

DSG INTERNATIONAL (THAILAND) PLC



Value Creation



ANNUAL REPORT 2015



DSG Group is a Leading Manufacturer and Distributor

of Baby and Adult Disposable
Diapers in SEA, Delivering
the Best Value to its
Stakeholders.



The Country Office of United Nations Population Fund
is truly thankful to the People of Thailand
for helping UNFPA Nepal provide
earthquake-affected women and girls with
1,000 dignity kits. Your support is
greatly appreciated

UNFPA Nepal
(กองอำนวยการพัฒนาประชากรแห่งสหประชาชาติประจำประเทศเนปาล)
ขอขอบคุณคนไทยที่ช่วยสนับสนุน
มอบ 1,000 ชุดของชุดอนามัย (Dignity Kits)
ให้แก่สตรีและเด็กสาวที่ได้รับผลกระทบจากเหตุแผ่นดินไหว
ในเนปาล

SUPPORT NEPAL.

ร่วมเป็นส่วนหนึ่งในการช่วยเหลือผู้ประสบภัยชาวเนปาล



เบบีเลฟและเซอร์ทันตี ร่วมกับ UNFPA



รายละเอียดเพิ่มเติม
<http://unfpa.nepal.org/public>
www.facebook.com/UNFPAThailand

(ขอสงวนสิทธิ์ในเงินบริจาค)

DSG Group

Operates its Main Manufacturing Facilities
in Thailand, Malaysia and Indonesia



DSG Group

Continues to be A Major Player
in Key SEA Markets

No.2
in Thailand



Baby Diaper
Fastest Growth in Economy
Pants Segment

No.1
in Thailand



Adult Diaper
Fastest Growth, Driving Market
Expansion

Baby Diaper

No.2
in Malaysia



Growing in Indonesia



3X Growth

Low Penetration
in Large-sized
Markets: Indonesia
&
in Under-penetrated
Markets: CLMV

DSG Group
has Continued to Capture
Opportunities from Growing
Markets in SEA

Consumer's
Receptive
Tendency to
Innovation
and Quality

**Total Value of Disposable
Diaper Market in SEA
> USD 2 billion**

Increased Aging
Population &
Affluence to
Quality of Life
and Mobility

Believing in People & Investing in Employees

For a sustainable future, investing in our people to ensure talent line up and business continuity is an integral part of our company strategy. We believe in facilitating our people of all levels to gain higher skills for the betterment of themselves and the Company.



Regional Innovation with Localization Adaptation

Throughout the years, DSG has succeeded in implementing key innovation strategies in a localized manner. In each market, our commercial and R&D team have conducted many detailed researches through home use trials, end user group discussions and shopper behavior studies to understand the local lifestyles and preferences of each market, helping us to truly understand what is needed from our products.



Combined with our operational strengths, business partnership and R&D patented technologies, we continuously develop a pipeline of innovative new products that puts us a step ahead of the market. Delivering quality at a reasonable price remains as our top priority in creating value for our consumers.



Value Creation through Products and Services

We understand that baby development is the top priority for parents. Our disposable diapers are developed to give ultimate comfort for babies and convenience of raising their babies for parents so they can enjoy activities together anywhere and anytime. We focus our brand effort on our Facebook page and website to provide content simple activities that parents and babies can do together.







Aging not only comes with elderly healthcare needs and active lifestyle maintenance but also valuable experiences. Certainty recognizes both importance and is fully committed to take care of them. While we produce adult diapers that minimize elders' incontinence problem, we also strive to stimulate and support their inner self-confidence to enjoy living everyday life with dignity. Hence, many of Certainty's projects are initiated to bring this belief to real life, such as our continuous CSR project that helps raise funds for Ramathibodi Foundation by stimulating young generation to take good care of elders and value their experiences, and many more.



DSG Group has Been Established and Recognized
in SEA for over Two Decades.

1994	1995	1997	1998	2006
DSG was founded in Thailand	Established “DSGML” in Malaysia	Established in Indonesia and held 60% shares in “PTDSG”	Established “DSGMSB” in Malaysia	Listed on Stock Exchange of Thailand (SET) as “DSGT” with capital of Baht 300 mil
2008	2009	2010	2011	2012
Received SET award of “Best Performance Company with market cap under Baht 2,500 mil”	Launched disposable baby diaper of “BabyLove PlayPants” 	Launched disposable adult diaper of “Certainty Active” 	<ul style="list-style-type: none">Increased capital to Baht 600 milHeld 100% shares in PTDSGLaunched night-time baby diaper of “BabyLove and PETPET Night” 	<ul style="list-style-type: none">Increased capital to Baht 900 milOperated new production and warehouse facilities in Thailand
2013	2014	2015		
<ul style="list-style-type: none">Increased capital to Baht 1,260 milEstablished “DMS” in ThailandLaunched day-time baby diaper of “BabyLove, PETPET and Fitti DayPants” 	<ul style="list-style-type: none">Received “Thailand’s Top Corporate Brand Rising Star 2014” Launched Certainty SuperPants and launched day-time adult diaper of “Certainty DayPants” Operated new integrated production and warehouse facilities in Malaysia	Relaunched product innovation of “BabyLove PlayPants” with Patent Technology of NanoPower 		

Thailand

BabyLove

BabyLove's Digital Communication

"Gentle Fit for Every Step"

During January-March, DSG Thailand launched digital photo contest activity to promote love and bonding between mothers and babies. Hundreds of mothers sent their photos with their newborns to share their love and engagement with our brand. The winner received one-month free supply of BabyLove Tape products.



Driving Volume in Economy Segment with BabyLove DayPants

Economy segment as a key volume generator that is driving baby diaper growth. We continue to ensure that our products deliver great value-for-money in this segment. For this reason, we completed our range with additional XXL size in March 2015.

Promotion of Day & Night Usage

We promoted systematic usage of DayPants and NightPants through in-store display contest and offered the discount if purchased together. This campaign induced the shoppers to purchase both and use as regime products.





BabyLove Digital Activities

Over 750,000 fan page in our Facebook

Engaging with mothers through online is a new key channel of our communication. BabyLove facebook page has provided useful contents daily about mothers' interest from tips and tricks on how to take care of babies, do activities with babies, and doctor's articles on professional advice. The mothers can engage with the brand through enjoyable activities such as photo sharing, video sharing, and comments about our brand. Consumers can also find the information of new products and promotion available after being our fan page.



Frequent Engagement with Mothers through Active Sharing of BabyLove PlayPants News.



Mothers' Sharing on Positive Brand Engagement



Promoting Sales and Promotion on Facebook Page



BabyLove Website with Engaging Content to Mothers and Pregnant Mothers



BabyLove PlayPants NanoPower Opening at Thailand Baby & Kids Best Buy 2015

In June, DSG Thailand, as well as BabyLove's Brand Ambassador, Ms. Paula Taylor and her son, Luka joined "Baby& Kids Best Buy" event. With the key highlight, mothers and their babies protested to call for the baby diaper's new technology, namely "BabyLove PlayPants NanoPower".



BabyLove in Co-operation with CU – DSG Marketing Plan Contest 2016

DSG Thailand, in cooperation with Biz Club, Faculty of Commerce and Accountancy, Chulalongkorn University organized "DSG Marketing Plan Contest 2016" by offering an opportunity to university students to apply their academic learning into real business.



Certainty

Fulfilling Customers' Need of Large-sized Adult Diapers with Certainty DayPants

In February, DSG Thailand launched Certainty DayPants XL to serve the increasing trend of large-sized users, together with full promotional support in stores, digital, and free sampling.



Education for Incontinence Care to Both Caregivers and Elderlies

Incontinence is not commonly discussed in daily conversation due to its symbolic meaning of aging and sickness. Therefore, some people still do not understand well enough to manage it. Certainty is committed to providing the right information to both caregivers and elderlies via hospital seminars and digital channels throughout the entire year.



Joint-seminars with key hospitals to educate consumers on incontinence care & management



Incontinence editorial in Facebook or Certainty Club: Communication is full of tips and knowledge but using light-hearted approach.

CSR with Ramathibodi Foundation for Gratified Merit-Making with Certainty Campaign Year 3

In December, DSG Thailand has joined hands with Ramathibodi Foundation in organizing the “Gratified Merit-Making with Certainty Campaign Year 3” for the purposes of promoting good health and quality of life among the elderlies and raising funds to procure medical devices especially for cash-strapped patients.



Winning AMCHAM CSR Award in 2nd Year

In November, DSG Thailand received “AMCHAM CSR Excellence Recognition 2015” award for 2nd year in a row. This award is given to the companies which their CSR program demonstrates understanding of the linkages among business operations and society, and conducting business in a way that creates both long-term economic and social values.

Our award-winning project, namely “Feel Deeply Gratified with Certainty Adult Diaper” was initiated to promote the Company’s policy to bring better quality of life among the elderlies and importantly build up a society of gratitude. A portion of Certainty’s revenue was donated to the elderly patients at Ramathibodi Hospital.



Big Celebration of Successful Sales at 100-million Pieces

In March, Certainty celebrated its 100-million pieces of sales record by offering promotions across nationwide channels to our beloved consumers who have trusted our brand for decades.



Big Celebration of #1 Brand Leader in Adult Diaper

In August, Certainty celebrated once again under the theme of '#1 in adult diaper brand' after hitting the highest market share record, strengthening our undisputed leadership position. DSG Thailand returned promotional benefits to its consumers who have been loyal to our products.



Certainty in Co-operation with TU – DSG Marketing Plan Contest 2016

In November, DSG Thailand, with a collaboration of Faculty of Accounting and Commerce, Thammasart University, initiated “DSG Marketing Plan Contest 2016” under the topic of “Grasp Online Opportunities with Certainty Adult Diaper”. This project was aimed at allowing university students to apply their academic theory into real digital business.



Malaysia

PETPET Welcoming 2015 Babies from Largest Maternity Hospital

On January 1st, PETPET welcomed 27 babies from General Hospital Kuala Lumpur with a token of 3-month product supply. The event was officiated by Deputy Minister, Ministry of Health, Y.B Dato' Seri Dr. Hilmi Haji Yahya with accompanying press releases, which was publicized on No.1 local newspaper.



PETPET Celebrating Mother's Day

On May 6th, PETPET again in collaboration with General Hospital Kuala Lumpur surprised 100 new mothers with New PETPET Tape in conjunction with the re-launch of new design, stronger communication in product and contemporary packaging.



Re-launch of PETPET with New Look

In May, PETPET re-launched with contemporary packaging under the new PETPET Happy Comfort diapers that helps babies to have maximum comfort. Because a happy baby is a happy mother after all. The launch was supported with strong extensive activations including TV commercial focusing on digital and in-store activation.



(i) PETPET Mascots to Bring Excitement of In-store Shoppers

PETPET with 4 mascots visited top participating customers nationwide in two months to create excitement in-store. Mothers and children interacted with mascots and created hype in the participating outlets, where they were encouraged to take photos to upload on the PETPET Facebook page to win prizes and share with their friends.



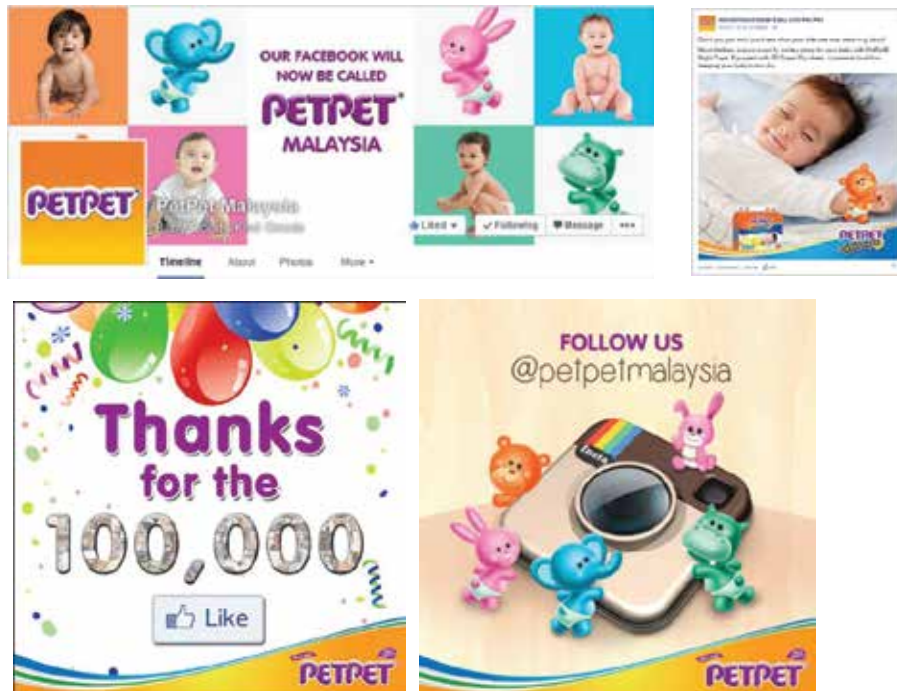
(ii) PETPET Halo TVC Uses Famous Local Song “Rasa Sayang” as Memorable Jingle

In September, PETPET released its new TVC by using a well-known evergreen local favorite, Rasa Sayang, reaching out to 530,000 eye balls in a single month on air.



Re-launch of PETPET Facebook to Renew Engagement with Consumers

PETPET Facebook was given a new name PETPET Malaysia replacing Motherhood Made Easy with PETPET. The re-launch was also refurbished with new contents focusing on Product News, Current Trends, Life Trivia, Baby's Health, Life Hacks, Celebration and many engagement activities with Mothers. Within 3 months, PETPET Facebook generated 100,000 likes and PETPET Instagram was also launched and populated.



Yearly Baby Expo Not to be Missed!

PETPET participated in 5 major baby exhibitions nationwide to generate buying volume and increase brand visibility. There were games for mothers on stage and mascot appearances.



Encouraging the Usages for Day&Night through In-Store Activations

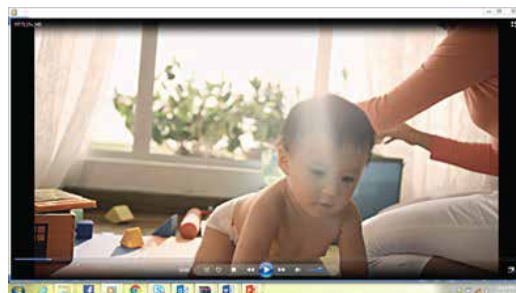
PETPET combined and encouraged the usage of its 3 ranges in Day & Night activation with successful execution and prominent display.



Fitti Started the Year with New Look!

Fitti was re-launched in end 2014 with a new packaging and benefit to delight the consumers. The new Fitti was emphasized on modern packaging, refastenable tape, breathable and extra absorbency, in line with the brand promise to provide best comfort at affordable price to our consumers. The re-launch was supported with 360° activation campaign from February 2015.

(i) Fitti Rolled Out TVC and Radio in Vernacular Stations.



(ii) Fitti Jingle Came Alive with Fitti Man In-store Activations

The radio jingle came alive with the Fitti Man visiting some 50 outlets to engage shoppers via samples and attract shoppers with its catchy tune. Targeted diaper exchange program was also deployed in high traffic outlets to generate trial.



Certainty Participated in Health in the City 2015 Expo

In November, Certainty sponsored 350 samples, organized by Health Magazine to create more awareness and brand exposure to the relevant target audience.



Certainty Organized an Inaugural Charity Run

In March, Certainty organized an inaugural charity run to create awareness on incontinence. The event was graced by Datin Paduka Chew Mei Fen, Deputy Minister of Home, Women and Community with 800 participants joined in a 3-km and 6-km run. MYR 30,000 was donated to four old folk homes in collaboration with the ministry. This run proudly earned the Merit Excellence in the Promotion and Marketing Asia Awards 2015 (PMAA), announced in October.



Indonesia

Posyandu Event - Vaccination for Baby

During March – June, Fitti launched a roadshow of Posyandu (vaccination for baby) with midwives to provide care to mothers during postpartum period.



Fitti Lincahnya Si Kecil Campaign - Fitti Lively Little Baby

In April, DSG Indonesia, in a cooperation with Alfamidi, a national account supermarket created the campaign of “Fitti Lincahnya Si Kecil” or “Fitti Lively Little Baby”. This promotion was to enable photo competition among our consumers to show how lively babies are after using fitti daypants. The communication was widely shown in stores and digital area: social media, website, and other platforms.



Fitti Kejutan Hadiah Promotion

During April – May, Fitti DayPants, cooperated with Alfamart brought “Fitti Kejutan Hadiah”. The promotion was to give each customer a unique code to be sent via SMS. The main winners were awarded a motorcycle.



Fitti Layman Seminar

During May – June, DSG Indonesia participated in Layman Seminar Roadshow in 5 hospitals in Greater Jakarta. Our Fitti team educated how to avoid rashes and provided samples, selling booth and product demonstration.



ปฏิกิริยา
ทุกความ **บาง**
ของผ้าอ้อม

จ๊ะเอ๋!
นาโนพาวเวอร์

อยากได้
นาโนพาวเวอร์

BaBY Love
PLAYPANTS™
**NANO
POWER**

เทคโนโลยี นาโนพาวเวอร์
พลังซึมซับสูง บางลง สบายเหนือกว่า

กลางวัน

โล่งสบาย
ด้วยวัสดุระบายอากาศ

ใหม่! **SIZE S**

BaBY Love
NIGHTPANTS
แผ่นเดียวตลอดคืน

แห้งสบายมากขึ้น
ด้วยเจลซึมซับ
2 ชั้น

BaBY Love
Easy Tape
Newborn and S

Extra Soft Touch

Hand Protection Cut Out Design

BaBY Love

BaBY Love

32%
3-7 kg

EASY TAPE

Provide **"Extra Soft Touch"** for Newborn's delicate skin



อันดับ 1 ในไทย

Certainty

DayPants, Certainty, SuperPanty

© 2017 WIPAC PAPER INDUSTRIES CO., LTD. All rights reserved.

ฉลอง 100 ปี

Certainty

DayPants, Certainty, SuperPanty



Content

1. Overview

Page

Message from the Chairman	1
Vision, Mission and Core Values	2
Financial Highlights	3
Dividend Policy	4

2. Our Business

Business Overview	5 - 8
Industry Outlook	9 - 11
Management Discussion and Analysis	12 - 14
Revenue Structure	15
Risk Factors and Management	16 - 17

3. Corporate Governance and Control

Summary Profile of Board of Directors and Management	18 - 23
Management Structure	24 - 36
Shareholding in Subsidiaries and Affiliates	37 - 39
Major Shareholding Structure	40
Corporate Governance	41 - 47
Sustainable Development	48 - 55
Internal Control	56
Related Transactions	57 - 61
Report of the Audit Committee	62

4. Financial Report

Report of the Board of Directors' Accountability to Financial Statements	63
Report of Independent Certified Public Accountants	64
Financial Statements	65 - 72
Notes to the Financial Statements	73 - 125

5. Additional Information

General and Other Significant Information	126 - 127
---	-----------





Message from the Chairman

Mr. Brandon Shui Ling Wang
Chairman of the Board of Directors

Dear Shareholders,

2015 was an exceptionally challenging year for most of the key markets in South East Asia. The regional economic slowdown, depressed oil price and strong US Dollar negatively affected growth, consumption and profitability of many industries. The deflated purchasing power, severe price competition and volatility in foreign exchange of local currencies against strong USD were major unfavorable factors against sales revenue and profitability growth.

Throughout 2015, DSGT strived to proactively manage the dynamics of each market. The general reduction in consumer spending power led to consumer preference for “value for money” products. As a result, our DayPants for baby and adult diapers launched in 2014 were well positioned to the changing consumer trend during economic recession. All DayPants products registered positive volume and market share growth in most markets.

Similar to the global trend, the aging population due to higher life expectancy and improved healthcare systems in SEA provided strong growth opportunity for DSGT. Certainty portfolio in most markets registered double digit growth in both the tape and pant segments. DSGT continued to sustain the category leadership position in Thailand.

Consolidated Sales Revenue of the Group in fiscal year 2015 was Baht 7,515 million, representing a decrease of 9.1% compared to 2014. Despite the diminished purchasing power and negative FX translation effects, the Group recorded growth of baby and adult market share particularly in mid-priced segments.

The Group's Net Profit for Quarter 4, 2015 showed a significant recovery over the previous two Quarters. The Group's Net Profit in Quarter 4 improved to Baht 65.8 million, from net losses of Baht 84.6 million and Baht 94.1 million in Quarter 2 and Quarter 3 respectively. Amid the market volatility, the Group have taken various proactive measures to revive its profitability.

The reported Net Profit for fiscal year 2015 was Baht 0.07 million, decreased by 99.9% compared to 2014. Excluding foreign exchange impact, the Net Profit for 2015 dropped by 39.4% compared to the previous year, mainly attributable to declined sales revenue and competitive discounting activities.

DSG Mission is undeterred by the short-term challenges. We are fully committed in building a sustainable platform by continuously investing in innovations and operating efficiencies for long-term profitable growth.

On behalf of the DSG Board of Directors and the Management team, I want to express our gratitude to all stakeholders for their support and confidence in the Company.

Brandon S. L. Wang
Chairman of the Board

DSG is a supplier of disposable baby diapers and adult incontinence products in South East Asia. In these business activities, we are guided by our Vision and Mission in order to best serve our customers.



Our Vision

To be the leading disposable diaper manufacturer and distributor in South East Asia



Our Mission

To provide products and services of the best quality and value to our customers

Our 5 Core Values

/// Walk The Talk

/// Winning Mindset

/// Passion in People

/// Honesty & Integrity

/// Ownership & Accountability



Financial Highlights

Balance Sheet as at Dec 31, 2015

Sales Revenue (THB mn)

7,541 8,265 7,515

2013

2014

2015

Total Asset (THB mn)

6,605 7,355 6,893

2013

2014

2015

Earnings Before Interest & Tax (EBIT) (THB mn)

542 515 157

2013

2014

2015

Total Liability (THB mn)

4,287 4,845 4,551

2013

2014

2015

Net Profit (THB mn)

486.78 437.10 0.07

2013

2014

2015

Total Equity (THB mn)

2,318 2,511 2,342

2013

2014

2015

Historical Dividend Payment

Historical Dividend	2011	2012	2013	2014	2015
Total Dividend (Baht per Share)	0.240	0.735	0.610	0.180	0.045*
1. Interim Cash Dividend	0.160	0.100	0.130	0.120	0.030
2. Annual Cash Dividend	0.080	0.135	0.080	0.060	0.015*
3. Stock Dividend		0.500	0.400		
Dividend Payout Ratio	109%	104%	113%	51%	N/A

* The Annual Dividend will be approved in AGM 2016



Dividend Policy

The Company has a policy to pay dividends not less than 40% of net profit after legal reserve and every category of reserves determined by the Company. However, the payment of the said dividends depends on the investment policy, the necessity and other requirements in the future. The shareholders shall be exempted from bringing dividends earned from the BOI promoted business, which is granted corporate income tax exemption, to be included in the calculation for personal income tax throughout the period of such tax exemption.

The subsidiaries have the policy to pay dividends not less than 40% of net profit after legal reserve and every category of reserves determined by the subsidiaries. However, the payment of the said dividends depends on the investment policy, the necessity and other suitability in the future.

The dividend of the subsidiaries in Malaysia and Singapore will be fully remitted to the Company without any withholding taxes, whereas the dividend of the subsidiaries in Indonesia will be subject to withholding taxes.



Business Overview

DSG is one of the leading providers of quality disposable diapers for babies and adults in South East Asia. The Company has operated its main facilities in manufacturing and marketing its products primarily in Thailand, Malaysia, Indonesia and Singapore. DSG maintains brand equity for its disposable baby products such as “BabyLove” in Thailand, “PETPET” in Malaysia and “Fitti” in Indonesia. The brand of “Certainty” has been an adult incontinence market leader in Thailand for many years.

With many years of experience and presence in SEA region, the Company has expanded its product portfolio to fulfill its customers' and consumers' needs and captured the opportunities in high growth markets through geographic expansion in this region. Thailand is a strategically regional hub to drive the growth in the under-penetrated emerging markets of the Asean Economic Community (AEC).

Our manufacturing facilities are ready and capable in adaptation to change in marketing and capacity needs. At the same time, we strive to continuously optimize end-to-end supply chain efficiency in order to improve the productivity of our group.

Strategically, the Company has managed to consolidate its position in its key markets through effective commercial strategies and product innovation. The Company continues to invest in marketing, supply chain innovation, productivity and quality improvement to build a solid foundation for sustainable long-term growth in South East Asia.

Product Portfolio Segmentation


1) Baby Diaper Categories

The Company has further strengthened its market position in South East Asia with the introduction of new product innovation in the mass segment such as BabyLove DayPants in Thailand since 2013. After receiving the good customers' responses, PETPET DayPants and Fitti DayPants were subsequently launched in 2014 to reiterate the success in Malaysia and Indonesia, respectively. The introduction of the new patented technology also enable the Company to relaunch BabyLove PlayPants Nano Power with superabsorbent Nano sheet. The revolutionary features embrace new and improved diapering experience for babies in key areas of comfort, fit and absorbency.

1.1 Disposable Baby Diaper Tape




Market	Mass
Brand	BabyLove Tape
Package	
Key benefit	Easy Tape For Easy Adjustment
Country	Thailand

Market	Premium	Mass
Brand	PETPET Night Tape	PETPET Tape
Package		
Key benefit	One Piece All Night	Happy Comfort = Happy Baby + Mommy
Country	Malaysia	

Market	Economy	
Brand	Fitti Tape	
Package		
Key benefit	Wise Choice for Mothers	Best Affordable Comfort
Country	Indonesia	Malaysia

1.2 Disposable Baby Diaper Pants

Market	Premium	Mass
Brand	BabyLove NightPants	BabyLove PlayPants NanoPower
Package		
Key benefit	One Piece All Night Long	Comfortable Feeling from Thinness
Country	Thailand	

Market	Economy		
Brand	BabyLove DayPants	PETPET DayPants	Fitti DayPants
Package			
Key benefit	The Best Day - Time Diaper for Good Hygiene		
Country	Thailand	Malaysia	Indonesia


2) Adult Diaper Categories

Certainty brand is the overall adult diaper market leader in Thailand. The introduction of product performance improvement in Certainty SuperPants in Q1 2014, replacing Certainty ActivePants launched since 2010 and the new launch of Certainty DayPants in Q2 2014 have complemented the existing adult diapers category for the Company. In 2015, Certainty has progressed market share and sales momentum in Thailand as the highest ranked adult brand. In addition, Certainty was aggressively promoted to increase brand awareness in Malaysia, Indonesia and Singapore.

2.1 Disposable Adult Diaper Tape

Market	Mid-Range
Brand	Certainty Tape
Package	
Key benefit	Excellent Absorbency and Comfortably Dry

2.2 Disposable Adult Diaper Pants

Market	Mid-Range	Mass
Brand	Certainty SuperPants	Certainty DayPants
Package		
Key benefit	Excellent Absorbency and Breathability	Underwear-like Feeling and Breathability



Industry Outlook

Disposable Diaper as a Sunrise Industry

Robust population growth, increasing affluence and urbanization together with low user penetration in South East Asian regions provide ample growth opportunities in the baby diaper segment. In addition, the growth of the aging population presents huge opportunities for the adult incontinence market.

We expect the penetration of both baby and adult diapers to increase throughout all SEA countries. Focusing on value creation, the Company has strategically focused on delivering innovative yet affordable products to serve the customers' needs and requirement. To boost our connectivity and competitive edge, we have taken advantage of both traditional and new channels in our marketing campaigns. While maintaining our strong presence in all retail channels, we have also extended our presence in the digital platform in order to serve and connect with customers.

According to the World Population Research in 2015, Asia has the highest population of 4.4 billion or 60% of total global population. With the closer focus to SEA as our key markets, the key demographic of over 600 million populations and high birth rate in most of the countries poses a dynamic market for the Company to sustain its continuous growth in the future. In addition, the diaper business is still under-penetrated through most countries in this region, e.g. large-sized market in Indonesia and emerging markets in CLMV.

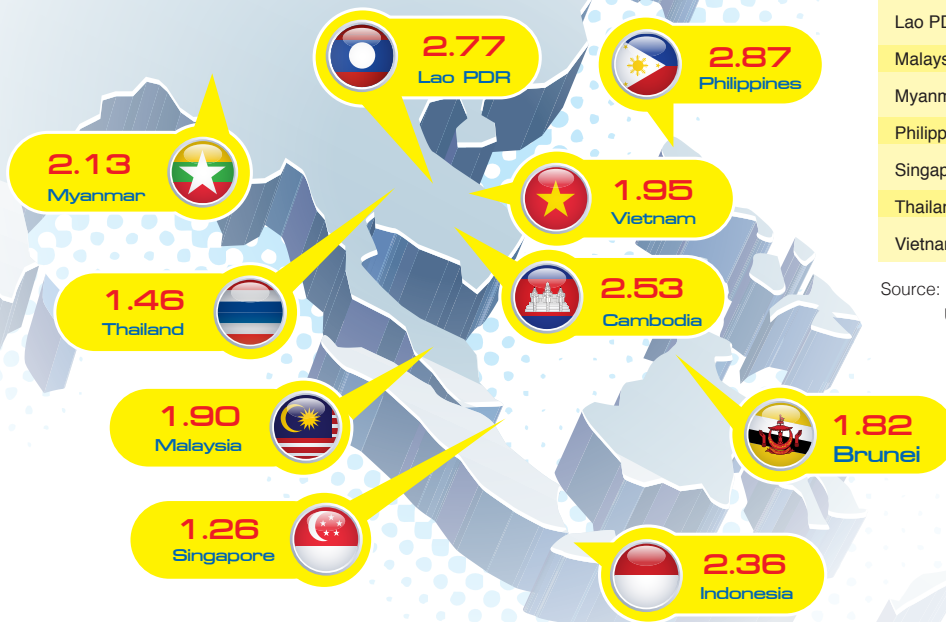
The Population of SEA Countries from 2015 to 2025

	2015	2020	2025
Brunei	423,000	446,054	470,365
Cambodia	15,578,000	16,641,421	17,777,436
Indonesia	257,564,000	269,629,321	282,259,829
Lao PDR	6,802,000	7,323,352	7,884,665
Malaysia	30,331,000	32,145,606	34,068,775
Myanmar	53,897,000	55,934,040	58,048,070
Philippines	100,699,000	107,810,314	115,423,826
Singapore	5,604,000	5,863,163	6,134,312
Thailand	67,959,000	68,055,862	68,152,862
Vietnam	93,448,000	97,217,871	101,139,826
Total	632,305,000	661,067,005	691,359,964

Source: Projection Based on Department of Economic and Social Affairs, United Nations (2015)

1) Industry Outlook for Disposable Baby Diapers:

Baby diaper generally continues to grow across South East Asia as a result of the country demographics.



The Average Number of Children per Woman

	2010-2015	2015-2020
Brunei	1.90	1.82
Cambodia	2.70	2.53
Indonesia	2.50	2.36
Lao PDR	3.10	2.77
Malaysia	1.97	1.90
Myanmar	2.25	2.13
Philippines	3.04	2.87
Singapore	1.23	1.26
Thailand	1.53	1.46
Vietnam	1.96	1.95

Source: Department of Economic and Social Affairs, United Nations (2015)

Despite the moderate newborn growth in Thailand, BabyLove as the fastest growing brand has continuously launched products to meet consumers' pocket size and usage occasions such as BabyLove DayPants and BabyLove NightPants. Furthermore, the Company has also launched BabyLove PlayPants NanoPower with its patented technology offering a slim but absorbent product catering towards the increasingly sophisticated needs of the Thai population.

In Malaysia, there is a significant room for growth by offering different product formats and segmentation. In recent years, we have continuously strengthened our PETPET portfolio by offering PETPET Night Tape, PETPET DayPants as well as relaunched improved versions of our PETPET Tape. Similarly, we have also upgraded our value for money, Fitti Tape with value added features to fulfill the demands of the economy segment.

