

Annual Report

Ended December 31, 2014

Sabina Public Company Limited.

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Message from the Chairman

In 2014, overall growth economic situation has decreased comparing with last year due to more than 80 percent of household debt which caused from spending more than income, uncertainty of private sectors investment, including decreased in public utility investment by the government. Tourism industry also affected from political change, however export has developed but it was not much as the significant level comparing with past record.

In the same way, consequences from lower in purchasing power caused decreasing in domestic lingerie sales. Sabina Public Company Limited and subsidiaries could not avoid effects from economy in macro scale influenced to the decreasing in sales of year 2014 about 1.11 percent which is 2,153.43 million Baht and for year 2013 is 2,177.66 million Baht. However, the Company can make profit more than last year about 29.77 million Baht which is 146.92 million Baht in total comparing with last year profit of 117.15 million Baht calculated as 25.41 percent growth, thanked to the effectiveness of controlling cost in every aspects.

Regarding to the performance, the Board of Directors has resolution to propose the Annual General Meeting of shareholders on April 24, 2015 to approve dividend payment for 0.10 Baht per share, payment due on May 22, 2015.

We hope that domestic economic situation would be recovered in year 2015. The Company also seeks new opportunity in ASEAN market which Thailand's fashion goods are popular among the market. At present, Sabina brand has been place in neighborhood countries such as Myanmar, Malaysia, Singapore, Vietnam, Laos, Cambodia, and Philippines through lingerie business expertise brand's representatives which currently have more than 150 distribution points. Therefore, the bright future of Sabina in ASEAN market can be seen from now and continuously.

Moreover, the Company gives priority to develop Corporate Governance continuously to the global standard and executes Anti Corruption policy in the point "Mai-Hai-Lae-Mai-Rub" (Do not give and do not receive in any corruption acts). For CSR campaign, the Company is the initiator and leader in sewing artificial breast since year 2007 which suppliers, employees, and clients has been fully participating in campaign until now.

In the name of the Board of Directors, CEOs, and employees, the Company will operate under Good Governance principle build up strength and growing in secure and sustainable ways. We want to say thanks to all shareholders, customers, clients, business affiliates and also all stakeholders for confidence and trust in the company's capability that you all always give us.

Best regards,

(Mr. Viroj Thanalongkorn)

Chairman

Sabina Public Company Limited

Business Operation

Vision and business operation overview

Vision

The company established vision to operate business under “Create Value with Innovation” concept. Therefore the Company has strong will to create “Sabina” brand to be the worthy lingerie brand with new innovation, widely acceptance in quality in aspect of women’s demand in worldwide altogether with social responsibility.

Mission

To lead “Sabina” brand according to the vision, the Company have mission to operate in separated points as follows;

People: Trust and Worthiness in human as precious resources

The Company believes that employees are the most valuable human resources of the Company that bring the Company to achieve operation goals. So we give the most important to treatment to all our employees as the most valuable resources of the Company.

Product : Delivered products beyond expectation

The company gives important to deliver products beyond expectation both in time and quality aspects by research and development to obtain new innovation of product to response needs of all groups of female.

Partners : Trust and Reliable Enterprise

The company will manage and operate to have trust and reliable from all shareholders or every stakeholders of the company which are shareholders, employees, customers, creditors, and competitors.

Productivity: Innovation through productivity by advance mechanism

the company will bring technology and innovation in managing production by using state of the art production machines to make high standard quality products to be accepted by customers in all countries.

Planet: Return Benefit to Society and Environment

The Company insists on operate business by paying back to societies and environment in every activity.

Company’s strategies and objectives

The Company has the strategies and operational goals as follows;

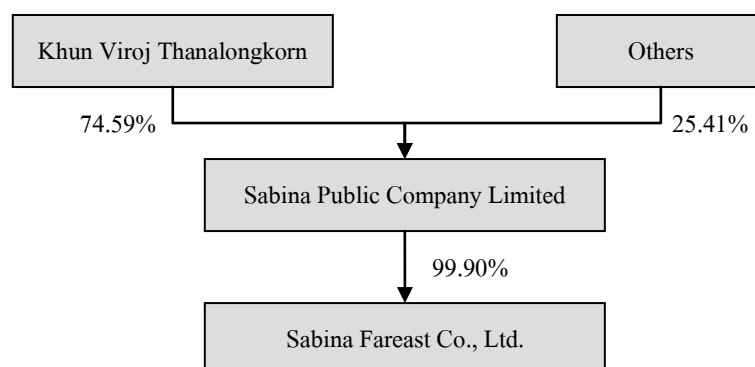
1. Asian Brand Since the establishing of AEC: Asean Economic Community which the Company the policy to extend “Sabina” brand to all countries in this region. In present, the Company had formed the distributors in AEC for 7 countries which are Malaysia, Singapore, Philipines, Vietnam, Laos, Myanmar, and Cambodia. For the rest countries which are Indonesia and Brunei, the Company is ongoing to coordinate distributors in each country to open selling points in department stores, standalone shops, hypermarkets in the maximum attempt to create brand awareness and circulation. After that, the Company planned to do Localized and Social Marketing to reach consumers at the most in order to grow as the Asian Brand in the future.

2. Improvement in Logistic In current situation, consumers' behaviors are more variety in product demand. Therefore, the Company has produced more variety of products to respond that such of variety demand. There also have to spread products to stores to respond demanding of products as always. We have to improve in logistic aspect from that reason plus management of stock in each stores to distribute products in right place, right time, right to the consumers' demand. In each area consists of different types of customers so the Company initiated to develop system and computer program that can monitor selling product to manage in-stock to be suitable with demand of every stores which means it will also increase selling opportunity. More than that, the Company are more extent product to Asian which necessary to have system to monitor our distributors all the time because product delivery to other countries consume time in documents processing and product delivery time to launch new products in stores in Asian in time nearly in Thailand.

3. Improvement of production efficiency The Company always give precedence to improvement in production efficiency by using tools in production management which could bring the Company to have "Sustainable Growth". In this stage, we integrate and upgrade all operated systems to effect our organization entirely to clients or stakeholders through projects which are **TPM + CSR (Total Productive Management + Corporate Social Responsibility)**. These are combining all production development activities with social responsibility. **Lean Enterprise** is to extend Lean system to entirely of the Company to suppliers and clients to be the same cycle which lead to strong business bond. Including **TQM (Total Quality Management)** which is the ultimate goal to the good holistic management and be the organization culture that every members in the organization see the importance and participate in organization delvelopment continually. This management system aimed to respond customers' demand and satisfaction which create opportunity, competitive advantage, and organization's sustainable development.

4. Expanding to other business From establishing of AEC: Asean Economic Community as mentioned in earlier point, this could be the great opportunity to expand to other business by importing other different brands in Asian region to Thai market which the Company could use the advantage in connection and operation from having the expertise and good relationship with leading stores in Thailand.

Shareholding Structures of the Company



Sabina Public Company Limited (The Company)

Sabina Public Company Limited, formerly known as J and D Apparel Public Company Limited, was established on August 17, 1995 with a registered capital of one million baht, which was divided into 1,000 ordinary shares with a par value of 1,000 baht. On May 18, 2007, it had a registered capital of 295 million baht, which was divided into 59 million ordinary shares with a par value of 5 baht. On May 15, 2008, it had a registered capital of 347.50 million baht, which was divided into 69.5 million shares with a par value of 5 baht. On August 1, 2012, it had change in par value from Baht 5 per share to Baht 1 per share a registered capital of 347.50 million baht, which was divided into 347.5 million shares with a par value of 1 baht.

The Company manufactures and sells ladies lingerie for our subsidiaries and overseas OEM products buyers in Europe region. We began to manufacture our products and sold them to our subsidiaries, which had been in business for a long time and received orders from overseas customers. Later, we are better recognized by OEM customers and sell our products to them directly. When the Company had been known among international customers, the Company started the direct distribution of the OEM to its customers with less depending on its subsidiaries which led the international OEM to be the Company's main revenue.

However, after its policy adjustment by reducing the distribution to the overseas lingerie distributors since 2008, the Company's main revenue presently comes from manufacturing and product distribution to its subsidiaries.

Presently, we have three factories located in Chainat, Yasothon and Buriram Province with total 2,600 machines including 2,300 sewing machines and 300 other machines. Besides above machines we also have special machine attachment in order to increase our production capacity according to each sewing type. Currently, our total production capacity is 4.84 million pieces per year.

Moreover, the Company had established non-formal education center in high school level called "Sabina Public Company Limited Education Center" in Yasothon factory area in year 2006. We also established a Labor Skills Training Center to comply with the Labor Skill Development Promotion Act 2002 to teach interested persons sewing skill. The center, apart from resolving the issue of lack of skilled staff, it also helps create jobs, improve financial status and living standards of the local people. So far, our company and its subsidiaries have 4,000 employees.

Sabina Fareast Co., Ltd. (Subsidiary)

Sabina Fareast Co., Ltd. was established on January 11, 1977, with a registered capital of one million baht, which was divided into 1,000 ordinary shares with a par value of 1,000 baht. Presently, its registered capital was 145 million baht, which is divided into 1,450,000 ordinary shares with a par value of 100 baht. The subsidiary company operates business on lingerie designing, producing and selling which can be categorized in 2 main kinds as follows.

1. Design and manufacturing of Sabina lingerie for local sale and overseas markets, which consist of a collection of Sabinie, Doomm Doomm, , Soft Doomm, Modern Curve by Sabina, Modern V by Sabina, Viora and several collection suit for all women types.
2. Design and manufacturing of ladies lingerie to orders of customers who are vendors of OEM products in the United States, Europe and Scandinavia, etc.

Our main sources of incomes are sale of ladies lingerie under our own brand name in leading department stores in Bangkok and other provinces as well as sale of ladies lingerie under our registered trademark “SABINA” “SABINIE” and “SBN” which already completed registration in several countries. Selling women lingerie abroad under our own brand is to sell outright to the distributor abroad for them to place the product in department stores or their own stores mostly in middle east region such as United Arab Emirates, Iran, Bahrain, in Asia: Pakistan and also including ASEAN Economic Community (AEC); Myanmar, Cambodia, Singapore, Philippines, Laos, Vietnam, etc.

Presently, our subsidiary has two factories: one in Nakhon Pathom and another one in Bangkok with 1,500 machines in total including 1,300 sewing machines and 200 other machines. We also have maintenance plan to maintain our production standard and keep our safety level for employees. Production capacity of our subsidiary is 2.08 million pieces per year.

