.

Apart from that, the company also installed 10-propeller water turbine to add oxygen into the waste water before releasing to public sources. From the water sample before and after adding oxygen, it was found that the parameter values reduced, and the contamination was lower than the standard threshold. So, the company brought this non-chemical water for watering trees, which was a sustainable way of water treatment.

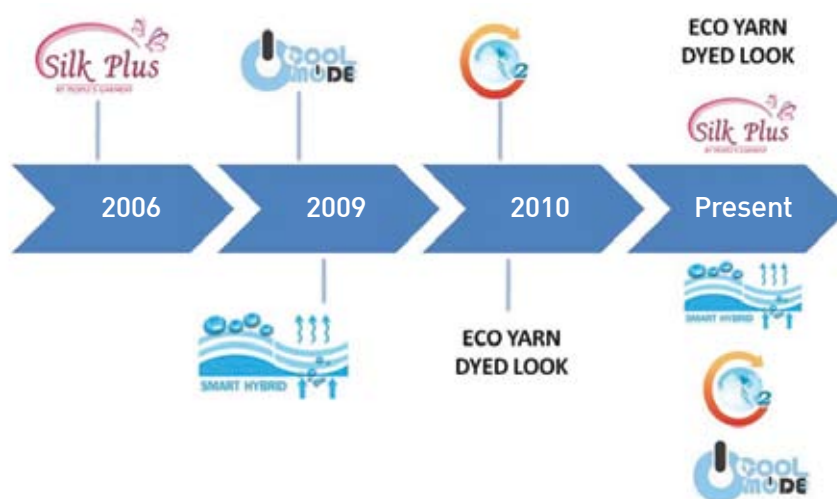


PG Innovation from Responsible Business

The company prioritizes research and development (R&D) on textile and garment. Knowledge and expertise gained from real experiences in doing business has been transformed into an innovation based on social and environmental concerns. These kinds of innovation help increase the competitive advantages and business values.

With that innovation strategy, the company appoints R&D Unit who are specialized in developing innovation in textile and garment. This unit will add values to the company's products and it is also supported and collaborated by government agencies and private sector consistently.

The company aims to manufacture products of values that are environmentally-friendly and safe.



From 2009 to Present

COOL MODE

The company manufactures polo T-shirts that are safe for humans and environment. They are comfortable when wearing even though it is 25°C. So, it helps save energy consumption. The T-shirts can ventilate heat from human body to outside of the T-shirts. They can absorb sweat fastly. This COOL MODE is also certified by Thailand Textile Institute: THTI and Thailand Greenhouse Gas Management Organization (Public Organization) to use the label of "COOL MODE" as the first company in Thailand.



Special Features of COOL MODE T-shirts

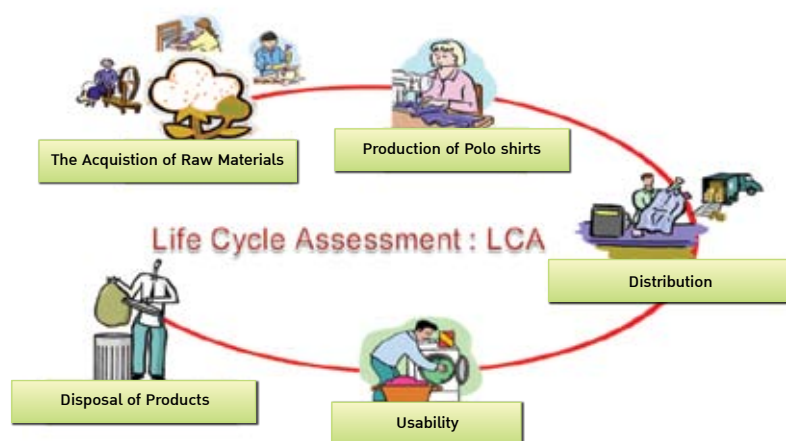
The T-shirts are comfortable, easy to wash, high-quality and durable as well as safe. the main 3 features are as follow:

- **Production process** The chemicals and dye color are safe and free from cancer risks and heavy metal.
- **Quality and Durability** The T-shirts are resistant to any pressure after washing and durable for spinning, sunlight and sweat. They are as good as Thai Industrial Standards and international standards.
- **Cooling quality** It is a special quality in reducing human body temperature, making the customers feel cool and comfortable. It requires less to use air-conditioners while wearing this T-shirt.

From 2010 to Present

CARBON FOOTPRINT

PG and Thailand Textile Institute : THTI work together to identify the carbon footprint on "Cotton polo ARROW T-shirts for men in M, L, XL, XXL". The project is a research and evaluation on the lifecycle of the product starting from raw material, production, distribution, application, and disposal (Life Cycle Assessment : LCA) in the format of Carbon Dioxide Equivalent. This is also certified by Thailand Greenhouse Gas Management Organization (Public Organization).