Indonesia, with a large-sized and low penetrated market, is our key focus for our market expansion. We have invested in setting up the right business foundation in order to pave the way for a sustainable future. As a result, the sales of Fitti brand has experienced accelerating growth over the past few years. Together with the relatively low penetrated markets in the CLMV region, we foresee the opportunity to capture the baby diaper business growth in coming years.

2) Industry Outlook for Disposable Adult Diapers:

Demographics also indicate a strong future for the adult diaper market growth in SEA. The population will continue to age at varying rates per country, with Thailand and Singapore leading in terms of the percentage of the number of persons aged 60 and above while Malaysia and Indonesia and the rest will form the basis of aging population in the longer term.

The Number of Persons Aged 60 and Above						
	2015		2020		2025	
Brunei	35,109	8.3%	45,853	10.3%	59,884	12.7%
Cambodia	1,137,194	7.3%	1,404,948	8.4%	1,735,745	9.8%
Indonesia	22,923,196	8.9%	27,219,386	10.1%	32,320,755	11.5%
Lao PDR	442,130	6.5%	542,828	7.4%	666,461	8.5%
Malaysia	3,033,100	10.0%	3,708,539	11.5%	4,534,392	13.3%
Myanmar	5,228,009	9.7%	6,054,424	10.8%	7,011,475	12.1%
Philippines	7,955,221	7.9%	9,386,449	8.7%	11,075,170	9.6%
Singapore	1,137,612	20.3%	1,369,484	23.4%	1,648,618	26.9%
Thailand	12,164,661	17.9%	13,983,333	20.5%	16,073,904	23.6%
Vietnam	11,494,104	12.3%	13,832,969	14.2%	16,647,755	16.5%
Total	65,550,336	10.4%	77,548,214	11.7%	91,774,159	13.3%

Source: Projection Based on Department of Economic and Social Affairs, United Nations (2015)

In addition, untapped emerging markets in countries such as China, India, Thailand, Vietnam, and Indonesia have immense potential to grow rapidly and contribute to the market share in the future. The elderly are more susceptible to diseases that can cause incontinence. Therefore, a rise in the elderly population results in high demand for adult diapers for the management of the condition.

The increasing trend in aging population coupled with increased life expectancy as well as increasing affluence, augurs well for the long-term growth of the adult diaper market. That is why the Company launched Certainty SuperPants and Certainty DayPants to accommodate the growing market in adult diaper segment and has gained well acceptance especially in Thailand as our key focused market. Certainty is poised to be the market leader in Thailand with a robust growth and is well positioned to capture the opportunity amidst increasing aging population throughout SEA.



Management's Discussion and Analysis

Overview

2015 was an exceptionally challenging year for most of the key markets in South East Asia. The regional economic slowdown, depressed oil price and strong US Dollar negatively affected growth, consumption and profitability of many industries. The deflated purchasing power, severe price competition and volatility in foreign exchange of local currencies against strong USD were major unfavorable factors against sales revenue and profitability growth.

Throughout 2015, DSGT strived to proactively manage the dynamics of each market. The general reduction in consumer spending power led to consumer preference for “value for money” products. As a result, our DayPants for baby and adult diapers launched in 2014 were well positioned to the changing consumer trend during economic recession. All DayPants products registered positive volume and market share growth in most markets.

Similar to the global trend, the aging population due to higher life expectancy and improved healthcare systems in SEA provided strong growth opportunity for DSGT. Certainty portfolio in most markets registered double digit growth in both the tape and pant segments. DSGT continued to sustain the category leadership position in Thailand.

Key Market Highlights

Thailand : In June, BabyLove PlayPants NanoPower was launched to reinforce the innovative franchise of the brand. BabyLove and Certainty DayPants continued to expand the economy diaper segments. Certainty progressed outstandingly to further strengthen its market leadership position.

Malaysia : Depressed economic situations characterized by massive MYR depreciation, depressed crude oil earnings and GST introduction dampened the consumer purchasing power across all industries, including disposable diaper category. PETPET DayPants and Fitti Tape maintained their market position despite the weak economy. Encouragingly, Certainty experienced high double digit growth in the growing adult diaper market.

Indonesia : Fitti DayPants gained progressive sales momentum in the rapidly expanding baby pant segment with almost triple growth in past year. The supply chain infrastructure investments over past years started to support the accelerated earnings growth in 2015 and beyond.

Export Markets : The export markets continued to grow. Export marketing efforts also stepped up in Cambodia, Laos and Vietnam to capitalize on the AEC initiatives.

Financial Performance Highlights

Consolidated Sales Revenue of the Group in fiscal year 2015 was Baht 7,515 million, representing a decrease of 9.1% compared to 2014. Despite the diminished purchasing power and negative FX translation effects, the Group recorded growth of baby and adult market share particularly in mid-priced segments.

The Group's Net Profit for Quarter 4, 2015 showed a significant recovery over the previous two Quarters. The Group's Net Profit in Quarter 4 improved to Baht 65.8 million, from net losses of Baht 84.6 million and Baht 94.1 million in Quarter 2 and Quarter 3 respectively. Amid the market volatility, the Group have taken various proactive measures to revive its profitability.

The reported Net Profit for fiscal year 2015 was Baht 0.07 million, decreased by 99.9% compared to 2014. Excluding foreign exchange impact, the Net Profit for 2015 dropped by 39.4% compared to the previous year, mainly attributable to declined sales revenue and competitive discounting activities.

Forward Looking

Discussion of expectations of future performance is based on financial data and our business plan at the time of the statement. Time factor, FX volatility and high level of competitive activities might result in deviations; thus investors must recognize the uncertainty of events that could impact on expectations.

Our costs are subject to fluctuations due to changes in raw material prices and exchange rates, as most of our raw materials are imported. Changes in the economic and political environment do affect consumer confidence. Thus our financial success will depend, in part, on our ability to address global, regional and local political and economic uncertainties.

Given the favorable demographic and socio-economic factors in South East Asia, DSG Group is committed to strive for sustainable growth through continuous investments in brand building initiatives, human resources development and supply chain efficiency. The Company is firmly believed in protecting the brand equity and market position via continuous strategic investment for product innovations and geographical expansion for the long term success of the Group.

Financial Condition

At the end of 2015, DSGT reported Total Consolidated Assets of Baht 6,893 million with a decrease of Baht 462 million or 6.3% from Baht 7,355 million at end of 2014.

The Group's net decrease in cash and cash equivalents was Baht 17 million mainly resulted from repayment in short-term debt. Net cash used in investing activities was Baht 441 million was mainly used to support business expansion plan in key markets. The capital investments were partly financed by the net cash from operating activities and external borrowings.

The strong financial position of the Group is expected to continue with the sales growth momentum of our key brands, supported by the continuous improvement in the operation efficiency.



Income Tax

DSGT received investment promotion privilege from the Board of Investment by receiving the exemption for corporate income tax on profit derived from the promoted business which is under certain conditions contained in the promotion certificates. During the year of 2015, DSGT had the excess profit from the promotion privilege, which was subjected to corporate income tax.

However, at Group level, the financial statement reflected tax payment of its subsidiaries. DSG Malaysia has been granted the tax incentive for its investment in Malaysia under the Reinvestment Allowance tax incentive scheme.



Other Information

Our financial statement was prepared in accordance with Thai Accounting Standard (TAS), Thai Financial Reporting Standard (TFRS), Thai Accounting Standard Interpretation (TSI) and Thai Financial Reporting Interpretations (TFRI) as the basis of our accounting policies. Our Group has adopted the new and revised Thai Financial Reporting Standards issued by the Federation of Accounting Professions, which are effective for the financial statements for the accounting periods beginning on or after January 1, 2013 onwards, in the preparation and presentation of these financial statements.



Revenue Structure

	2013 ¹		2014 ¹		2015 ¹	
	M.TH.B	%	M.TH.B	%	M.TH.B	%
Domestic sales ² :	7,252.61	96.18%	7,877.87	95.31%	7,184.65	95.60%
Export sales:	150.07	1.99%	263.04	3.18%	180.90	2.41%
Other sales ³	137.96	1.83%	124.43	1.51%	149.40	1.99%
Total income	7,540.64	100.00%	8,265.34	100.00%	7,514.95	100.00%

Remarks:

¹ Exchange Rate

Unit : Baht

Exchange rate	2013	2014	2015
1 Malaysian Ringgit	9.7561	9.9403	8.8034
1,000 Indonesian Rupiah	2.9353	2.7419	2.5691
1 Singapore dollar	24.5700	25.6410	24.8394

² Domestic sales mean sales in Thailand, Malaysia, Indonesia, and Singapore

³ Other sales include sales from non-diaper products i.e. absorbent sheet, and cool refresh towels



Risk Factors and Management

The Company implements Risk Management policies to mitigate foreseeable potential risks. In 2015, the key risks that could have a significant impact on the Company's achievements are summarized as follows:

Industry Competition Risk

In 2015, the economic slowdown throughout SEA region has negatively impacted the overall consumer purchasing power. Most competitors applied price promotion tactics to stimulate weakened consumption. This resulted in baby diaper category value decline throughout the region.

Mitigation Approach: Owing to high competition in disposable diaper market, the Company has strategically mitigated such risks by creating the value through innovation in many aspects such as products, distribution channel, marketing activities in order to satisfy consumer needs for value propositions. The Company periodically reviewed its pricing mechanism including the appropriate advertising and promotion to be competitive in the market throughout SEA. Operationally, the Company constantly focused on improving operational efficiencies to improve the operating margins.

Financial Risk

In 2015, the Company's profitability were severely impacted by the depreciation of local currencies against the US dollar.

The appreciation of US dollar versus major local currencies practically wiped out the favorable impact from raw materials and logistics cost due to the decline in global crude oil price.

Besides the impact on raw material costs, the fluctuation of exchange rates also negatively impacts on the consolidation of the Company's financial statements as the Company reports its earnings and investments in various subsidiaries in Thai Baht.

Mitigation Approach: The Company has continuously attempted to reduce such risks by entering into forward exchange contracts, counterbalancing supply risks via multiple sourcing strategy and improving operational cost efficiencies.

Commodity Risk

Important raw materials used in the manufacture of disposable baby and adult diapers are wood pulp, non-woven sheets, glues and Super Absorbent Polymer ("SAP"), whose total costs make up more than half of the total cost of production. These raw materials have the characteristics of major commodities, of which the prices are subject to global supply and demand and other factors such as oil price and supplier production capacity throughout the economic cycles.

DSGIL, which is the parent company of the Company, has entered into central purchasing arrangement with key suppliers/distributors of major raw materials in order to reap the economy of scale benefits, thus ensuring the product cost competitiveness of the Company and its subsidiaries.

Mitigation Approach: Besides managing foreign exchange risks, the Company has leveraged upon the Group central purchasing power as mitigation of supply risk is our key focus. The Company has implemented multiple sourcing strategies as well as local sources wherever possible in order to maximize the cost advantages.

Safety & Hazard Risk

In 2015, the Company did not encounter with the serious issues from either human error or natural disasters which might cause the unsafe operation or hazardous risks to our business. The Company pays high attention to risk awareness along the whole supply chain. In addition, a safety management system by training our team on machine operation skill, technical solution, product quality knowledge, safety and hygiene control has been implemented and maintained continuously.

Mitigation Approach: The Company has incorporated the external factors including prioritized safety and hazard risks in its business planning and risk management. With regard to preventive actions, the Company has enforced the safety practice throughout the organization, developed the business continuity plan and worked with our stakeholders to ensure the continuation of business operation against any potential disasters.

Confidentiality Risk

In 2015, the Company has renewed its confidentiality and data protection policy. The Company issued the confidentiality guidelines to all employees and suppliers. In addition, the Company reinforced the internal control systems to safeguard the confidentiality of proprietary information.

Mitigation Approach: In order to enforce the confidentiality guidelines, the Company has implemented IT related data protection measures and continuously reminded our employees and suppliers to protect the Company's management information confidentiality.



Board of Directors and Management



Mr. Brandon Shui Ling Wang

Chairman of the Board of Directors

Appointed Date: 10 March 2010

Age: 70 years

Mr. Brandon Shui Ling Wang is the founder, Group Chairman & CEO of DSG International Limited ("DSGIL").

DSGIL, a holding company with corporate headquarters in Hong Kong, has remained effective equity and management control of two distinct business entities. The East Asia Region, predominantly Hong Kong and China, is the birthplace of DSG Group Worldwide founded in 1973.

Before founding the DSG Group, Mr. Wang had an impressive international career with leading airlines after graduating from St. Francis Xavier College in Hong Kong.



Mr. Ambrose Kam Shing Chan
Director and Chief Executive Officer

Appointed Date: 14 May 2008
Age: 61 years

Ambrose Chan joined DSG International (Thailand) PLC, as Chief Executive Officer, responsible for the South East Asian markets in May 2008 and has assumed the overall responsibility of Asia since December 2009. He was appointed as Director of DSGT, DSGMSB, DSGML, DSGS, PTDSG and DMS.

Ambrose started his regional management career in 1998. He was Chief Executive for the Asia Pacific Region and a Member of the Global Executive Board of Novartis Consumer Health S.A. from 1998 to 2002, and Associated British Foods & Beverages (ABF PLC) from 2003 to 2004, both based in Singapore. Prior to joining DSG, he was the Chief Executive Officer for Vitasoy International Holdings Ltd. from July 2004 to July 2007 in Hong Kong. And he was the Managing Director for Vasen Strategies Limited in August 2007.

Prior to his regional assignments, Ambrose was General Manager of Special Projects and Strategic Planning & Investments Director with the Henderson Group focusing on the hotels and retail portfolio in Greater China.

Ambrose embarked upon his general management career in 1990 as General Manager of Nestle China Ltd. (HK and Macau) upon moving back from the UK where he served as Marketing and Business Development Director of DSG (UK) Limited. Prior to this, Ambrose acquired his international marketing expertise with Procter & Gamble AG, in Switzerland where he was Marketing Manager for the Far East & Middle East markets.

Since September, 2007, Ambrose has been appointed Adjunct Professor of the Department of Management (part-time MBA Programme), the Chinese University of Hong Kong. He earned his MBA, General Management & Marketing, Ivey Business School, Canada in 1982 and a BBA (Hons.) degree from CUHK in 1978. He has been a Fellow Member of Thai Institute of Directors Association (IOD) since March 2014.



Mr. Yeoh Aik Cheong
Director and Chief Financial Officer

Appointed Date: 1 June 2011
Age: 43 years

Aik Cheong joined DSG Malaysia in April 2010 as Finance Director for Malaysia, Singapore and Indonesia markets. In May 2011, he was promoted as Chief Financial Officer – SEA. He was appointed as Director of DSGT, DSGMSB, DSGML, DSGS, PTDSG and DMS.

Prior to joining DSG, Aik Cheong was Bausch & Lomb's Finance Director for SEA & Asia Finance Shared Service Centre from April 2007 to May 2010. Before that he was the Southern Asia Finance Controller in Stryker Corporation, a global medical device corporation from May 2006 to March 2007.

Aik Cheong started his career as an auditor with BDO Binder and is both a Certified Chartered Accountant and a Certified Public Accountant. He graduated with a Bachelor Degree of Accounting (Honors) from University of Malaya in Kuala Lumpur, Malaysia. In 2015, he attended the Director Certification Program (DCP) Class 207/2015 from Thai Institute of Directors Association (IOD).



Ms. Justine Man San Wang
Director and Chief Operating Officer

Appointed Date: 10 April 2009
Age: 38 years

Justine joined the DSG group in 2004, where she assumed the role of Product Manager at DSG Malaysia. In 2010, she assumed the position of Director of Strategic Business Development for Asia. Justine was appointed as Director of DSGT, DSGMSB, DSGML, PTDSG and DMS. In April 2014, she was promoted to be Chief Operating Officer.

Justine graduated with a Master of Business Administration degree from SASIN Graduate Institute of Business Administration at Chulalongkorn University. Previous to this, she earned a Master of Science in International Politics from the School of Oriental and African Studies at the University of London, UK and a Bachelor of Arts majoring in Geography from Sussex University. In 2014, she attended the Director Certification Program (DCP) Class 196/2014 from Thai Institute of Directors Association (IOD).



Ms. Chachanee Anantwatanapong
Director and General Manager

Appointed Date: 1 December 2013
Age: 56 years

Chachanee Anantwatanapong joined DSG International (Thailand) PLC since June 2010, as Commercial Director for Thailand. In June 2012, she was promoted as General Manager – Thailand. Chachanee was appointed as Director of DMS in September and DSGT in December 2013.

Prior to joining DSG, Chachanee was Commercial Director & Legal Entity Head of Bausch & Lomb (Thailand), a global eye care company. She was responsible for Thailand, Myanmar, Cambodia and Laos markets. She has acquired over 15 years marketing and sales management experience from multinational FMCG (Colgate-Palmolive, SC Johnson and Reckitt Benckiser).

Chachanee earned a Master Degree of Business Administration (major in marketing) and a Bachelor of Accounting from Chulalongkorn University. She also received a Certificate of Advertising from the University of California, Los Angeles. In 2015, she attended the Director Certification Program (DCP) Class 200/2015 from Thai Institute of Directors Association (IOD).



Mr. Dicky Peter Yip
Independent Director and
Chairman of the Audit Committee
Appointed Date: 24 April 2013
Age: 68 years

Dicky Yip has been appointed as an Independent Director of the Board of Directors and also a Member of the Audit Committee since April 2013. In April 2014, he was appointed to be Chairman of the Audit Committee.

Dicky is an Independent Non-Executive Director of a number of listed companies, including Sun Hung Kai Properties, Ping An Insurance (Group) Company of China Ltd and South China Holdings Ltd. He was the Chief Representative of IIF (Institute of International Finance) for Asia Pacific from 2012 to 2015.

He joined HSBC in 1965 with working experience in Hong Kong, United Kingdom, USA and China. He was appointed Chief Executive China Business based in Shanghai from 2003 to 2005, later a General Manager of HSBC and Executive Vice President of Bank of Communications from 2005 till June, 2012 when he retired from the HSBC Group after 47 years of service.

Dicky was born in Shanghai and was educated in Hong Kong, graduated with an MBA from the University of Hong Kong. He is an elected associate member of the Chartered Institute of Bankers, London. He also holds a number of financial services certificates and licenses in Hong Kong, including the CFP issued by the Institute of Financial Planners. Dicky received the Ten Outstanding Young Persons Award for his contribution to the banking industry and the community. He was awarded the MBE (Military) by the British Government in 1984 and the Bronze Bauhinia Star by the Hong Kong SAR Government in 2000.



Mr. Sukporn Chatchavalapong
Independent Director and
Member of the Audit Committee
 Appointed Date: 16 December 2004
 Age: 57 years

Sukporn has been appointed as an Independent Director of the Board of Directors since 2004 and also a Member of the Audit Committee. He was appointed as Chairman of the Audit Committee since 2009 and remained as a Member of the Audit Committee since April 2014. In 2004, He attended the Director Accreditation Program (DAP) Class 30/2004 from Thai Institute of Directors Association (IOD).

Sukporn started his career with the Foreign Department of Bangkok Insurance Public Co., Ltd. in 1979. He moved to CP Intertrade Co., Ltd. where he was responsible for risk management of joint venture companies in China in 1990. He joined Inchcape Insurance Brokers (Thailand) Co., Ltd. as Broking Manager in 1992. In 1998, he was appointed General Manager - Commercial Line of Royal and Sun Alliance Insurance (Thailand). In 2002, he joined BT Insurance Co., Ltd. (a member of BankThai Group) as Deputy Managing Director and was promoted to Managing Director in January 2007. He left BT Insurance in August 2008. At present he works with Asia Insurance 1950 Co., Ltd. as Assistant Managing Director responsible for Underwriting.

Sukporn graduated from Bangkok University with a Bachelor Degree in Business Administration and MBA degree from Thammasart University.



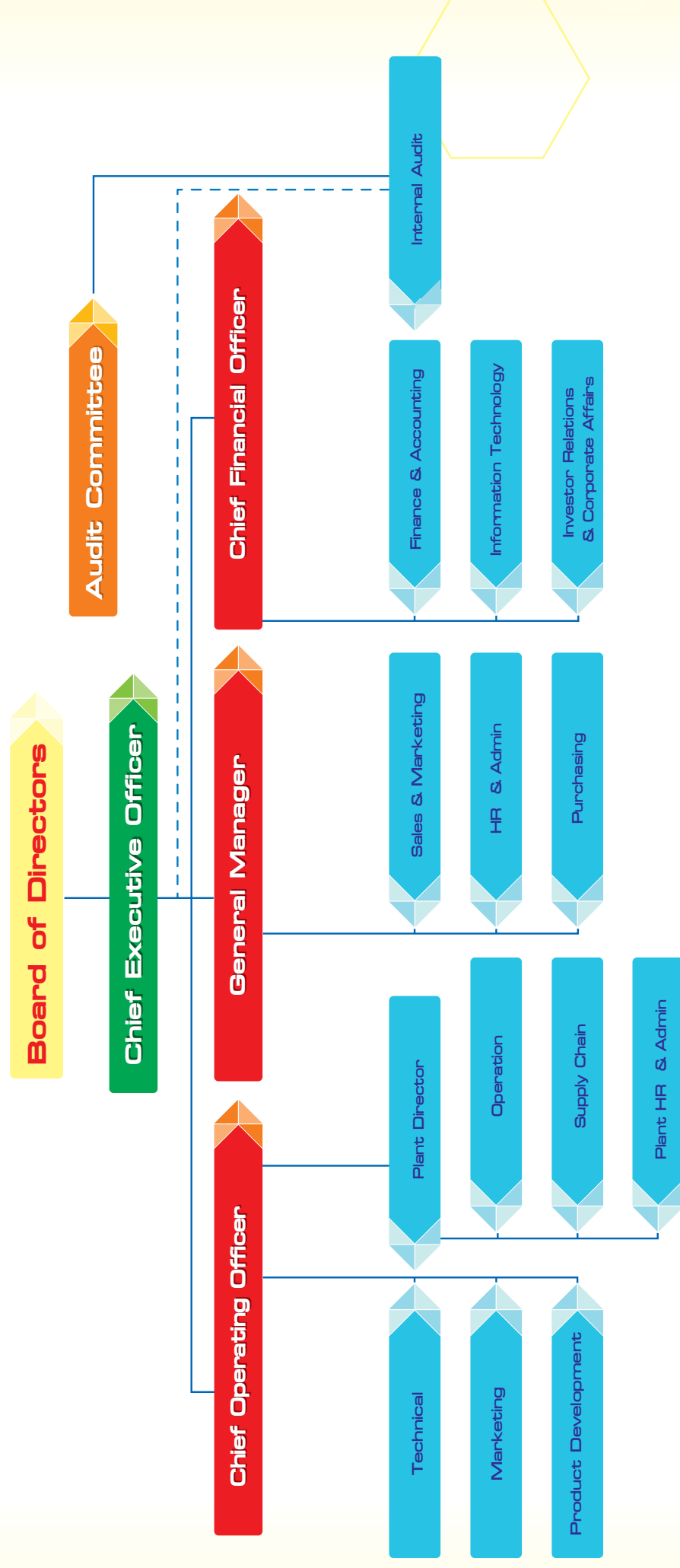
Mr. Chwan-Der Alex King
Independent Director and
Member of the Audit Committee
 Appointed Date: 17 February 2012
 Age: 56 years

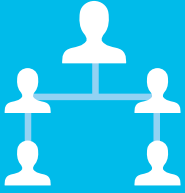
Alex King has been appointed as an Independent Director of the Board of Directors and a Member of the Audit Committee since February 2012.

Alex King currently serves as a Director of Associated British Foods Asia Pacific Holding Company. Prior to joining DSGT, Alex King was the Chief Executive and Managing Director of its international beverage business in Asia since 2009 and was Managing Director – ASEAN and North Asia Region from 2003 to 2009 at Associated British Foods Plc. Alex has extensive experience in FMCG industry and has previously worked for Kraft, Kellogg and Novartis in a number of senior management assignments in the US, Australia, Hong Kong, Singapore and Thailand.

Alex King graduated from The Wharton School, University of Pennsylvania with MBA degree and MA degree from The School of Arts and Sciences, University of Pennsylvania. He is a Certified Public Account (CPA) and a member of AICPA.

The Organization Structure of DSG International (Thailand) PLC as of 31 December 2015





Management Structure

1) Board of Directors

As at 31 December 2015, the Company's Board of Directors comprised of 8 directors as follows:

List of names	Positions
1. Mr. Brandon Shui Ling Wang	Chairman of the Board
2. Mr. Ambrose Kam Shing Chan	Executive Director and Chief Executive Officer
3. Mr. Yeoh Aik Cheong	Executive Director and Chief Financial Officer
4. Ms. Justine Man San Wang	Executive Director and Chief Operating Officer
5. Ms. Chachanee Anantwatanapong	Executive Director and General Manager-Thailand
6. Mr. Dicky Peter Yip	Independent Director and Chairman of the Audit Committee
7. Mr. Sukporn Chatchavalapong	Independent Director and Member of the Audit Committee
8. Mr. Chwan-Der Alex King	Independent Director and Member of the Audit Committee

Remark : Ms. Siritor Manopjuntaroj was appointed as Company Secretary in Board of Directors' Meeting No.1/2016 held on 24 February 2016, replacing Mr. Yeoh Aik Cheong

Scope of the Duties and Powers of the Company's Board of Directors

1. The Company's Board of Directors may appoint another person to run the operation of the Company under the supervision of the Board of Directors or grant the said person the power within the time-frame as the Board of Directors shall see fit. The Company's Board of Directors may cancel, revoke, change or amend such power. For this purpose, the Board of Directors grants power to the Executive Committee to have the duty and power to perform various works with the details of authorization within the jurisdiction of the Executive Committee. The said granting of power shall not be characterized by the granting or sub-granting of power that enables the Executive Committee or the authorized person of the Executive Committee to approve a transaction that the authorized person himself or the person who may have a conflict of interest or may have conflicts of other interests (as prescribed in the Notification by the Securities and Exchange Commission) with the Company or its subsidiaries except the approval of the normal business course transaction pursuant to criteria approved by the Board of Directors of the Company.
2. The Company's Board of Directors shall have power to determine, revise and change the name of the Company's authorized directors who have the power to sign binding on the Company.
3. The Company's Board of Directors may pay an Interim Dividend to the shareholders from time to time when it deems that the Company has had reasonable operating profit to do so and to report to the next meeting of the shareholders for acknowledgement.
4. The Company's Board of Directors must discharge its duty in accordance with the law, objectives and the Articles of Association of the Company as well as the resolutions of the meeting of the shareholders unless it is a matter that must be approved by the Meeting of the Shareholders before the discharge of such duty. For instance, the matters, which require the approval of the Meeting of the Shareholders, significant related parties transactions and the trading in important assets according to the Regulations of the Stock Exchange of Thailand or as determined by other governmental organizations.
5. The Company's Board of Directors must call a meeting at least once every three months at which not less than half of total directors attend. A resolution of the meeting of the Board of Directors must have a majority vote. One director shall be entitled to one vote, unless the director has an interest in any particular matter, in which case he or she shall not be entitled to vote on said matter. And if the vote is equal, the Chairman of the meeting shall have a casting vote.
6. The Company's Board of Directors must arrange for the Ordinary Meeting of the Shareholders to be held within 4 months of the end of the Company's accounting period.
7. A director must inform the Company for information without delay of in case he or she has had an interest, whether direct or indirect, in any contract entered into by the Company or in the case of shares or debentures of the Company or its subsidiaries held by the director having increased or decreased.
8. A director must not engage in a business of similar conditions to or in competition with the Company's business or enter into being an ordinary partner or an unlimited partner in a limited partnership or be a director of a limited company or another public company, which operates a business of similar condition to and in competition with the Company's business, irrespective of whether or not for the director's own interest or other persons' interest unless a notice thereof has been given to the meeting of the shareholders for acknowledgement before adopting a resolution appointing such director.
9. A director shall have the power to consider, approving the borrowing of money, the obtaining of credit line, of debt restructuring or of issuance debt instruments including the provision of collateral, or security against the loan or credit or the application for any credit facility by the Company.

2) Executive Committee

As at 31 December 2015, the Executive's Committee comprised of 5 members as follows:

Name	Position
1. Mr. Brandon Shui Ling Wang	Executive Director
2. Mr. Ambrose Kam Shing Chan	Executive Director
3. Mr. Yeoh Aik Cheong	Executive Director
4. Ms. Justine Man San Wang	Executive Director
5. Ms. Chachanee Anantwatanapong	Executive Director

Remarks : The attending members of the Executive Committee are to elect one of the participants to be the Chairman of the meeting.

Scope of the Duties and Powers of the Company's Executive Committee

1. To operate and manage the business of the Company in every respect according to the objectives, regulations, policies, procedures, requirements, orders and resolutions of the Meeting of the Board of Directors and/or of the Meeting of the Shareholders of the Company.
2. To consider setting forth the policy, direction and strategy of the operation of the business of the Company; to determine the financial plan and budget to be presented to the meeting of the Board of Directors and to supervise and direct the performance of the Working Committee to ensure the achievement of the established target.
3. To consider the allocation of annual budget as proposed by the Management prior to being further proposed to the Meeting of the Board of Directors of the Company for consideration and approval.
4. To have power to consider and approve funds for the normal operation of the Company's business.
5. To have power to set out policy in relation to the wage and salary structure of the Company.
6. To approve significant capital investments as determined in the annual budget as may be assigned by the Company's Board of Directors or according to the resolution of the Company's Board of Directors giving approval in principle.
7. To have power to consider and approve the granting of any loan or credit by the Company to the Company's subsidiaries in the proportion of shareholding and subject to the Company's approval power criteria.

8. To have power to consider and approve the borrowing of any funds, the obtaining of any credit line, the debt restructuring or the issue of debt instruments and the provision of security, the underwriting of loans or credit facilities of the Company for proposal to the meeting of the Company's Board of Directors.
9. To serve on the Management Advisory Board in relation to financial policy, marketing, personnel administration and other operational measures.
10. To perform other activities as may be assigned by the Company's Board of Directors from time to time.

The undertaking of power as well as the granting of power to other persons as deemed appropriate shall exclude the power and/or the granting of power to approve any items in which a member of the Executive Committee or a person may have an interest or a benefit of other description that is in conflict with the Company or its subsidiaries. The approval of items of the said characteristic must be proposed to the meeting of the Company's Board of Directors and/or the meeting of the shareholders to consider approving the said items subject to the Articles of Association of the Company or the relevant law.

At the meeting of the Executive Committee, not less than two-thirds of the total number of the members of the Executive Committee must be present. However, the Executive Committee can authorize another committee member, who is not an independent director to attend the meeting in lieu. The attending members of the Executive Committee are to elect one of the participants to be the chairman of the meeting. One attending member shall have one vote in casting the vote, unless the member who may have had interest in any matter is not entitled to cast a vote on said matter. A resolution of the Executive Committee shall be adopted by a majority of votes and if the vote is equal, the Chairman shall cast the deciding vote to resolve the issue.

Authorized Directors

Directors authorized to sign in binding the Company consist of Mr. Brandon Shui Ling Wang, Mr. Ambrose Kam Shing Chan, Mr. Yeoh Aik Cheong, Ms. Justine Man San Wang and Ms. Chachanee Anantwatanapong. Any two out of these five directors shall commonly sign and affix the Company common seal.

3) Audit Committee

As at 31 December 2015, the Audit Committee comprised of 3 members as follows:

Name	Position
1. Mr. Dicky Peter Yip	Chairman of the Audit Committee
2. Mr. Sukporn Chatchavalapong	Member of the Audit Committee
3. Mr. Chwan-Der Alex King	Member of the Audit Committee

Remark : All have adequate expertise and experience to review credibility of the financial reports.