Activities of the Company and Subsidiary

Sabina Public Company Limited (The Company)

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Sabina Fareast Co., Ltd. (Subsidiary)

Design and manufacturing of ladies lingerie under “Sabina” brand including by order of customers’ brands who are vendors of OEM products (Original Equipment Manufacturer) and distribute “Sabina” ladies lingerie to department stores and discount stores both domestic and overseas.

Table : Activities of the Company and Subsidiary

Activity	Design	Manufacturing and Sales under Own Brand Names	Manufacturing and Sales to Subsidiary	Manufacturing and Sales of OEM Products to Overseas Customers
Company	✓		✓	✓
Subsidiary	✓	✓		✓

Nature of Business

Company's Profile and Outstanding Development

Sabina Public Company Limited, formally known as J&D Apparel Public Company Limited, was founded on August 17, 1985 with registered capital of Baht 1 million, and Sabina Fareast Company Limited (Subsidiaries) was founded on January 11, 1977 with registered capital of Baht 1 million to operate lingerie business under the Subsidiaries' own brand and according to the orders from OEM customers.

The Company and Subsidiaries were founded by the 2nd generation of Thanalongkorn Family led by Mr. Viroj Thanalongkorn, who has experience in lingerie business for over 40 years. The 1st generation of Thanalongkorn started lingerie business from Jintana Lingerie Limited Partnership, which was founded by Mrs. Jintana and Mr. Adul Thanalongkorn, parents of Mr. Viroj Thanalongkorn who is management and major shareholder of the company. The Company and Subsidiaries have separated operation from Jintana Apparel Company Limited (present name of Jintana Lingerie Limited Partnership) over the last 17 years.

On May 18, 2007, J&D Apparel Public Company Limited changed its name to Sabina Public Company Limited with registered head office at 177 Moo8, Wangkaituen Sub-district, Hanka District, Chainat and 3 subsidiaries offices at 236 Moo10, Dootung Sub-district, Muang District, Yasothon; 12 Arun-Amarin Road, Arun-Amarin Sub-district, Bangkoknoi District, Bangkok; and 30/5 Moo12, Putthamonthon 5 Road, Raiking Sub-district, Sampran District, Nakorn Pathom., 81,106 Moo6, Nongbout, Sub-District, Nangrong District, Burirum.

Profile and Outstanding Development of the company and subsidiary in last 3 years can be concluded as the following information below;

- 2012**
- Sabina Public Company Limited (Yasothon factory) awarded “Mor Ror Tor. 8001-2553” – complete class and advance level on May 3, 2012 from Department of Labour Protection and Welfare, Ministry of Labour.
 - Sabina Public Company Limited (Yasothon factory) awarded “Operations outstanding in safety, sanitation, and working environment -” from Department of Labour Protection and Welfare, Ministry of Labour on July 5, 2012.
 - Sabina Fareast Company Limited (Ta-Phra factory) awarded “Operations outstanding in safety, sanitation, and working environment” from Department of Labour Protection and Welfare, Ministry of Labour on July 5, 2012.
 - Sabina Public Company Limited (Yasothon factory) awarded from To Be number one project’s in category of To Be number one association in large-scale operations, with standard and being role model in Silver class on July 15, 2012.
 - Sabina Public Company Limited (Yasothon factory) awarded in Zero accident campaign (Bronze class) from Department of Labour Protection and Welfare, Ministry of Labour on September 3, 2012.

- Sabina Public Company Limited (Yasothon factory) awarded “Operations outstanding in labor relations and welfare” from Department of Labour Protection and Welfare, Ministry of Labour for 5 consecutive years on September 14, 2012.
- Sabina Fareast Company Limited (Ta-Phra factory) awarded “Operations outstanding in labor relations and welfare” from Department of Labour Protection and Welfare, Ministry of Labour for 3 consecutive years on September 14, 2012.
- Sabina Public Company Limited (Buriram factory) was guaranteed in standard of Drug abuse control in operations on October 2, 2012 from Department of Labour Protection and Welfare (Buriram Province).
- Sabina Public Company Limited (Buriram factory) awarded Operations outstanding in complying the law of disabilities employment on December 18, 2012 from Department of Social Development and Human Security (Buriram Province).

2013

- Sabina Public Company Limited had been evaluated of AGM (Annual General Meeting) perfect 100 for 4 consecutive years since 2010.
- Sabina Public Company Limited had been evaluated of CG (Corporate Governance) for 4 stars for 2 consecutive years since 2011.
- Sabina Fareast Company Limited (Ta-Phra factory) awarded “Operations outstanding in labor relations and welfare” from Department of Labour Protection and Welfare, Ministry of Labour for 5 consecutive years since 2009 on September 13, 2013.
- Sabina Public Company Limited (Yasothon factory) awarded “Labor skill development of the year 2013 on March 2, 2013 from Department of Labour Protection and Welfare, Ministry of Labour.
- Sabina Public Company Limited (Yasothon factory) awarded “Operations outstanding in safety, sanitation, and working environment - national level of the year 2013” for 2 consecutive years in National week of safety and security in working #27 form Department of Labour Protection and Welfare, Ministry of Labour on July 3, 2013.
- Sabina Public Company Limited (Yasothon factory) awarded from **Princess Ubolratana Rajakanya Sirivadhana Barnavadi**, To Be number one project’s president, in category of To Be number one association in large-scale operations, with standard and being role model in Gold level of the first year of To Be number one national level achievement (2013) at IMPACT forum convention center, Muangthong Thani on July 14-15, 2013.
- Sabina Public Company Limited (Yasothon factory) awarded in Zero accident campaign 2013 during January 1, 2012 to December 31, 2013 from Department of Labour Protection and Welfare, Ministry of Labour on August 23, 2013.

- Sabina Public Company Limited (Yasothon factory) honored the Operations outstanding in labor relations and welfare” from Department of Labour Protection and Welfare, Ministry of Labour for 5 consecutive years from 2009-2013 on September 13, 2013.
- Sabina Public Company Limited (Yasothon factory) awarded Silver class from “Thailand 5 S Award 2013” by Technology Promotion Association (Thai-Japan) or TPA at BITEC Convention and Exhibition center Bangna Bangkok on November 27, 2013.
- Sabina Fareast Company Limited (Sai 5 factory) awarded Operations outstanding in labor relations and welfare” of the year 2013 #4 on September 13, 2013 from Department of Labour Protection and Welfare, Ministry of Labour.
- Sabina Fareast Company Limited (Sai 5 factory) was guaranteed in standard of Drug abuse control in operations of the year 2013 on December 18, 2013 from Department of Labour Protection and Welfare (Nakhon Phrathom Province).

2014

- Sabina Public Company Limited (Chainat factory) awarded “Outstanding Organization Model in Social Security Funding” from Mr. Jirasak Sukonthachart, deputy of Ministry of Labour on May 27, 2014.
- Sabina Public Company Limited (Chainat factory) awarded “Outstanding large scale organization – National class” in TO BE NUMBER ONE campaign from Princess Ubolratana Rajakanya Sirivadhana Barnavadi on July 17, 2014.
- Sabina Public Company Limited (Yasothon factory) awarded “Outstanding large scale organization –National Gold class model” in TO BE NUMBER ONE campaign from Princess Ubolratana Rajakanya Sirivadhana Barnavadi on July 17, 2014.
- Sabina Public Company Limited (Buriram factory) was guaranteed in standard of Drug abuse control in operations on August 4, 2014 from Department of Labour Protection and Welfare.
- Sabina Public Company Limited (Yasothon factory) awarded in Zero accident campaign 2014 from Ministry of Labour on August 8, 2014.
- Sabina Public Company Limited (Yasothon factory) awarded Operations outstanding in labor relations and welfare” of the year 2014 (10 times consecutively) which we were in 1 of all 19 operations in Thailand on August 20, 2014 from Ministry of Labour.
- Sabina Public Company Limited (Yasothon factory) awarded “Outstanding Corporate Governance” in aspect of transparency and honesty class 1 of 3 for Northeast region by National Anti-Corruption Commission cooperate with Thai Chamber of Commerce and University of the Thai Chamber of Commerce on August 20, 2014.

- Sabina Fareast Company Limited (Ta-Phra factory) awarded “Operations outstanding in labor relations and welfare” from Department of Labour Protection and Welfare, Ministry of Labour for 7 consecutive years on September 30, 2014.
- Sabina Fareast Company Limited (Sai 5 factory) awarded Operations outstanding in labor relations and welfare” of the year 2014 (five years consecutive on September 20, 2014 from Ministry of Labour.
- Sabina Public Company Limited (Chainat factory) awarded THAILAND 5S AWARD 2014 (Golden Class) from Technology Promotion Association (Thai-Japan) on November 20, 2014.
- Sabina Public Company Limited (Yasothon factory) awarded THAILAND 5S AWARD 2014 (Golden Class) from Technology Promotion Association (Thai-Japan) on November 20, 2014.
- Sabina Fareast Company Limited (Ta-Phra factory) awarded THAILAND 5S AWARD 2014 (Silver Class) from Technology Promotion Association (Thai-Japan) on November 20, 2014.
- Sabina Public Company Limited (Chainat factory) awarded “Operations outstanding in complying the law of disabilities employment 2014” on December 18, 2014 from Mr. Suthipong Juljaroen, Chainat province governor.

Income Structure (Incomes net of Connected Transactions)

Revenue from product sales under its subsidiaries’ trading marks is the present main revenue of the Company which accounted for 90.33% and 88.29% of the total revenue in the financial statements of 2013 and 2014, respectively. On the other hand, the revenue from the OEM products decreased to 9.13% and 11.19% of the total revenue in the consolidated financial statements in 2013 and 2014, respectively.

Product Lines	Operated by	Share-holding ratio %	2012		2013		2014	
			Value	%	Value	%	Value	%
Sale of subsidiary’s brandname products	Sabina Fareast Co., Ltd.	99.90%	1,474.02	76.48	1,824.70	89.78	1,977.69	90.33
Sale of OEM products	Sabina Plc.	-	426.91	22.15	185.90	9.15	199.96	9.13
Incomes from provision of service and other sources ^{1,2}	Sabina Plc.	-	26.34	1.37	21.88	1.07	11.78	0.54
Total			1,927.27	100.00	2,032.48	100.00	2,189.43	100.00

Note: 1. Our sources of incomes are garment production and product sewing services.