The evaluation of carbon footprint explicits the social and environmental concerns and also provides these values:

- Add more options for buying decisions for the customers who really concern about greenhouse effects.
- Make a good image in the textile and garment industry in Thailand in terms of CSR initiatives.
- The textile and garment industry has a database from these carbon footprints on the T-shirt product.
- This is the pilot project for other companies to follow making carbon footprints on their products.
- It is an awareness-building mechanism for any producer tries to reduce the release of greenhouse gas into the environment.
- The company can adjust to comply with the regulations on textile and garment and can answer more needs of local and global markets with solid image of social and environmental concerns.

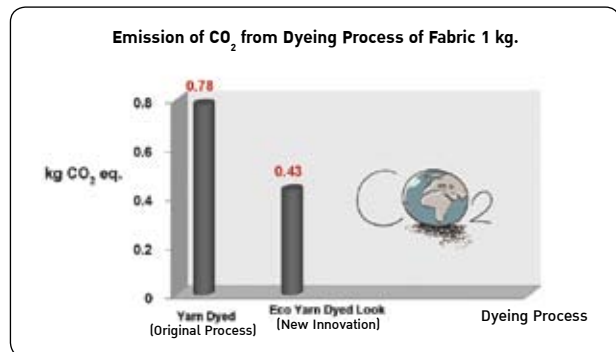
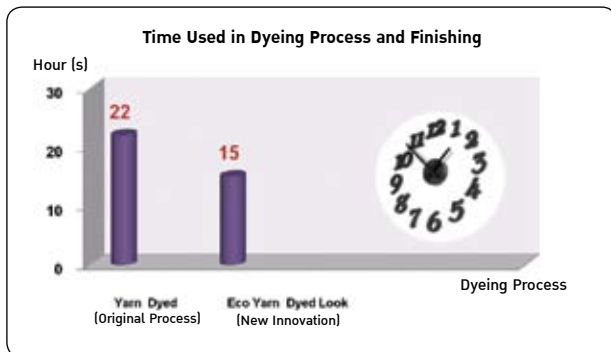
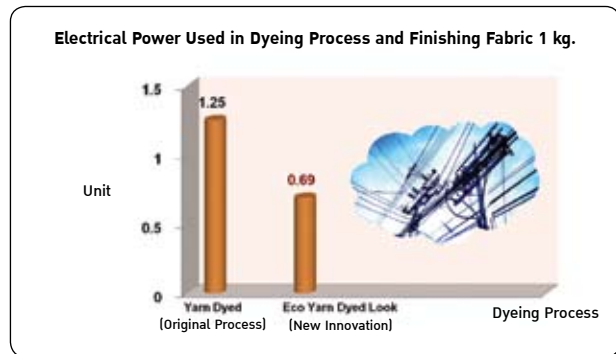
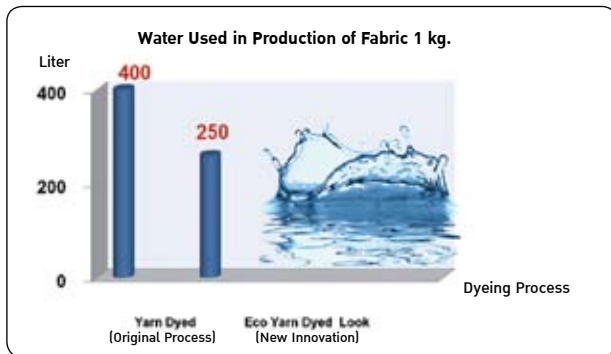
From 2010 to Present

ECO YARN DYED LOOK

The company innovates the production process of lycra fabric as it is the core material. The process is environmentally friendly and reduces more of greenhouse gas than typical production of fabric. This is under the brand of ECO YARN DYED LOOK.

The innovation of ECO YARN DYED LOOK is based on the concept of energy-saving and greenhouse gas reduction during the production process. It improves the production process of lycra with 100% cotton. The fabric is dyed for one time, while the appearance comes in different color stripes. So, it is the innovation that reduces the use of water, electrical power, time and volume of CO₂ in the dying process.





In 2013, the ECO YARN DYED LOOK was invited to be displayed in the museum of material “Material ConneXion” which was one the proud by the company in making an innovation for environment. In other words, it was also a promotion of Thai textile and garment industry to the world as well. The Material ConneXion gathers information about raw materials and new innovations from around the world. There are 10 branches around the world including London, Milan, Cologne, Bangkok, Daegu, Seoul, Istanbul, Beijing, Shanghai, and Hafde in Sweden.