The Secretary to the Audit Committee is Ms. Pei Shean, Chang

Scope of Duties and Powers of the Company's Audit Committee

1. To review the Company's financial reports process to ensure that they are accurate and adequate;
2. To review the internal controls and internal audit functions to ensure that they are suitable and efficient.
To consider the independence of party and to give the opinion on the appointment, transfer or stop hiring of the internal audit officer;
3. To review the Company's compliance with laws on Securities and Exchange and regulations of SET and other business laws;
4. To consider, select and nominate the Company's external auditors and their remunerations and conduct a meeting with the auditor at least once per year without management present;
5. To consider transactions related to, or transactions that may cause conflicts of interest, to comply with the laws and the SET's regulation, and are reasonable and for the highest benefit of the Company;
6. To prepare an audit committee report by setting the minimum detail:
 - 6.1 accurateness, completeness and credibility of the Company's financial report
 - 6.2 adequacy of the firm's internal control system
 - 6.3 compliance with SEC's and SET's laws and regulations and other laws relevant to the Company's business
 - 6.4 suitability of the external auditor
 - 6.5 transactions that may cause conflicts of interest
 - 6.6 the number of committee meetings and attendance of each member
 - 6.7 other concerns that have arisen as the audit committee performed its duties as defined in the committee's charter
 - 6.8 other matters which should be made available to shareholders and general investors within the scope of duties and responsibilities assigned by the Board.
7. To perform any other duties as assigned by the Board of Directors.

4) Management

As at 31 December 2015, the 4 managements were as follows:

Name	Position
1. Mr. Ambrose Kam Shing Chan	Chief Executive Officer
2. Mr. Yeoh Aik Cheong	Chief Financial Officer
3. Ms. Justine Man San Wang	Chief Operating Officer
4. Ms. Chachanee Anantwatanapong	General Manager

Scope of Duties and Powers of the Chief Executive Officer

1. To define the missions, objectives, guidelines, goals and Company's policies to be presented to the meeting of the Executive Committee and to implement the said missions, objectives, guidelines, goals, including the Company's policies, and to issue instructions and to supervise the implementation collectively; to have the power to recruit employees and appoint them in positions and to have power to issue an order for the transfer of employees across lines of work, department, section, or terminate employees from the Company; to determine the rate of wage, remuneration, or bonus payment including fringe benefits in relation to all members of the staff of the Company;
2. To have the power to issue orders, regulations, rules, notifications, notices to ensure the proper implementation of the Company's policy and interest and to ensure proper working regulations, and disciplines within the organization.
3. To carry out activities in relation to the general management of the Company;
4. To have the power to grant substitution of power and/or grant power to other persons to perform specific tasks by means of substitution of power and/or the said granting of power, which shall be subjected to the scope of granting of power under the letter of attorney and/or in accordance with the regulations, requirements or orders as defined by the Company's Board of Directors and/or by the Company;

For this purpose, the power including the granting of power to other persons as deemed appropriate shall exclude the powers and/or the granting of powers to approve any items or transactions in respect of which the Chief Executive Officer or other persons may have conflicts or interest of other characteristics that are in conflict with the Company or its subsidiaries according to the rules of the Stock Exchange of Thailand. The approval of the items or transactions of the said characteristics must be proposed to the Meeting of the Board of Directors of the Company and/or the meeting of the shareholders for consideration and approval according to the Articles of Association of the Company or of its subsidiaries or the relevant laws;

5. To take other actions as may be assigned by the Company's Board of Directors from time to time.

Selection Process and Appointment of Directors and Executive Directors

As the Company does not have an ad hoc Recruitment Committee, persons who will be elected and appointed as a director or an executive of the Company must possess the qualifications of the Public Company Act B.E. 2551 and the Articles of Association of the Company and must not possess prohibitive characteristics pursuant to the Notification of the Securities and Exchange Commission of Shares.

Composition and Appointment of the Company's Board of Directors

The Company's Board of Directors must be comprised of not less than 5 directors and not more than 10 directors who shall be elected by the shareholders' meeting. Not less than half of the number of directors shall reside in Thailand. The Articles of Association of the Company provides for the shareholders' meeting to elect directors according to the rules and method as follows:

1. Each shareholder shall have one (1) vote per share;
2. Each shareholder shall exercise all votes that he/she has under (1) to elect one (1) or several persons as director or directors. Should the shareholders elect several directors, no shareholder can divide his/her vote for any persons or group to any extent at all.
3. The candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in that order until all of the director positions are filled. Where the votes cast for candidates in descending order are tied, which would otherwise cause the number of directors to be exceeded, the chairman cast a deciding vote.

At every annual general ordinary meeting, one-third of the directors shall vacate the office at such time. If the number of directors cannot be divided into a multiple of 3, the number nearest to one-third of the directors shall then vacate the office. The directors who vacate the office may be re-elected.

Composition and Appointment of the Executive Committee

The Company's Board of Directors shall appoint the Executive Committee from among a number of directors of the Company.

Composition and Appointment of the Audit Committee

The Company's Board of Directors shall appoint the Audit Committee to be elected from among at least 3 persons possessing full qualifications according to the Notification of the Stock Exchange of Thailand. The member of the Audit Committee shall be in office for a 3-year term.

Qualifications and Criteria for Recruitment of the Audit Committee

The Member of the Audit Committee must be an Independent Directors. The company has defined the meaning of “Independent Directors” as per the criteria set by the Capital Market Supervisory Board Tor.Chor.14/2551 as follows:

1. Holding shares not exceeding 1.0 percent of the total number of voting rights of the company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, including the shares held by related persons of the independent director.
2. Neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the company, its parent company, subsidiary, affiliate, same-level subsidiary or juristic person who may have conflicts of interest unless the foregoing status has ended not less than two years prior to the appointment.
3. Not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children, executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the company or its subsidiary.
4. Not having a business relationship with the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, in the manner which may interfere with his independent judgment, and neither being nor having been a major shareholder, non-independent director or executive of any person having business relationship with the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than two years prior to the appointment.
5. Neither being nor having been an auditor of the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and not being a major shareholder, non-independent director, executive or partner of an audit firm which employs auditors of the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than two years from the appointment.
6. Neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million Baht from the company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and neither being nor having been a major shareholder, non-independent director, executive or partner of the professional advisor unless the foregoing relationship has ended not less than two years from the appointment date.
7. Not being a director who has been appointed as a representative of the company's director, major shareholder or shareholders who are related to the company's major shareholder.
8. Not having any characteristics which make him incapable of expressing independent opinions with regard to the company's business affairs.

Orientation for New Directors

The Company shall organize an orientation session for new directors by presenting an overview of the Company's business operation as follows:

- Business and Operational Overview
- Strategic Framework
- Roles and Responsibilities of directorship
- Corporate Governance and Compliance requisite from the regulators

Training of the Board of Directors

The Company encourages the Board of Directors to acquire more knowledge either pursuing own study or attending the training courses or seminars, organized by the Thai Institute of Directors Association (IOD) and other organizations. The training records are recognized as follows:

- In 2015, Ms. Chachanee Anantwatanapong attended the Director Certification Program (DCP) Class 200/2015 and Mr. Yeoh Aik Cheong attended the Director Certification Program (DCP) Class 207/2015
- There are 5 out of 8 directors who attended the Director Certification Program (DCP) and the Director Accreditation Program (DAP)

5) Company Secretary

The Board of Directors appointed Ms. Siritorn Manopjuntaroj, an Investor Relations & Corporate Affairs Manager to be the company secretary in Board of Directors' Meeting No. 1/2016 held on 24 February 2016, replacing Mr. Yeoh Aik Cheong

According to The Securities and Exchange Act (No.4), B.E. 2551 Section 89/15 and Section 89/16, a company secretary shall be responsible for the following matters on behalf of the company or the board of directors:

- (1) preparing and keeping the following documents:
 - a. a register of directors;
 - b. a notice calling director meeting, a minute of meeting of the board of directors and an annual report of the company;
 - c. a notice calling shareholder meeting and a minute of shareholders' meeting;
- (2) keeping a report on interest filed by a director or an executive;
- (3) performing any other acts as specified in the notification of the Capital Market Supervisory Board.

In addition, the company secretary shall be assigned to the following matters:

- a. recommendation for the related legal and regulation and corporate governance practice to the board of directors' activities in compliance with the law.
- b. conducting the board of directors' meeting and the shareholders' meeting
- c. delegating the resolution of the board of directors' meeting and the shareholders' meeting to the internal functions
- d. coordinating with the governing offices, ,e.g. SEC, SET and controlling the correctness of disclosed information to the law and regulation.

Profile of Company Secretary

Ms. Siritorn Manopjuntaroj

Age: 39 years

Education/Training:

- Bachelor of Chemical Engineering, Chulalongkorn University
- Master of Chemical Engineering, Lehigh University, USA
- Company Secretary Program (CSP) Class 68/2016, Thai Institute of Directors Association (IOD)

6) Remuneration for Directors and Executives

The Company has set up a clear policy for remunerating directors and executives. The director remuneration shall be approved by shareholders' meeting, while executive remuneration shall be approved by the Board of Directors. The remuneration for directors and executives are provided at the same level as industry practices and sufficient to attract and retain capable and qualified directors and executives.

The Annual General Meeting of Shareholders No.1/2015 held on April 27, 2015 approved the directors' remuneration for year 2015 by approving the remuneration for the three Independent Directors and Member of the Audit Committee at Baht 545,000 each which is Baht 300,000 for fixed annual fee and Baht 245,000 for variable meeting allowance. Other directors are not entitled to receive the remuneration.

Remuneration in Cash

(1) Directors

In 2015 the Company paid remuneration to 3 directors totaling Baht 1.53 million in the form of cash remuneration for director fee as follows:

Unit : Thousand Baht

Name	Board	Audit Committee	Total
1. Mr. Brandon Shui Ling Wang	-	-	-
2. Mr. Ambrose Kam Shing Chan	-	-	-
3. Mr. Yeoh Aik Cheong	-	-	-
4. Ms. Justine Man San Wang	-	-	-
5. Ms. Chachanee Anantwatanapong	-	-	-
6. Mr. Dicky Peter Yip	-	510	510
7. Mr. Sukporn Chatchavalapong	-	510	510
8. Mr. Chwan-Der Alex King	-	510	510

(2) Executives

In 2015 the Company paid remuneration to 4 executives totaling Baht 53.20 million, respectively (in the form of cash remuneration: salary and bonus payment and non-cash remuneration: fringe benefits).

Other Remuneration

(1) Directors

The directors shall be reimbursed for the expenses as appropriated e.g. the transportation, the accommodation and the meal.

(2) Executives

- Provident Fund

The Company has set up the Provident Fund and contributed 5% of each employee's salary.

- Employee Joint Investment Program (EJIP)

The Company has organized EJIP program to motivate the executives and employees who outstandingly contribute to the company in the long term. The program is designed to last for 3 years and ended in 2015.

7) Personnel

As at 31 December 2015, the total number of members of the staff and employees of the Company were 382 persons as follows:

Line of Work	31 December 2015
Management	4
Operation	338
General Admin and Support Function	40
Total	382

Total employees of the subsidiaries were 468 persons as follows::

Companay	31 December 2015
DMS	15
DSGML	101
DSGMSB	201
PTDSG	150
DSGS	1
Total	468

Total employees of DSG group were 850 persons with no significant change for the number of employees from the past few years.

The employees are entitled to receive the remuneration package from the company in the form of basic salary, performance bonus, provident fund and other fringe benefits.

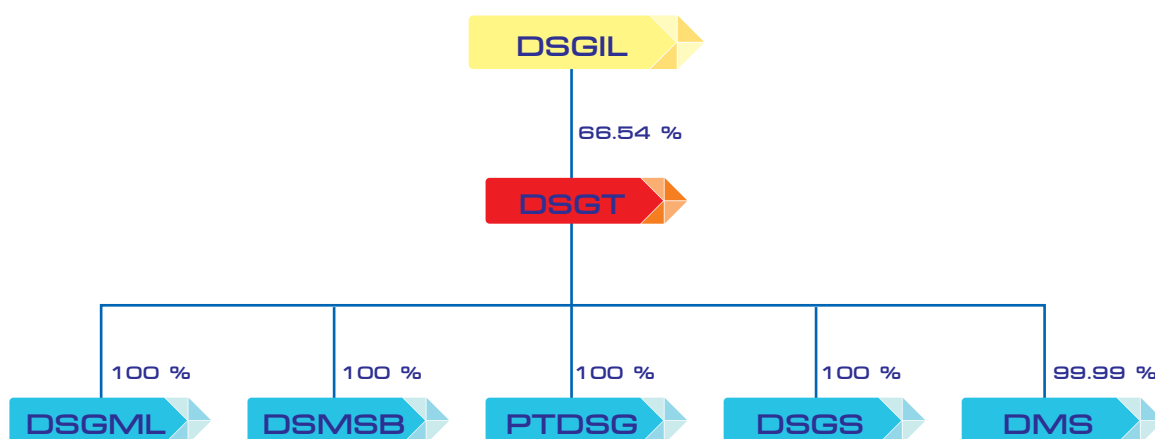
The Company and its subsidiaries do not have any labor disputes of material importance that may impact negatively on the Company since the beginning of its business operation.

The Company has focused on human resource development to strengthen their capability and competency to support the Company's day-to-day operation and long-term growth. The Company promotes the employees to attend the training courses relevant to each line of work. Moreover, the employees are encouraged to learn from actual performance of duty and advice from experienced personnel (on-the-job training) and seminar participation.

Shareholding in Subsidiaries and Affiliates

DSGT is held by the major shareholder, DSGIL for 66.54%. Currently, DSGT has fully owned five subsidiaries with operational offices and facilities in Thailand, Malaysia, Indonesia and Singapore. The corporate structure is shown as follows:

Corporate Structure of the Company and its Subsidiaries 31 December 2015



DSG International Limited (“DSGIL”)

DSG International Limited (“DSGIL”) was registered in the British Virgin Islands on 31 December 1991. DSGIL’s principal office is based in Hong Kong.

Formerly, DSGIL has subsidiaries that are in the business of manufacturing and marketing of baby and adult disposable diapers under the brand names of “BabyLove”, “PETPET”, “Fitti”, “Dispo123”, “Handy” and “Certainty” in United States of America, Hong Kong, China, Thailand, Malaysia, Indonesia and Singapore.

In 2013, DSGIL sold Associated Hygienic Products (AHP), a U.S. maker of store-brand infant diapers in United States of America to Domtar Corporation. DSGIL has remained the business in Hong Kong, China and in South East Asia region through DSGT.

DSGIL holds 66.54% of the total subscribed shares of the Company.

DSG International (Thailand) Public Company Limited (“DSGT”)

DSG International (Thailand) PLC was incorporated on 20 May 1994 and listed on the stock exchange of Thailand on 9 Aug 2006 with authorized share capital, with the objective of manufacturing and marketing of baby and adult disposable diapers. Its brand names include “BabyLove”, “PETPET”, “Fitti”, and “Certainty” for both export and domestic markets.

DSGT holds 100% in DSGML, DSGMSB, DSGS, PTDSG and 99.99% in DMS.

Subsidiaries

1) Disposable Soft Goods (Malaysia) SDN BHD (“DSGML”)

DSGML was founded on 16 October 1995 with authorised share capital of Ringgit 100,000 divided into 100,000 shares at par value of Ringgit 1 per share with the paid-up share capital of Ringgit 3. On 29 November 2004, the Company increased its authorised share capital to Ringgit 5 million divided into 5 million shares at par value of Ringgit 1 per share with paid-up share capital of Ringgit 3,000,003. DSGML operates the business of distributing and marketing of disposable baby and adult disposable diapers in Malaysia.

2) DSG (Malaysia) SDN BHD (“DSGMSB”)

DSGMSB was founded on 2 December 1998 with authorised share capital of Ringgit 5 million divided into 5 million shares at par value of Ringgit 1 with paid-up share capital of Ringgit 2. On 8 April 1999, the Company increased its paid up share capital to Ringgit 3,400,002. Subsequently on 30 November 1999, the Company increased its authorised share capital to Ringgit 10 million with paid-up share capital of Ringgit 3,400,002. DSGMSB operates the business of manufacturing baby and adult disposable diapers in Malaysia.

3) PT DSG Surya Mas Indonesia (“PTDSG”)

PTDSG was founded on 25 April 1997 by DSGIL holding approximately 60% and Mr. Abdul Alek Soelystio, an Indonesian citizen, holding 40% with registered share capital of Rupiah 28,824 million divided into 12,000 ordinary shares at par value of Rupiah 2,402,000 and paid-up share capital of 7,200 shares at total value of Rupiah 17,294.40 million, with the objective to operate a business of manufacturing disposable baby diapers and distributing the products through PT Panca TalentaMas in Indonesia. (PT Panca TalentaMas is 95% owned by such Indonesian partner).

In December 2007, PTDSG issued 3,800 ordinary shares, of which DSGT was allotted 2,280 shares and Mr. Abdul Alek Soelystio was allotted with 1,520 shares. As at December 31, 2008, the subscription was completed with paid-up share capital of 11,000 shares. Therefore, DSGT held approximately 60% with 6,599 shares while the local shareholder held approximately 40% with 4,400 shares.

In December 2010, DSGT acquired the remaining of the 40% of the paid-up share capital of PTDSG from Mr. Abdul Alek Soelystio, and PTDSG became a wholly owned subsidiary of DSGT.

4) Disposable Soft Goods (S) Pte Limited (“DSGS”)

DSGS was founded on 12 August 1983 with authorised share capital of SGD 2 million, which is divided into 2 million shares at par value of SGD 1 and paid-up share capital of SGD 1.5 million, with the objective of distributing and marketing of baby and adult disposable diapers in Singapore.

On April 1, 2010, DSGS changed its business model to a distributor operation by appointing a sole distributor for all its products.

5) DSG Management Services (Thailand) Company Limited (“DMS”)

DMS was founded on 17 September 2013 with authorised share capital of Baht 10 million, with the objective of providing management services to the Company’s subsidiaries or affiliates both in and outside of Thailand.



Major Shareholding Structure

DSGT - Major Shareholders as of 31 December 2015

Name of Shareholding	No. of Shares Held	Shareholding (%)
1. DSG INTERNATIONAL LIMITED	838,386,180	66.54
2. THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, FUND SERVICES DEPARTMENT	91,230,330	7.24
3. CHASE NOMINEES LIMITED	60,059,780	4.77
4. Thai NVDR Co., Ltd.	24,576,997	1.95
5. Mrs. Suwanna Anuwongnukroh	21,508,300	1.71
6. N.C.B.TRUST LIMITED-NORGES BANK 11	19,092,300	1.52
7. BANK JULIUS BAER & CO.LTD, ZURICH	15,027,100	1.19
8. Mr. Sophon Mitpanpanich	11,030,530	0.88
9. Miss. Siriluck Thanomkulrat	7,190,000	0.57
10. THE BANK OF NEW YORK MELLON	6,746,880	0.54
Other shareholders	165,151,398	13.11
Total	1,259,999,795	100.00

Remark : Total number of shareholders is 3,067.



Corporate Governance

The Company has set up the policy in relation to supervision of the business for transparency in the operation of the Company at all levels including operating staff, executives and directors of the Company, which forms the important basis for improving operating efficiency and effectiveness of the Company for the long-term benefit of all stakeholders. The Company has implemented policy and practices for good corporate governance and business ethics as follows:

1. *Compliance with the Principles of Corporate Governance Applied for Listed Companies*

1.1 Right of Shareholders

The Company has recognized the importance of the shareholders' right. The Company's practices on right of shareholders which are in line with the good corporate governance are as follows:

- Propose the agenda of directors' nomination and remuneration, and auditors' nomination and remuneration, dividend payment and key decision of business matters (if any) for shareholders' approval in the annual general meeting (AGM) on yearly basis;
- Present important information for shareholders in many communication channels, e.g., during the meeting, notification through SET system and corporate website – www.dsgap.com;
- Not to lessen the shareholders' right by not distributing significant information immediately on the meeting day, or not put additional agenda during the meeting and allow the latecomer shareholders to attend the meeting for voting to the existing agenda;
- Apply the barcode system to support registration process and counting vote which is more efficient to the shareholders in attending the meeting;
- Record the minutes of the meetings correctly for the shareholders to inspect and then publish within 14 days after AGM date via corporate website;
- Facilitate a translation in case that the shareholders' meeting is conducted in foreign language to ensure that the shareholders can completely understand the message of the meeting and can ask the questions or express the opinions;
- Provide the stamp duty to the shareholders who attend the meeting in case of proxy;
- Select the meeting venue which the shareholders can access easily by the public transportation.

1.2 Equitable Treatment of Shareholders

The Company has treated every shareholder equally by having practices which are in line with the good corporate governance as follows:

- Deliver a meeting invitation letter together with supporting information relevant to meeting agenda to the shareholders at least 14 days prior to the meeting date. The Company has appointed Thailand Security Depository Company Limited (TSD) as the company registrar to distribute the invitation letter and other documents to shareholders. In 2015, the Company delivered the meeting invitation letter to the shareholders on April 10, 2015 and made an announcement through the newspaper for 3 consecutive days in order to inform the shareholders in advance;
- Sent the proxy form together with the invitation letter and listed the required documents for the meeting in order to facilitate the shareholders who cannot attend AGM. Moreover, the Company has authorized Independent Director/Member of Audit Committee, Mr. Sukporn Chatchavalapong as a proxy on behalf of the shareholders in the event that the shareholders cannot attend the meeting;

- Post these AGM documents in Investor Relation via corporate website to ensure that the shareholders have equally accessed the company's information in many channels. The Company posted the meeting invitation letter on the Company website on April 10, 2015;
- Set the venue and the appropriate time that is convenient for every shareholder to attend the meeting. In 2015, the Company held the Annual General Meeting of Shareholders No.1/2015 on April 27, 2015 at 10.00 am at Crowne Plaza Bangkok Lumpini Park Hotel. The venue was convenient for travelling by public transportation, e.g., public buses, BTS Sky Trains and MRT (Bangkok Metro);
- Inform the resolution of the meeting after the meeting has been completed and submit and publish the minutes of the meeting on the company website within 14 days after the meeting. In 2015, the Company informed the resolution of the meeting on April 27, 2015 via SET website and published the minutes of the meeting on the corporate website on May 11, 2015;
- Record the meeting in video format and post on the corporate website;
- Set the protection policy in order to prevent the use of internal information by directors and management for their personal use. The Company has applied the confidentiality to all directors, management and employees from not using the Company's information for the sake of their own. This unauthorized use includes the buying/selling of the Company's securities by directors, executives and employees who can receive the inside information. Efforts should be made to avoid trading the Company's shares for at least a 1-month period before public disclosure of the financial statement. The announcement was noticed in advance via the Company's intranet, email and corporate website. The detail can be found under the Use of Internal Information section.

1.3 Role of Stakeholders

The Company has placed high importance on the right of stakeholders including executives, employees, customers, suppliers, competitors, creditors, state sectors and other related organizations. The Company complies with the relevant rules and regulations to ensure that the rights of these interested groups are properly attended to.

Employees :

The Company recognizes the employees as a key driver to its long-term sustainable growth ; therefore, promotes the people development for our employees. The Company always treats the employees equally and fairly by providing suitable remuneration, proper welfares i.e. provident fund, group health insurance, safety policies, labor relation activities, and etc, according to performance evaluation, company performance and benchmarking with other same industries. In addition, the Company encourages the adequate training of employees either through public or in-house trainings to increase their skills and competencies.

Customers/Consumers :

The Company commits to deliver the best results to maximize the customers and consumers' satisfaction by providing the high quality products at the lowest possible manufactured cost to serve the customers' needs. The Company provides the understandable information on relevant aspects of products or services and offers various communication channels to the customers and consumers regarding advices. Also, the Company enforces the employees to protect the customers' confidential information for not being used for their own benefits.

Competitors :

The Company conducts its business with ethics and consistently engages with fair competition and transparency, not to seek information on competitors through improperly dishonest means.

Suppliers/Contractors :

The Company's code of conducts have defined the practices in sourcing and selection process under a framework of good competitive roles. The purchase of goods and services from trading partners has proceeded according to agreed terms as well as compliance with the contracts made with trading partners. In case that there is any issues causing non-compliance, the Company shall inform the trading partners to coordinately seek the best solutions.

Creditors :

The Company treats the creditors responsibly for financial obligation and guarantee condition as stipulated in the contract. The Company does not engage in dishonest practices. In case that the Company cannot fulfil one or more of its obligations, the notification will be sent to the creditors in advance to coordinately seek the best solutions.

State Sectors and Other Related Organizations :

The Company applies a good corporate governance and compliance to the local law and other regulations including international standards. The Company treats the related parties fairly in consideration of community's involvement, efficient resource management and sustainability.

1.4 Disclosure and Transparency

The Company discloses material information including financial reports and other information that are clear, concise, easy to understand, complete and adequate, reliable and timely in the Annual Registration Statement (Form 56-1), Annual Report, corporate website and announcement through SET system. All disclosures of official information were written in both Thai and English. These are to ensure that all shareholders can access to the Company's information equally. The Company's practices on the Disclosure and Transparency which are in line with the good corporate governance as follows:

- Disclose a clear information of shareholding structure;
- Disclose the shareholding information of directors and management;
- Disclose the information on related transactions, names and relationships, transaction values including the board's opinion on the transactions;
- Quality of financial reports, the Company appointed Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd., who has been certified by the Securities and Exchange Commission, as an independent auditor. The company's latest financial report was certified with unqualified opinion from the auditor;
- Establish the Investor Relations Department to be a channel to disclose the information to the shareholders, analysts and general investors. The Investor Relations Department can be reached at 02-651-8061 ext. 111 or ir@dsgap.com; and
- Provide the shareholders and investors access to the company's information, through various channels such as annual report, corporate website, analyst meetings and roadshows. In 2015, the Company has conducted various communication through emails, phone calls, company visits, overseas conference calls, Opportunity Day (in March and September).

1.5 Responsibilities of the Board

The Company has set up the guideline for the Board of Directors' roles and responsibilities as follows:

1.5.1 Board Structure

- The Company's Board of Directors comprises of 8 people (as at December 31, 2015)
 - 5 directors are executive directors
 - 3 directors are Independent Directors and Member of the Audit Committee
- One-third of the Company's directors are independent directors. Should that any director has any interest in any matters, he or she will not have the right to vote on the said matters.
- The Company separates the position of Chairman of the Board of Directors and Chief Executive Officer (CEO) into 2 positions to be held by different persons in order to segregate the duty of setting up policy and business supervision from routine management. Duty and authority of the Board of Directors, Executive Board and Audit Committee are clearly separated as detailed in Management Structure section.
- The Company has an established term of office for directors in the Articles of Association that at each Annual General Meeting of Shareholders, one-third of the directors or if their number is not a multiple three, the number nearest to one-third must retire from office. Therefore, the term of each director is set at 3 years.

1.5.2 Sub-committee

The Company's Board of Directors appoints a sub-committee to assist on the supervision of the business as follows:

- The Audit Committee consists of 3 independent directors with a 3-year tenure. Details of the authority and duty of the Audit Committee are provided in Management Structure section.
- The person to be appointed as a member of Audit Committee must be an independent director. The Company has defined the meaning of Independent Directors as per the criteria set by the Capital Market Supervisory Board Tor.Chor.14/2551 which is provided in Management Structure section.
- The Company does not have a Remuneration Determination sub-committee. However, the wage and salary structure has been carefully considered by the Executive Committee by having an appropriate process and benchmarking with the referenced industry of similar size, including taking into consideration the Company's financial performance.

1.5.3 Roles and Responsibilities

- The Company's Board of Directors comprises of persons knowledgeable in, capable of and experienced in the operation of the business. The Board of Directors shall have the responsibility to set out the policy, vision, strategy, objective, mission, business plan and budget of the Company. In addition, the Board of Directors shall be responsible for the supervision of the administration and management of the operation in accordance with the established policy efficiently and effectively within the framework of the law, objectives, Articles of Association of the Company and the resolutions of the shareholders' meeting responsibly, honestly and carefully in compliance with the good corporate governance principle. This is to maximize shareholders' value.
- The Company places great importance on the internal control system, internal audit and risk management including check and balance system to ensure that the operation of the Company is carried out in accordance with the laws. There is also a good control system to ensure maximum efficiency and effective internal control system for the Company.
- The Board of Directors considers, defines and separates clear and distinctive roles and responsibilities within itself, the Executive Committee, the Audit Committee and the Chief Executive Officer.
- The Board of Directors has appointed Ms. Siritorn Manopjuntaroj as the Company Secretary to be responsible for and to undertake the tasks of the Company Secretary in order to comply with Section 89/15 of the Securities and Exchange B.E. 2535 (including its amendments).
- The Company has established a report of the Board of Directors Responsibilities for Financial Statements presented together with the Financial Statement in the Annual Report.

1.5.4 Board Meeting

- The Company delivers the notice of Board of Directors' meeting together with supporting documents to directors for consideration before the meeting date at least 7 days in advance. This is in accordance with the minimum timeframe required by law. At least one Board of Directors' meeting is held in each quarter with additional meeting to be called if required.
- In 2015, there were totally 5 Board of Directors meetings and 1 Annual General Shareholders' Meeting (AGM). Minutes of the meetings are accurately and completely recorded in writing by Company Secretary. Minutes of the meetings, certified by the Board of Directors, will be retained for further examination by the Board of Directors and other related parties.
- The Company has set up the meeting of the Audit Committee and the external auditor without the presence of executive directors and management in order to enhance good corporate governance and transparency to the Company financial statement. The meeting is set quarterly prior to the approval of quarterly financial statements.
- In 2015, The meeting attendance was recorded as follows:

List of Name	Position	Meeting Attendance(times/total)		
		Board of Directors	Audit Committee	AGM
1. Mr. Brandon Shui Ling Wang	Chairman of the Board	0/5	N.A.	0/1
2. Mr. Ambrose Kam Shing Chan	Executive Director and Chief Executive Officer	5/5	N.A.	1/1
3. Mr. Yeoh Aik Cheong	Executive Director and Chief Financial Officer	5/5	N.A.	1/1
4. Ms. Justine Man San Wang	Executive Director and Chief Operating Officer	5/5	N.A.	0/1
5. Ms. Chachanee Anantwatanapong	Executive Director and General Manager	5/5	N.A.	1/1
6. Mr. Dicky Peter Yip	Independent Director and Chairman of the Audit Committee	5/5	4/4	1/1
7. Mr. Sukporn Chatchavalapong	Independent Director and Member of the Audit Committee	5/5	4/4	1/1
8. Mr. Chwan-Der Alex King	Independent Director and Member of the Audit Committee	5/5	4/4	1/1

2. Use and Disclosure of Internal Information

The Company has a policy to prohibit directors and executives from using internal information, which is not yet publicly disclosed, for personal interest. This unauthorized use includes the buying/selling of the Company's securities by directors, executives and employees who can receive the inside information. Efforts should be made to avoid trading the Company's shares for at least a 1-month period before public disclosure of the financial statement. Specifically, the directors and management who are responsible for SEC filings need to report the corporate secretary for their Company's stock trade at least 1 day before transaction date.

The Company must notify the executives regarding the report of the shareholding and the change on shareholding of the Company's shares by the executives, their spouses and minor children to the Office of the Securities and Exchange Commission and of any potential penalties under the Securities and Exchange Act B.E. 2551 (2008).

If the directors, executives and employees violate or fail to comply with the Company's policy on the trading in securities by using inside information, the Company will take disciplinary action against such directors, executives, or employees by firstly giving a written warning, then deduction of pay, then temporary suspension of work without pay, and ultimately dismissal from employment depending on the gravity of such offence.