2. Other sources of incomes are interest earning, duty refund, profit from the exchange rates, and rent out real estate.

Business Objectives

The Company has adjusted its business goal since 2007 by reducing the portion of the OEM product sales and the local SABINA's sales from 54.89% to 46.15% in 2008, and 30.83% in 2009, respectively, to 28.78% in 2010 and to 22.15% in 2011 and 9.15% in 2012 of the total revenue of the consolidated financial statements, and increased to 11.19% in 2014. Therefore, SABINA Company would remain proportion of OEM product sales below 10-20 percent due to:

1. Uncertainty of domestic and overseas market Due to the factory production power requires skilled labours which cannot decrease or increase immediately because of the high production skill requirement. Therefore the Company has to retain production volume in the same level of labours we have between production for the Company brand and under clients' brands (OEM) to manage production in highest effectiveness. Especially in recent years of United State of America economic crisis, European public debts crisis, Russian economic boycott crisis, even Thailand's political problems which led to decreasing in domestic consumption and spending power. Therefore, The Company turned to focus on OEM production to retain highest production effectiveness and maximize profit.

2. To learn new technology and new trendy design From receiving orders from worldwide make the Company knows demands of the lingerie market internationally which include the aspects of new production technology, market trends, opportunity to expand the market, and future lingerie fashion trends. Therefore we could develop in our production and design for our brand.

For 2015, the Company's business operation goals are as follows

- 1) Domestic Sabina's brand expansion – However in 2014, Thailand's economic got effect from the political situation in 1st and 2nd quarter and new government emerged in 3rd and 4th quarter but economic situation especially domestic consumption was no sign of improvement, so the Company had decreased marketing expenses to match with the sluggish market situation that led to lower sales growth comparing with last year. However in 2015, there was expectation on the economic situation and GDP to be 4% growth which also means the development of domestic consumption. The Company had set Sabina brand domestic sale growth to be 10% which more than expected overall GDP. So the Company still has target to create strong brand for Sabina, win customers's hearts in maximum effort, and make the products to be available for every demands in every market section to maximize market shares. The Company still keeps concentrating on promoting product to these 2 target groups to emphasize Sabina branding as the brand that right for both girls and women as always by focusing on behavioral research, fashion trends, and demands to respond this fast-changing target group, including provide more budget for marketing campaign to maintain and increase market share. Especially women group which has high spending power and more brand loyalty than girls group as the expanding of the Company's customers base.
- 2) International Sabina's brand expansion The Company has partly initiated its expansion in the form of appointment distributors in those countries for 7 countries which are Malaysia, Singapore, Philippines, Vietnam, Laos, Myanmar, and Cambodia which tends to have more effect on sales in nearly future. The rest which are Indonesia and Brunei, the company anticipates about appointing distributors soon. This expansion is for reaching target groups in every area in each country. We predicted that in 2015, the Company would

increase double numbers of the distribution points in this region For the countries outside Asean region, the company appointed distributors and sales in normal form consist of Taiwan, United Arab Emirates, Pakistan, Bangladesh, Kazakhstan, Iran as well. SABINA Company forecast increasing of sales overseas in 2015 to 70 million Baht.

- 3) Original Equipment Manufacturer (OEM) – Although the Company’s policy to reduce the OEM products, they are still accounting for approximately 10- 20%. According to trend in 2014 to 2015 continually, Thai Baht seems to be weaken as always when compared with US Dollar which make the Company has the opportunity in competition among other countries by having better offer to OEM clients plus the strong point of OEM production in quality aspect and on-time delivery. From these reasons, some clients that effected from other manufacturers so they came back to order us more which could be seen by respective increasing in numbers of OEM sales internationally. Therefore in 2015, the Company still focuses on the finding more OEM clients due to our production power could be increased in some levels, however the Company considerate significantly of the profit including difficulties in production to support the factories’ better efficiency.
- 4) Retail Shop Opening under SABINA brand The Company has a policy to open retail shops under SABINA brand as another channel to increase sales volume and to create brand recognition among consumers. At present, the Company’ retail shops consist of 70 shops and will be expanded to 100 shops within 2015.

Product Lines

Product Characteristics

We and our subsidiary design manufacture and sell ladies lingerie under the subsidiary’s brandname “Sabina”. Our products meet the demand of children, teenagers, young women and adults. We also sell corsets, girdles and other types of lingerie. We have many collections such as “Sabinie”, “Cool Teen”, “Pretty Perfect”, “Modern Curve by Sabina”, “Doomm Series”, “Soft Doomm”, “Viora” and “Gossip Bra by Sabina” and other new collections which launched in 2013 in “Modern V” collection featuring with Araya A. Hargate (Chompoo), one of the most favorite actress in Thailand, as the officially presenter resulted in many good response from customers. In addition, we also design and manufacture ladies lingerie for the distributors of highly popular brandname in Europe.

Sabina products are unique in their colorful and fashionable designs; they have all the functionality to satisfy modern women who attach importance to lingerie with excellent design. They also improve the figure and enhance the beauty in the most fashionable way. They come in two types:

1.1 Products manufactured and sold under subsidiary’s brandnames

They came in three types:

1.1.1 Bras

Not only are bras essential to women, they are also fashionable products to help wearer increase self-confidence. We have a wide range of products such as demi-cup bras, full coverage bras, under-wired bras, wireless bras, including the fashionable strapless bras.

1.1.2 Underpants

Underpants are essential in daily life. Normally, we design underpants to go with bras. However, women wear bra and underpants either in set or in mixed combination of plain colors. We have a Panty Zone with hygienic underpants of standard plain colors.

1.1.3 Other types of products

Other types of products are Ambrace Body Shaping Corset & girdle such as Ambrace Body Shaping girdle, Ambrace Body Shaping Corset, Long slip, and lingerie accessories such as bra strap, enhancers, suspenders, etc. The Company offer variety of products for customers' choices.

1.2 Products made for overseas distributors (OEM products)

We make OEM products to customer's order. In fact, some of them are adapted from our original designs to customer's order—approximately 30% of all OEM products.

Presently, we work closely with our buyers. Their designers usually come to see our designers to collaborate on the design. We introduce the trends, colors, moods and tones for each season before product development. We also work with fabric and lace vendors and raw material suppliers on the designs, patterns, colors and tones.

Marketing and Competition

Competitive Strategies

For subsidiary's brandname products

Development of innovative lingerie

We emphasize on research and development. We conduct focus group consumer behavior analysis, School and university tour, and use the data obtained from in the development of new products in line with the consumer's ever changing behavior and demand in terms of lingerie functions and fashions influenced by Europe fashion trends. The Company makes OEM products so we have acknowledged new information and modern trend. At present, with the customers' information received from fast growing communication technology, the Company must offer fashion products with quality and suitability which suit the need of customers at reasonable prices.

Expansion of overseas customer base

We still aim to expand the Sabina brand to be known in the ASEAN markets, particularly AEC: ASIAN ECONOMIC COMMUNITY and overseas consumers. At present, the company has appointed distributors in 7 countries in Asean which are Myanmar, Vietnam, Laos, Cambodia, Singapore, Malaysia, and Philippines and expect to increase distributors in Indonesia and Brunei which we are on process. From this expansion would bring "Sabina" to be the Asean Brand. And for Asean, consumers have indifferent bodies compared with Thai people so that means we could use the same pattern in manufacturing and selling. Moreover, there also some clients in Middle East and other part of Asia such as Iran, United Arab Emirates, Bangladesh, Pakistan and etc. which our distribution expansion in domestic level has reached the limit.

Launching new products continuously

At present, the customers receive much information from continuous development of technology, especially in Social Media. The lingerie has to have the continuous development of functions and fashion. Constantly launching new products is one of the marketing strategies used to ensure that consumers are fully aware of Sabina new trends and fashion movement. We launch new products every month to maintain loyalty to our subsidiary's brandnames. In line with each target group, our Marketing Department will launch new products at short intervals to attract constant purchase. For example, Sabinie for teenagers will be launched during term breaks and before term opening.

Policy on sales promotion

We engage in sales promotion activities in various department stores where new products are introduced and discounts are offered to attract new customers and increase sales.

Including cooperation campaign with department stores which are commercial, fashion show, and other marketing activities.

Moreover, the company created promotional campaign by itself to make brand awareness and develop brand image due to branding is the vital key for competition which drawn customers to buy and have brand loyalty by advertising through different media such as Television, Radio, Newspapers, Magazines, other medias, and Social Media which is very effective in reaching customer personally.

Competitive strategies for OEM products**Maintaining current customer sales and finding new customer.**

We place importance on maintaining of distributor's sales volume, and we are aware that good relations with all distributors can help us work efficiently. We place emphasis on manufacture of quality products to customer's order to ensure continuous purchase. Moreover, the company attempt to find new customer in Europe and Russia, which demand for trendy, quality, and high value, to avoid competition with manufacturers in several countries which focus on large amount of product and cheaper.

Reduction of lead time

We reduce the lead time for manufacture of lingerie by applying instant high technology to help in production planning which less time in preparation of raw material and production process. For example, the company will do "Prepurchase" in purchasing raw material process before creating official purchase order to the supplier and also check raw material at the source immediately to less time in delivering process and less raw material which does not meet the customer demand. From Prepurchase process as mentioned, it resulted to 10-15 days of preparing raw material in present day.

Cost reduction

The reduction of the costs of raw materials without lowering their quality is an essential factor in competition with manufacturers in China, Indonesia and other countries. Through cost reduction, our pricing can be more competitive and our sales can increase significantly. We reduce the costs of raw materials by finding new sources and inviting suppliers to submit tenders.

It is necessary to find new sources of raw materials of great varieties, good quality and reasonable price to avoid dependence on any sole supplier, the risks of its insufficient production capacity and the possibility of monopoly. The Company will have more choices to allocate orders of raw materials to several suppliers, both domestically and internationally. With trade agreements with several countries, presently the tariffs on import of raw materials have been reducing. Various sources of raw materials, both domestic and international, will have much less import tax from trade agreement. Therefore, finding new raw material resources both locally and internationally not only reflected company's performance about development of obtain raw material but also increase product variety and fashionable.

For the production technologies, after the success of the LEAN MANUFACTURING SYSTEMS and KAIZEN implementation, the Company has held the **Total Productive Management (TPM)** Project to centralize all improvement and development activities of the production, including cost and expense reduction.

Quality control

We have adopted stringent quality control measures. Each factory has a department that conducts quality inspection in every production process. Our head office also has a work unit that conducts quality inspection from the time of preproduction of the products of all codes in various work groups to avoid errors, and conducts inspection of product samples in the final stage before delivery to ensure that the products meet international standards and conform to the specifications as set forth in customer's order. Every quarter, we conduct random inspections of our factories before the annual audit to maintain high internal standards and ensure customer's satisfaction.

Target Groups

We have divided our target groups according to age and purchasing behavior:

Children and teenager

They are our main customer base because our products truly satisfy their demand, especially in the aspect of design, color and young looking style. Our subsidiary's brandname products of fashionable designs are quite well known to this group of buyers plus the fact that we do launch new products regularly; therefore, we can earn incomes from this group of buyers continuously.