From 2010 to Present

SILK PLUS



The company develops silk products under the brand of “Silk Plus” by sorting out raw materials that are environmentally friendly and making the most use from leftover pieces of silk threads. Those leftover are reused and knitted into a fabric of values for all seasons, and easy to take care of. In 2009, Silk Plus is another product that was displayed in Material ConneXion.

In 2010, Silk Plus was invited by the Netherlands to be displayed in a design museum. It was another proud of silk industry of Thailand in the world market and another way to increase competitive advantages of the company.

In 2013, it was awarded the winner of The Best ECO 2013 - ECOInnovation Treat the World with Sustainability from the event BIFF & BILL 2013 by Department of International Trade Promotion, at Impact Arena, Muang Thong Thani.



From 2013 to 2014

Modern Thai Silk

The company joined the project of “Research and Development of Modern Thai Silk” organized by THTI and %The Office of Knowledge Management and Development (OKMD) and The Queen Sirikit Department of Sericulture. The objective was to modernize the quality of silk and promote the unique quality of Thai silk to the world. It also aimed to promote the accurate information of Thai silk to the public and attract more people to wear silk. This project was carried out during quarter 1 of the year 2014.



In 2013, the company gained 2% of total revenues by selling innovation on top of the products, with a forecast to gain more revenues in the future.

PG is still committed to build more of innovations for every of the products and apply environmental concerns with them. By the year 2014, the company plans to label the Green Label in each product. These Green Labels are the unique branding from Thailand on environmental concerns. The Green Labeled products will be examined in every stage of production starting from design, optimizing the raw materials, energy-saving, reuse, waste reduction and greenhouse gas reduction in terms of environmental impact. The Green Labeled products are free from chemicals and dye colors that are hazardous according to the industrial standards. These are all benefits for the customers: Save the environment from using products of high quality and safety.

Award-Winning and Pride of PG

January 9, 2013

Awarded as a company hiring people with disability more than the baseline, Ministry of Social Development and Human Society.



March 29, 2013

Awarded as Green Industry - Level 3, Ministry of industry.



April 22, 2013.

Silk Plus was awarded the first winner of the field of the Best ECO 2013 from the competition of "ECO + Innovation Treat The World with Sustainability" at Bangkok International Fashion Fair & Bangkok International Leather Fair 2013" (BIFF & BILF 2013).



June 27, 2013

Awarded from SAHAPAT Innovation Award (17th) from the project of Energy saving & Global Warming & Environment : Volunteer Spirit for Sustainable Forestry"



July 3, 2013

Awarded as The Best in Safety, Health and Environment for Workplace at Provincial Level, Department of Labor Protection and Welfare, Ministry of Labor.



August 8, 2013

Certified with the Standards for Drug Prevention and Resolution at Workplace, Department of Labor Protection and Welfare, Ministry of Labor.



August 28, 2013

Awarded with Zero Accident Campaign, Gold Level, Department of Labor Protection and Welfare, Ministry of Labor.



September 11, 2013

Awarded as Excellent Establishment on Labor Relations and Welfare - Type: SME without Labor Union, 2013, Department of Labor Protection and Welfare, Ministry of Labor.



September 11, 2013

Certified as a factory with Corporate Social Responsibility, Department of Industrial Works (CSR-DIW), Ministry of Industry.



September 20, 2013

Awarded as an Excellent on Labor Skill Development, Department of Labor Development, Ministry of Labor.



October 16, 2013

Awarded as Excellent in Passing the Evaluation of Corporate Governance for Thai Listed Companies 2013 from Corporate Governance Report of Thai Listed Companies 2013 (CGR) and granted 5 seals from National Corporate Governance Committee, Thai Institute of Directors Association (IOD).



October 19, 2013

Announced that the company enforces the Standards of CSR on Society and Labor (WRAP) and Certified with Gold Certificate of Compliance by Worldwide Responsible Accredited Production (WRAP).

**October 30, 2013**

Certified with environmental standards ISO 14001 : 2004 (Environmental Management System) for design process and production of menswear, womenswear, swimwear, kid's wear, and knitting by the United Registrar of Systems (Thailand) Ltd.

**November 11, 2013**

Awarded from CSRI Recognition 2013 on Best Corporate Social Responsibility Awards: CSR Awards, Stock Exchange of Thailand and Corporate Social Responsibility Institute (CSRI).

**November 20, 2013**

Awarded as SET Awards 2013: Outstanding Corporate Social Responsibility Awards, Stock Exchange of Thailand and Thai Money and Banking Magazine.





We are engaged in a role of private sector
to develop Thai industries to reach the international standard,
which we focus on development of textile and garment
for being sustainable along with society and environment.
We are **People's Garment Public Company Limited**.



“Sustainable develop textile
and garment business along with
society and environment.”



บริษัท ประชาอาภรณ์ จำกัด (มหาชน)

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