3. Anti - corruption

The Company realizes that the anti-corruption is a main part of corporate good governance, representing the honesty, transparency and fairness for its business. Accordingly, the Company is intended to provide guidelines to all employees regarding ethical behavior when acting on behalf of the Company as follows:

3.1 Gifts/Bribery/Kickback

It is inappropriate to receive any gifts as an employee from a Company business partner if there could be a reasonable appearance that receipt of such gift would influence a business relationship. However, it is proper to accept gifts of nominal value that are customarily offered to others in similar relationships. The receipt of any gift which is not nominal or customary must be reported to their immediate superior.

The gift must then be either returned or disposed of and the provider be reminded in writing of the Company's policy in this area.

3.2 Fraudulent Activities

The Company adheres to policies of "best practices" in all of its business dealings. The Company will not tolerate any form of fraud or corruption in its business activities or in the communication to the general public about any of its business activities. Employees discovered to be engaged in fraudulent or corrupt activities will be subject to termination and possibly face criminal penalties from outside law enforcement agencies.

4. Conflict of Interest

The Company issues the conflict of interest policy to the Board of directors stipulated under scope of the Duties and Powers of the Company's Board of Directors and applies to all employees in code of conduct as follows:

A conflict of interest arises when an employee engages in any activity that advances their personal interest to the detriment of the Company's interest. It is the responsibility of the individual employee to avoid situations that compromise the interests of the Company for their benefit or personal gain.

- Assisting any competitors.
- Performing personal activities that result in any form of competition against the Company.
- Maintaining a financial interest even if passive in any organization doing business with the Company. The ownership of a nominal amount of shares of a publicly traded company does not constitute maintaining a financial interest for purposes of defining a conflict of interest.
- Using "insider" information not generally available to the public to promote personal gain.

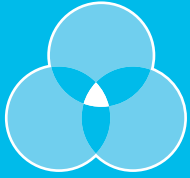
5. Remuneration for the External Auditor

5.1 Audit Fee

For the fiscal year of 2015, the Company and its subsidiaries paid a total audit fee of Baht 4.32 million to Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. Of this amount, Baht 2.58 million is charged to the Company and the rest is charged to its subsidiaries.

5.2 Non-Audit Fee

-None-

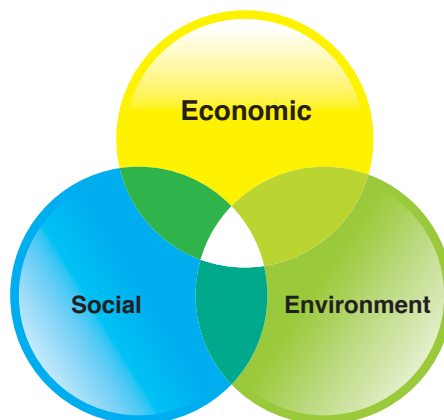


Sustainable Development

The Company has realized that its business and responsibility to society are inextricably linked. Those are the key practices to drive its sustainable growth. The Company has created strategies, governance structures, corporate policies, commitment statements and codes of conduct that embed corporate responsibility into its daily operations and manage effective stakeholder engagement process.

The Company has set up the practices in relation to corporate social responsibility in the operation of the Company at all levels including operating staff, executives and directors of the Company, which forms the important basis for improving operating efficiency and effectiveness of the Company for the long-term benefit of the shareholders, customers, investors and the general publics. The Company is committed to maximizing its contribution to sustainable development including the health and welfare of society with accountability to stakeholder's interest and respect for the rule of law.

The Company has implemented its corporate social responsibility practices in various aspects as follows:



Economic Success

Internal perspectives:

The Company has committed to building the strong foundations for future growth in disposable diapers business. With its investment in the infrastructure and production facilities in the past few years, the Company has prepared for the capacity expansion to cover the increase in sales turnover and market share in South East Asia.

To sustain its business growth in the long term, the Company has managed the operational costs in order to remain the competitive price in the market.

External perspectives :

Over the decades, the Company has operated the production facilities in Thailand, Malaysia and Indonesia; therefore, it can partly support Thai and regional local economies both directly and indirectly. The Company has increased the localization ratio for local employment and raw material to support the expansion in the long term. In addition, the increase in its business growth and capacity of disposable diapers can replace partly the imported finished products; on the other hand, export to other countries.

Social Responsibility

Internal perspectives :

In its principles and values, the Company shall provide a healthy, safe, and positive work environment where everyone can feel valued, can learn, and is expected to consistently strive for achieving their personal best with the resources available.

The Company has applied the good labour practices and provided the workers with access to skills development, training and apprenticeships, and opportunities for career advancement, on an equal and non-discriminatory basis and also respects the family responsibilities of workers by providing reasonable working hours. In addition, the Company shall not discriminate on the basis of race, colour, gender, age, nationality, ethnic, caste, marital status, sexual orientation, or political affiliation in employment practices; this includes recruitment, selection, access to training, promotion and termination.

To prevent corruption and bribery, the Company has applied and improved policies and practices that counter corruption, facilitation payments, bribery and extortion and encourage employees and suppliers to work to oppose corruption by influencing others to adopt similar anti-corruption practices.

For a sustainable future, investing in our people to ensure talent line up and business continuity is an integral part of our company strategy. We believe in facilitating our people of all levels to gain higher skills for the betterment of themselves and the Company.

In 2015, we have continued to focus our efforts in human resources development training, including our Operator Development Programme, Management Trainee Programme, Employee Kaizen and Cost Saving initiatives, and Succession Planning to build the future pipeline for key positions in the Company.

External perspectives :

1. Consumer Issues

The Company provides products and services to its consumers and customers with responsibilities. These responsibilities include providing education and accurate information, using fair marketing practices, concerning on protection of health and safety and promoting sustainable consumption.

When communicating with consumers, the Company is committed to not engage in any practices that are deceptive, misleading or fraudulent; clear advertising and marketing messages providing understandable information on relevant aspects of products or services. Provision of such information should be limited to circumstances where it is appropriate and practical and would assist consumers for health and safety aspects of products and services.

In protecting the health and safety of consumers, the Company shall assess the adequacy of health and safety laws, regulations, standards and other specifications in compliance with the laws and regulation.

Contributing to sustainable consumption and customer services, the Company shall review complaints and improve practices in response to these complaints and clearly communicate to consumers and offer adequate and efficient support and advice systems.

Throughout the years, DSG has succeeded via implementing key innovation strategies in a localized manner. In each market, our commercial and R&D team have conducted many detailed researches via home use trials, end user group discussions and shopper behavior studies to understand the local lifestyles and preferences of each market, helping us to truly understand what is needed from our products.

Combined with our operational strengths, supplier partnership and R&D patented technologies, we aspire to continuously develop a pipeline of innovative new products that puts us a step ahead of the market. In doing so, delivering quality at a reasonable price remains as our top priority in creating value for our consumers.

For example,

2009 - launch of BabyLove PlayPants, being the first pants product to bring quality at a competitive price to the mass population, thus expanding the pants market at a rapid pace. Prior to the introduction of BabyLove PlayPants, all pants products were priced for selected premium consumers.

2010 - launch of Certainty Active, being introduced for those incontinence.

2011 - launch of BabyLove and PetPet Night product range to meet the needs for a product with superior absorbency to last through the night.

2013 - launch of BabyLove, PetPet and Fitti DayPants to cater for the rising penetration of baby diapers into the economic segment.

2014 - launch of Certainty SuperPants, replacing Certainty Active for those incontinence but mobile users who are seeking for assurance of performance while still retaining a decent quality of life.

2014 - launch of Certainty DayPants for those with light incontinence but wish to carry on with their lives as they have always lived and known.

For all of the above, the product formulation, design, packaging and execution have been catered to local lifestyle and tastes of each culture.

The Company has a policy for manufacturing products with high quality. The entire quality management system has been well implemented in our overall plant operation. Also, we have been focusing on our continuous quality improvement by lean manufacturing concept and other excellent processes. Those contribute in product quality improvement and cost saving as well. We strictly controlled all activities according to ISO 9001 standard and built up good safety practices. The ISO: 9001:2008 Surveillance audit has been done very successfully in 2015.

2. Community Involvement and Development

The Company contributes to increase include creating employment through expanding and diversifying economic activities and technological development. In addition, the Company also contributes through social investments in providing community health services by donation and advice services by the expert line.

The Company runs various Corporate Social Responsibility (CSR) programs in various markets. Its current outreach initiatives revolve around baby and senior citizen care, underprivileged mothers and disaster relief. The Company regularly conducts activities and product donations with both baby and senior citizen clubs.

In 2015, the Company has recognized the community involvement and development in anywhere we operated and conducted CSR activities as follows;

In Thailand, the Company contributed to provide humanitarian support for the victims affected by the earthquake devastated disaster in Nepal. The Company under Babylove and Certainty brands comprehends the significance of help to relief pregnant women as well as their children.

An estimate of 126,000 women were given, which urgently needed to be supplied with the support for safe childbirth.

Because of this, the Company received the thankful note from the United Nations Population Fund (UNFPA) for our contribution of dignity kits.

"On behalf of UNFPA and the women we serve in Nepal, we wish to express once more our appreciation for the kind contributions made by DSG International (Thailand) PLC. for helping UNFPA Nepal provide earthquake-affected women and girls with 1,000 dignity kits. Your support is greatly appreciated."



In collaboration with UNFPA Thailand, the Company supported the donation through its online shopping channel with the condition of contributing 1 US Dollar for every pack of purchase.

On June 3rd, Ms. Chachanee Anantwatanapong, General Manager being a representative of the Company to present 300,000 Baht donation for this good cause to Mr. Caspar Peek, Representative for UNFPA Thailand.



Remarkably, the Company received “AMCHAM CSR Excellence Recognition 2015” award, 2nd year in a row. This award is given to the companies which their CSR program demonstrates the understanding of the linkages among business operations and society, and conducting business in a way that creates both long-term economic and social value.

Our award-winning project, namely “Feel Deeply Gratified with Certainty Adult Diaper” was initiated to bring the Company’s policy to promote better quality of life among the elderlies and importantly build up a society of gratitude. Certainty Adult Diaper project has been expanded with great participation from our consumers to donate a portion of revenue to elder patients at Ramathibodi hospital for the last 3 years.



In December, the Company has joined hands with Ramathibodi Foundation in organizing the “Gratified Merit-Making with Certainty Campaign Year 3” for the purposes of promoting good health and good quality of life among the elderlies. This year campaign has been continued to raise funds to procure medical devices especially for cash-strapped patients.



In order to support the educational communities, the Company under the brands of BabyLove and Certainty collaborated with the recognized universities: Chulalongkorn University and Thammasart University to initiate the project, namely DSG Marketing Plan Contest. This project was aimed at allowing university students to apply their academic theory into real digital business.



in Malaysia, Certainty organized an inaugural charity run to create awareness on incontinence. The event was graced by Datin Paduka Chew Mei Fen, Deputy Minister of Home, Women and Community with 800 participants joined in a 3-km and 6-km run. MYR 30,000 was donated to four old folk homes in collaboration with the ministry. This run proudly earned the Merit Excellence in the Promotion and Marketing Asia Awards 2015 (PMAA), announced in October 2015.



A massive flood hit the East Coast early this year causing business and life disruption, DSG Malaysia, with in collaboration with Malaysian Chinese Association (MCA) donated Fitti and Certainty products to support families in need as well as other NGOs to contribute their relief missions to worst hit area. DSG Malaysia received complimentary through PR coverages for our contribution. Internally, our employees were also affected by the flood. Their homes were totally destroyed. Our employees expressed their sympathy by donating their means and additional contribution by the Company to support them.



In addition, Certainty extended help by providing one-year product supply for a 17-year-old man who quitted school to help his single mom and younger siblings. On his way to work for the first time to ease the family burden, he was involved in a hit and run accident which left him paralyzed.

Environmental Responsibility

The Company has established the guideline in managing environmental issues in the short-term and improving environmental concern continuously for sustainable development. With the implementation of waste management and energy saving projects, starting from issue identification to result evaluation. Moreover, the campaign is encouraged to all employees for environment consciousness and as special training for specific tasks

In 2015, the Company has conducted many improvement projects for energy saving. In Thailand, the reduction of power consumption was implemented by advanced technology lighting system. In addition, the optimizing & managing program for machine production with power consumption reduction was established in compliance with lower carbon footprint.

With high responsibility to the environment, the Company continuously explores the matured technologies in the direction of energy conservation. In addition, the energy awareness driven by the employees results in energy reduction in our manufacturing facilities.

Besides managing sustainability in our operation, we have expanded environmentally friendly mindset to our procurement process throughout supply chain. As for raw materials, we have applied our screening criteria to select the sellers or companies who manage their products with certification and comply with the standard with respect of environment protection and energy consumption reduction. For instance, we sourced the pulp from certified timberland with Forest Stewardship Council (FSC) standard, nonwoven sheets on recycled raw material program. For petroleum -linked raw materials such as Super Absorbent Polymer (SAP), Polyethylene film, Hotmelt and etc., we have considered for performance improvement to reduce energy consumption, carbon footprint, greenhouse gas emission and waste release to the environment.

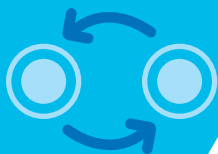


Internal Control

The Internal Control is an integral part of the Company's priority in which the Board of Directors ("Board") of DSG International (Thailand) Public Company Limited has continually emphasized its existence, adequacy and appropriation on the business operations in order to maintain the efficiency and effectiveness of resources utilization and assets security aspects.

The Board reviews annual internal control assessment as part of the Audit Committee's accountability and reports its result in the Board's meeting number 1/2016 on February 24, 2016.

The Audit Committee conducted review of five (5) elements of internal control system; 1) Organization Control and the Environment, 2) Risk Management, 3) Management Control Activities, 4) Information and Communication, 5) Monitoring System. Together with the management, the Audit Committee expressed its opinion that the Company's internal control is adequate and appropriate for effective business operation and securing the assets. There is no major concern regarding to the internal control system of the Company noted during its review.



Related Transactions

Details of related transactions of the Company and its subsidiaries with persons who may have conflict of interest

Company / Nature of Business / Relationship	Characteristics of transactions	Value of transactions (Million Baht) From Consolidated Financial Statement		Opinion of the Audit Committee/ Necessity and reasonableness
		Audited 31 December 2014	Audited 31 December 2015	
1. DSG International Ltd., ("DSGIL") - Holding Company - Registered in BVI - Head Office in HK	1.1 The Company, DSGML, DSGMSB, PTDSG, and DSGS paid the Management Fee to DSGIL.	Management Fee 120.901	Management Fee 89.408	<p>The said transaction was reasonable and was beneficial to the business operation of the Company and its subsidiaries because the said fee was paid to DSGIL for the services provided under the Management Agreement. In addition, the terms and conditions of the Management Agreements are fair and equitable when compare to the Management Agreements of DSGIL with other affiliated companies.</p> <p>Rate of management fees that the Company has to pay to DSGIL is higher than those of the other subsidiaries. The management support to the Company is more intense as compare to the Company's subsidiaries.</p> <p>On September 30, 2015 the Company and its subsidiary received the exemption for accrued management fee and royalty fee as at September 30, 2015 from DSGIL.</p>
	DSGML and DSGMSB also paid License Royalty fee to DSGIL.	Royalty Fee 39.290	Royalty Fee 23.096	
	1.2 DSGIL is the creditor of the Company, DSGML, DSGMSB, PTDSG, and DSGS due to the unpaid management fees and license royalty fee to DSGIL (The said fees were paid monthly without credit term) and reimbur- sement expenses.	20.667 Aging Current: 18.505 ≤3 mos: 0.743 3-6 mos: 0.683 6-12 mos: 0.736	34.281 Aging Current: 34.304 3 mos: -0.131 6-12 mos: 0.066 > 12 mos: 0.042	

Company / Nature of Business / Relationship	Characteristics of transactions	Value of transactions (Million Baht) From Consolidated Financial Statement		Opinion of the Audit Committee/ Necessity and reasonableness
		Audited 31 December 2014	Audited 31 December 2015	
	1.3 The Company sold baby diapers and packing material to DSGIL.	-	-	The said transaction is a normal trade transaction with the pricing policy by the method of cost plus marginal profit; the net prices were comparable to prices otherwise obtainable from third parties.
	1.4 DSGIL is other debtor of PTDSG, arose from advertising expense iapers sale transactions.	-	58.008 Aging ≤3 mos: 58.008	The said transaction was reasonable and was beneficial to the business operation of PTDSG received the advertising support from DSGIL, such PTDSG presented it by deducting from the selling expenses and listing fee.
	1.5 DSGIL is other debtor of the Company, arose from expenses reimbursement.	-	0.040 Aging Current: 0.040	The said transaction was reasonable and considered as a normal transaction.
2. Disposable Soft Goods Ltd. ("DSGL") - Manufacturing and distributing diaper products in HK. - Registered in HK - Head Office in HK - DSGIL who is a major shareholder of the Company holds 100 percent of shares in DSGL.	2.1 The Company sold baby and adult diapers to DSGL.	8.986	9.845	The said transaction is a normal trade transaction with the pricing policy by the method of cost plus marginal profit; the net prices were comparable to prices otherwise obtainable from third parties.
	2.2 DSGL is trade debtor of the Company, arose from diapers sale transactions.	5.106 Aging Current: 5.106	3.157 Aging Current: 3.157	The said transaction was reasonable and considered as a normal transaction.
	2.3 DSGL is other debtor of the Company, arose from other expenses charge back from the Company.	0.002 Aging Current: 0.002	-	The said transaction was considered as a normal transaction.
	2.4 DSGL is other creditor of the DSGMSB, arose from other expenses charge back from DSGL.	0.0295 Aging Current: 0.071 ≤3 mos: - 3-6 mos: 0.067 6-12 mos: 0.157	0.110 Aging Current: 0.035 3-6 mos: 0.049 6-12 mos: 0.026	The said transaction was considered as a normal transaction.

Company / Nature of Business / Relationship	Characteristics of transactions	Value of transactions (Million Baht) From Consolidated Financial Statement		Opinion of the Audit Committee/ Necessity and reasonableness
		Audited 31 December 2014	Audited 31 December 2015	
3. Disposable Soft Goods (UK) Plc ("DSGUK"). - Manufacturing and distributing diaper products domestic and export to Europe. - Registered in UK - Head Office in UK - DSGIL who is a major shareholder of the Company holds 100 percent share in DSGUK.	3.1 PTDSG pays the Trademark Royalty Fees to DSGUK.	5.162	88.083	<p>The said transaction was reasonable and was beneficial to the business operation of PTDSG since the fees was paid to DSGUK, the beneficiary of DSGIL to collect the Royalty fees, for the right to use the trademark under the Trademark License/Royalty Fees Agreement.</p> <p>The fees are reasonable and are at the same rate that DSGIL charges to other companies.</p> <p>On September 30, 2015 the Company and its subsidiary received the exemption for accrued management fee and royalty fee as at September 30, 2015 from DSGUK.</p>
	3.2 DSGUK is the creditor of PTDSG from the unpaid royalty fees mentioned above. (The said fees were paid quarterly with 20 days credit term)	5.870 Aging Current: 1.115 ≤3 mos: 1.374 3-6 mos: 1.353 6-12 mos: 2.028	1.401 Aging Current: 1.401	<p>The said transaction was reasonable and considered as a normal transaction.</p> <p>The outstanding balance (interest free) can be considered as a financial support from DSGIL who transfer the right to collect the royalty fee to DSGUK.</p> <p>On September 30, 2015 the Company and its subsidiary received the exemption for accrued management fee and royalty fee as at September 30, 2015 from DSGUK.</p>
4. Shanghai DSG Mega Thin Co. Ltd. ("SDSGM"). - Manufacturing and distributing raw material. - Registered in China - Head Office in China - DSGIL, which is the major shareholder of the Company, holds 75 percent of share in Shui Ling Holding Co. Ltd; and Shui Ling Holding Co. Ltd. holds 100 percent of share in SDSGM.	4.1 The Company purchased raw materials from SDSGM.	26.525	7.709	<p>This transaction is a normal trade transaction. The raw material is a proprietary product of DSG.</p>
	4.2 SDSGM is other creditor of the Company, arose from other expense reimbursement.	-	-	<p>The said transaction was considered as a normal transaction.</p>

Company / Nature of Business / Relationship	Characteristics of transactions	Value of transactions (Million Baht) From Consolidated Financial Statement		Opinion of the Audit Committee/ Necessity and reasonableness
		Audited 31 December 2014	Audited 31 December 2015	
5. Disposable Soft Goods (Zhongshan) Ltd. ("DSGZ"). - Manufacturing and distributing diaper products in China. - Registered in China - Head Office in China - DSGIL, which is the major shareholder of the Company, holds 100 percent of share in DSGMgt; and DSGMgt holds 100 percent of share in DSGZ.	5.1 The Company sold baby diapers to DSGZ.	155.287	45.932	The said transaction is a normal trade transaction with the pricing policy by the method of cost plus marginal profit; the net prices were comparable to prices other- wise obtainable from third parties.
	5.2 DSGZ is the trade debtor of the Company, arose from the sale of finished goods to DSGZ.	43.645 Aging Current: 43.645	1.047 Aging Current: 1.047	The said transaction was reasonable and considered as a normal transaction.
	5.3 DSGZ is other debtor of the Company and DSGMSB, arose from other expenses reimbursement.	0.188 Aging 3-6 mos: 0.188	0.039 Aging ≤ 3 mos: 0.023 3-6 mos: 0.016	The said transaction was considered as a normal transaction.
	5.4 The Company purchase raw material for machinery test run.	-	-	This transaction is a normal trade transaction.
	5.5 DSGZ is the trade creditor of the Company, arose from the purchase of material from DSGZ for machinery test run.	-	-	The said transaction is a normal trade transaction.
	5.6 DSGZ is the other creditor of the Company, DSGMSB and PT DSG, arose from other expenses reimbursement.	0.078 Aging Current: 0.078	-	The said transaction is a normal transaction, expenses were reimbursed at cost.

Company / Nature of Business / Relationship	Characteristics of transactions	Value of transactions (Million Baht) From Consolidated Financial Statement		Opinion of the Audit Committee/ Necessity and reasonableness
		Audited 31 December 2014	Audited 31 December 2015	
6. DSG Technology Holding Limited("DSG TEC") - Holding company - Registered in Hong Kong - Head Office in Hong Kong. - DSGIL, which is the major shareholder of the Company, holds 100 percent share in DSG TEC.	6.1 The Company, DSGMSB and DSGMAL pay licenses fee to DSG TEC.	Technology Transfer and License Fee 30.884 Trademark License Fee 78.974	Technology Transfer and License Fee 17.635 Trademark License Fee 65.853	<p>The said transaction was reasonable and was beneficial to the business operation of the Company and its subsidiaries, the beneficiary of DSG TEC to collect the licenses fees, for the right to manufacture under the license fees agreement.</p> <p>The fees are reasonable and are at the same rate that DSG TEC charges to other companies</p> <p>On September 30, 2015 the Company and its subsidiary received the exemption for accrued management fee and royalty fee as at September 30, 2015 from DSG TEC.</p>
	6.2 DSG TEC is the creditor of the company, DSGMSB and DSGMAL from the unpaid royalty fees mentioned above.	10.133 Aging Current: 10.133	23.472 Aging Current: 23.472	<p>The said transaction was reasonable and considered as a normal transaction.</p> <p>On September 30, 2015 the Company and its subsidiary received the exemption for accrued management fee and royalty fee as at September 30, 2015 from DSG TEC.</p>



Report of the Audit Committee

The Audit Committee (“Committee”) of DSG International (Thailand) Public Company Limited (“Company”) consists of three independent directors, with Mr. Dicky Peter Yip as the Chairman, Mr. Sukporn Chatchavalapong and Mr. Chwan-Der Alex King as members of the Audit Committee respectively. All Audit Committee members are knowledgeable and experienced in finance and organization management and duly qualified in accordance with the requirements by the Stock Exchange of Thailand.

The Audit Committee have performed and carried out four (4) meetings for year 2015 to review the correctness of financial statements, Audit Report, internal control system, supervision of internal audit, related transactions, compliance with the law of the Securities and Exchange Commission and the law related to the company’s business and review to confirm the compliance of the company with the International Financial Reporting Standard (IFRS). The significant points of such reviews by the Audit Committee are summarized as follows:

1. Reviewed the financial statements of the company and its subsidiaries on both quarterly and yearly basis for 2015, to ensure their compliance with the accounting standards requirements, and the disclosure of the notes to the financial statements in accordance with the financial reporting standards. As the result in line with the opinions by the independent auditors from Deloitte Touche Tohmatsu Jaiyos Audit Company Limited. The Audit Committee concluded that, those financial statements are fairly presented substantial context in accordance with Thai Financial Reporting Standards. Those information were also deemed to have been disclosed in an adequate and timely basis.
2. Reviewed of the related party transactions and the transactions with possible conflict of interests. The Audit Committee concluded that those transactions were duly conducted based on regular business terms for the best interests of the Company, whose transaction details were properly disclosed in accordance with the requirements of The Securities and Exchange Commission.
3. The Audit Committee approved the scope of work and the annual audit plan of the Company’s internal audit for the year 2015. The performances of the internal audit were regularly monitored, with both risk management and internal controls being taken into consideration. Constant advices were given to the Company’s internal audit on various matters for the improvement of internal audit systems and efficiency of their performances.

The Audit Committee has reviewed the adequacy of the Company’s internal control system in 2015 to ensure that it would drive the Company’s operations to meet the preset targets and objective. The Company has consistently monitored the work improvements subject to comments in the auditing report, and opinions of the Audit Committee. Also, the internal control system has been improved to be in line with changing circumstances. The Audit Committee is of opinion that the internal control system of the Company has been adequate and efficient.

In the view of the Audit Committee, the Company’s overall internal control systems are currently adequate. The Audit Committee opined that the Company observed good governance in providing accuracy and credibility of financial statements and accountancy in the compliance to the 2015 regulations which related to the business.

Mr. Dicky Peter Yip
Chairman of the Audit Committee



Report of Board of Directors' Responsibilities for Financial Statements

The Board of Directors is responsible for the separate financial statements and consolidated financial statements of the Company and its subsidiaries, including the financial information disclosed in the Company's Annual Report. The financial statements are prepared in accordance with Thai Accounting Standards and in compliance with Thai law and regulations and include general accepted accounting principles in Thailand. The Company and its subsidiaries have consistently applied appropriate accounting policy and adequately disclosed in the Notes to the financial statements to ensure that the financial statements are reliable and provide sufficient information to the shareholders and investors.

The Board of Directors has established and maintained an internal control system in order to provide a reasonable assurance that the accounting records are accurate, complete and adequate in protecting the assets of the Company, and in preventing fraud and materially irregular transactions.

The Board of Directors has appointed an Audit Committee which comprises of Independent Directors to review the quality of the financial reporting and the effectiveness of internal control system. The Audit Committee reports the reviewed results to the Board of Directors.

The Board of Directors is of the opinion that the audited separate financial statement of the Company and the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2015 are reliable and provide a true and fair view of the financial position of the Company.

Mr. Brandon Shui Ling Wang
Chairman of the Board



Report of Independent Certified Public Accountants

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS DSG INTERNATIONAL (THAILAND) PUBLIC COMPANY LIMITED

We have audited the consolidated financial statements of DSG International (Thailand) Public Company Limited and its subsidiaries and the separate financial statements of DSG International (Thailand) Public Company Limited, which comprise the consolidated and separate statements of financial position as at December 31, 2015, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the aforementioned consolidated and separate financial statements present fairly, in all material respects, the financial position of DSG International (Thailand) Public Company Limited and its subsidiaries and of DSG International (Thailand) Public Company Limited as at December 31, 2015, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

BANGKOK
February 23, 2016

Choopong Surachutikarn
Certified Public Accountant (Thailand)
Registration No. 4325

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

Financial Statements

DSG INTERNATIONAL (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2015	2014	2015	2014
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.1	176,853,511	193,661,343	107,714,754	157,282,958
Trade and other receivables					
Trade receivables	5 and 21	1,668,642,563	1,714,119,187	1,236,287,343	1,339,632,682
Other receivables	21	97,824,210	47,402,614	76,285,730	68,030,083
Current portion of loan to a subsidiary	21	-	-	25,000,000	-
Inventories	6	959,814,782	1,185,833,980	595,392,832	668,702,255
Other current assets		102,982,338	84,285,502	12,957,002	20,011,512
Total Current Assets		<u>3,006,117,404</u>	<u>3,225,302,626</u>	<u>2,053,637,661</u>	<u>2,253,659,490</u>
NON-CURRENT ASSETS					
Receivable - a subsidiary	5 and 21	-	-	185,657,923	167,472,300
Investments in subsidiaries	7 and 21	-	-	102,814,901	102,814,901
Long-term loans to subsidiaries	21	-	-	638,556,852	420,976,247
Leasehold rights	8	184,711,301	203,220,604	64,995,891	67,578,509
Advance payments for purchases of fixed assets		31,825,033	13,421,717	31,825,033	11,352,443
Property, plant and equipment	9	3,493,277,323	3,711,909,215	2,344,244,986	2,370,656,019
Intangible assets	10	19,687,399	30,856,502	9,993,169	10,114,408
Deferred tax assets	11	66,439,859	79,945,618	2,236,875	1,287,146
Other non-current assets					
- Deposits for lease of warehouse	27.2	88,922,702	88,922,702	88,922,702	88,922,702
- Other deposits		1,759,105	1,905,196	2,091,748	1,667,306
Total Non-current Assets		<u>3,886,622,722</u>	<u>4,130,181,554</u>	<u>3,471,340,080</u>	<u>3,242,841,981</u>
TOTAL ASSETS		<u><u>6,892,740,126</u></u>	<u><u>7,355,484,180</u></u>	<u><u>5,524,977,741</u></u>	<u><u>5,496,501,471</u></u>

Notes to the financial statements form an integral part of these statements

DSG INTERNATIONAL (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2015

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2015	2014	2015	2014
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term borrowings					
from financial institutions	12	974,882,978	1,287,434,481	576,472,432	910,101,935
Trade and other payables	13	1,522,911,095	1,620,590,447	952,669,986	1,095,344,497
Current portion of long-term borrowings	14	465,585,963	370,496,786	346,662,600	273,504,000
Corporate income tax payable		14,105,118	5,545,314	14,092,765	5,542,468
Other current liabilities		25,797,165	21,213,195	18,436,585	17,539,543
Total Current Liabilities		<u>3,003,282,319</u>	<u>3,305,280,223</u>	<u>1,908,334,368</u>	<u>2,302,032,443</u>
NON-CURRENT LIABILITIES					
Long-term borrowings	14	1,506,793,818	1,388,801,369	823,432,000	590,059,600
Employee benefit obligations	15.1	34,190,663	30,490,641	16,693,387	14,900,410
Other non-current liabilities	16	6,285,000	120,107,470	6,285,000	90,447,218
Total Non-current Liabilities		<u>1,547,269,481</u>	<u>1,539,399,480</u>	<u>846,410,387</u>	<u>695,407,228</u>
TOTAL LIABILITIES		<u>4,550,551,800</u>	<u>4,844,679,703</u>	<u>2,754,744,755</u>	<u>2,997,439,671</u>