As for children from the age of primary to lower secondary education level, their parents influence their purchase decisions. We make "Sabinie" brand which is lingerie for children that perfectly fit children bodies with designs enhancing their learning such as Collection Cooking which were sold in the previous year. This was the Sabinie characters in different activities related to cooking and gave useful knowledge about food for kids which they could gain knowledge from pattern in products. The Company also held "Sabinie Camp" activity by bringing qualified kids to be in the camp to give their

knowledge about useful foods which kids can remember Sabina brand and knowledge in products. In addition, we still emphasize on quality of raw materials to avoid allergies at the early age of using lingerie.

As for teenagers from the age of upper secondary to tertiary education level, their friends and the persons they like influence their purchase decisions. They tend to buy fashionable products with functionality that enhances their personality in the eye of other people. Sabina products are currently popular among teenagers. The Company still focuses on continuous producing fashioned products of this group and improves or creates new innovation to persistently serve the need of this group of customers.

Young women and adults

Being more mature, they want useful functionality rather than just beauty. They belong to a large group with high purchasing power; therefore, we have to launch products for this group of buyers more frequently. We pay attention on the designs with useful functionality and correction of faults to ensure customer's satisfaction. We have the bras that perfectly fit all types of breast shapes and cup sizes with all useful functionality such as "Modern Curve by Sabina" that enhances natural beauty, offers good fitting and perfect combination with fashionable clothes that will increase wearer's self-confidence. The product's unique functionality captures the hearts of young and mature women. In present, the Company launched the new product named "Modern V" with V sharp sponge hiding fat and making wearers perfect shape and confidence.

The decisions on lingerie purchase of young women from the age of university students to working women can be greatly influenced by friends, salesclerks and brand loyalty. This group of buyers looks for useful functionality and perfect combination with their outer garments to ensure their good personality and confidence.

Adult women are more interested in useful functionality and good fitting for their contours. Their purchase decisions can be influenced by friends, salesclerks and brandname.

Overseas distributors (OEM products)

Many distributors of OEM lingerie have been our business partners for a long time. For new clients, mostly they were contact us directly from our reputation in correction of production by order and on-time delivery which they are distributors of famous brandname ladies lingerie in UK, France, Spain, Germany, Netherlands, etc.

These buyers prefer lingerie with useful functionality in the collections for middle to upper market. Moreover, the company steps on finding new market such as Russia to support the decrease of purchasing from old clients that partly effected by the economic situation.

Distribution channels

Distribution under subsidiary brand

The Company sell lingerie under subsidiary brand domestically through varied of distribution channels to reach all groups of customers such as counters in department stores in Bangkok an other province including counters in discount stores entirely the country in total 580 places.

We constantly distribute our products through many channels, most of which are sale on consignment. At each outlet, we have quite a few salesclerks who have been trained to communicate with the target groups. These salesclerks advise buyers on lingerie use and unique features; they also send feedback on customer's requirements and suggestions to our Research and Development Department to help us improve our products. Presently, we have more than 1,100 salespersons.

As for overseas distribution, we distribute our Sabina, Sabinie and SBN products through our distributors in ASEAN about now 7 countries in total consist of Myanmar, Vietnam, Cambodia, Laos, Malaysia, Philippines, Singapore and 2 more countries in 2014 which are Indonesia and Brunei. And beyond Asean region which include Taiwan, Pakistan, Bangladesh, United Arab Emirates, etc.

OEM Product Distribution

We make products according to our own designs and our subsidiary's designs; we also make products to customer's orders. Most OEM product buyers are famous distributors in Europe and America; they have good relations with us, and have been our partners for a long time. We sell our products to orders of buyers, who are large own stores, department stores, modern stores, wholesalers, trading firms and importers in UK and other countries in Europe.

Industries

Manufacture of lingerie is a kind of garment industry. It is a skilled labor intensive industry. We make our own brandname and OEM products for local sale and export.

Local demand and supply

Demand – The proportion of the Thai population in 2014 showed that the female population was closed to the male population with the amount of approximately 33.12 million females or 50.87% from total population or about 62.12 million people in Thailand.

The essential factors influencing decisions on lingerie purchase depend on ages. Parents influence their children buying decisions. Teenagers prefer designs and patterns. Youth women or adults make decisions on functionalities and fashionable designs proper for their garments, respectively.

Lingerie is an essential product which has a limited lifecycle plus the fact that consumers' behaviors constantly change; therefore, there is always a great demand for lingerie.

In 2015, it is expected that the local lingerie demand will be stable or slightly drop according to following reasons below.

Domestic consumption problem – According to National Council for Peace and Order took control and established the deputy cabinet led to stability to Thailand's political situation. The government had set up economic team and hastens in stipulate economy through drawing money and spends to farmers in Rice mortgage scheme in order to increase money in the system but it cannot stimulate domestic consumption. Therefore cost of living is still in high level, price of foods and utilities still went up and household debt also high from the past so that money was set priority to pay the debt before consumption in

other things even gas price which count as the main point of consumption went down significantly but there is not effect in increasing of consumption so much.

Worldwide economic situation - overall it was not fully recovered even there was a bit recovered in United States but in European countries were stucked in public debt crisis, as well, China, the No.1 economic country in Asia, had decreased significantly in growth. From these reasons led to overall economy in global scale were sluggish which also influenced much on Thailand that has main revenue from export. Thailand's economic sectors forecasted that 2015 export rate will stable or lower than last year.

Increasing in cost of living - According to the former government policy about increasing minimum wage to 300 Baht per day, government populism campaign either "1st Home" or "1st Car" made people owned more debts plus cost of living went higher. However, world oil prices decreased more than 50% but food and product prices are still high which make cost of living overall including lingerie price that increase in every brands due to cost of production especially labour cost. However official financial numbers declared that there was low level of inflation but for real cost of living went up significantly especially 4 basic living necessities which are food, clothes, shelter, and medicine. So they have to be more careful in spending especially teenagers which mostly get money to spend and go shopping from family which reflected in spending on lingerie dropped for Mid-level customers.

For supply aspect of lingerie market, about 40 of large, medium, and small scale producers all entire the country. According to emerging of ASEAN Economic Community (AEC) to unite Asean region expected many brands from Asean will come to Thai market especially brands from Indonesia and Vietnam which are local leader brands and have their own factories plus lower cost of production than in Thailand that could spread to medium to low market. Expecting that competition in lingerie market will be fiercer in 2015. The production characteristics are either OEM for export only or buying foreign brand license to produce and distribute both for domestic and export including production with own brand or without brand. However, many producers more focus on Product Value in present, so they have development in production process by create industrial network, prepare and management of raw material to develop products to response fast changing in customers demand, and hire production professional and foreign designers to assist in product development.

Local competition

There is a great deal of competition in the local market. Thai Wacoal Public Company, manufacturer of Wacoal lingerie; Triumph International (Thailand) Co., Ltd., manufacturer of Triumph lingerie; our company, manufacturer of Sabina lingerie; and many other small manufacturers of no brandname lingerie constantly turn out many types of products to supply in the market where consumers consider the price at the time of making purchase decision. At present, Thai Wacoal Public Company Limited has the largest market share. Next, to that are our own company and Triumph International (Thailand) Co., Ltd. In this 2015, the overall local lingerie market's small growth leads to the aggressive competition among the leading brands and small brands to get the market shares with all kinds of strategy such as new innovation, advertisement, public relations, direct marketing, and of all the strategies of aggressive competitions is sales promotion of discount.

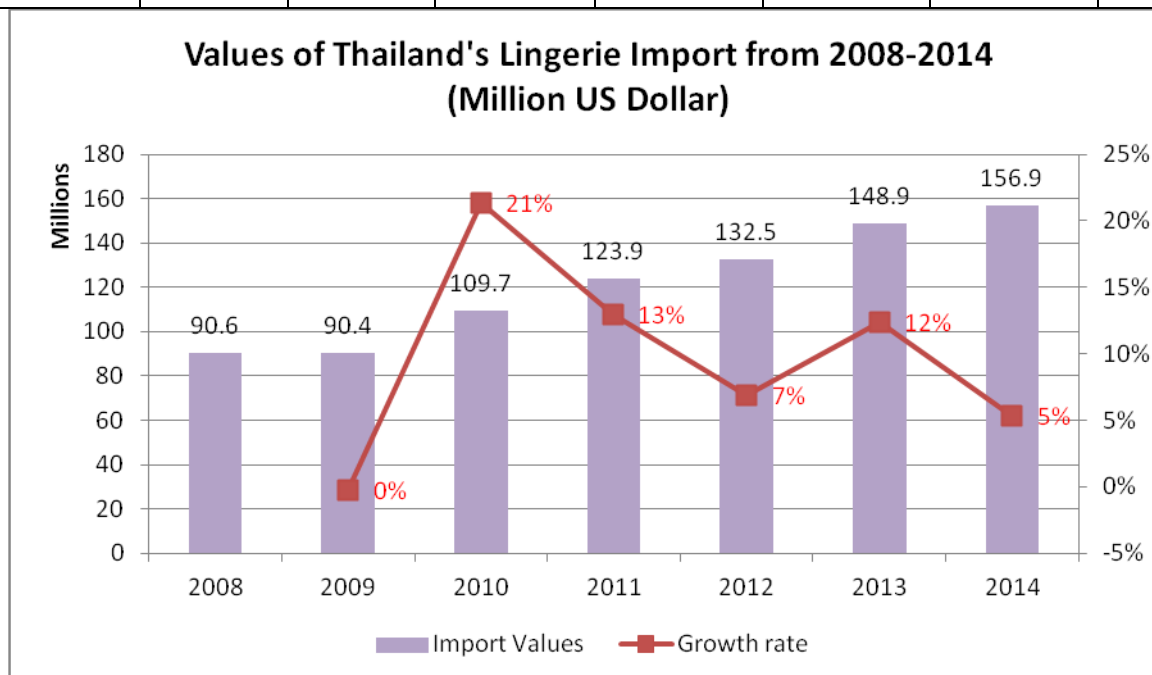
Apart from competition among locally made products, there is a great deal of competition among leading lingerie imported from UK, France, USA, etc., in high-end markets. At the same time, there are cheap products from China

where production cost is low, for buyers who prefer low priced products. Moreover, we expect that there will be local Asean brands that have trade agreement under AEC could join in competition soon.

Lingerie Import

Values of Thailand's Lingerie Import from 2008 to 2014 (US Dollar)

Year	2008	2009	2010	2011	2012	2013	2014
Import value	90,633,523	90,414,181	109,715,634	123,920,600	132,500,000	148,900,000	156,900,000
Growth rate (%)	-	0%	21%	13%	7%	12%	5%

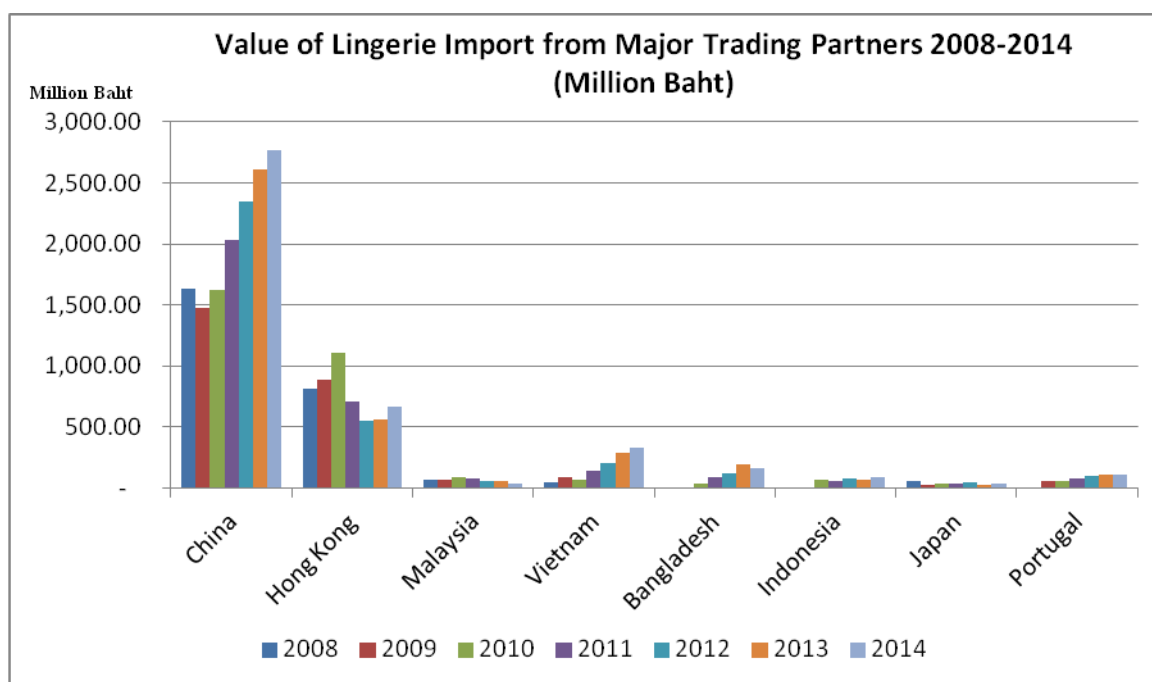


Source: Ministry of Commerce

From the table and graph, from 2008 to 2009, the import rate remained stable. However, in 2010, the lingerie import rate increased to 21% and 13% in 2011. In 2012, the import rate continued to raise, a growth of 7%, or USD 132.7 million. In 2013, there was high export rate about 148.9 million US Dollar or 12% growth which a lot more than domestic market. For 2014 in sluggish domestic consumption situation but import rate grown high by the number of 156.9 US Dollar which more than 2013 about 5%.

Values of Lingerie Import from Major Trading Partners from 2009 – 2014 (Baht)

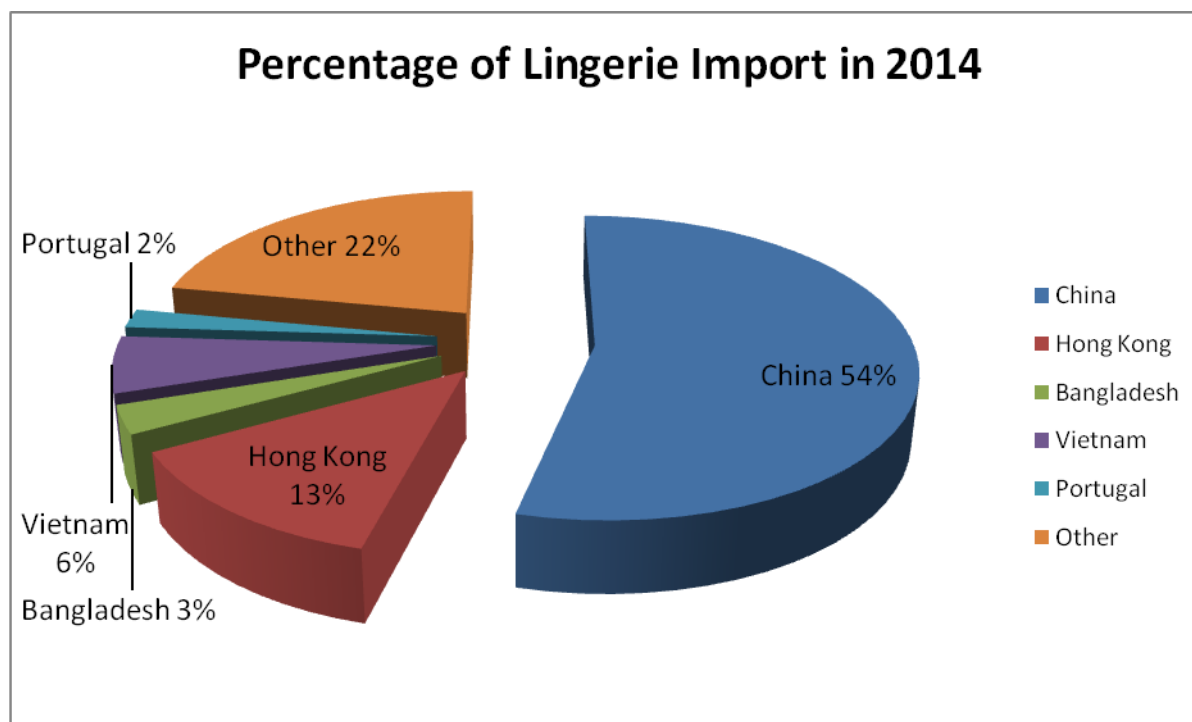
Country	2008	2009	2010	2011	2012	2013	2014
China	1,627,234,910	1,473,096,810	1,624,104,486	2,033,763,400	2,345,061,100	2,607,668,900	2,767,500,000
Hong Kong	811,572,090	888,753,083	1,108,786,299	703,439,800	546,495,700	558,026,800	665,900,000
Malaysia	64,318,310	66,936,052	83,794,198	79,403,200	56,104,600	54,885,500	38,000,000
Vietnam	51,048,620	90,789,462	69,940,042	139,626,000	200,294,600	283,223,500	330,900,000
Bangladesh	-	-	41,087,300	91,122,200	123,367,300	193,588,100	164,900,000
Indonesia	-	-	65,939,594	52,899,400	79,739,400	67,731,700	89,400,000
Japan	54,397,315	25,284,872	33,435,200	38,773,500	43,004,500	27,932,400	38,000,000
Portugal	-	61,758,216	60,486,400	79,848,800	96,425,200	106,161,400	110,600,000



Source: Ministry of Commerce

Percentage of Lingerie Import in 2012

Country	China	Hong Kong	Bangladesh	Vietnam	Portugal	Other countries
Percentage (%)	54	13	3	6	2	22



Source: Ministry of Commerce

Considered from Import rate above, there are significant import rate from China about 2,607.7 million baht or increase about 6% and import rate was about 54% and also in Vietnam which increase about 16.8% that could be the effected from 2 main reasons which are 1) Import of China to sell specifically in discount stores which has high in both volume and value due to lower in cost and 2) Some brands cannot manufacture domestically due to higt labour cost, some had problem with labour union until the factory had to be closed down then import from abroad instead.

Moreover, cost of living also went up in Thailand which made people save their spending on lingerie unlike the cost of lingerie brand that increased prices due to the cost of production. So, there are the opportunity of those countries which able to produce in low cost to expand their market in Thailand. In 2015, we expected that the competition will be more intense certainly.

Trend of Local market

The first half of the year 2014, Thailand experienced political conflict which impacted on the domestic economy moderately. Although the seizure of power and the establishment of the interim government came up in the second half which stimulated economy by encouraged the expense of the people and government sectors. Especially in public sector investment, paying compensation from Rice Subsidy Scheme and other projects can't make Thai economy recovering. Considering from economic growth or Gross Domestic Products or GDP, which grows about 1-2%, making the total market for lingerie fall in the absence of growth or growth is very low as well.

In 2015 from forecasts to the economic growth of the various Institutes are still in the same way. Gross domestic product is expected to raise only 3-4% which is caused by both internal factors and external countries. Especially in Europe, Japan, including countries with the economic role of the world, such as China and India has the economic growth rate

decreases. The current global economic slowdown will affect the exports of the country which is predicted to grow at a lower rate. The government is trying to stimulate domestic consumption by accelerating the investment and reimbursement but it would be unable to stimulate domestic consumption that much higher.

For the lingerie industry in Thailand, there are expected to have a lower growth rate for the market in the middle. However, it is expected that the growth of the market in the lingerie market is still high in lower market. In line with the increase in imports of underwear from China, the selling price was the best discount store; including Big C and Tesco Lotus are importing goods into selling themselves by the department. This will affect the brands to a huge compete in the market. It is expected that in 2015, the brand in the domestic level will be affected as much from department stores import cheaper goods to sell by their own. In addition, the price to be very competitive on price, Lower class brands may be affected by the sale space of the mall itself. The department stores continue to focus on the area that the company itself, rather than the lower class brand to sell. Making lower class brands must compete by price and also by space in the mall as well.

The middle market which is the company's largest market is expected to be more intense competition. Especially the brands with the largest market share have to try to maintain market share it has. There were expected to be fully used every marketing strategy such as advertising, event marketing and other activities in order to maintain market share. It is also expected that every brands must adopt a strategy for the promotion of the reduction in price both from own brand and from the department stores. In order to boost sales to maintain their market share and prevent the taking market share.

In the trend of consumer behavior, by more of advanced technology, especially the use of Social Media, consumers can access of the product even more. Consumer can use for the comparison of the properties of the products, sales promotion, and so on. So every brand will be turned to the market, the electronic media (Social Communication) to reach the consumer more and more and marketing costs are also relatively low.

About product, consumers tend to wear underwear to emphasize the beauty and slimming. This is the main factor that will boost sales of underwear, the domestic industry even more by wearing a bra that has a modern, colorful rose steadily, especially in teens and youth market. For Underwear Apparel, function is necessary in everyday life of women, which would increase the rate of increase in the same way with the total female population and the rise of a new bra that maintains its shape and improves personality.