DSG INTERNATIONAL (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2015

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2015	2014	2015	2014
LIABILITIES AND SHAREHOLDERS' EQUITY					
(CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
1,259,999,988 ordinary shares of					
Baht 1 each		<u>1,259,999,988</u>	<u>1,259,999,988</u>	<u>1,259,999,988</u>	<u>1,259,999,988</u>
Issued and paid-up share capital					
1,259,999,795 ordinary shares of					
Baht 1 each		1,259,999,795	1,259,999,795	1,259,999,795	1,259,999,795
PREMIUM ON ORDINARY SHARES		173,974,474	173,974,474	173,974,474	173,974,474
PREMIUM ON TREASURY SHARES	17	71,594,089	71,594,089	71,594,089	71,594,089
RETAINED EARNINGS					
Appropriated					
Legal reserve	18	126,000,000	126,000,000	126,000,000	126,000,000
Unappropriated		850,112,904	960,203,409	1,138,664,628	867,493,442
OTHER COMPONENTS OF SHAREHOLDERS' EQUITY					
Exchange differences on translation					
of the financial statements of					
foreign subsidiaries		(82,521,881)	(23,996,230)	-	-
Differences between the carrying amounts					
of investments and costs of acquisition	7	<u>(56,971,081)</u>	<u>(56,971,081)</u>	<u>-</u>	<u>-</u>
Equity attributable to shareholders of parent		2,342,188,300	2,510,804,456	2,770,232,986	2,499,061,800
Non-controlling interests		<u>26</u>	<u>21</u>	<u>-</u>	<u>-</u>
TOTAL SHAREHOLDERS' EQUITY		<u>2,342,188,326</u>	<u>2,510,804,477</u>	<u>2,770,232,986</u>	<u>2,499,061,800</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>6,892,740,126</u>	<u>7,355,484,180</u>	<u>5,524,977,741</u>	<u>5,496,501,471</u>

Notes to the financial statements form an integral part of these statements

DSG INTERNATIONAL (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2015

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2015	2014	2015	2014
Revenue from sales		7,514,952,906	8,265,343,643	5,204,617,500	5,743,437,909
Cost of sales		(4,966,237,088)	(5,381,481,545)	(3,341,243,341)	(3,556,239,448)
Gross profit		2,548,715,818	2,883,862,098	1,863,374,159	2,187,198,461
Dividend income	20 and 21	-	-	15,083,431	26,665,238
Other income	22	41,897,300	38,454,173	65,602,782	47,397,203
Selling expenses		(1,927,147,936)	(1,956,281,411)	(1,280,463,304)	(1,297,239,711)
Administrative expenses		(391,896,420)	(426,933,876)	(232,461,303)	(242,595,476)
Loss on impairment of investment in a subsidiary	7 and 21	-	-	-	(148,006,123)
Loss on impairment of machines		(3,496,916)	-	(3,496,916)	-
Net gain (loss) on exchange rate		(111,426,610)	(23,636,532)	37,257,038	28,093,334
Finance costs		(125,607,315)	(110,406,149)	(58,362,597)	(51,890,857)
Profit before income tax expense		31,037,921	405,058,303	406,533,290	549,622,069
Income tax income (expense)	11	(30,968,261)	32,042,393	(24,553,138)	(17,316,758)
PROFIT FOR THE YEAR		69,660	437,100,696	381,980,152	532,305,311
OTHER COMPREHENSIVE INCOME					
Item that will not be reclassified subsequently to profit or loss					
Actuarial gain for employee benefit obligation - net of tax	11 and 15	3,239,821	3,259,112	2,591,015	4,013,059
Item that may be reclassified subsequently to profit or loss					
Exchange differences on translation of financial statements of foreign subsidiaries		(58,525,651)	(24,389,612)	-	-
OTHER COMPREHENSIVE INCOME (LOSS)		(55,285,830)	(21,130,500)	2,591,015	4,013,059
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(55,216,170)	415,970,196	384,571,167	536,318,370
PROFIT ATTRIBUTABLE TO					
Owners of the parent		69,655	437,100,689	381,980,152	532,305,311
Non-controlling interests		5	7	-	-
		<u>69,660</u>	<u>437,100,696</u>	<u>381,980,152</u>	<u>532,305,311</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO					
Owners of the parent		(55,216,175)	415,970,189	384,571,167	536,318,370
Non-controlling interests		5	7	-	-
		<u>(55,216,170)</u>	<u>415,970,196</u>	<u>384,571,167</u>	<u>536,318,370</u>
BASIC EARNINGS PER SHARE	BAHT	0.00	0.35	0.30	0.42
NUMBER OF ORDINARY SHARES	SHARES	1,259,999,795	1,259,999,795	1,259,999,795	1,259,999,795

Notes to the financial statements form an integral part of these statements

DSG INTERNATIONAL (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2015
CONSOLIDATED FINANCIAL STATEMENTS

Notes		Equity attributable to shareholders of the Parent										UNIT : BAHT		
		Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury shares	Retained earnings		Other components of shareholders' equity				Total attributable to shareholders of the Parent	Non - controlling interests	Total shareholders' equity	
					Appropriated	Legal reserve	Unappropriated	Other comprehensive income						Total components of shareholders' equity
								Exchange differences on translation of the financial statements of foreign subsidiaries	Difference between the carrying amount of investments and costs of acquisition					
	BEGINNING BALANCE AS AT JANUARY 1, 2014	899,999,991	173,974,474	71,594,089	90,000,000	1,139,043,579	393,382	(56,971,081)	(56,577,699)	2,318,034,434	14	2,318,034,448		
20	Ordinary share dividends	359,999,804	-	-	-	(359,999,804)	-	-	-	-	-	-		
20	Dividends paid	-	-	-	-	(223,200,167)	-	-	-	(223,200,167)	-	(223,200,167)		
18	Legal reserve	-	-	-	36,000,000	(36,000,000)	-	-	-	-	-	-		
	Total comprehensive income for the year	-	-	-	-	440,359,801	(24,389,612)	-	(24,389,612)	415,970,189	7	415,970,196		
	Ending balances as at December 31, 2014	1,259,999,795	173,974,474	71,594,089	126,000,000	960,203,409	(23,996,230)	(56,971,081)	(80,967,311)	2,510,804,456	21	2,510,804,477		
	BEGINNING BALANCE AS AT JANUARY 1, 2015	1,259,999,795	173,974,474	71,594,089	126,000,000	960,203,409	(23,996,230)	(56,971,081)	(80,967,311)	2,510,804,456	21	2,510,804,477		
20	Dividends paid	-	-	-	-	(113,399,981)	-	-	-	(113,399,981)	-	(113,399,981)		
	Total comprehensive income for the year	-	-	-	-	3,309,476	(58,525,651)	-	(58,525,651)	(55,216,175)	5	(55,216,170)		
	Ending balances as at December 31, 2015	1,259,999,795	173,974,474	71,594,089	126,000,000	850,112,904	(82,521,881)	(56,971,081)	(139,492,962)	2,342,188,300	26	2,342,188,326		

UNIT : BAHT

Notes to the financial statements form an integral part of these statements

DSG INTERNATIONAL (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2015

SEPARATE FINANCIAL STATEMENTS

UNIT : BAHT							
	Notes	Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury shares	Retained earnings		Total shareholders' equity
					Appropriated Legal reserve	Unappropriated	
BEGINNING BALANCE AS AT JANUARY 1, 2014							
Ordinary share dividends	20	899,999,991	173,974,474	71,594,089	90,000,000	950,375,043	2,185,943,597
Dividends paid	20	359,999,804	-	-	-	(359,999,804)	-
Legal reserve	18	-	-	-	36,000,000	(223,200,167)	(223,200,167)
Total comprehensive income for the year		-	-	-	-	(36,000,000)	-
Ending balances as at December 31, 2014							
		1,259,999,795	173,974,474	71,594,089	126,000,000	867,493,442	2,499,061,800
BEGINNING BALANCE AS AT JANUARY 1, 2015							
Dividends paid	20	1,259,999,795	173,974,474	71,594,089	126,000,000	867,493,442	2,499,061,800
Total comprehensive income for the year		-	-	-	-	(113,399,981)	(113,399,981)
Ending balances as at December 31, 2015							
		1,259,999,795	173,974,474	71,594,089	126,000,000	384,571,167	2,770,232,986

Notes to the financial statements form an integral part of these statements

DSG INTERNATIONAL (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

**STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015**

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2015	2014	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before income tax expense		31,037,921	405,058,303	406,533,290	549,622,069
Adjustments for					
Depreciation and amortization		274,499,976	234,032,927	189,913,521	149,265,456
Gain on sales of fixed assets		(351,800)	(1,132,516)	(348,645)	(1,155,278)
Reversal of doubtful debts		(4,333,404)	(111,045)	(4,221,346)	(50,000)
Employee benefits obligation expense		9,043,440	10,823,413	5,977,554	7,278,672
Loss from diminution in value of inventories (reversal)		5,024,750	(8,145,845)	5,024,750	(8,145,845)
Unrealized (gain) loss on exchange rate		33,011,730	19,457,939	(71,266,660)	(5,512,779)
Dividend income from a subsidiary		-	-	(15,083,431)	(26,665,238)
Interest income		(937,764)	(1,110,037)	(32,714,096)	(19,352,189)
Interest expenses		125,607,315	110,406,149	58,362,597	51,890,857
Loss from impairment of machine		3,496,916	-	3,496,916	-
Loss on impairment of investment in a subsidiary		-	-	-	148,006,123
Profit from operations before changes					
in operating assets and liabilities		476,099,080	769,279,288	545,674,450	845,181,848
(Increase) decrease in trade and other receivables		(1,634,146)	(36,858,251)	116,155,540	(61,711,844)
(Increase) decrease in inventories		220,994,448	(163,931,063)	68,284,673	(132,449,248)
(Increase) decrease in other current assets		(18,696,836)	16,286,971	7,054,510	4,462,997
(Increase) decrease in other non-current assets		146,091	2,459,020	(424,443)	150,144
Increase (decrease) in trade and other payables		24,242,464	16,015,766	(46,485,479)	87,197,210
Increase in other current liabilities		8,010,203	122,082	910,537	597,063
Cash paid for employee benefit obligation		(1,925,799)	(3,583,995)	(1,556,680)	(10,108,466)
Cash received from operations		707,235,505	599,789,818	689,613,108	733,319,704
Interest received		937,764	1,110,037	14,729,832	4,483,027
Cash paid for interest		(126,023,480)	(113,899,183)	(58,398,732)	(53,273,324)
Cash paid for income tax		(16,991,730)	(19,786,812)	(16,989,452)	(16,927,477)
Net cash provided by operating activities		565,158,059	467,213,860	628,954,756	667,601,930

DSG INTERNATIONAL (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2015

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2015	2014	2015	2014
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends received from subsidiaries		-	-	15,083,431	26,665,238
Cash payments for long-term loans to subsidiaries		-	-	(190,075,000)	(173,616,400)
Cash payments for purchases of fixed and intangible assets	4.2	(407,791,128)	(733,719,870)	(332,037,020)	(554,588,026)
Advance payments for purchases of fixed assets		(31,825,033)	(11,352,443)	(31,825,033)	(11,352,443)
Proceeds from sales of fixed assets		522,701	1,428,439	493,535	1,380,814
Cash received from long-term loan to a related company		-	-	-	27,983,210
Net cash used in investing activities		<u>(439,093,460)</u>	<u>(743,643,874)</u>	<u>(538,360,087)</u>	<u>(683,527,607)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Decrease in bank overdrafts and short-term borrowings from financial institutions		(312,215,889)	(185,875,662)	(333,293,891)	(342,826,831)
Repayments of long-term borrowings from financial institutions		(389,944,989)	(240,107,974)	(298,524,000)	(144,125,000)
Proceeds from long-term borrowings from financial institutions		685,543,571	796,437,733	605,055,000	648,610,000
Dividends paid		(113,399,982)	(223,200,167)	(113,399,982)	(223,200,167)
Net cash provided by (used in) financing activities		<u>(130,017,289)</u>	<u>147,253,930</u>	<u>(140,162,873)</u>	<u>(61,541,998)</u>
Exchange differences on translation of the financial statements of foreign subsidiaries		(12,855,142)	5,652,226	-	-
Net decrease in cash and cash equivalents		<u>(16,807,832)</u>	<u>(123,523,858)</u>	<u>(49,568,204)</u>	<u>(77,467,675)</u>
Cash and cash equivalents as at January 1,		<u>193,661,343</u>	<u>317,185,201</u>	<u>157,282,958</u>	<u>234,750,633</u>
Cash and cash equivalents as at December 31,	4.1	<u><u>176,853,511</u></u>	<u><u>193,661,343</u></u>	<u><u>107,714,754</u></u>	<u><u>157,282,958</u></u>

Notes to the financial statements form an integral part of these statements

Notes to the Financial Statements

DSG INTERNATIONAL (THAILAND) PUBLIC COMPANY LIMITED AND SUBSIDIARIES NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

1. THE COMPANY'S OPERATIONS AND GENERAL INFORMATION

DSG International (Thailand) Public Company Limited (“the Company”) was incorporated as a limited company under Thai laws on May 20, 1994. The Company’s main businesses are to manufacture, sell and export disposable baby diapers and adult incontinent products. The registered head office is located at 11th Floor, Regent House Building, 183 Rajdamri Road, Kwaeng Lumpini, Khet Pathumwan, Bangkok and the factory is located at No. 39 Moo 1, SIL Industrial Zone, Tumbol Bualoy, Amphur Nong Khae, Saraburi Province. The major shareholder is DSG International Limited which is registered in British Virgin Island. The Company converted its status to public company limited on December 16, 2004 and on August 9, 2006, the Stock Exchange of Thailand registered the Company’s ordinary shares as a listed security.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

- 2.1 The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.
- 2.2 The Company’s financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2014) “Presentation of Financial Statements”, and the Regulation of The Stock Exchange of Thailand (SET) dated January 22, 2001, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2544 and the Notification of the Department of Business Development dated September 28, 2011 regarding “The Brief Particulars in the Financial Statement B.E. 2554”.

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

2.3 Basis for preparation of the consolidated financial statements

The consolidated financial statements for the years ended December 31, 2015 and 2014 include the financial statements of the Company and its subsidiaries. These subsidiaries are detailed as follows:

Company's name	Major business	Country of incorporation	Number of shares As at December 31, 2015 and 2014	Percentage of shareholding As at December 31, 2015 and 2014
Disposable Soft Goods (Malaysia) Sdn Bhd	Sell disposable baby diapers and adult incontinent products	Malaysia	3,000,003	100
DSG (Malaysia) Sdn Bhd	Manufacture and sell disposable baby diapers and adult incontinent products	Malaysia	3,400,002	100
PT DSG Surya Mas Indonesia	Manufacture and sell disposable baby diapers and adult incontinent products	Indonesia	11,000	100
Disposable Soft Goods (S) Pte Ltd.	Provide agency services in respect of introduction, promotion, co-ordination and sell disposable baby diapers and adult incontinent products	Singapore	1,500,000	100
DSG Management Services (Thailand) Co., Ltd.	Provide managerial services to its affiliated companies and set up as Regional Operating Headquarters (ROH)	Thailand	1,999,997	99.99

Significant intercompany transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements. The consolidated financial statements for the years ended December 31, 2015 and 2014 have included the subsidiaries' financial statements for the years ended December 31, 2015 and 2014, which were audited.

2.4 Adoption of new and revised Thai Financial Reporting Standards

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standards (TFRSs) which are effective for the financial statements for the period beginning on or after January 1, 2015 onwards, as follows:

Thai Accounting Standards ("TAS")

TAS 1 (Revised 2014)	Presentation of Financial Statements
TAS 2 (Revised 2014)	Inventories
TAS 7 (Revised 2014)	Statement of Cash Flows
TAS 8 (Revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2014)	Events after the Reporting Period
TAS 11 (Revised 2014)	Construction Contracts
TAS 12 (Revised 2014)	Income Taxes
TAS 16 (Revised 2014)	Property, Plant and Equipment

Thai Accounting Standards (“TAS”) (Continued)

TAS 17 (Revised 2014)	Leases
TAS 18 (Revised 2014)	Revenue
TAS 19 (Revised 2014)	Employee Benefits
TAS 20 (Revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2014)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (Revised 2014)	Borrowing Costs
TAS 24 (Revised 2014)	Related Party Disclosures
TAS 26 (Revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2014)	Separate Financial Statements
TAS 28 (Revised 2014)	Investments in Associates and Joint Ventures
TAS 29 (Revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (Revised 2014)	Earnings per Share
TAS 34 (Revised 2014)	Interim Financial Reporting
TAS 36 (Revised 2014)	Impairment of Assets
TAS 37 (Revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2014)	Intangible assets
TAS 40 (Revised 2014)	Investment Property

Thai Financial Reporting Standards (“TFRS”)

TFRS 2 (Revised 2014)	Share - Based Payment
TFRS 3 (Revised 2014)	Business Combinations
TFRS 5 (Revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (Revised 2014)	Exploration for and Evaluation of Mineral Assets
TFRS 8 (Revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement

Thai Accounting Standards Interpretations (“TSIC”)

TSIC 10 (Revised 2014)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (Revised 2014)	Operating Leases - Incentives
TSIC 25 (Revised 2014)	Income Taxes - Change in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (Revised 2014)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (Revised 2014)	Service Concession Arrangements : Disclosures
TSIC 31 (Revised 2014)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (Revised 2014)	Intangible Assets - Web Site Costs

Thai Financial Reporting Standard Interpretations (“TFRIC”)

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

In addition, the Federation of Accounting Professions issued the Notification regarding the Conceptual Framework for Financial Reporting (Revised 2015), which was announced in the Royal Gazette and effective from November 6, 2015 onwards to replace the Conceptual Framework for Financial Reporting (Revised 2014). Such Conceptual Framework for Financial Reporting has no material impact on these financial statements.

Above TFRSs have no material impact on these financial statements.

New Standard on Fair Value Measurement***Impact of the application of TFRS 13***

The Group has applied TFRS 13 for the first time in the current period. TFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of TFRS 13 is broad; the fair value measurement requirements of TFRS 13 apply to both financial instrument items and non-financial instrument items for which other TFRSs require or permit fair value measurements or disclosures about fair value measurements, except for share-based payment transactions that are within the scope of TFRS 2 (Revised 2014) “Share-based Payment”, leasing transactions that are within the scope of TAS 17 (Revised 2014) “Leases”, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

TFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under TFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, TFRS 13 includes extensive disclosure requirements.

TFRS 13 requires prospective application for the financial statements for the periods beginning on or after January 1, 2015 onwards. Other than the additional disclosures, the application of TFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements (see Note 28.5).

2.5 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standards (TFRSs), which are effective for the accounting periods beginning on or after January 1, 2016 onwards as follows:

Thai Accounting Standards (“TAS”)

TAS 1 (Revised 2015)	Presentation of Financial Statements
TAS 2 (Revised 2015)	Inventories
TAS 7 (Revised 2015)	Statement of Cash Flows
TAS 8 (Revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2015)	Events after the Reporting Period
TAS 11 (Revised 2015)	Construction Contracts
TAS 12 (Revised 2015)	Income Taxes
TAS 16 (Revised 2015)	Property, Plant and Equipment
TAS 17 (Revised 2015)	Leases
TAS 18 (Revised 2015)	Revenue
TAS 19 (Revised 2015)	Employee Benefits
TAS 20 (Revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (Revised 2015)	Borrowing Costs
TAS 24 (Revised 2015)	Related Party Disclosures
TAS 26 (Revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2015)	Separate Financial Statements
TAS 28 (Revised 2015)	Investments in Associates and Joint Ventures
TAS 29 (Revised 2015)	Financial Reporting in Hyperinflationary Economies
TAS 33 (Revised 2015)	Earnings per Share
TAS 34 (Revised 2015)	Interim Financial Reporting
TAS 36 (Revised 2015)	Impairment of Assets
TAS 37 (Revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2015)	Intangible Assets
TAS 40 (Revised 2015)	Investment Property
TAS 41	Agriculture

Thai Financial Reporting Standards (“TFRS”)

TFRS 2 (Revised 2015)	Share-based Payment
TFRS 3 (Revised 2015)	Business Combinations
TFRS 4 (Revised 2015)	Insurance Contracts
TFRS 5 (Revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (Revised 2015)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (Revised 2015)	Operating Segments
TFRS 10 (Revised 2015)	Consolidated Financial Statements
TFRS 11 (Revised 2015)	Joint Arrangements
TFRS 12 (Revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (Revised 2015)	Fair Value Measurement

Thai Accounting Standards Interpretations (“TSIC”)

TSIC 10 (Revised 2015)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (Revised 2015)	Operating Leases - Incentives
TSIC 25 (Revised 2015)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (Revised 2015)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (Revised 2015)	Service Concession Arrangements : Disclosures
TSIC 31 (Revised 2015)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (Revised 2015)	Intangible Assets - Web site Costs

Thai Financial Reporting Standard Interpretations (“TFRIC”)

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

Guideline on Accounting

Guideline on Accounting regarding Recognition and Measurement of Bearer Plants

The Company’s and its subsidiaries’ management will adopt the above relevant Thai Financial Reporting Standards in the preparation of the Company’s and its subsidiaries’ financial statements when they become effective and the management is currently assessing the full impact on the Company’s and its subsidiaries’ financial statements in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost basis except as disclosed in the significant accounting policies are as follows:

3.1 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and all deposits at financial institutions with the original maturities of three months or less from the date of acquisition, excluding deposit at financial institutions used as collateral.

3.2 Allowance for doubtful accounts

Allowance for doubtful accounts is provided at the estimated collection losses on receivables. Such estimate is based on the Company's collection experiences and a review of the current status of each receivable.

3.3 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by weighted average method.

Net realizable value is the estimate of the selling price in the ordinary course of business, less the estimated cost of completion and estimated costs necessary to make the sale. Allowance is made, where necessary, for obsolete and slow-moving inventories (if any).

3.4 Investments in subsidiaries

Investments in subsidiaries are recorded using cost method in the separate financial statements. In case an impairment in value of investment has occurred, the loss from impairment of investment is recognized in statements of profit or loss and other comprehensive income immediately.

3.5 Leasehold right

Leasehold right consists of leasehold right-land and leasehold right-residence unit. Leasehold right is stated at cost less accumulated amortization.

Leasehold right-residence unit of the Company is amortized on the straight-line method over the period of lease agreement (approximately 29 years and 5 months).

Leasehold right-land of DSG (Malaysia) Sdn Bhd is amortized on the straight-line method over the period of lease agreement (approximately 83 years).

3.6 Property, plant and equipment

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any).

Depreciation is calculated on the straight-line method, based on the estimated useful lives of the assets as follows:

Building	20 - 33 years
Building improvements	5 - 20 years
Machinery and equipment	3 - 20 years
Furniture and fixture	4 - 10 years
Motor vehicles	4 - 8 years

Dismantling, moving and renovating assets location cost which the Company obligates when receiving such asset is recognized as the cost of assets and depreciated them.

3.7 Intangible assets

Intangible assets consist of computer software and license fees for technology transfer.

Computer software and license fees for technology transfer are presented at cost less accumulated amortization.

Amortization is calculated on the straight-line method, based on the estimated useful lives or period of agreement of the assets as follows:

License fees for technology transfer	5 years (period of agreement)
Computer software	3 - 5 years

3.8 Impairment

The carrying amounts of the assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amounts of asset is estimated.

The Company recognizes impairment loss when the recoverable amount of an asset is lower than its carrying amount. The recoverable amount is the higher of the asset's fair value less cost to sell or its value in use. The Company determines the value in use by estimating the present value of future cash flows generated by the asset, discounted using a pre-tax discount rate which reflects current market assessments of the time value of money and the risk specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. The calculation reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable and willing parties, after deducting the costs of disposal.

The Company recognizes an impairment loss as expense in the statements of profit or loss and other comprehensive income.

Reversal of an impairment loss

The Company will reverse impairment loss of asset, if any, which had been recognized in the prior periods, if there is an indicator for impairment may no longer exist or may have decreased which the recoverable amount must be estimated.

3.9 Foreign currency transactions

Transactions during the year denominated in foreign currencies are translated into Baht at the rates of exchange ruling on the transaction dates. Monetary assets and liabilities at the end of reporting period denominated in foreign currencies are retranslated into Baht at the reference rates of the Bank of Thailand on that date. Gains and losses on exchange rate arising from the settlements or retranslations are recognized as profit or loss in the such period.

The translation of financial statements of foreign subsidiaries for the purpose of preparing the consolidated financial statements is determined using the following rates;

- a. Assets and liabilities are translated at the closing rate at the date of the statement of financial position.
- b. Income and expenses are translated at the average rate for the year.
- c. All exchange differences are recognized in statements of profit or loss and other comprehensive income.

3.10 Financial instrument

The Company and its subsidiaries entered into forward foreign exchange contracts to manage foreign exchange rate risk. Further details of financial instrument are disclosed in Notes 28 and 29.

The Company records forward foreign exchange contracts, according to the forward rate at which a foreign currency asset and liability will be settled, as contracts receivable and payable on the statements of financial position. The premium (discount) on forward foreign exchange contracts is deferred by presenting as other current assets or other current liabilities on the statements of financial position and to be amortised over the period of the forward foreign exchange contracts.

3.11 Fair value measurement for disclosure purpose

The Company and its subsidiaries regularly review significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company and its subsidiaries assess the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS 13, including the level in the fair value hierarchy.

When measuring the fair value of an asset or a liability, the Company and its subsidiaries use market observable data as the first priority. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques for fair value measurement as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

3.12 Leases

Operating lease

Leases in which substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating lease. Rentals applicable to such operating leases are charged as an expense to the statements of profit or loss and other of comprehensive income on the straight-line basis over lease term. Warehouse rental is charged as an expense to the statements of profit or loss and other comprehensive income using the rental charges as stipulated in the lease agreements. The rental charges will be fixed for 3 years and are adjusted every 3 years. The increase rates are estimated from the expected inflation rate.

3.13 Employee benefits

3.13.1 Post-employment benefit upon retirement

Employee benefit obligations are the provision for benefit obligations for employees who are entitled to receive it upon retirement under the company's regulation and under the Thai Labor Protection Act. The provision is assessed by an independent actuary and based on actuarial assumptions using Projected Unit Credit Method to determine the present value of cash flows of employee benefit to be paid in the future. Under this method, the determination is based on actuarial calculations which include the employee's salaries, turnover rate, mortality rate, years of service and other factors. Discount rate used in calculation of the post-employment benefits obligation is referred from the yield curve of government bond. The actuarial gains or losses are recognized in the retained earnings through other comprehensive income in the period in which they arise.

3.13.2 Provident fund

The contribution for employees under provident fund scheme is recorded as expenses when incurred.

3.13.3 Employee Joint Investment Program (EJIP)

The provision from the Employee Joint Investment Program (EJIP) is recognized as expense in the statements of profit or loss and other comprehensive income when incurred.

3.14 Difference between the carrying amount of investments and costs of acquisition

The difference between the carrying amount of investments acquired and the costs of acquisition arising from restructuring of the shareholding structure of DSG group and arising from additional acquisition of a subsidiary's share and is presented under the shareholders' equity heading in the consolidated statements of financial position.

3.15 Recognition of revenues and expenses

Sales are recognized upon delivery of goods to customers for domestic sales. In case of export sales, sales are recognized when goods are shipped and significant risks and rewards are passed to the buyer according to the shipment term. Sales are presented by deducting discounts, purchase volume discount and goods returned.

Dividend income from investments is recognized as income when dividend is declared.

Other income is recognized on an accrual basis.

Expenses are recognized on an accrual basis.

3.16 Taxation

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

3.16.1 Current tax

Current tax represents tax currently payable which is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

3.16.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each of the end of reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset is recognized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the current tax asset against current tax liabilities and the Company intends to settle such current tax liability and asset on a net basis or intends to recognize the asset and settle the liability simultaneously.

Current and deferred tax are recognized as income or expense and included in profit or loss for the period

Income tax expense related to profit or loss from normal activities are presented in the statement of profit or loss and other comprehensive income except for current and deferred taxes of related items that recognized directly in the shareholders' equity in the same or different period.

3.17 Basic earnings per share

Basic earnings per share are calculated by dividing net profit for the year by weighted average of ordinary shares issued and paid-up during the year. The Company does not have any potential ordinary shares to dilute the earnings per share.

3.18 Use of management's judgement

The preparation of financial statements in conformity with Thai Financial Reporting standards also requires the Company's management to exercise judgements in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. Significant accounting estimate is as follows:

Impairment of investment

The carrying amounts of the investment in a subsidiary is reviewed at the end of each reporting period in consistent with Thai Accounting Standard No. 36 (Revised 2012) "Impairment of Assets". The Company recognizes impairment loss when the recoverable amount of an asset is lower than its carrying amount. The recoverable amount is the higher of the asset's fair value less cost to sell or its value in use. The Company determines the value in use by estimating the present value of future cash flows generated by the asset, discounted using a pre-tax discount rate which reflects current market assessments of the time value of money and the risk specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Details of the impairment loss calculation are set out in Note 7.

4. SUPPLEMENTARY DISCLOSURE OF CASH FLOWS INFORMATION

4.1 Cash and cash equivalents

Cash and cash equivalents as at December 31, consist of:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Cash on hand	175,266	129,757	40,000	20,000
Cash at banks - current and savings accounts	176,678,245	193,531,586	107,674,754	157,262,958
	<u>176,853,511</u>	<u>193,661,343</u>	<u>107,714,754</u>	<u>157,282,958</u>

4.2 Liabilities incurred from acquisition of fixed and intangible assets

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Liabilities incurred from acquisition of fixed and intangible assets as at January 1,	389,026,983	176,583,723	285,991,570	143,012,377
<u>Add</u> Purchases of fixed and intangible assets	172,444,981	951,006,723	164,440,437	699,805,839
<u>Less</u> Provision for dismantling, removing and restoring the site	(2,350,000)	(800,000)	(2,350,000)	(800,000)
Cash payments	(407,202,542)	(733,157,100)	(331,448,434)	(554,025,256)
Cash payments for interest paid which is capitalized as cost of fixed assets	(588,586)	(562,770)	(588,586)	(562,770)
Advance payments for purchases of machine paid in the prior period	(13,421,717)	(4,043,593)	(11,352,443)	(1,438,620)
Liabilities incurred from acquisition of fixed and intangible assets as at December 31,	<u>137,909,119</u>	<u>389,026,983</u>	<u>104,692,544</u>	<u>285,991,570</u>
Liabilities incurred from acquisition of fixed and intangible assets as at December 31, are included in accounts as follows:				
- Payables-fixed and intangible assets	137,909,119	272,854,513	104,692,544	199,479,352
- Other non-current liabilities (see Note 16)	-	116,172,470	-	86,512,218
Total liabilities incurred from acquisition of fixed and intangible assets	<u>137,909,119</u>	<u>389,026,983</u>	<u>104,692,544</u>	<u>285,991,570</u>

4.3 The unused bank overdrafts, short-term and long-term loan facilities from financial institutions and credit line of bank guarantee as at December 31, consist of:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Unit: Million				
The unused bank overdrafts and short-term loan facilities from financial institutions				
- Baht currency	3,038.53	3,126.77	3,038.53	3,126.77
- Malaysian Ringgit currency	38.29	11.00	-	-
- US Dollar currency	0.28	3.70	-	-
The unused long-term loan facilities from financial institutions				
- Baht currency	98.42	105.19	98.42	105.19
- Malaysian Ringgit currency	11.06	6.48	-	-
The unused credit facility of bank guarantee				
- Baht currency	9.09	9.05	9.09	9.05

Subsidiaries pledged its leasehold land, building, machinery, equipment, stocks, receivables and stand-by Letter of Credit issued by a financial institution as collateral to financial institutions. The Company and Disposable Soft Goods (Malaysia) Sdn Bhd issued the letter of guarantee as collateral for credit facilities of subsidiaries (see Notes 12 and 14).

5. TRADE RECEIVABLES

The outstanding balances of trade receivables aged by the number of months are summarized as follows:

CONSOLIDATED FINANCIAL STATEMENTS	As at December 31, 2015			As at December 31, 2014		
	Related	Others	Total	Related	Others	Total
	companies			companies		
	Baht	Baht	Baht	Baht	Baht	Baht
Current	4,204,068	1,364,321,698	1,368,525,766	48,750,922	1,410,905,216	1,459,656,138
Overdue						
Less than or up to 3 months	-	296,335,073	296,335,073	-	234,684,083	234,684,083
Over 3 months up to 6 months	-	2,355,859	2,355,859	-	10,393,367	10,393,367
Over 6 months up to 12 months	-	1,871,211	1,871,211	-	7,216,198	7,216,198
Over 12 months	-	5,424,650	5,424,650	-	12,372,801	12,372,801
Total	4,204,068	1,670,308,491	1,674,512,559	48,750,922	1,675,571,665	1,724,322,587
<u>Less</u> Allowance for doubtful accounts	-	(5,869,996)	(5,869,996)	-	(10,203,400)	(10,203,400)
Trade receivables	4,204,068	1,664,438,495	1,668,642,563	48,750,922	1,665,368,265	1,714,119,187

SEPARATE FINANCIAL STATEMENTS	As at December 31, 2015			As at December 31, 2014		
	Related	Others	Total	Related	Others	Total
	companies			companies		
	Baht	Baht	Baht	Baht	Baht	Baht
Current	10,093,047	994,835,616	1,004,928,663	59,013,702	1,068,447,963	1,127,461,665
Overdue						
Less than or up to 3 months	1,262,201	232,272,111	233,534,312	8,380,619	205,030,721	213,411,340
Over 3 months up to 6 months	3,588,885	7,356	3,596,241	9,957,127	-	9,957,127
Over 6 months up to 12 months	-	-	-	29,371,269	-	29,371,269
Over 12 months	179,886,050	4,926,401	184,812,451	126,903,581	9,147,747	136,051,328
Total	194,830,183	1,232,041,484	1,426,871,667	233,626,298	1,282,626,431	1,516,252,729
<u>Less</u> Allowance for doubtful accounts	-	(4,926,401)	(4,926,401)	-	(9,147,747)	(9,147,747)
Trade receivables	194,830,183	1,227,115,083	1,421,945,266	233,626,298	1,273,478,684	1,507,104,982

Presented in the statements of financial position
as follows:

Trade receivables - current assets	9,172,260	1,227,115,083	1,236,287,343	66,153,998	1,273,478,684	1,339,632,682
Receivables - non-current assets	185,657,923	-	185,657,923	167,472,300	-	167,472,300
	194,830,183	1,227,115,083	1,421,945,266	233,626,298	1,273,478,684	1,507,104,982

As at December 31, 2015 and 2014, receivables - PT DSG Surya Mas Indonesia amounting to Baht 185.66 million and Baht 167.47 million, respectively, the Company anticipated to be collectible after 12 months from the end of reporting period and thus presented as receivable-a subsidiary in non-current assets in the separate financial statements.

The Company entered into an agreement to transfer the right of collection of the sales invoices of customers to a bank which the transfer is without recourse condition (except the Company is in compliance with normal trading conditions). Under the agreement, on the transfer date, the Company receives cash at the rate as stipulated in the agreement and the remaining amount will be received when the bank receives cash from such receivable. The remaining amounts which have not been received and included in the above trade receivables as at December 31, 2015 and 2014 are Baht 140.56 million and Baht 171.28 million, respectively.

As at December 31, 2015 and 2014, PT DSG Surya Mas Indonesia pledged its receivables in the amount of 10,000 million Indonesia Rupiah to secure credit facilities obtained from a financial institution (see Notes 12 and 14).

6. INVENTORIES

Inventories as at December 31, consist of:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015 Baht	2014 Baht	2015 Baht	2014 Baht
Raw materials	354,509,609	406,805,954	201,691,848	195,224,912
Work in process	16,125,981	15,823,370	16,125,981	15,823,370
Finished goods	356,937,914	494,888,242	218,024,541	253,601,557
Spare parts and supplies	133,864,171	124,063,973	89,491,285	78,997,581
	<u>861,437,675</u>	<u>1,041,581,539</u>	<u>525,333,655</u>	<u>543,647,420</u>
<u>Less</u> Allowance for loss on diminution in value of inventories	<u>(5,215,811)</u>	<u>(191,061)</u>	<u>(5,215,811)</u>	<u>(191,061)</u>
	<u>856,221,864</u>	<u>1,041,390,478</u>	<u>520,117,844</u>	<u>543,456,359</u>
<u>Add</u> Goods in transit	<u>103,592,918</u>	<u>144,443,502</u>	<u>75,274,988</u>	<u>125,245,896</u>
Inventories	<u>959,814,782</u>	<u>1,185,833,980</u>	<u>595,392,832</u>	<u>668,702,255</u>

For the years ended December 31, 2015 and 2014, costs of inventories of the Company and its subsidiaries recognized as cost of sales in the statements of profit or loss and other of comprehensive income are Baht 4,961 million and Baht 5,389 million, respectively.

For the years ended December 31, 2015 and 2014, costs of inventories of the Company recognized as cost of sales in the statements of profit or loss and other comprehensive income are Baht 3,336 million and Baht 3,564 million, respectively.

For the year ended December 31, 2015, cost of inventories of the Company recognized as cost of the sales in the separate statements of profit or loss and other comprehensive income included the loss for diminution in value of inventories of Baht 5.03 million. For the year ended December 31, 2014, cost of inventories of the Company recognized as cost of the sales in the separate statements of profit or loss and other comprehensive income included the reversal of allowance for diminution in value of inventories of Baht 8.15 million.

As at December 31, 2015 and 2014, PT DSG Surya Mas Indonesia pledged its inventories in the amount of 15,000 million Indonesia Rupiah to secure credit facilities obtained from a financial institution (see Notes 12 and 14).

7. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries consist of:

Company's name	Country of incorporation	% of shareholding As at December 31, 2015 and 2014	Consolidated financial statement Difference between the carrying amounts of investments and costs of acquisition As at December 31, 2015 and 2014 Baht	Separate financial statement At cost As at December 31, 2015 2014 Baht Baht	
Disposable Soft Goods (Malaysia) Sdn Bhd	Malaysia	100	9,287,656	4,826,516	4,826,516
DSG (Malaysia) Sdn Bhd	Malaysia	100	1,638,489	73,968,141	73,968,141
PT DSG Surya Mas Indonesia	Indonesia	100	(62,549,931)	148,006,123	148,006,123
Disposable Soft Goods (S) Pte Ltd.	Singapore	100	(5,347,295)	14,020,259	14,020,259
DSG Management Services (Thailand) Co., Ltd.	Thailand	99.99	-	9,999,985	9,999,985
<u>Less</u> Allowance for impairment of investment - PT DSG Surya Mas Indonesia			-	(148,006,123)	(148,006,123)
Total investments in subsidiaries			<u>(56,971,081)</u>	<u>102,814,901</u>	<u>102,814,901</u>

Difference between the carrying amount of investments and costs of acquisition represents the difference between the carrying amount of investments acquired and the costs of acquisition arising from restructuring of the shareholding structure of DSG group in December 2004 and arising from additional acquisition of PT DSG Surya Mas Indonesia shares in December 2010 and is included in the other components of shareholders' equity account under shareholders' equity heading in the consolidated statement of financial position.

PT DSG Surya Mas Indonesia

As at December 31, 2014, in consistent with Thai Accounting Standard No. 36 “Impairment of Assets”, the Company has made an assessment of impairment loss to investment in PT DSG Surya Mas Indonesia, and recorded impairment loss of investment in a subsidiary amounting to Baht 148 million in the separate statements of profit or loss and other comprehensive income for the year ended December 31, 2014 which the Company assessed such subsidiary’s value from the forecasted cash flow covering a period of 7 years and using the discount rate at 13.50% p.a. However, the Company firmly believes that the long-term strategic investment in such subsidiary could increase the shareholder’s value and remain optimistic on the prospect of its business in Indonesia.

Disposable Soft Goods (S) Pte Ltd.

Disposable Soft goods (S) Pte Ltd. has retained deficit as at December 31, 2015 and 2014 of Baht 31.00 million and Baht 27.83 million, respectively. The management is streamlining its operations and focusing on growing segments of the business especially in baby pant and adult category to growth the business. The Company also established distributions in key AEC market to generate profit in the future.

8. LEASEHOLD RIGHTS

Leasehold rights consist of:

As at December 31, 2015

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2015	Additions	Disposals	Effect from translation of the financial statements of foreign subsidiaries	Balance as at December 31, 2015
	Baht	Baht	Baht	Baht	Baht
Cost:					
Leasehold right - Land	138,776,681	-	-	(14,731,138)	124,045,543
Leasehold right - Residence unit	75,972,017	-	-	-	75,972,017
Total cost	214,748,698	-	-	(14,731,138)	200,017,560
Accumulated amortization:					
Leasehold right - Land	(3,134,586)	(1,595,488)	-	399,942	(4,330,132)
Leasehold right - Residence unit	(8,393,508)	(2,582,619)	-	-	(10,976,127)
Total accumulated amortization	(11,528,094)	(4,178,107)	-	399,942	(15,306,259)
Leasehold rights	203,220,604				184,711,301

As at December 31, 2014

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2014	Additions	Disposals	Effect from translation of the financial statements of foreign subsidiaries	Balance as at December 31, 2014
	Baht	Baht	Baht	Baht	Baht
Cost:					
Leasehold right - Land	148,982,252	-	(2,174,095)	(8,031,476)	138,776,681
Leasehold right - Residence unit	75,972,017	-	-	-	75,972,017
Total cost	<u>224,954,269</u>	<u>-</u>	<u>(2,174,095)</u>	<u>(8,031,476)</u>	<u>214,748,698</u>
Accumulated amortization:					
Leasehold right - Land	(1,529,591)	(1,802,758)	21,827	175,936	(3,134,586)
Leasehold right - Residence unit	(5,810,890)	(2,582,618)	-	-	(8,393,508)
Total accumulated amortization	<u>(7,340,481)</u>	<u>(4,385,376)</u>	<u>21,827</u>	<u>175,936</u>	<u>(11,528,094)</u>
Leasehold rights	<u>217,613,788</u>				<u>203,220,604</u>
Amortization for the years					
2015				Baht	<u>4,178,107</u>
2014				Baht	<u>4,385,376</u>

As at December 31, 2015

	SEPARATE FINANCIAL STATEMENTS			
	Balance as at January 1, 2015	Additions	Disposals	Balance as at December 31, 2015
	Baht	Baht	Baht	Baht
Cost:				
Leasehold right - Residence unit	75,972,017	-	-	75,972,017
Total cost	<u>75,972,017</u>	<u>-</u>	<u>-</u>	<u>75,972,017</u>
Accumulated amortization:				
Leasehold right - Residence unit	(8,393,508)	(2,582,618)	-	(10,976,126)
Total accumulated amortization	<u>(8,393,508)</u>	<u>(2,582,618)</u>	<u>-</u>	<u>(10,976,126)</u>
Leasehold right	<u>67,578,509</u>			<u>64,995,891</u>

As at December 31, 2014

	SEPARATE FINANCIAL STATEMENTS			
	Balance as at January 1, 2014	Additions	Disposals	Balance as at December 31, 2014
	Baht	Baht	Baht	Baht
Cost:				
Leasehold right - Residence unit	75,972,017	-	-	75,972,017
Total cost	<u>75,972,017</u>	<u>-</u>	<u>-</u>	<u>75,972,017</u>
Accumulated amortization:				
Leasehold right - Residence unit	(5,810,890)	(2,582,618)	-	(8,393,508)
Total accumulated amortization	<u>(5,810,890)</u>	<u>(2,582,618)</u>	<u>-</u>	<u>(8,393,508)</u>
Leasehold right	<u>70,161,127</u>			<u>67,578,509</u>
Amortization for the years				
2015				Baht
2014				Baht

DSG International (Thailand) Public Company Limited

On July 20, 2011, the Company entered into the sub-lease agreement of the Residence unit for the corporate use purposes with a company. The total price of such residence is Baht 83.03 million which consists of Baht 75.97 million for the lease and Baht 7.06 million for the furnished decoration and equipment. The lease term lasts until February 28, 2041. Under the sub-lease agreement, the Company has to pay the maintenance fee of Baht 39,005 per month.

DSG (Malaysia) Sdn Bhd

In year 2011, DSG (Malaysia) Sdn Bhd entered into the long-term land lease agreement for its plant. The price of such land is 14.94 million Malaysian Ringgit (including the transfer fee). The lease term is 83 years until April 9, 2094.

As at December 31, 2015 and 2014, DSG (Malaysia) Sdn Bhd has pledged leasehold land and building as collateral in the amount of 112.21 million Malaysian Ringgit and 96.21 million Malaysian Ringgit, respectively, as collateral for the loan from a financial institution (see Notes 12 and 14).

9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of:

As at December 31, 2015

	CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at January 1, 2015	Additions	Disposals	Transfer in/ (Transfer out)	Effect from translation of the financial statements of foreign subsidiaries	Balance as at December 31, 2015
	Baht	Baht	Baht	Baht	Baht	Baht
Cost:						
Land	36,149,309	-	-	-	(89,462)	36,059,847
Building	878,395,305	(26,387)	-	-	(73,254,538)	805,114,380
Building improvements	165,503,280	2,026,270	-	83,341,539	(2,686,977)	248,184,112
Machinery and equipment	3,236,758,676	13,579,692	(6,608,794)	547,479,508	(92,068,765)	3,699,140,317
Furniture and fixture	52,064,589	525,343	(34,000)	197,951	(746,342)	52,007,541
Motor vehicles	10,102,627	-	(2,876,500)	-	(299,192)	6,926,935
Total cost	<u>4,378,973,786</u>	<u>16,104,918</u>	<u>(9,519,294)</u>	<u>631,018,998</u>	<u>(169,145,276)</u>	<u>4,847,433,132</u>
Accumulated depreciation:						
Building	(134,639,223)	(28,645,935)	-	-	4,763,223	(158,521,935)
Building improvements	(19,824,913)	(18,835,052)	-	-	854,494	(37,805,471)
Machinery and equipment	(991,947,766)	(203,985,614)	6,437,896	-	37,011,991	(1,152,483,493)
Furniture and fixture	(35,955,989)	(5,553,735)	33,999	-	182,331	(41,293,394)
Motor vehicles	(8,278,514)	(500,901)	2,876,498	-	237,707	(5,665,210)
Total accumulated depreciation	<u>(1,190,646,405)</u>	<u>(257,521,237)</u>	<u>9,348,393</u>	<u>-</u>	<u>43,049,746</u>	<u>(1,395,769,503)</u>
Building under construction and machine and equipment under installation	523,581,834	153,334,764	-	(631,018,998)	(786,990)	45,110,610
Allowance for impairment of machine	-	(3,496,916)	-	-	-	(3,496,916)
Property, plant and equipment	<u>3,711,909,215</u>					<u>3,493,277,323</u>

As at December 31, 2014

CONSOLIDATED FINANCIAL STATEMENTS

	Balance as at January 1, 2014	Additions	Disposals	Transfer in/ (Transfer out)	Effect from translation of the financial statements of foreign subsidiaries	Balance as at December 31, 2014
	Baht	Baht	Baht	Baht	Baht	Baht
Cost:						
Land	36,181,051	-	-	-	(31,742)	36,149,309
Building	919,525,327	1,041,906	-	820,590	(42,992,518)	878,395,305
Building improvements	66,707,327	3,115,386	-	97,103,826	(1,423,259)	165,503,280
Machinery and equipment	2,496,549,975	21,771,961	(6,752,545)	782,528,320	(57,339,035)	3,236,758,676
Furniture and fixture	43,087,042	1,101,585	(472,163)	8,917,773	(569,648)	52,064,589
Motor vehicles	12,093,329	1,473,116	(3,287,788)	-	(176,030)	10,102,627
Total cost	<u>3,574,144,051</u>	<u>28,503,954</u>	<u>(10,512,496)</u>	<u>889,370,509</u>	<u>(102,532,232)</u>	<u>4,378,973,786</u>
Accumulated depreciation:						
Building	(105,556,355)	(31,171,533)	-	-	2,088,665	(134,639,223)
Building improvements	(9,646,989)	(10,534,667)	-	-	356,743	(19,824,913)
Machinery and equipment	(849,711,637)	(167,951,591)	6,456,651	-	19,258,811	(991,947,766)
Furniture and fixture	(28,929,058)	(7,661,104)	472,136	-	162,037	(35,955,989)
Motor vehicles	(10,579,514)	(1,097,526)	3,287,786	-	110,740	(8,278,514)
Total accumulated depreciation	<u>(1,004,423,553)</u>	<u>(218,416,421)</u>	<u>10,216,573</u>	<u>-</u>	<u>21,976,996</u>	<u>(1,190,646,405)</u>
Building under construction and machine and equipment under installation	<u>494,849,910</u>	<u>910,040,476</u>	<u>-</u>	<u>(889,370,509)</u>	<u>8,061,957</u>	<u>523,581,834</u>
Property, plant and equipment	<u><u>3,064,570,408</u></u>					<u><u>3,711,909,215</u></u>
Depreciation for the years						
2015					Baht	<u>257,521,237</u>
2014					Baht	<u>218,416,421</u>

As at December 31, 2015

SEPARATE FINANCIAL STATEMENTS

	Balance as at January 1, 2015	Additions	Disposals	Transfer in/ (Transfer out)	Balance as at December 31, 2015
	Baht	Baht	Baht	Baht	Baht
Cost:					
Land	30,000,000	-	-	-	30,000,000
Building	175,258,311	-	-	-	175,258,311
Building improvements	140,333,348	1,665,663	-	83,341,539	225,340,550
Machinery and equipment	2,128,958,981	10,121,572	(6,560,343)	537,048,133	2,669,568,343
Furniture and fixture	33,274,159	-	(34,000)	197,951	33,438,110
Motor vehicles	5,263,282	-	(2,876,500)	-	2,386,782
Total cost	<u>2,513,088,081</u>	<u>11,787,235</u>	<u>(9,470,843)</u>	<u>620,587,623</u>	<u>3,135,992,096</u>
Accumulated depreciation:					
Building	(87,939,846)	(8,756,897)	-	-	(96,696,743)
Building improvements	(13,357,269)	(14,651,141)	-	-	(28,008,410)
Machinery and equipment	(521,763,258)	(153,738,643)	6,415,456	-	(669,086,445)
Furniture and fixture	(27,745,064)	(2,764,082)	33,999	-	(30,475,147)
Motor vehicles	(5,150,913)	(112,363)	2,876,498	-	(2,386,778)
Total accumulated depreciation	<u>(655,956,350)</u>	<u>(180,023,126)</u>	<u>9,325,953</u>	<u>-</u>	<u>(826,653,523)</u>
Building under construction and machine and equipment under installation	<u>513,524,288</u>	<u>145,466,664</u>	<u>-</u>	<u>(620,587,623)</u>	<u>38,403,329</u>
Allowance for impairment of machine	<u>-</u>	<u>(3,496,916)</u>	<u>-</u>	<u>-</u>	<u>(3,496,916)</u>
Property, plant and equipment	<u><u>2,370,656,019</u></u>				<u><u>2,344,244,986</u></u>

As at December 31, 2014

	SEPARATE FINANCIAL STATEMENTS				Balance as at December 31, 2014 Baht
	Balance as at	Additions	Disposals	Transfer in/ (Transfer out)	
	January 1, 2014 Baht	Baht	Baht	Baht	
Cost:					
Land	30,000,000	-	-	-	30,000,000
Building	175,258,311	-	-	-	175,258,311
Building improvements	50,889,891	1,213,147	-	88,230,310	140,333,348
Machinery and equipment	1,795,313,670	14,764,020	(5,917,416)	324,798,707	2,128,958,981
Furniture and fixture	32,500,244	424,083	(472,163)	821,995	33,274,159
Motor vehicles	7,907,283	-	(2,644,001)	-	5,263,282
Total cost	<u>2,091,869,399</u>	<u>16,401,250</u>	<u>(9,033,580)</u>	<u>413,851,012</u>	<u>2,513,088,081</u>
Accumulated depreciation:					
Building	(79,182,899)	(8,756,947)	-	-	(87,939,846)
Building improvements	(7,084,149)	(6,273,120)	-	-	(13,357,269)
Machinery and equipment	(406,759,849)	(120,695,318)	5,691,909	-	(521,763,258)
Furniture and fixture	(23,248,544)	(4,968,656)	472,136	-	(27,745,064)
Motor vehicles	(7,541,751)	(253,160)	2,643,998	-	(5,150,913)
Total accumulated depreciation	<u>(523,817,192)</u>	<u>(140,947,201)</u>	<u>8,808,043</u>	<u>-</u>	<u>(655,956,350)</u>
Building under construction and machine and equipment under installation	<u>251,791,356</u>	<u>675,583,944</u>	<u>-</u>	<u>(413,851,012)</u>	<u>513,524,288</u>
Property, plant and equipment	<u><u>1,819,843,563</u></u>				<u><u>2,370,656,019</u></u>
Depreciation for the years					
2015				Baht	<u>180,023,126</u>
2014				Baht	<u>140,947,201</u>

The borrowing costs of the Company and DSG (Malaysia) Sdn Bhd for the years ended December 31, 2015 and 2014 are Baht 0.59 million and Baht 0.56 million are capitalized as costs of fixed assets in the financial statements.

Gross carrying amount of fixed assets which are fully depreciated and still in use of the Company and its subsidiaries as at December 31, 2015 and 2014 are approximately Baht 458.03 million and Baht 395.37 million, respectively (the Company : Baht 181.92 million and Baht 116.88 million, respectively).

As at December 31, 2015 and 2014, DSG (Malaysia) Sdn Bhd pledged machinery in the amount of 41.58 million Malaysian Ringgit and 32 million Malaysian Ringgit, respectively, to secure credit facilities obtained from a financial institution (see Notes 12 and 14).

As at December 31, 2014, PT DSG Surya Mas Indonesia pledged its land, building, machinery and equipment in the amount of 25,360 million Indonesia Rupiah and pledged machinery and equipment in the amount of USD 3.25 million to secure credit facilities obtained from a financial institution. Subsequently, in August 2015, such subsidiary withdrew the collateral of land, building and part of machinery and equipment. As at December 31, 2015, its machinery and equipment in the amount of 6,190 million Indonesia Rupiah have been pledged to secure credit facilities obtained from a financial institution (see Notes 12 and 14).

10. INTANGIBLE ASSETS

Intangible assets consist of:

As at December 31, 2015

	CONSOLIDATED FINANCIAL STATEMENTS					Balance as at December 31, 2015
	Balance as at January 1, 2015	Additions	Disposals	Transfer in/ (Transfer out)	Effect from translation of foreign subsidiaries	
	Baht	Baht	Baht	Baht	Baht	Baht
Cost:						
Computer software	61,174,278	1,105,006	-	12,561,263	(2,687,140)	72,153,407
License fees for technology transfer	6,857,680	-	-	-	(727,942)	6,129,738
Total cost	68,031,958	1,105,006	-	12,561,263	(3,415,082)	78,283,145
Accumulated amortization:						
Computer software	(42,335,872)	(12,800,632)	-	-	2,062,652	(53,073,852)
License fees for technology transfer	(6,857,680)	-	-	-	727,942	(6,129,738)
Total accumulated amortization	(49,193,552)	(12,800,632)	-	-	2,790,594	(59,203,590)
Computer software under installation	12,018,096	1,900,293	-	(12,561,263)	(749,282)	607,844
Intangible assets	30,856,502					19,687,399

As at December 31, 2014

	CONSOLIDATED FINANCIAL STATEMENTS					Balance as at December 31, 2014
	Balance as at January 1, 2014	Additions	Disposals	Transfer in/ (Transfer out)	Effect from translation of foreign subsidiaries	
	Baht	Baht	Baht	Baht	Baht	Baht
Cost:						
Computer software	55,099,524	1,222,370	(15,706)	6,451,689	(1,583,599)	61,174,278
License fees for technology transfer	7,254,236	-	-	-	(396,556)	6,857,680
Total cost	62,353,760	1,222,370	(15,706)	6,451,689	(1,980,155)	68,031,958
Accumulated amortization:						
Computer software	(32,129,341)	(11,231,130)	15,706	-	1,008,893	(42,335,872)
License fees for technology transfer	(7,254,236)	-	-	-	396,556	(6,857,680)
Total accumulated amortization	(39,383,577)	(11,231,130)	15,706	-	1,405,449	(49,193,552)
Computer software under installation	7,844,245	11,239,923	-	(6,451,689)	(614,383)	12,018,096
Intangible assets	30,814,428					30,856,502
Amortization for the years						
2015					Baht	12,800,632
2014					Baht	11,231,130

As at December 31, 2015

	SEPARATE FINANCIAL STATEMENTS				Balance as at December 31, 2015 Baht
	Balance as at January 1, 2015 Baht	Additions Baht	Disposals Baht	Transfer in/ (Transfer out) Baht	
Cost:					
Computer software	33,369,408	686,800	-	7,708,098	41,764,306
Total cost	33,369,408	686,800	-	7,708,098	41,764,306
Accumulated amortization:					
Computer software	(24,463,360)	(7,307,777)	-	-	(31,771,137)
Total accumulated amortization	(24,463,360)	(7,307,777)	-	-	(31,771,137)
Computer software under installation	1,208,360	6,499,738	-	(7,708,098)	-
Intangible assets	10,114,408				9,993,169

As at December 31, 2014

	SEPARATE FINANCIAL STATEMENTS				Balance as at December 31, 2014 Baht
	Balance as at January 1, 2014 Baht	Additions Baht	Disposals Baht	Transfer in/ (Transfer out) Baht	
Cost:					
Computer software	26,757,123	160,596	-	6,451,689	33,369,408
Total cost	26,757,123	160,596	-	6,451,689	33,369,408
Accumulated amortization:					
Computer software	(18,727,723)	(5,735,637)	-	-	(24,463,360)
Total accumulated amortization	(18,727,723)	(5,735,637)	-	-	(24,463,360)
Computer software under installation	-	7,660,049	-	(6,451,689)	1,208,360
Intangible assets	8,029,400				10,114,408
Amortization for the years					
2015				Baht	7,307,777
2014				Baht	5,735,637

11. INCOME TAXES

Deferred tax assets and liabilities as at December 31, consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS		Unit : Baht
	2015	2014	2015	2014	
Deferred tax assets	66,439,859	79,945,618	2,236,875	1,287,146	

The movements of deferred income tax assets and liabilities during the years ended December 31, 2015 and 2014 are as follows:

CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2015

	Balance as of January 1, 2015	Recognized in profit or loss	Recognized in other comprehensive income		Unit : Baht Balance as of December 31, 2015
			Actuarial gain - net of tax	Effect from translation of the financial statements of foreign subsidiaries	
Deferred tax assets:					
Allowance for doubtful accounts	376,074	(43,020)	-	(28,014)	305,040
Allowance for loss from diminution in value of inventories	-	262,393	-	-	262,393
Employment benefit obligation	1,961,494	490,799	(108,966)	(17,891)	2,325,436
Provision for dismantling, moving and renovating assets location costs	627,000	150,000	-	-	777,000
Property, plant and equipment ⁽¹⁾	(2,195,020)	643,682	-	227,488	(1,323,850)
Provision for advertisement and promotion ⁽¹⁾	17,089,850	10,068,819	-	(1,900,330)	25,258,339
Provision for impairment of machine	-	699,383	-	-	699,383
Unrealised loss from foreign exchange ⁽¹⁾	448,777	(327,084)	-	(44,836)	76,857
Unused tax loss ⁽¹⁾	10,521,528	(655,865)	-	(1,111,242)	8,754,421
Investment allowance in fixed asset ⁽²⁾	98,003,496	(16,282,946)	-	(10,203,800)	71,516,750
Property, plant and equipment ⁽²⁾	(47,145,169)	(5,940,695)	-	5,077,152	(48,008,712)
Unrealised gain from foreign exchange ⁽²⁾	(877,178)	4,662,483	-	36,055	3,821,360
Accrued expense	1,134,766	855,323	-	(14,647)	1,975,442
Total deferred tax assets	79,945,618	(5,416,728)	(108,966)	(7,980,065)	66,439,859

⁽¹⁾ The deferred tax assets and liabilities of Disposable Soft Goods (Malaysia) Sdn Bhd

⁽²⁾ The deferred tax assets and liabilities of DSG (Malaysia) Sdn Bhd

As at December 31, 2014

	Balance as of January 1, 2014	Recognized in profit or loss	Recognized in other comprehensive income Actuarial gain – net of tax	Effect from translation of the financial statements of foreign subsidiaries	Unit : Baht Balance as of December 31, 2014
Deferred tax assets:					
Allowance for doubtful accounts	384,384	6,951	-	(15,261)	376,074
Allowance for loss from diminution in value of inventories	15,836	(15,836)	-	-	-
Employment benefit obligation	1,435,512	504,951	33,957	(12,926)	1,961,494
Provision for dismantling, moving and renovating assets location costs	627,000	-	-	-	627,000
Property, plant and equipment ⁽¹⁾	(3,378,645)	1,020,739	-	162,886	(2,195,020)
Provision for advertisement and promotion ⁽¹⁾	13,215,630	4,697,013	-	(822,793)	17,089,850
Unrealised loss from foreign exchange ⁽¹⁾	549,562	(72,288)	-	(28,497)	448,777
Unused tax loss ⁽¹⁾	68,649	10,682,587	-	(229,708)	10,521,528
Investment allowance in fixed asset ⁽²⁾	39,880,359	60,917,452	-	(2,794,315)	98,003,496
Property, plant and equipment ⁽²⁾	(22,787,652)	(25,864,004)	-	1,506,487	(47,145,169)
Unrealised gain from foreign exchange ⁽²⁾	(424,562)	(480,671)	-	28,055	(877,178)
Accrued expense	-	1,134,766	-	-	1,134,766
Total deferred tax assets	29,586,073	52,531,660	33,957	(2,206,072)	79,945,618

⁽¹⁾ The deferred tax assets and liabilities of Disposable Soft Goods (Malaysia) Sdn Bhd

⁽²⁾ The deferred tax assets and liabilities of DSG (Malaysia) Sdn Bhd

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2015

	Balance as of January 1, 2015	Recognized in profit or loss	Recognized in other comprehensive income	Unit : Baht Balance as of December 31, 2015
Deferred tax assets:				
Allowance for doubtful accounts	112,161	(43,020)	-	69,141
Allowance for loss from diminution in value of inventories	-	262,393	-	262,393
Employee benefit obligation	182,694	88,476	(36,882)	234,288
Provision for dismantling, moving and renovating assets location costs	627,000	150,000	-	777,000
Accrued expense	365,291	(170,621)	-	194,670
Provision for impairment of machine	-	699,383	-	699,383
Total deferred tax assets	1,287,146	986,611	(36,882)	2,236,875

As at December 31, 2014

	Balance	Recognized in	Recognized in	Unit : Baht
	as of	profit or loss	other comprehensive	Balance
	January 1,		income	as of
	2014			December 31,
				2014
Deferred tax assets:				
Allowance for doubtful accounts	105,210	6,951	-	112,161
Allowance for loss from diminution in value of inventories	15,835	(15,835)	-	-
Employee benefit obligation	249,284	(16,775)	(49,815)	182,694
Provision for dismantling, moving and renovating assets location costs	627,000	-	-	627,000
Accrued expense	-	365,291	-	365,291
Total deferred tax assets	997,329	339,632	(49,815)	1,287,146

On October 11, 2011, the Thai Cabinet approved a reduction of the corporate income tax rates from 30% to 23% of net profits for companies or juristic partnerships with a 2012 accounting periods ending on or after December 31, 2012, and from 23% to 20% for companies or juristic partnerships with accounting periods beginning on or after January 1, 2013 onwards. Subsequently, according to Royal Decree No. 555 B.E. 2555 issued under the Revenue Code regarding the corporate income tax rate reduction effective on December 27, 2012, the corporate income tax was reduced from 30% to 23% of net profit for accounting period beginning on or after January 1, 2012 but not later than December 31, 2012 and reduced to 20% of net profit for the accounting periods beginning on or after January 1, 2013 but not later than December 31, 2014, and according to Royal Decree No. 577 B.E. 2557 issued under the Revenue Code regarding the corporate income tax rate reduction effective on November 11, 2014, the corporate income tax rate was reduced by maintaining at 20% of net profit for accounting period beginning on or after January 1, 2015 but not later than December 31, 2015. Therefore, the Company has used tax rate of 20% for the corporate income tax calculation for the nine-month periods ended December 31, 2015 and 2014.