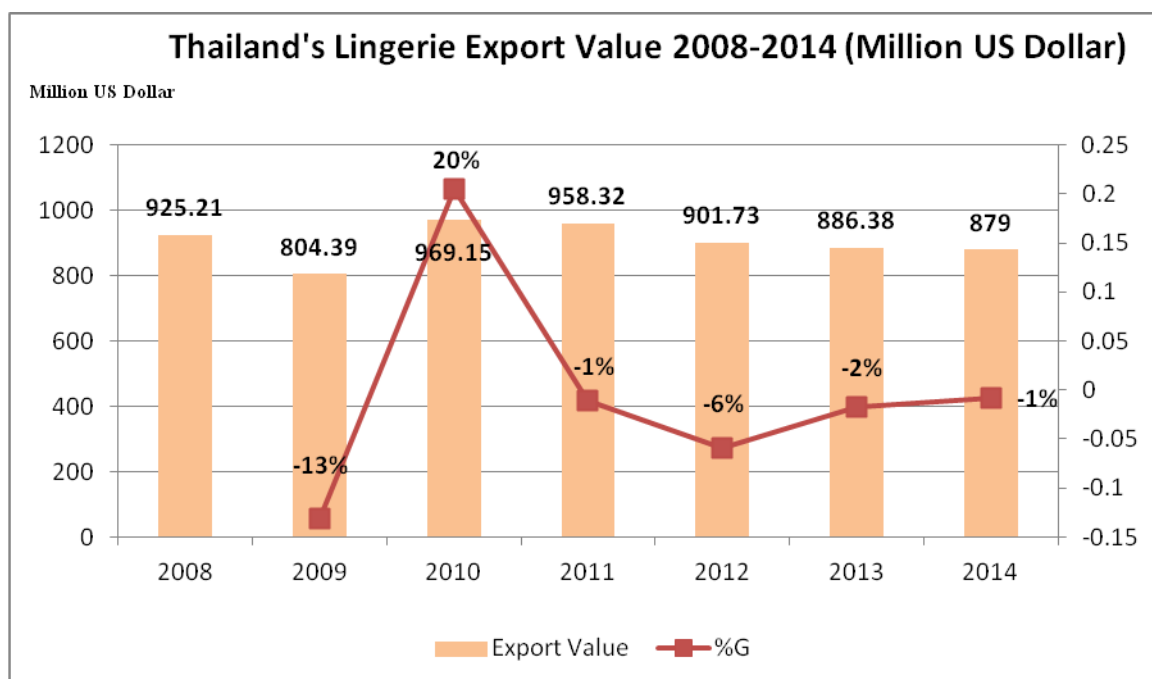
Competition among OEM products trends

In 2014, several main employer of OEM got resulted from economical crisis in Europe about public debt which cannot be solved until now. So that made most impact on hired producing which is fashion category product that has expensive price. Many clients less their hired producing of fashion product to less cost to comply with the market situation at the present which made impact in company's sales order. And they also move their order to China which has cheaper cost on wage and more support from Chinese government policy. Moreover most of the producers in China have complete system in production process of fabric industry. However, the clients moving production base to China, they could usually face the problem on quality and delay issues so they could turn back to the production base in Thailand which expected that Thai Baht seems to be depreciated to the level that able to compete with China with advantage about better quality and in-time production ability.

Overseas markets trends

Values of Thailand lingerie Exports from 2009 to 2014 (US Dollar)

	2008	2009	2010	2011	2012	2013	2014
Export Value	925,207,497	804,390,703	969,151,398	958,324,500	901,733,700	886,382,800	879,000,000
Growth Rate (%)	-	-13%	20%	-1%	-6%	-2%	-0.8%

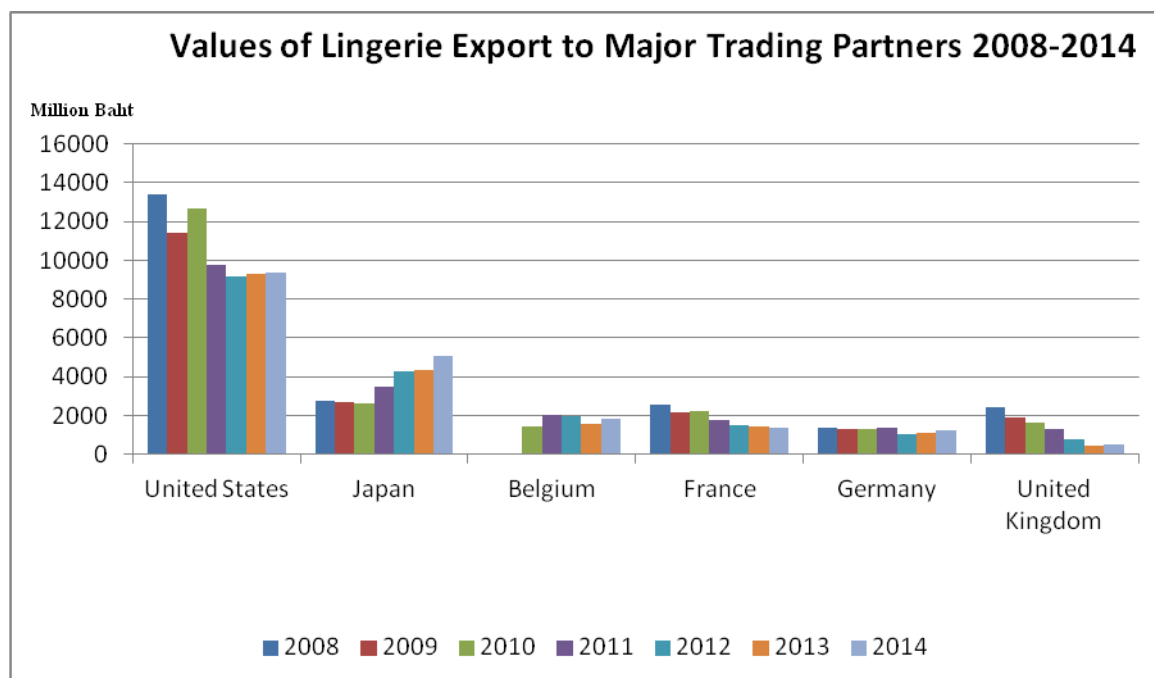


Source: Ministry of Commerce

In 2014, Thailand's export rate underwear decreased slightly from the year 2013 continually. It fell to 1.6 percent, or a value of 879 million US dollars. The main reason was a disadvantage in its ability to lower wages in Thailand but still reduced not much because manufacturers are still able to maintain the quality and production on time as well. Moreover, the depreciation of the baht at the end of the year contributes more to export.

Values of Lingerie Export to Major Trading Partners 2009-2014 (Baht)

Country	2008	2009	2010	2011	2012	2013	2014
USA	13,408,364,620	11,447,531,693	12,688,665,464	9,742,151,000	9,187,565,600	9,323,373,700	9,388,100,000
Japan	2,787,405,180	2,725,288,069	2,626,220,832	3,468,331,100	4,298,502,600	4,358,132,900	5,071,100,000
Belgium	-	-	1,443,261,080	2,011,295,900	1,946,212,700	1,572,490,500	1,848,500,000
France	2,538,202,765	2,161,751,655	2,221,734,348	1,801,445,500	1,488,950,600	1,408,683,200	1,355,700,000
Germany	1,404,609,920	1,317,373,587	1,282,729,892	1,372,338,000	1,056,928,500	1,076,996,500	1,256,400,000
United Kingdom	2,459,145,885	1,904,441,185	1,657,195,433	1,296,608,700	762,214,400	460,362,100	546,200,000

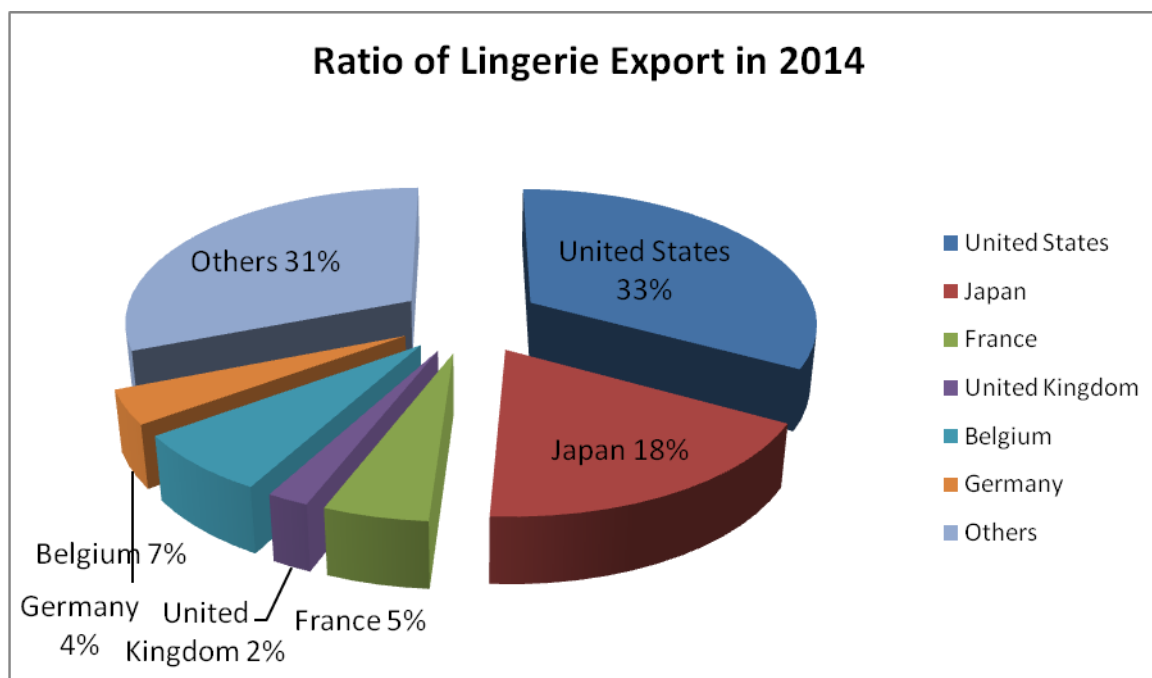


Source: Ministry of Commerce

Considered by detail of trade partner, the main importer from Thailand is United States which slightly increases in 2014. For Japan tends to increase more by 16% which from policy about Quantitative Easing as same as United States that led to the incentive of domestic consumption which is good for Thailand export. For export to European countries, Thailand is able to increase export rate in Belgium, Germany, and England. Only for France which decrease rate on export from Thailand. Therefore, there is expectation that European countries' economy would not grow much but they could move their manufacture base to Thailand more due to higher cost of production in China but quality and delivery is not good enough.

Ratio of Lingerie Export in 2014

Country	USA	Japan	France	UK	Belgium	Germany	Others
Ratio (%)	33	18	5	2	7	4	31



Source: Ministry of Commerce

Competitive edge

In the local and overseas free trade markets, lingerie manufacturers and distributors must constantly maintain their competitive edge over their rivals. The details are as follows:

1. Product Quality

The company has equally quality with major domestic manufacturers and major countries overseas. We also produce lingerie in high sewing skills. The company consider much on quality that make us acquire many certificates including using of cancer –free raw material, non abuse of child labour, and ISO 9001 :2000 by quality assurance system since the first process until outputs. We have standard quality control tools which are widely accept by clients overseas in manufacturing process and controlling system in every process since cutting, sewing until packaging. Moreover, the Company also have designing service for clients as a holistic service which is the advantage when compare with other OEM manufacturers such as in China, even they offer lower cost of production but quality is lower too and they also offer designing service but they are not yet widely accepted by clients in many countries. From the reasons above, clients from Americas, Europe, and Scandinavia regions, trust the Company to be the manufacturers continuously for a long time.

1. Product Design and Innovation

The company has expertise team that who can design suitable pattern for every ages by sending designers to study trip in foreign countries to adopt trends and design to be used in designing product for domestic market especially teenager group which has cute pattern. Apart from other brands, they do not focus more on pattern design to attract teenager group which make our products to be widely accepted and get high market share for this group. Moreover, the Company has Product

Research and Development Department which take care of analyzing customers' demand in all ages that always changing in body characteristics and design suitable products for them.

3. Skilled employees

We employed highly skilled employees for cutting and sewing lingerie with sophisticated designs. To ensure continuous supply of skilled workers, we have established study centers within our factory compound to provide ordinary and vocational education to local residents.

4. Factory and staff arrangements

After having achieved with the implementation of the Lean Manufacturing System with the management system improvement within the factories till receiving an award from the Thai-Nichi Institute of Technology, the KAISEN system for the management from Japan was also implemented by the Company. The Company still seeks for management tools such as QCC system or Quality Circle Control, the TPM or the Total Productive Maintenance, etc., to help with the factories' management which will lead to higher production efficiency and waste reduction.

5. Learning organization

We try to increase our competitive edge by becoming a learning organization because all the research and development require staff's knowledge and learning through finding new ideas and application of direct experience to new products and services to satisfy customer's demand. An organization with knowledgeable and skilled employees has competitive edge over its rivals. Therefore, by encouraging constant learning – possibly by trial and error -- knowledge exchange and technology transfer, the employees can apply such knowledge and skills to boost the value of products and services for the organization's maximum benefit

6. Corporate culture (4D)

We operate with happy organization basis and we believe that if employees are happy in working with us as second home. We have both top-down and bottom-up management and used client center method. If employees do what they believe, happiness will be the final result. So it comes out as our corporate culture 4D

- Kid-Dee (good thinking) everyone should think positively
- Pood-Dee (good speaking) everyone should use good wording no comparison
- Tham-Dee (good doing) everyone should learn to be giver and did not get advantage on others.
- Khon-Dee (good human being) if we have all above 3 D, you will have Khon-Dee

Pricing Policy

It is our policy that pricing is done in two ways: one for our subsidiary's brandname products and the other for OEM products made to orders. The factors to be taken into account for pricing are product description, quantity and market value.

Our subsidiary's brandname products are priced according to the target group by adding the market value to them while making sure that the prices are quite near to those of our competitors. Our prices are currently ranked at medium level as compared with those of similar products in the market. We do not intend to undercut our competitors. However, we might offer discounts during advertising campaigns at certain outlets as we deem appropriate.

Our OEM products are priced for the medium and upper market. It is our policy to price our products in such way that we make profit out of production cost (Cost Plus), taking into account the risks of foreign exchange rate fluctuation, production costs and margins, designs and size of purchase order.

Product management

Production volume

Presently, we have three factories located in Chainat, Yasothon and Buriram Province with total 2,600 machines including 2,300 sewing machines and 300 other machines. Besides above machines we also have special machine attachment in order to increase our production capacity according to each sewing type. Currently, our total production capacity is 4.84 million pieces per year.

Our subsidiary has two factories: one in Nakhon Pathom and another one in Bangkok with 1,500 machines in total including 1,300 sewing machines and 200 other machines. We also have maintenance plan to maintain our production standard and keep our safety level for employees. Production capacity of our subsidiary is 2.08 million pieces per year.

Production policy

The production volume depends on various factors such as expected market competition, new product launching season, production capacity of each factory and the policies adopted by the management, subject mainly to customer's requirements. The finished products are classified by production into 2 groups i.e. repeated production (basic products) or new lot of production (fashion products). Basic products are common and popular products with classic designs and no pattern. The Company always maintains the supply level so that we are able to forecast production levels and set product plans efficiently, resulting in higher productivity. Fashion products will have new designs and will not be reproduced. Production of new lots is a more difficult task, but it generates higher incomes from sale with greater margins.

We plan ahead every year for the distribution of our subsidiary's brandname products to ensure production control efficiency. Such plan tells us the production quantity and description for each month that will ensure timely sale. The production plan is flexible, depending on the orders throughout the year. The production planners shall allocate production tasks to all the factories, taking into account the lead time, product specifications, machine capacity and skills of workers in each factory to ensure maximum production efficiency and capacity.

We produce OEM lingerie to customer's orders only--no advance production. The customer must give us sufficient lead time to avoid delay in production and deliver. We allocate the orders to our factories according to their

production capacity, lead time, product specifications, taking into account also the production of our own brandname products which is pending. The order which is too large for our capacity will be rejected to avoid losses and damages to our customer and ourselves.

We also attach importance to the development of labor skills which are essential to production of garments, especially those with sophisticated designs and specifications. We constantly improve workers' skills and conduct stringent inspection at every production process. We encourage our workers to turn out quality products all the time. We offer training to our workers regularly, taking into account the new products intended for sale and the need for production skill improvement

Risk Factors

- Dependence from large scale distributors

At present, the Company sells products through discount stores such as BigC and Tesco Lotus which took 30% of total sales. However, these stores have policy to sell products in low price to match demand of their customers, therefore the discount stores began to create their own house-brand by importing from China mostly which has low cost of production and they could sell products in lower prices than the Company. Even house brand products are low price but the ratio of profit in percentage is higher than shares from the Company. So these stores attempt to decrease our selling space by place their house-brand instead which effect the Company mostly in showcase aspect led to lose selling opportunity. However, these stores did not tend to terminate our product selling due to we still have high sales volume comparing with their overall sales in lingerie section. After reduction of selling space by the stores, the Company sees that there are high traffic of customers to the stores so we processed opening our independent retail shops in the plaza (outside area) which now we already opened 43 stores in discount stores' plaza area.

- Retail Shop Opening under SABINA brand

At present, Thailand's retail situation developed significantly by emerging of new shopping centers from changing of consumer behavior that they want to go to shopping center that includes everything from department store, retail shop from different brands, restaurants, banks, and cinema. Shopping center divided in 2 major parts which are the department store and the plaza which has rent space available. The Company sees that some customers tend to buy brands in plaza more than in the department store so that is the opportunity for the Company to operate own shops in plaza. At present, the Company opened 93 retail shops but there is also risk in several aspects such as decoration cost and deposit for rent space (mostly 3 years in advance), sometimes the Company chose low traffic location led to sales that cannot cover costs such as rental, electricity, decoration, and others. Therefore, some retail shops had to close down before rental contract due to stop loss.

Impact of ASEAN ECONOMIC COMMUNITY (AEC) on Lady's Lingerie Markets

In January 1992, Thailand jointly established the free trade area named ASEAN FREE TRADE AREA (AFTA). Now, AFTA has ten members, namely Thailand, Malaysia, Singapore, Philippines, Indonesia, Brunei, Vietnam, Laos, Myanmar and Cambodia. Presently, AFTA has been transformed to ASEAN Economic Community (AEC). Its primary goals are to promote free trade of ASEAN's products, services, investments capitals and skilled labors without any trade barrier, except tariff. Accordingly, tariff rates will reduce to zero within January 1, 2015. The aforementioned collaboration will have both positive and negative to the Company's business as follows

Labor With the aforementioned agreements, labors are able to move freely around ASEAN countries in the future so a number of skilled labors will move to work in Thailand which helps short of labor problem. However, there is difficulty in control foreign labor due to different in governing and different communication language and need a lot to improve in skill.

Lady's Lingerie Markets The free trade zone will allow foreign brands having manufacturing bases in the ASEAN countries to freely sell their products in Thailand which make more intense competition in Lady's lingerie market in the future due to lower cost of manufacturing and also in 2014 expected that lingerie market will be more intense competition in every level because supply will more than demand significantly. Different department stores are now seeking new brands from overseas in underwear section to make the difference which make it fiercer in the market competition.

However, we can still maintain competitive edge because the brandname Sabina has already established firmly in Thailand for 40 years; we have many outlets in many department and discount stores, and our product unique designs and high quality have been widely recognized by local consumers.

In fact, we can benefit from the AEC by exporting our Sabina lingerie to ASEAN countries freely and enjoy the 0% tariff. Moreover, the 0% tariff also allows us to import cheap raw materials from ASEAN countries.

Therefore, the AEC has both merits and demerits, depending on whether or not we can turn the situation to our advantage.

- **Outdated products**

The Company sells lingerie product which include Basic type that could be sold continuously and the Company always manufacture to fill product for this section. Another type is Fashion which consumers always change fast in preferences. In the end of 2014, the Company had product leftover for value 1,003.6 million Baht or 57.12% of circulation asset and 43.46 of overall asset. The problem of leftover was from the Company more operated own Sabina brand from the idea to be the leading in trendy lingerie, so we increased production ratio from 20% to 80% of production power in total. The Company has added more items to keep on hand, enough with vendors and in accordance with the fashion leaders, however, the company has measures to control goods that is fashionable, especially by the time criteria in the distribution that will be sold to a given criteria in a specific period of time By using a computer system to collect the sales data at any time. Make the company aware of the movement of goods that can be sold very good only for items sold slowly, the company will continue to manage the campaign immediately in order to paint an item out as soon as possible to have the budget to bring new products, however, the company has set up product tolerances is obsolete or impairment of 13.00 million baht, or 8.84 percent of the net profit.

- **Currency Exchange**

From economic recovery in USA and better condition in US stock market to the new high that decreased unemployment rate which made USA dropped their using economic instigate tools which was Quantitative Easing (QE). So, it made the capital money reversed back to USA influenced Thai Baht depreciated against US Dollar from 30 Baht for 1 US Dollar back to 32-33 Baht for 1 US Dollar. This impacted the company in 2 aspects which were the export can make profit from currency exchange, but trade partners also realized this issue by using it to negotiate when purchasing so that could not benefit the company much as well. Meanwhile, the company has to import raw material from other countries so when Thai Baht got weak, the cost of raw material went up higher too.