Based on the aforementioned information and the guideline of the Federation of Accounting Professions, the Company assumes that the related tax law will be amended in order that the corporate income tax rate for the accounting periods beginning on or after January 1, 2016 onwards will not be over 20% to comply with the Cabinet's resolution regarding corporate income tax rate reduction. Therefore, the Company has used tax rate of 20% for the deferred tax calculation as at December 31, 2015 and December 31, 2014.

The Company's and its subsidiaries' income tax expense recognized in the statements of profit on loss and other comprehensive income for the years ended December 31, 2015 and 2014 consist of:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Current income tax	25,551,533	20,489,267	25,539,750	17,656,390
Deferred income tax relating to temporary differences recognized in the current year	5,416,728	(52,531,660)	(986,612)	(339,632)
Income tax (income) expense recognized in the current year	<u>30,968,261</u>	<u>(32,042,393)</u>	<u>24,553,138</u>	<u>17,316,758</u>
Income tax relating to other comprehensive income				
Income tax - employee benefit obligation	(108,966)	33,957	(36,882)	(49,815)

Income tax expenses for the years ended December 31, 2015 and 2014 can be reconciled to the accounting profit as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Profit before income tax expense - income tax exemption business	267,885,293	610,468,735	267,885,293	610,468,735
Profit (loss) before income tax expense - non-income tax exemption business	(234,503,208)	(186,532,878)	138,647,997	(60,846,666)
Total accounting profit before income tax expense ⁽¹⁾	33,382,085	423,935,857	406,533,290	549,622,069
Income tax calculated based on income tax rate	See below ⁽²⁾		20%	20%
Income tax	(66,103,618)	(80,580,380)	27,729,599	(12,169,333)
Tax effect of income and expenses which are not taxable income and expenses in the current year	97,071,879	18,936,762	(3,176,461)	(115,134)
Temporary difference not accounted for deferred tax assets	-	29,601,225	-	29,601,225
Income tax (revenue) expense recognized in profit or loss	<u>30,968,261</u>	<u>(32,042,393)</u>	<u>24,553,138</u>	<u>17,316,758</u>

⁽¹⁾ Total accounting profits before income tax expense is profits before eliminating transactions among the companies in the group.

⁽²⁾ Income tax rate of the Company and its subsidiaries are 10% - 25%.

Temporary difference is not accounted for deferred tax assets as at December 31, 2014 amounting to Baht 29.60 million resulting from the impairment loss of investment in PT DSG Surya Mas Indonesia because it is uncertain about the probability that the Company can utilize the deferred tax assets arising from such temporary difference.

12. BANK OVERDRAFTS AND SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short-term borrowings from financial institutions as at December 31, consist of:

	CONSOLIDATED		Unit : Million Baht SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2015	2014	2015	2014
DSG International (Thailand) Plc.				
- promissory note	300.00	550.00	300.00	550.00
- packing credit	276.48	360.10	276.47	360.10
Disposable Soft Goods (M) Sdn Bhd ⁽¹⁾				
- bank overdraft	-	16.42	-	-
- packing credit	71.42	95.02	-	-
DSG (Malaysia) Sdn Bhd ⁽²⁾				
- bank overdraft	6.00	82.30	-	-
- packing credit	77.93	103.95	-	-
- foreign currency loans	36.00	32.21	-	-
PT DSG Surya Mas Indonesia ⁽³⁾				
- packing credit	207.05	47.43	-	-
	<u>974.88</u>	<u>1,287.43</u>	<u>576.47</u>	<u>910.10</u>

- (1) Disposable Soft Goods (Malaysia) Sdn Bhd entered into banking facility agreements for the business operation, consisting of bank overdraft and importing credit and the Company secured such facilities in the limit of 16 million Malaysian Ringgit.
- (2) DSG (Malaysia) Sdn Bhd entered into the banking facility agreements with financial institutions for the business operation, consisting of bank overdraft, credit line of importing credit, forward foreign exchange contract and the limit of long-term loan. Such banking facilities are guaranteed by the Company in the limit of USD 39.76 million and 21 million Malaysian Ringgit and Disposable Soft Goods (Malaysia) Sdn Bhd secured such facilities in the limit of 128.21 million Malaysian Ringgit. DSG (Malaysia) Sdn Bhd has pledged leasehold land and building in the limit of 96.21 million Malaysian Ringgit and machinery in the limit of 41.58 million Malaysian Ringgit as collateral for the loan from a financial institution. In 2015, the Company and Disposable Soft Goods (Malaysia) Sdn Bhd additionally issued the letter of guarantee to the limit of USD 43.66 million and 137.51 million Malaysian Ringgit, respectively. DSG (Malaysia) Sdn Bhd also has additionally pledged leasehold land and building to the limit of 112.21 million Malaysian Ringgit (see Notes 8, 9 and 12).
- (3) PT DSG Surya Mas Indonesia entered into the banking facility agreement with a financial institution for the business operation, consisting of bank overdraft, importing credit and the limit of long-term loan and used its land, building, machinery, equipment, inventories and receivables in the amount of 50,360 million Indonesian Rupiah and pledged machinery and equipment in the amount of USD 3.25 million and the Company secured such facilities in the limit of USD 7.6 million. In 2015, PT DSG Surya Mas Indonesia cancelled land and building pledged as collateral and additionally pledged machinery, equipment, inventories and receivables in the amount of 31,190 million Indonesian Rupiah and stand-by Letter of Credit issued by the financial institution in the amount of USD 4.5 million as collateral. The Company also has additionally issued the letter of guarantee to the limit of USD 9.1 million (see Notes 5, 6, 9, 14 and 26.1).

Certain loan agreements stipulate certain covenants such as maintenance of a net debt to equity ratio and the maintenance of debt service coverage ratio.

13. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, consist of:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	Unit : Baht			
Trade payables	714,496,368	773,617,331	510,836,685	549,860,750
Other payables	93,135,274	71,097,992	74,977,697	56,542,709
Fixed asset payables	137,909,119	272,854,513	104,692,544	199,479,352
Accrued expenses	577,370,334	503,020,611	262,163,060	289,461,686
	<u>1,522,911,095</u>	<u>1,620,590,447</u>	<u>952,669,986</u>	<u>1,095,344,497</u>

14. LONG-TERM BORROWINGS

Long-term borrowings as at December 31, consist of:

	Interest rate	CONSOLIDATED		SEPARATE	
	p.a.	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	(%)	2015	2014	2015	2014
Baht : '000					
Long-term borrowings from financial institutions					
DSG International (Thailand) Plc.					
- repayable from Aug 2011 - Jul 2016	Six-month fixed deposit				
on monthly basis of Baht 3.35 million	interest rate + 2.35	18,279	58,479	18,279	58,479
- repayable from Dec 2011 - Nov 2016	Six-month fixed deposit				
on monthly basis of Baht 4 million	interest rate + 2.35	43,000	91,000	43,000	91,000
- repayable from Oct 2013 - Sep 2018	Six-month fixed deposit				
on monthly basis of Baht 2.60 million	Interest rate + 2.35	80,200	111,400	80,200	111,400
- repayable from Mar 2014 - Feb 2018					
on monthly basis of Baht 2.60 million	4.04	53,505	54,070	53,505	54,070
- repayable from Jul 2014 - Jun 2019	THB FIX				
on monthly basis of Baht 1.93 million	Six-month interest				
	rate + 1.90	68,355	48,615	68,355	48,615
- repayable from Jan 2015 - Dec 2019					
on monthly basis of Baht 4.15 million	4.15 - 4.35	200,200	250,000	200,200	250,000
- repayable from Jan 2015 - Dec 2019					
on monthly basis of Baht 4.17 million	4.15 - 4.35	199,996	250,000	199,996	250,000
- repayable from Oct 2015 - Sep 2020	THB FIX				
on monthly basis of Baht 8.34 million	Six-month interest				
	rate + 1.90	474,980	-	474,980	-
- repayable from Aug 2017 - Mar 2018					
on monthly basis of Baht 1.76 million					
and from Apr 2018 - Jul 2022 on monthly					
basis of Baht 2.23 million	MLR -2%	31,580	-	31,580	-

	Interest rate	CONSOLIDATED		SEPARATE	
	p.a.	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	(%)	2015	2014	2015	2014
DSG (Malaysia) Sdn Bhd					
- repayable from Oct 2013 - Sep 2018 on monthly basis of 0.12 million Malaysian Ringgit and from Oct 2018 - Sep 2021 on monthly basis of 0.22 million Malaysian Ringgit ⁽¹⁾	BLR - 2.3	87,108	106,677	-	-
- repayable from Jan 2014 - Dec 2018 on monthly basis of 0.32 million Malaysian Ringgit and from Jan 2019 - Dec 2021 on monthly basis of 1.03 million Malaysian Ringgit ⁽¹⁾	BLR - 2.3	347,519	406,533	-	-
- repayable from Apr 2016 - Mar 2021 on monthly basis of 0.16 million Malaysian Ringgit and from Apr 2021 - Jan 2023 on monthly basis of 0.62 million Malaysian Ringgit ⁽¹⁾	BLR - 2.0	156,785	156,152	-	-
- repayable from Jan 2014 - Dec 2018 on monthly basis of 0.48 million Malaysian Ringgit ⁽¹⁾	COF + 1.5	98,927	129,037	-	-
- repayable from Dec 2016 - Dec 2023 on monthly basis of 0.11 million Malaysian Ringgit ⁽²⁾	2.77	55,524	28,494	-	-
PT DSG Surya Mas Indonesia					
- repayable from Dec 2013 - Nov 2018 on monthly basis of USD 0.04 million ⁽³⁾	BLR - 5.5	56,422	68,841	-	-
		1,972,380	1,759,298	1,170,095	863,564
Repayment terms					
Within 1 year		465,586	370,497	346,663	273,504
Over 1 year		1,506,794	1,388,801	823,432	590,060
Total		1,972,380	1,759,298	1,170,095	863,564

BLR - Base Lending Rate

COF - Cost of Funds

- (1) DSG (Malaysia) Sdn Bhd entered into the banking facility agreement with financial institutions for the business operation, consisting of bank overdraft, credit line of importing credit, forward foreign exchange contract and the limit of long-term loan. Such banking facilities are guaranteed by the Company and Disposable Soft Goods (Malaysia) Sdn Bhd in the limit of USD 39.76 million and 128.21 million Malaysian Ringgit, respectively. DSG (Malaysia) Sdn Bhd has pledged leasehold land and building in the limit of 96.21 million Malaysian Ringgit and machinery in the limit of 41.58 million Malaysian Ringgit as collateral for the loan from a financial institution. In 2015, the Company and Disposable Soft Goods (Malaysia) Sdn Bhd additionally issued the letter of guarantee to the limit of USD 43.66 million and 137.51 million Malaysian Ringgit, respectively. DSG (Malaysia) Sdn Bhd also has additionally pledged leasehold land and building to the limit of 112.21 million Malaysian Ringgit (see Notes 8, 9 and 12).
- (2) DSG (Malaysia) Sdn Bhd entered into the long-term loan facility agreement with a financial institution for the business operation. Such banking facilities are guaranteed by the Company in the limit of 5.65 million Malaysian Ringgit.
- (3) PT DSG Surya Mas Indonesia pledged its machinery, equipment, stocks, receivables and stand-by Letter of Credit issued by the financial institution as collateral to a financial institutions. The Company issued the letter of guarantee as collateral for such credit facilities (see Note 12).

The certain loan agreements contain covenants related to various matters, such as the maintenance net debt to equity ratio and the maintenance of debt service coverage ratio.

15. EMPLOYEE BENEFITS

15.1 Employee benefit obligations

The Company estimated employee benefit obligations which consist of post-employment benefits upon retirement under the Company's regulation and the Thai Labor Protection Act.

Amounts recognized in the statements of profit or loss and other comprehensive income in respect of post-employment benefit obligations for the years ended December 31, 2015 and 2014 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Current service cost	8,271,936	8,303,544	5,473,958	5,273,690
Interest cost	771,504	794,474	503,596	539,382
Past service cost	-	1,725,395	-	1,465,600
Actuarial gain before tax	(3,348,787)	(3,225,155)	(2,627,897)	(4,062,874)

Movements of the present value of post-employment benefit obligations for the years ended December 31, 2015 and 2014 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Beginning balance of present value of post-employment benefit obligations	30,490,641	26,537,984	14,900,410	21,793,078
Current service cost	8,271,936	8,303,544	5,473,958	5,273,690
Interest cost	771,504	794,474	503,596	539,382
Past service cost	-	1,725,395	-	1,465,600
Actuarial gain before tax	(3,348,787)	(3,225,155)	(2,627,897)	(4,062,874)
Actual paid during the year	(1,925,799)	(3,583,995)	(1,556,680)	(10,108,466)
Effect from exchange on translation of the financial statements of a foreign subsidiary	(68,832)	(61,606)	-	-
Ending balance of present value of post-employment benefit obligations	34,190,663	30,490,641	16,693,387	14,900,410

The principle actuarial assumptions used to calculate post-employment benefit obligations as at December 31, 2015 and 2014 are as follows:

As at December 31, 2015	Discount rate	Expected rate of salary increase	Turnover rate	Retirement age
DSG International (Thailand) Public Company Limited	3.12%	6%	0 - 25%	60 years
DSG Management Services (Thailand) Co., Ltd.	2.63%	6%	0 - 17%	60 years
PT DSG Surya Mas Indonesia	9.10%	10%	0 - 1%	55 years
As at December 31, 2014	Discount rate	Expected rate of salary increase	Turnover rate	Retirement age
DSG International (Thailand) Public Company Limited	3.38%	6%	0 - 31%	60 years
DSG Management Services (Thailand) Co., Ltd.	2.79%	6%	0 - 11%	60 years
PT DSG Surya Mas Indonesia	7%	5.25%	0 - 1%	55 years

The subsidiaries in Malaysia and Singapore did not estimate post-employment benefit obligations since there is no regulation regarding such obligation in Malaysia and there are two staffs in Singapore.

The sensitivity analysis of the above actuarial assumptions impacted on increase (decrease) in present value of the employee benefit obligations as at December 31, 2015 are as follows:

	Unit : Million Baht	
	Consolidated financial statements	Separate financial statements
<u>Discount rate</u>		
Discount rates, decrease of 1 percent	3.04	2.29
Discount rates, increase of 1 percent	(2.55)	(1.93)
<u>Salary increased rates</u>		
Salary increased rates, decrease of 1 percent	(2.48)	(1.88)
Salary increased rates, increase of 1 percent	2.89	2.18
<u>Turnover rates</u>		
Turnover rates, decrease of 1 percent	1.37	0.98
Turnover rates, increase of 1 percent	(2.76)	(2.10)

15.2 Employee Joint Investment Program

On August 28, 2012, the Board of Directors' meeting approved the Employee Joint Investment Program ("EJIP") which will be starting from January 1, 2013 to December 31, 2015, totalling 3 years. This program will be implemented for management level of the Company and its subsidiaries who has service year and performance criteria as set forth in the Company's EJIP. Under this program, the eligible participants and the Company will contribute an agreed percentage of participants' salary for the EJIP on a monthly basis until the completion of the program. The securities company is appointed as the program operator who will invest in the Company's shares in the Stock Exchange of Thailand on the specific date every month as specified in the program. The program participants have the right to sell their shares under the EJIP program each year at the specific percentage of the accumulated shares. When the program has ended, shares will be transferred to the eligible participants.

15.3 Provident fund

The Company has set up a provident fund which is contributed by employees and the Company. The fund is registered as the provident fund in accordance with the Provident Fund Act B.E. 2530 (1987) in January 2004.

For the years ended December 31, 2015 and 2014, the contributions made by the Company were recorded as expenses amounting to Baht 6.41 million and Baht 6.25 million, respectively.

16. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities as at December 31, 2015 and 2014 consist of:

	Unit : Baht			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS 2015	2014	FINANCIAL STATEMENTS 2015	2014
Provision for dismantling, moving and renovating assets location costs	6,285,000	3,935,000	6,285,000	3,935,000
Liabilities from the acquisition of machine	-	116,172,470	-	86,512,218
	<u>6,285,000</u>	<u>120,107,470</u>	<u>6,285,000</u>	<u>90,447,218</u>

17. PREMIUM ON TREASURY SHARES

At the Board of Directors' meeting No. 5/2008 held on September 19, 2008, the Board of Directors' meeting passed a resolution to approve treasury shares of the Company's ordinary shares. The buy-back period started from October 8, 2008 to April 7, 2009. The objective of the treasury share is to manage the financial and surplus liquidity.

In 2008 and 2009, the Company had the treasury shares of 10,254,000 shares, which equal to 3.42% of total issued and paid-up share capital in that year with the cost approximately Baht 30.34 million and during the years 2010 and 2011, the Company sold all of the treasury shares in the amount of Baht 101.93 million. The Company had premium on sales of treasury shares in the amount of Baht 71.59 million.

18. LEGAL RESERVE

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside as a legal reserve at least 5 percent of net profit after deducting accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered shares capital and the reserve is not available for distribution as dividends.

On May 12, 2014, the Board of Director's Meeting of the Company approved the legal reserve of Baht 36 million.

19. CAPITAL MANAGEMENT

The Company's objectives when managing capital are:

- To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders.
- To provide an adequate return to shareholders by pricing products in order to provide an appropriate benefit to the Company and according to the market situation.

The management sets strategies to support the Company's business operations to be more efficient, and better performances and stronger financial status, including setting dividend and capital management policies to maintain the optimal capital structure and cost of capital.

20. DIVIDENDS

DSG International (Thailand) Public Company Limited

On April 24, 2014, the Annual General Shareholders' Meeting approved the distribution of final dividends for the year 2013 from the operating result for the period from October to December 2013 and from the retained earnings of the Company to the Company's shareholder in term of cash dividend at the rate of Baht 0.08 per share for 899,999,991 ordinary shares, totalling approximately Baht 72 million, and in term of share dividend at the ratio of 10 existing shares for 4 new shares, or in total 359,999,997 shares at par value of Baht 1 per share, totalling Baht 359,999,997. In case where there is fraction of share less than 10 shares, the Company will pay such share dividend in cash at Baht 0.40 per share. As such, 359,999,804 ordinary shares were issued.

On August 13, 2014, the Board of Directors' Meeting of the Company approved the distribution of interim dividends from net profit for the period of January to June 2014 of Baht 0.06 per share, of 1,259,999,795 ordinary shares, totalling Baht 75.6 million which was paid on September 12, 2014.

On November 12, 2014, the Board of Directors' Meeting of the Company approved the distribution of interim dividends from net profit for the period of July to September 2014 of Baht 0.06 per share, of 1,259,999,795 ordinary shares, totalling Baht 75.6 million which was paid on December 11, 2014.

On April 27, 2015, the Annual General Shareholders' Meeting of the Company approved the distribution of final dividends for the year 2014 from the operating result for the period from October to December 2014 and from the retained earnings of the Company in term of cash dividend at the rate of Baht 0.06 per share, of 1,259,999,795 ordinary shares, totalling Baht 75.60 million which was paid to shareholders on May 26, 2015.

On August 11, 2015, the Board of Directors' Meeting of the Company approved the distribution of interim dividends from net profit for the period of January to June 2015 of Baht 0.03 per share, of 1,259,999,795 ordinary shares, totalling Baht 37.8 million which was paid on September 10, 2015.

Subsidiaries

The Board of Directors' Meetings of the subsidiaries passed resolutions to distribute interim dividends to ordinary shareholders as follows:

For the year ended December 31, 2015

Company's name	Board of Directors' resolutions date	Dividends (Malaysian Ringgit per share)	Amount Baht	Dividend payment date
DSG (Malaysia) Sdn Bhd	September 17, 2015	0.55	15,083,431	September 28, 2015
			<u>15,083,431</u>	

For the year ended December 31, 2014

Company's name	Board of Directors' resolutions date	Dividends (Malaysian Ringgit per share)	Amount Baht	Dividend payment date
DSG (Malaysia) Sdn Bhd	September 19, 2014	0.79	26,665,238	September 26, 2014
			<u>26,665,238</u>	

21. TRANSACTIONS WITH RELATED COMPANIES

The Company and its subsidiaries have extensive transactions and relationships with the related parties. Accordingly, the financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations that would have occurred had the Company and its related parties operated without such affiliations.

The Company and its subsidiaries' businesses include transactions with its related companies. The relationship may be by shareholding or the companies may have the same group of shareholders or directors. Therefore, the financial statements reflect the effects of these transactions on the basis determined by the companies concerned which the selling prices quoted for related parties have, generally, lower margin than margin for the third parties as the products will be resold to customers. Term of credit is varied among the related parties around 30 - 180 days which is approximately longer than that of the others. Furthermore, the Company's major shareholders provide support on some raw material price negotiation for the Company and its subsidiaries.

21.1 Significant balances with the related companies as at December 31, consist of the following:

	Relationship	Unit : Baht			
		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2015	2014	2015	2014
Trade receivables					
Disposable Soft Goods Ltd.	Subsidiary of major shareholder	3,156,760	5,106,404	3,156,760	5,106,404
Disposable Soft Goods (Zhong Shan) Ltd.	Subsidiary of major shareholder	1,047,308	43,644,518	1,047,308	43,644,519
Disposable Soft Goods (Malaysia) Sdn Bhd	Subsidiary	-	-	4,968,192	17,403,075
PT DSG Surya Mas Indonesia	Subsidiary	-	-	185,657,923	167,472,300
		<u>4,204,068</u>	<u>48,750,922</u>	<u>194,830,183</u>	<u>233,626,298</u>
Other receivables					
DSG International Limited ⁽³⁾	Major shareholder	58,047,996	1,845	40,293	1,845
Disposable Soft Goods (Zhong Shan) Ltd.	Subsidiary of major shareholder	39,387	188,370	-	188,370
DSG (Malaysia) Sdn Bhd	Subsidiary	-	-	1,541,696	1,522,176
PT DSG Surya Mas Indonesia	Subsidiary	-	-	49,646,516	29,668,395
		<u>58,087,383</u>	<u>190,215</u>	<u>51,228,505</u>	<u>31,380,786</u>
Investments in subsidiaries					
Disposable Soft Goods (Malaysia) Sdn Bhd	Subsidiary	-	-	4,826,516	4,826,516
DSG (Malaysia) Sdn Bhd	Subsidiary	-	-	73,968,141	73,968,141
PT DSG Surya Mas Indonesia	Subsidiary	-	-	148,006,123	148,006,123
Disposable Soft Goods (S) Pte Ltd.	Subsidiary	-	-	14,020,259	14,020,259
DSG Management Services (Thailand) Co., Ltd.	Subsidiary	-	-	9,999,985	9,999,985
<u>Less</u> Allowance for impairment of investment					
- PT DSG Surya Mas Indonesia		-	-	(148,006,123)	(148,006,123)
		<u>-</u>	<u>-</u>	<u>102,814,901</u>	<u>102,814,901</u>

	Relationship	Unit : Baht			
		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
		2015	2014	2015	2014
Loans to subsidiaries					
PT DSG Surya Mas Indonesia					
- USD 17.08 million (2014 : USD 12.83 million)					
at interest rate of 5.5% p.a.,					
repayable within December 31, 2024	Subsidiary	-	-	613,556,852	420,976,247
DSG (Malaysia) Sdn Bhd					
- Baht 50 million					
at interest rate of 5.5% p.a.,					
repayable within December 2016 by Baht 25 million					
and within December 2017 by Baht 25 million	Subsidiary	-	-	50,000,000	-
		-	-	663,556,852	420,976,247
Current portion of loan to a subsidiary		-	-	(25,000,000)	-
		-	-	638,556,852	420,976,247
Other payables					
DSG International Limited	Major shareholder	34,281,474	20,666,831	18,082,890	7,242,460
Disposable Soft Goods Ltd.	Subsidiary of major				
	shareholder	109,648	294,570	-	-
DSG Technology Holdings Limited	Subsidiary of major				
	shareholder	23,471,501	10,133,115	19,645,322	7,873,275
Disposable Soft Goods (UK) Plc	Subsidiary of major				
	shareholder	1,400,970	5,869,976	-	-
Disposable Soft Goods (Zhong Shan) Ltd.	Subsidiary of major				
	shareholder	-	77,939	-	66,491
Disposable Soft Goods (Malaysia) Sdn Bhd	Subsidiary	-	-	-	98,944
DSG (Malaysia) Sdn Bhd	Subsidiary	-	-	572,234	38,816
PT DSG Surya Mas Indonesia	Subsidiary	-	-	906	828
Disposable Soft Goods (S) Pte Ltd.	Subsidiary	-	-	1,369,425	1,267,515
DSG Management Services (Thailand) Co., Ltd.	Subsidiary	-	-	1,435,242	5,898,819
		59,263,593	37,042,431	41,106,019	22,487,148

Receivables and payables-related companies are non-interest bearing with repayment term around 30 - 180 days.

The movements of transactions with related companies incurred during the years 2015 and 2014 are as follows:

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015	Balance as at January 1, 2015	Additions	Repayment/ receipt	Effect from translation of the financial statements for foreign subsidiaries	Balance as at December 31, 2015
	Baht	Baht	Baht	Baht	Baht
Other receivables					
DSG International Limited	-	60,443,908	(26,000)	(2,369,912)	58,047,996
Disposable Soft Goods Ltd.	1,845	-	(1,836)	(9)	-
Disposable Soft Goods (Zhong Shan) Ltd.	188,370	36,760	(186,224)	481	39,387
	<u>190,215</u>	<u>60,480,668</u>	<u>(214,060)</u>	<u>(2,369,440)</u>	<u>58,087,383</u>
Other payables					
DSG International Limited	20,666,831	138,516,768	(123,163,135)	(1,738,990)	34,281,474
Disposable Soft Goods Ltd.	294,570	224,036	(373,771)	(35,186)	109,649
Disposable Soft Goods (Zhong Shan) Ltd.	77,939	-	(76,552)	(1,387)	-
DSG Technology Holdings Limited	10,133,115	83,213,025	(69,496,196)	(378,443)	23,471,501
Disposable Soft Goods (UK) Plc	5,869,976	(1,044,984)	(3,266,011)	(158,012)	1,400,969
	<u>37,042,431</u>	<u>220,908,845</u>	<u>(196,375,665)</u>	<u>(2,312,018)</u>	<u>59,263,593</u>
For the year ended December 31, 2014	Balance as at January 1, 2014	Additions	Repayment/ receipt	Effect from translation of the financial statements for foreign subsidiaries	Balance as at December 31, 2014
	Baht	Baht	Baht	Baht	Baht
Other receivables					
DSG International Limited	17,446	-	(17,076)	(370)	-
Disposable Soft Goods Ltd.	-	5,556	(3,720)	9	1,845
Disposable Soft Goods (Zhong Shan) Ltd.	181,351	184,982	(164,215)	(13,748)	188,370
Disposable Soft Goods Hong Kong	-	17,548	(17,548)	-	-
	<u>198,797</u>	<u>208,086</u>	<u>(202,559)</u>	<u>(14,109)</u>	<u>190,215</u>
Other payables					
DSG International Limited	13,619,025	162,138,913	(154,854,329)	(236,778)	20,666,831
Disposable Soft Goods Ltd.	22,207	269,047	-	3,316	294,570
Disposable Soft Goods (Zhong Shan) Ltd.	5,297,965	1,644,337	(6,970,355)	105,992	77,939
DSG Technology Holdings Limited	8,944,658	109,783,588	(108,541,959)	(53,172)	10,133,115
Disposable Soft Goods (UK) Plc	1,749,393	5,134,507	(1,336,373)	322,449	5,869,976
Shuiling Holding Co., Ltd.	-	12,284,627	(12,284,627)	-	-
	<u>29,633,248</u>	<u>291,255,019</u>	<u>(283,987,643)</u>	<u>141,807</u>	<u>37,042,431</u>

SEPARATE FINANCIAL STATEMENTS

For the year ended December 31, 2015	Balance as at January 1, 2015 Baht	Additions Baht	Repayment/ receipt Baht	Gain/loss on exchange rate Baht	Balance as at December 31, 2015 Baht
Other receivables					
DSG International Limited	-	66,170	(26,000)	123	40,293
Disposable Soft Goods Ltd.	1,845	-	(1,836)	(9)	-
Disposable Soft Goods (Zhong Shan) Ltd.	188,370	1,241	(186,224)	(3,387)	-
DSG (Malaysia) Sdn Bhd	1,522,176	18,584,424	(19,742,693)	(14,097)	349,810
PT DSG Surya Mas Indonesia	29,668,395	31,572,971	(13,788,743)	2,193,893	49,646,516
Disposable Soft Goods (S) Pte Ltd	-	4,240	(4,240)	-	-
DSG Management Services (Thailand) Co., Ltd.	-	34,166	(34,166)	-	-
	<u>31,380,786</u>	<u>50,263,212</u>	<u>(33,783,902)</u>	<u>2,176,523</u>	<u>50,036,619</u>
Accrued expense					
DSG (Malaysia) Sdn Bhd	-	3,200,044	(2,008,158)	-	1,191,886
	<u>-</u>	<u>3,200,044</u>	<u>(2,008,158)</u>	<u>-</u>	<u>1,191,886</u>
Loans to subsidiaries					
PT DSG Surya Mas Indonesia	420,976,247	140,075,000	-	52,505,605	613,556,852
DSG (Malaysia) Sdn Bhd	-	50,000,000	-	-	50,000,000
	<u>420,976,247</u>	<u>190,075,000</u>	<u>-</u>	<u>52,505,605</u>	<u>663,556,852</u>
Other payables					
DSG International Limited	7,242,460	91,068,354	(80,227,923)	-	18,082,891
DSG Technology Holdings Limited	7,873,275	71,120,196	(59,348,149)	-	19,645,322
Disposable Soft Goods (Zhong Shan) Ltd.	66,491	-	(66,331)	(160)	-
Shanghai DSG Megathin Co., Ltd.	-	-	-	-	-
Disposable Soft Goods (Malaysia) Sdn Bhd	98,944	2,924	(101,035)	(833)	-
DSG (Malaysia) Sdn Bhd	38,816	10,799,006	(10,275,871)	10,282	572,233
PT DSG Surya Mas Indonesia	828	-	-	78	906
Disposable Soft Goods (S) Pte Ltd	1,267,515	5,924,910	(5,823,000)	-	1,369,425
DSG Management Services (Thailand) Co., Ltd.	5,898,819	58,387,916	(62,851,493)	-	1,435,242
	<u>22,487,148</u>	<u>237,303,306</u>	<u>(218,693,802)</u>	<u>9,367</u>	<u>41,106,019</u>

SEPARATE FINANCIAL STATEMENTS

For the year ended December 31, 2014	Balance as at January 1, 2014 Baht	Additions Baht	Repayment/ receipt Baht	Gain/loss on exchange rate Baht	Balance as at December 31, 2014 Baht
Other receivables					
DSG International Limited	17,446	-	(17,076)	(370)	-
Disposable Soft Goods Ltd.	-	5,556	(3,720)	9	1,845
Disposable Soft Goods (Zhong Shan) Ltd.	-	184,982	-	3,388	188,370
Disposable Soft Goods (Malaysia) Sdn Bhd	36,409	798,371	(833,771)	(1,009)	-
DSG (Malaysia) Sdn Bhd	1,992,052	31,289,413	(31,704,191)	(55,098)	1,522,176
PT DSG Surya Mas Indonesia	14,375,922	17,205,944	(2,171,864)	258,393	29,668,395
Disposable Soft Goods (S) Pte Ltd	-	14,531	(14,531)	-	-
DSG Management Services (Thailand) Co., Ltd.	360,450	9,517,788	(9,878,238)	-	-
	<u>16,782,279</u>	<u>59,016,585</u>	<u>(44,623,391)</u>	<u>205,313</u>	<u>31,380,786</u>
Loans to subsidiaries					
PT DSG Surya Mas Indonesia	244,418,012	173,616,400	-	2,941,835	420,976,247
DSG (Malaysia) Sdn Bhd	29,998,220	-	(27,983,210)	(2,015,010)	-
	<u>274,416,232</u>	<u>173,616,400</u>	<u>(27,983,210)</u>	<u>926,825</u>	<u>420,976,247</u>
Other payables					
DSG International Limited	6,296,556	79,116,501	(78,170,597)	-	7,242,460
DSG Technology Holdings Limited	7,085,256	87,927,746	(87,139,727)	-	7,873,275
Disposable Soft Goods (Zhong Shan) Ltd.	1,893,680	759,567	(2,540,473)	(46,283)	66,491
Shanghai DSG Megathin Co., Ltd.	-	12,284,627	(12,284,627)	-	-
Disposable Soft Goods (Malaysia) Sdn Bhd	-	326,699	(228,589)	834	98,944
DSG (Malaysia) Sdn Bhd	658,072	1,476,608	(2,071,403)	(24,461)	38,816
PT DSG Surya Mas Indonesia	824	-	-	4	828
Disposable Soft Goods (S) Pte Ltd	2,428	5,795,500	(4,530,326)	(87)	1,267,515
DSG Management Services (Thailand) Co., Ltd.	-	72,332,155	(66,433,336)	-	5,898,819
	<u>15,936,816</u>	<u>260,019,403</u>	<u>(253,399,078)</u>	<u>(69,993)</u>	<u>22,487,148</u>

21.2 Significant transactions with related companies incurred during the years ended December 31, 2015 and 2014 consist of the following:

	Relationship	Pricing policies	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
			2015 Baht	2014 Baht	2015 Baht	2014 Baht
Revenue						
- Revenue from sales						
Disposable Soft Goods Ltd.	Subsidiary of major shareholder	Cost plus margin	9,845,331	8,985,646	9,845,331	8,985,646
Disposable Soft Goods (Zhong Shan) Ltd.	Subsidiary of major shareholder	Cost plus margin	45,932,138	155,286,837	45,932,138	155,286,837
Disposable Soft Goods (Malaysia) Sdn Bhd	Subsidiary	Cost plus margin	-	-	20,275,302	84,086,122
DSG (Malaysia) Sdn Bhd	Subsidiary	Cost plus margin	-	-	-	2,532,808
Disposable Soft Goods (S) Pte Ltd.	Subsidiary	Cost plus margin	-	-	-	4,617,388
PT DSG Surya Mas Indonesia	Subsidiary	Cost plus margin	-	-	5,524,645	34,245,662
			<u>55,777,469</u>	<u>164,272,483</u>	<u>81,577,416</u>	<u>289,754,463</u>
Other income						
- Interest income						
DSG (Malaysia) Sdn Bhd	Subsidiary	5.5% p.a.	-	-	2,004,110	1,597,950
PT DSG Surya Mas Indonesia	Subsidiary	5.5% p.a.	-	-	30,350,989	17,056,911
			<u>-</u>	<u>-</u>	<u>32,355,099</u>	<u>18,654,861</u>

	Relationship	Pricing policies	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
			2015 Baht	2014 Baht	2015 Baht	2014 Baht
- Other income						
DSG (Malaysia) Sdn Bhd	Subsidiary		-	-	1,388,513	1,734,225
PT DSG Surya Mas Indonesia	Subsidiary		-	-	30,353	-
			<u>-</u>	<u>-</u>	<u>1,418,866</u>	<u>1,734,225</u>
Expenses						
- Purchases of raw materials and finished goods (purchase returned)						
Shanghai DSG Megathin Co., Ltd.	Subsidiary of major shareholder	Cost plus margin	7,708,613	26,525,151	7,708,613	26,525,151
DSG (Malaysia) Sdn Bhd	Subsidiary	Cost plus margin	-	-	(58,099)	23,438,465
			<u>7,708,613</u>	<u>26,525,151</u>	<u>7,650,514</u>	<u>49,963,616</u>
- Technology transfer and license fees	Subsidiary of major shareholder	1% of net sales to third parties	17,634,747	30,883,665	5,285,658	8,954,037
DSG Technology Holdings Limited ⁽¹⁾						
- Trademark license fees	Major shareholder	1.5% of net sales to third parties	23,096,344	39,290,296	-	-
DSG International Limited ⁽²⁾						
DSG Technology Holdings Limited ⁽²⁾	Subsidiary of major shareholder	1.5% of net sales to third parties	65,834,538	78,973,708	65,834,538	78,973,708
Disposable Soft Goods (UK) Plc ⁽²⁾	Subsidiary of major shareholder	1.5 - 2.5% of net sales to third parties	(848,265)	5,161,979	-	-
			<u>105,717,364</u>	<u>154,309,648</u>	<u>71,120,196</u>	<u>87,927,745</u>
- Support for sales promotion and listing fee	Major shareholder		(58,874,636)	-	-	-
DSG International Limited ⁽³⁾						
- Regional service fee	Subsidiary		-	-	54,564,672	56,814,601
DSG Management Services (Thailand) Co., Ltd.						
- Purchase agency fee	Subsidiary		-	-	5,923,273	5,710,801
Disposable Soft Goods (S) Pte Ltd.						
- Management fee	Major shareholder	1 - 1.5% of net sales to third parties	89,408,474	120,901,275	65,834,538	78,973,708
DSG International Limited						
- IT Charge	Subsidiary		-	-	2,008,158	-
DSG (Malaysia) Sdn Bhd						
Dividend income						
DSG (Malaysia) Sdn Bhd	Subsidiary		-	-	15,083,431	26,665,238

	Relationship	Pricing policies	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
			2015 Baht	2014 Baht	2015 Baht	2014 Baht
Loss on impairment of investment						
PT DSG Surya Mas Indonesia	Subsidiary		-	-	-	148,006,123
Dividend payments						
DSG International Limited	Major shareholder		75,454,756	98,088,267	75,454,756	98,088,267
Ordinary share dividends distributable						
DSG International Limited	Major shareholder		-	238,925,480	-	238,925,480
Management benefit expenses						
	Management		60,059,983	62,646,498	12,635,536	12,442,421

⁽¹⁾ The Company and its subsidiary entered into a technology transfer and license agreement for a period of 20 years since October 1, 2008.

⁽²⁾ The Company and its subsidiaries entered into trademark license agreements with DSG Technology Holdings Limited, Disposable Soft Goods (UK) Plc and DSG International Limited. The Company and its subsidiaries paid license fee which was calculated at 1.5% of net sales to third parties since January 1, 2010, except PT DSG Surya Mas Indonesia still has to pay the fee which was calculated at 2.5% of net sales to third parties since April 2007 and will reduce to 1.5% of net sales to third parties since March 1, 2015.

⁽³⁾ On September 30, 2015, PT DSG Surya Mas Indonesia received the advertising support from DSG International Limited, in the amount of Baht 58.88 million. Such subsidiary presented it by deducting from the selling expenses and listing fee.

DSG International Limited, DSG Technology Holdings Limited, and Disposable Soft Goods (UK) Plc. have waived the management and trademark license fees to the Company and DSG (Malaysia) Sdn Bhd. for September 2015 and waived the fees to Disposable Soft Goods (Malaysia) Sdn Bhd and PT DSG Surya Mas Indonesia and Disposable Soft Goods (S) Pte Ltd. for the period July 2015 - September 2015. In addition, the accrued management and trademark license fees incurred in prior periods of Baht 9.16 million of PT DSG Surya Mas Indonesia are waived and reversed such amount in the consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2015.

22. OTHER INCOME

Other income for the years ended December 31, consists of the following:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Interest income	937,764	1,110,037	32,714,096	19,352,189
Net gain from disposal of fixed assets	351,800	1,132,516	348,645	1,155,278
Others	40,607,736	36,211,620	32,540,041	26,889,736
	<u>41,897,300</u>	<u>38,454,173</u>	<u>65,602,782</u>	<u>47,397,203</u>

23. EXPENSES BY NATURE

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Changes of finished goods	137,950,329	(93,400,031)	35,577,016	(57,931,373)
Raw materials used	3,752,341,377	4,211,726,713	2,541,034,484	2,853,705,439
Employee benefit expenses	548,626,535	578,854,402	246,718,375	244,938,310
Depreciation and amortization	274,499,976	234,032,927	189,913,521	149,265,456
Loss on decline in value of inventories (reversal)	5,024,750	(8,145,845)	5,024,750	(8,145,845)
Selling expense*	1,741,918,676	1,773,870,560	1,200,479,630	1,220,804,850
Management remuneration	60,059,983	62,646,498	12,635,536	12,442,421
Loss on impairment of investment in a subsidiary	-	-	-	148,006,123

* Exclude depreciation and amortization and employee benefit expenses

24. SEGMENT INFORMATION

The Company and its subsidiaries have been engaged to manufacture, sell and export disposable baby diapers and adult incontinent products. All business activities of the Company and its subsidiaries shall be classified by segments of the Company and its subsidiaries, based on revenues and results of operations, for the years ended December 31, 2015 and 2014 and total assets and liabilities as at December 31, 2015 and 2014, are as follows:

	For the year ended December 31, 2015				UNIT: BAHT	
	Thailand ⁽¹⁾	Malaysia ⁽²⁾	Indonesia	Singapore	Total	Total
Revenue ⁽³⁾	5,235,053,989	1,899,563,913	494,854,207	41,694,646	7,671,166,755	7,514,952,906
Cost, selling expenses and administrative expenses ⁽³⁾	(4,881,141,788)	(1,863,929,908)	(659,600,600)	(43,950,095)	(7,448,622,391)	(7,285,281,444)
Interest income	32,748,258	351,329	193,276	-	33,292,863	937,764
Interest expenses	(58,362,597)	(49,049,361)	(50,954,022)	-	(158,365,980)	(125,607,315)
Other income (expense)	81,801,333	(46,572,202)	(92,060,129)	(916,993)	(57,747,991)	(73,963,990)
Income tax (expenses) revenue	(25,067,465)	(6,121,420)	220,624	-	(30,968,261)	(30,968,261)
Profit (loss) for the year	385,031,730	(65,757,649)	(307,346,644)	(3,172,442)	8,754,995	69,660
Revenue from sales to third parties	5,123,040,085	1,863,200,396	431,240,311	41,694,646	7,459,175,438	7,459,175,438
Depreciation and amortization	190,149,905	73,109,132	14,014,909	84,296	277,358,242	274,499,976
Total assets	5,544,244,623	1,857,745,917	663,523,902	13,820,294	8,079,334,736	6,892,740,126
Total liabilities	2,767,060,951	1,446,608,034	1,399,693,335	8,006,506	5,621,368,826	4,550,551,800

⁽¹⁾ Transactions and balances between DSG International (Thailand) Plc. and DSG Management Services (Thailand) Co., Ltd. were eliminated.

⁽²⁾ Transactions and balances between DSG (Malaysia) Sdn Bhd and Disposable Soft Goods (Malaysia) Sdn Bhd were eliminated.

⁽³⁾ Revenue of the Company and a subsidiary in Thailand includes revenue from service which is provided to the group companies.

	For the year ended December 31, 2014					UNIT:BAHT	
	Thailand ⁽¹⁾	Malaysia ⁽²⁾	Indonesia	Singapore	Total	Elimination	Total
Revenue ⁽³⁾	5,776,864,531	2,475,992,242	221,633,728	57,264,592	8,531,755,093	(266,411,450)	8,265,343,643
Cost, selling expenses and administrative expenses ⁽³⁾	(5,124,268,759)	(2,427,009,874)	(420,207,931)	(60,844,869)	(8,032,331,433)	267,634,601	(7,764,696,832)
Interest income	19,388,546	255,593	120,758	-	19,764,897	(18,654,860)	1,110,037
Interest expenses	(51,890,857)	(49,379,447)	(27,944,370)	-	(129,214,674)	18,808,525	(110,406,149)
Other income (expense)	(64,999,673)	1,855,893	(53,415,891)	10,004	(116,549,667)	130,257,271	13,707,604
Income tax (expenses) revenue	(17,936,681)	49,655,371	323,703	-	32,042,393	-	32,042,393
Profit (loss) for the year	537,157,107	51,369,778	(279,490,003)	(3,570,273)	305,466,609	131,634,087	437,100,696
Revenue from sales to third parties	5,453,683,445	2,380,822,029	209,301,094	57,264,592	8,101,071,160	-	8,101,071,160
Depreciation and amortization	149,291,083	75,122,513	12,726,486	8,481	237,148,563	(3,115,636)	234,032,927
Total assets	5,513,978,510	2,234,237,258	430,009,989	17,014,006	8,195,239,763	(839,755,583)	7,355,484,180
Total liabilities	3,011,436,687	1,683,216,282	858,806,748	8,115,391	5,561,575,108	(716,895,405)	4,844,679,703

⁽¹⁾ Transactions and balances between DSG International (Thailand) Plc. and DSG Management Services (Thailand) Co., Ltd. were eliminated.

⁽²⁾ Transactions and balances between DSG (Malaysia) Sdn Bhd and Disposable Soft Goods (Malaysia) Sdn Bhd were eliminated.

⁽³⁾ Revenue of the Company and a subsidiary in Thailand includes revenue from service which is provided to the group companies.

25. THE INVESTMENT PROMOTION RIGHTS AND PRIVILEGES

On July 16, 2008, the Company received investment promotion certificate No. 1718(2)/2551 which the Board of Investment approved the promotion for manufacturing of diapers by receiving the exemption for corporate income tax on net profit derived from the promoted business which is not over 100% of its investment that excluded cost of land and working capital (approximately Baht 253.40 million) for the period of 7 years from the date income is first derived from the promoted businesses (on March 25, 2009). Subsequently on April 7, 2015, the Company received an approval to revise investment promotion certificate for additional investment which increase corporate income tax exemption on profit derived from the promotional business to Baht 287.47 million. From the date that the Company commenced the promoted business to December 31, 2014, the Company utilized the income tax exemption in the amount of Baht 170.72 million.

On December 22, 2010, the Company received another investment promotion certificate No. 2411(2)/2553 which the Board of Investment approved the promotion for manufacturing of diapers by receiving the exemption for corporate income tax on net profit derived from the promoted business which is not over 100% of its investment that excluded cost of land and working capital (approximately Baht 211.40 million) for the period of 7 years from the date income is first derived from the promoted businesses (on October 21, 2010). From the date that the Company commenced the promoted business to December 31, 2014, the Company utilized the income tax exemption in the amount of Baht 91.80 million.

On August 8, 2011, the Company received another investment promotion certificate No. 1942(2)/2554 which the Board of Investment approved the promotion for manufacturing of diapers by receiving the exemption for corporate income tax on net profit derived from the promoted business which is not over 100% of its investment that excluded cost of land and working capital (approximately Baht 392.85 million) for the period of 7 years from the date income is first derived from the promoted businesses (on May 30, 2011). From the date that the Company commenced the promoted business to December 31, 2014, the Company utilized the income tax exemption in the amount of Baht 37.81 million.

On April 20, 2012, the Company received another investment promotion certificate No. 1497(2)/2555 which the Board of Investment approved the promotion for manufacturing of diapers by receiving the exemption for corporate income tax on net profit derived from the promoted business which is not over 100% of its investment that excluded cost of land and working capital (approximately Baht 249.10 million) for the period of 7 years from the date income is first derived from the promoted businesses (on April 26, 2012). From the date that the Company commenced the promoted business to December 31, 2014, the Company utilized the income tax exemption in the amount of Baht 70.77 million.

On November 30, 2012, the Company received another investment promotion certificate No. 2767(2)/2555 which the Board of Investment approved the promotion for manufacturing of diapers by receiving the exemption for corporate income tax on net profit derived from the promoted business which is not over 100% of its investment that excluded cost of land and working capital (approximately Baht 481.66 million) for the period of 7 years from the date income is first derived from the promoted businesses (November 7, 2012). From the date that the Company commenced the promoted business to December 31, 2014, the Company utilized the income tax exemption in the amount of Baht 38.46 million.

On September 3, 2013, the Company received another investment promotion certificate No. 2223(2)/2556 which the Board of Investment approved the promotion for manufacturing of diapers by receiving the exemption for corporate income tax on net profit derived from the promoted business which is not over 100% of its investment that excluded cost of land and working capital (approximately Baht 137.51 million) for the period of 7 years from the date income is first derived from the promoted businesses (March 7, 2014).

On March 14, 2014, the Company received another investment promotion certificate No. 1323(2)/2557 which the Board of Investment approved the promotion for manufacturing of diapers by receiving the exemption for corporate income tax on net profit derived from the promoted business which is not over 100% of its investment that excluded cost of land and working capital (approximately Baht 641.41 million) for the period of 7 years from the date income is first derived from the promoted businesses (November 4, 2014). From the date that the Company commenced the promoted business to December 31, 2014, the Company utilized the income tax exemption in the amount of Baht 0.83 million.

On April 24, 2015, the Company received another investment promotion certificate No. 1501(2)/2558 which the Board of Investment approved the promotion for manufacturing of diapers by receiving the exemption for corporate income tax on net profit derived from the promoted business which is not over 100% of its investment that excluded cost of land and working capital (approximately Baht 234.92 million) for the period of 7 years from the date income is first derived from the promoted businesses.

On April 24, 2015, the Company received another investment promotion certificate No. 1502(2)/2558 which the Board of Investment approved the promotion for manufacturing of diapers by receiving the exemption for corporate income tax on net profit derived from the promoted business which is not over 100% of its investment that excluded cost of land and working capital (approximately Baht 365.42 million) for the period of 7 years from the date income is first derived from the promoted businesses.

On April 24, 2015, the Company received another investment promotion certificate No. 1503(2)/2558 which the Board of Investment approved the promotion for manufacturing of diapers by receiving the exemption for corporate income tax on net profit derived from the promoted business which is not over 100% of its investment that excluded cost of land and working capital (approximately Baht 336.22 million) for the period of 7 years from the date income is first derived from the promoted businesses.

On April 24, 2015, the Company received another investment promotion certificate No. 1504(2)/2558 which the Board of Investment approved the promotion for manufacturing of diapers by receiving the exemption for corporate income tax on net profit derived from the promoted business which is not over 100% of its investment that excluded cost of land and working capital (approximately Baht 197.32 million) for the period of 7 years from the date income is first derived from the promoted businesses.

Shareholders of the Company will be exempted from personal income tax on dividends derived from the promoted activities during the period in which the Company is granted exemption from corporate income tax.

The Company thus has to comply with certain conditions contained in the promotion certificates.

26. REVENUE REPORTING OF A PROMOTED INDUSTRY

Based on the Announcement of Board of the Investment No. Por. 14/2541 dated December 30, 1998 regarding revenue reporting of a promoted industry, the Company is required to report the revenue from domestic sales and export sales separately and to report separately between the promoted and non-promoted sectors. For the years ended December 31, 2015 and 2014, such information is as follows:

SEPARATE FINANCIAL STATEMENTS	Promoted Business		Non-promoted Business		Total	
	2015	2014	2015	2014	2015	2014
	Baht	Baht	Baht	Baht	Baht	Baht
Revenue						
Revenue from export sales	149,771,422	346,215,489	11,999,020	10,933,167	161,770,442	357,148,656
Revenue from domestic sales	4,685,360,790	5,042,540,152	357,486,268	343,749,101	5,042,847,058	5,386,289,253
Total revenue from sales	<u>4,835,132,212</u>	<u>5,388,755,641</u>	<u>369,485,288</u>	<u>354,682,268</u>	<u>5,204,617,500</u>	<u>5,743,437,909</u>

27. COMMITMENT AND LETTERS OF GUARANTEE

27.1 As at December 31, 2015 and 2014, the Company has outstanding bank guarantees issued by banks as follows:

	Currency	2015	2014
Letter of guarantee for sale or purchase agreement	THB	-	86,884
Letters of guarantee for electricity usage	THB	10,904,600	10,864,500
Letter of guarantee for post services	THB	10,000	-
Inward foreign nuance bill-acceptance	CHF	-	242,249
Standby letter of credit to guarantee a subsidiary (see Notes 12 and 14)	USD	4,500,000	-

The above bank guarantees are non-collateral guarantee.

27.2 Office lease

As at December 31, 2015 and 2014, the Company and its subsidiaries have leased building under operating lease and service agreements. The future lease payments as of December 31, are summarized as follows:

Period of payments	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Within 1 year	35,229,202	36,336,351	26,866,570	25,225,363
1 - 5 years	20,044,646	17,660,197	15,494,430	7,557,150
Total	<u>55,273,848</u>	<u>53,996,548</u>	<u>42,361,000</u>	<u>32,782,513</u>

Warehouse lease

On December 20, 2011, the Company entered into a warehouse lease and service agreements with a company (lessor). The lease period is 10 years commencing on September 1, 2012. On December 22, 2011, the Company paid the deposit for the leased warehouse amounting to Baht 45.88 million.

On June 4, 2013, the Company entered into another warehouse lease and service agreements with such company. The lease period is 10 years commencing on November 1, 2013. On November 8, 2013, the Company paid the deposit for the leased warehouse amounting to Baht 43.04 million.

Under both lease agreements, the Company shall have the option to purchase the warehouse on or from January 1, 2014 onward at the higher of either the price of such warehouse which is offered by the person interested in purchasing such warehouse or the average price determined by the two independent appraisers who shall be on the list approved by the Stock Exchange of Thailand.

The future lease and service payments as of December 31, 2015 and 2014 are summarized as follows:

Period of payments	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2015	2014	2015	2014
	Baht	Baht	Baht	Baht
Within 1 year	82,661,928	80,401,703	82,661,928	80,401,703
1 - 5 years	402,448,457	392,370,299	402,448,457	392,370,299
More than 5 years	242,676,558	347,366,624	242,676,558	347,366,624
Total	<u>727,786,943</u>	<u>820,138,626</u>	<u>727,786,943</u>	<u>820,138,626</u>

- 27.3 The Company and its subsidiaries have commitments from entering into plant construction agreement and the machinery and computer software purchase agreements as of December 31, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht SEPARATE FINANCIAL STATEMENTS	
	2015	2014	2015	2014
- Plant construction	0.12	3.01	-	2.60
- Machines	98.81	11.51	98.69	10.64
- Computer software	0.63	0.67	-	-

28. DISCLOSURE OF FINANCIAL INSTRUMENT

The Company presents and discloses financial instruments as follows:

28.1 Accounting Policies

Details of significant accounting policies are disclosed in Note 3 to the financial statements.

28.2 Credit Risk

Credit risk arises when customers do not comply with trading terms and conditions or credit agreements, causing financial losses to the Company and its subsidiaries. As a consequence, the Company and its subsidiaries have dealt with creditworthy counterparties in determining risk reduction from defaults. The carrying amounts of the financial assets in the statement of financial position represent the maximum exposure to credit risk.

28.3 Interest Rate Risk

Interest rate risk arises from the potential for a change in interest rate that might have an adverse effect to the Company and its subsidiaries in the current reporting period and in future years. In case the interest rate is higher, it will have an impact to the Company's and its subsidiaries' operations since most of the Company's loans are bearing the floating interest rates.

28.4 Foreign Exchange Risk

Foreign exchange risk arises from the potential fluctuation of foreign exchange rate which might result in an adverse effect on the Company and its subsidiaries in the current reporting period and in future years. The Company and its subsidiaries may have material incremental effect on its financial assets or liabilities denominated in foreign currencies as the Company and its subsidiaries have part of business transactions in foreign currencies.

However, the Company and its subsidiaries reduce such risk by offsetting assets and liabilities in foreign currencies with foreign affiliated companies, entering into forward exchange contracts or receiving and settling them with the foreign currency deposit accounts.

28.5 Estimated Fair Value of Financial Instruments

Cash and cash equivalent, trade and other receivables, receivables-subsiary company, current portion of loan to a subsidiary, bank overdrafts and short-term borrowings from financial institutions, trade and other payables, current portion of long-term borrowings; the carrying amounts approximate their fair values due to the relatively short period to maturity. Fair value hierarchy of those is in level 2.

The transactions disclosed in the following table, are considered that the carrying amounts recognized in the consolidated and separate financial statements are different from their fair values.

Baht : '000			
As at December 31, 2015			
Consolidated financial statements	Carrying amount	Fair value	Fair value hierarchy
Financial Asset			
Deposit for lease of warehouse	88,923	48,529	3
Financial Liability			
Long-term borrowings (Fixed interest rate)	509,224	497,809	3
Separate financial statements			
Financial Asset			
Receivable - a subsidiary	185,658	112,017	3
Loans to subsidiaries	663,557	854,455	3
Deposit for lease of warehouse	88,923	48,529	3
Financial Liability			
Long-term borrowings (Fixed interest rate)	453,701	449,144	3
As at December 31, 2014			
Consolidated financial statements			
Financial Asset			
Deposit for lease of warehouse	88,923	44,752	3
Financial Liabilities			
Liabilities from the acquisition of machine	116,172	115,790	3
Long-term borrowings (Fixed interest rate)	554,070	538,878	3
Separate financial statements			
Financial Asset			
Receivable - a subsidiary	167,472	101,704	3
Loan to subsidiaries	420,976	478,977	3
Deposit for lease of warehouse	88,923	44,752	3
Financial Liabilities			
Liabilities from the acquisition of machine	86,512	86,189	3
Long-term borrowings (Fixed interest rate)	554,070	538,878	3

Fair value of long-term borrowings bearing fixed interest rate and liabilities from the acquisition of machine are determined by discounted cash flows method by over-the-counter interest rate as of the last working day of the reporting period.

Fair value of receivable - a subsidiary (non-current assets) and fair value of loans to subsidiaries are determined by discounted cash flows method. Future cash flows are estimated based on relevant market price discounting the weighted average cost of capital of the Company.

Fair value of forward foreign exchange contracts has been shown in Note 29.

29. FORWARD EXCHANGE CONTRACTS

The Company and its subsidiary entered into the forward exchange contracts to reduce foreign exchange risk. As at December 31, 2015 and 2014, the outstanding forward exchange contracts are summarized as follows:

Contractor	Currency	Notional amount	Contractual exchange rate	Deliverable period	Deliverable amount	Net fair value Profit (loss)	Fair value hierarchy	Valuation technique and key input of fair valuation
As at December 31, 2015								
The Company	USD	8,263,275	35.8300 - 36.1800 Baht per US Dollar	January - October 2016	Baht 297.35 million	Baht 2,079,666	Level 2	Provision for discount cash flow*
	JPY	82,528,263	0.2933 - 0.2949 Baht per Yen	January - April 2016	Baht 24.29 million	Baht 485,444		
Subsidiary	USD	2,000,000	4.3180 - 4.3240 Malaysian Ringgit per US Dollar	January - February 2016	8.64 million Malaysian Ringgit	(36,661 Malaysian Ringgit) (equivalent to Baht 308,854)		
As at December 31, 2014								
The Company	USD	3,862,064	32.5250 - 32.9570 Baht per US Dollar	January - April 2015	Baht 126.81 million	Baht 738,953	Level 2	Provision for discount cash flow*
	JPY	22,129,920	0.2863 Baht per Yen	January 2015	Baht 6.34 million	(Baht 249,568)		
Subsidiary	USD	23,084	3.2165 Malaysian Ringgit per US Dollar	January 2015	0.074 million Malaysian Ringgit	6,464 Malaysian Ringgit (equivalent to Baht 60,924)		

* Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

30. EVENT AFTER THE REPORTING PERIOD

On January 4, 2016 and February 16, 2016, PT DSG Surya Mas Indonesia additionally borrowed loan of USD 1,000,000 and USD 420,000, respectively, from the Company.

31. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved for issue by the Company's authorized director on February 23, 2016.



General and Other Significant Information

Corporate Information

Company

: DSG International (Thailand) Public Company Limited

Nature of business

: Manufacturing and distributing of disposable baby and adult diapers

Address of the principal office

: 11th Floor, Regent House Building, 183 Rajdamri Road, Lumpini, Pathumwan, Bangkok 10330, Thailand

Company's registration number

: 0107547001067

Website

: www.dsgap.com

Telephone

: +66 2 651 8061

Facsimile

: +66 2 651 8068

Location of the Factory

: 39 Moo 1, Hemaraj Saraburi Industrial Zone, Tambon Bualoy, Amphur Nongkhæ, Saraburi Province 18140, Thailand

Telephone

: +66 3 637 3633-9

Facsimile

: +66 3 637 3753-4

Registered Capital

: Baht 1,259,999,988.00

Issued and Paid-up Capital

: Baht 1,259,999,795.00

No. of Ordinary Shares

: 1,259,999,795.00 shares

Par Value

: Baht 1

Investor Relations

Tel : +662 651 8061 ext. 111

Email : ir@dsgap.com

Company Registrar

Thailand Securities Depository Co., Ltd.

93 The Stock Exchange of Thailand Building,
Ratchadaphisek Road, Dindaeng, Dindaeng
Bangkok 10400 Thailand

Tel : +66 2 009 9000

Fax : +66 2 009 9991

Listing Market

The Stock Exchange of Thailand (SET)

Company's Stock Code

DSGT

Auditor

Deloitte Touche Tohmatsu Jaiyos
Audit Co, Ltd.

25th Floor, Rajanakarn Building
183 South Sathorn Road, Yannawa,
Sathorn, Bangkok 10120, Thailand
Tel : +66 2 676 5700
Fax : +66 2 676 5757-8

Legal Advisor

Vickery & Worachai Ltd.

16th Floor, GPF Witthayu Tower A
93/1 Wireless Road, Lumpini,
Pathumwan, Bangkok 10330, Thailand
Tel : +66 2 256 6311-4
Fax : +66 2 256 6317-8

Regional Offices in South East Asia

Thailand

DSG Management Services (Thailand) Company Limited ("DMS")

Office :

11th Floor, Regent House Building, 183 Rajdamri Road,
Lumpini, Pathumwan, Bangkok 10330, Thailand

Malaysia

DSG (Malaysia) SDN BHD ("DSGMSB")

Disposable Soft Goods (Malaysia) SDN BHD ("DSGML")

Office :

Suites W801 & W805, 8th Floor, West Wing, Wisma Consplant 1, No. 2,
Jalan SS16/4, 47500 Subang Jaya, Selangor, Malaysia
Tel: + 60-3-5621-8808

Factory :

No. 3 Jalan Sijangkang Utama 1, 42500 Telok Panglima Garang,
Selangor, Malaysia
Tel: +60-3-3122-1888

Indonesia

PT DSG Surya Mas Indonesia ("PTDSG")

Office :

Menara Duta 7th Floor Wing D , Jalan H.R. Rasuna Said Kav. B-9
Jakarta 12910, Indonesia
Tel. +62-21-525-6316; +62-21-525-7056

Factory :

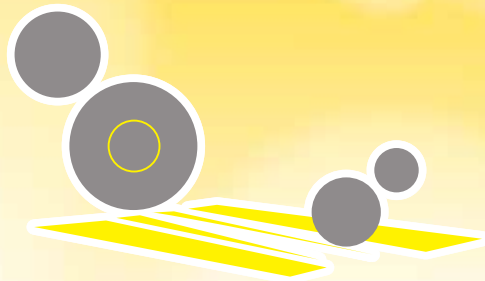
Jl. Pancamas Raya Kav.18, Desa Leuwilimus Cikande,
Serang – Banten 42186, Indonesia.
Tel: +62-254-400-948

Singapore

Disposable Soft Goods (S) Pte Limited ("DSGS")

Office :

The Connection One 167, Jalan Bukit Merah, Tower 4,
#06-12, Singapore 150167
Tel: +65 6274 6292



DSG INTERNATIONAL (THAILAND) PLC



ANNUAL REPORT **2015**