However, the company has management policy about risk in currency fluctuation as follows.

- Trading raw material and products with different currencies.
- Due to the company has to import raw material, the company also has a prevention of Natural Hedge for example maintained import raw material value about 50.69% of total revenue from OEM international sales in 2013 and 36.32% in 2014.
- Making “Forward Contract” with financial institution during the money currency fluctuated period.

- **Domestic Consumption**

The net sales of the Company from domestic sales accounted for 80-90 percent of the domestic economy is growing at a low or considering the rate of Gross Domestic Products or GDP. In 2014 through is expected to grow up around 1-2%, which is caused by the domestic consumption growth. Consumer spending dropped greatly but it won't affect the total sales of the company. However, the company tries more marketing activities in every aspect in the advertising, public relations, and sales promotion to share and get more and more. In addition the company can find a market replacement by expanding the brand of the company to the international market, especially Asian or AEC all in order to expand the market and sales of the brand company. More to accommodate with the capacity available.

- **Risk in taking order from foreign clients which have their owned brands (OEM)**

The company and subsidiaries have big clients as the leading lingerie distributors overseas mainly in Europe which hire our company and subsidiaries to design and manufacture under their brands (OEM). However the company tried to lower cost of manufacturing to help in competition but economic situation globally were not recover especially in Europe. It expected in 2014 would grow in low level. This reflected no significant recovery of European economic. At the same time, there are many manufacturers which cheaper cost such as in China, Indonesia, India, Sri Lanka, etc. will join in the competition intensively. Because supplies are a lot more than demands, even there are economic recoveries in several places but there are still difficult to take sale order from international.

- **Lack of Skilled Labours**

From 300 Baht minimum daily wage policy expected to make better living of labors and more people entered to labor market including from countryside. The problem is labor would not prefer to be in fabric and garment industry due to it require high skill and using a lot of eye-sight. So, current workers in this industry moved to other industries which are simpler working characteristic which have more assisting tools and also get equal or more of income. From these reasons, labors in sewing industry tend to decrease continuously which could bring to lack of labor in this industry in the future.

- **Dependance of Specialized Suppliers**

Regarding to the key material for lingerie is bra Mold. However, there are many manufacturing factories in market but bra Mold for each brand is specific size, capacity, and quality differently. Supplier of the Company has to research and

analyze together in each designing of bra Mold which took quite long time because it has to be test in quality, wearing, and other aspects before making standardize bra Mold. If the supplier of bra Mold effect from any circumstance which lead to the unable of production for the Company, we would have problem in product aspect immediately. However, the Company currently develops bra mold manufacturing to support when the bra mold supplier has problem in manufacturing.

- **Major Shareholder Holds More Than 50 Percent Shares**

On Annual General Meeting 2014, Mr. Viroj Thanalongkorn held 259,207,000 shares which equal to 74.59 percent of all company sellable shares which make Mr. Viroj Thanalongkorn can control almost all of resolution in Annual General Meeting since appointment of committee or other subject which require major votes except law and order subject which has regulation of 3 of 4 from all attendance requirement. From this reason, other shareholders could not gather votes to inspect and take equilibrium on any proposal of the major shareholder. However, the Company has comply with Good Corporate Governance method, Business Ethics, Transparency of Information, and proper approval principle between both parties which means distputed parties could not approve until the committee consider to propose the board of directors and/or shareholders to be consider in the next stage.

General Information

Name:	: Sabina Public Company Limited
Nature of Business	: Manufacture and sale of ladies lingerie
Head Office	: 177, Village No. 8, Wang Kai Tuen Sub-District, Han Ka District, Chainat Province
Registration No.	: 0107550000068
Home Page	: www.sabina.co.th
Telephone	: 056-437156-8, 02-4229400
Fax	: 056-437159, 02-4345911
- First Branch	: 12 Arun Amarin Road, Arun Amarin Sub-District , Bangkok Noi District, Bangkok 10700
Telephone	: 02-4229400
Fax	: 02-4345911
- Second Branch	: 30/5 Village No. 12 Phutmonthon V, Rai King Sub-District, Samphran District, Nakhonpathom Province
Telephone	: 02-8118220-31
Fax	: 02-8118081
- Third Branch	: 236 Village No. 10, Du Thung Sub-District, Muang District, Yasothon Province
Telephone	: 045-737351-3
Fax	: 045-737356
- Fourth Branch	: 81, 106 Moo 6, Nong Bot Sub District, Nangrong District, Buriram Province
Telephone	: 044-657107, 044-657210
Fax	: 044-657207
Investor Relations	: ir@sabina.co.th , amornthep@sabina.co.th
Registered Capital	: 347,500,000 baht
Paid Up Capital	: 347,500,000 baht
Ordinary Shares	: 347,500,000 Shares
Par Value	: 1 baht
Securities Registrar	: The Thailand Securities Depository Co., Ltd. (TSD)
Address	: 62 The Stock Exchange of Thailand Building, Rachadapisek Road, Khlung Toei District, Bangkok 10110
Telephone	: 02-229-2800
Fax	: 02-654-5599
Auditor	: Professor Kesree Narongdej or Mrs. Natsarak Sarojpanjin or

Mr. Chaiyuth Aunsuwittya or Mr. Sumit Korpaibul,
CPA License No. 76, 4563, 3885 and 4885
Address : A.M.T. Associate Office
491/27 Silom Plaza, Silom Road, Bang Rak, Bangkok 10500

Telephone : 02-2341676, 02-2341678, 02-2372132
Fax : 02-2372133

For more information Investors can find additional information about issued asset of the companies from List of
Annual Report (56-1) from the website www.set.or.th or www.sabina.co.th

Asset and Shareholders Info

Asset Info

Amount of authorized capital amount and paid-up share capital

Current authorized capital of Sabina Co.Ltd.	347.50 Million Baht
Authorized capital	347.50 Million Baht
Common shares	347.50 Million shares
Price per share is 1 Baht	

Shareholders

First 10 major shareholders as at August 29, 2014.

Shareholders		
	Number of Shares	Percentage (%)
1.Mr. Viroj Thanalongkorn	259,207,000	74.59
2. Mrs. Vanee Tongluck	14,001,000	4.03
3. Mr. Anurak Tangkaravakul	12,803,800	3.68
4. Mr. Soros Iamamornpan	10,501,000	3.02
5. Mr. Atchada Thanolongkorn	10,501,000	3.02
6. Mr. Chaikorn Siriratasadong	9,369,500	2.70
7. Mr. Nontavat Prasertvanij	8,693,500	2.50
8. Mr. Prutipong Choktavapirom	8,565,900	2.47
9. Mr. Surachai Jiamsaman	6,376,900	1.84
10. General public	7,480,400	2.15
Total	347,500,000	100.00

Dividend Payment Policy

The company has dividend payment policy not lower 40% of net profit after deducts tax and reserve according to the law. However, that dividend payment will depend on investment plan, necessity, and appropriateness in the future.

For subsidiaries, the committee will consider dividend payment from cash flow balance when compare with that subsidiaries' investment budget. If cash flow balance has enough and reserve according to the law, the committee will consider dividend payment case by case.

Dividend Payment Data

Sabina Co.Ltd.	2014**	2013	2012*	2011	2010
Dividend per share (Baht)	0.17	0.13	0.115	0.15	1.30
Dividend remuneration rate (%) (Overall financial statement)	40.21	38.56	35.83	16.61	173.55
Dividend remuneration rate (%) (Specific financial statement)	92.67	61.35	58.60	18.05	193.18

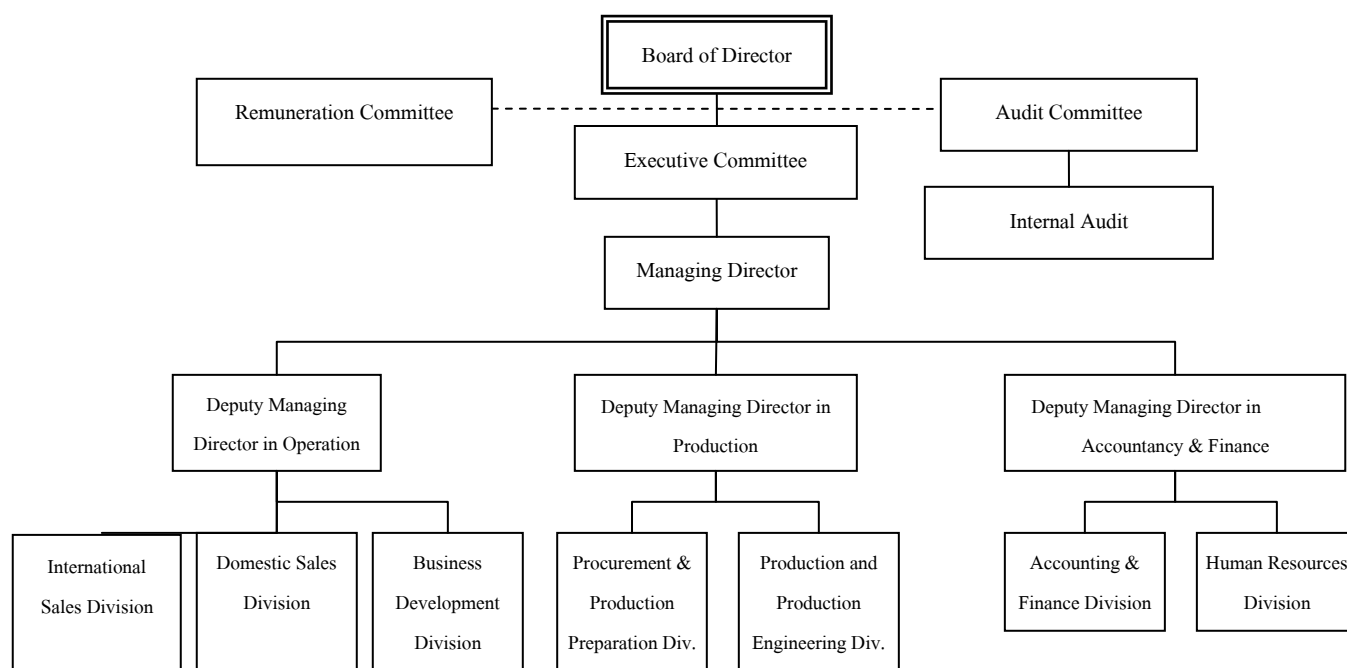
Remark

**Board of director meeting has resolution to pay 0.10 Baht pers share and propose to AGM 1/2015 which has been appointed on April 24, 2015.

*Financial statement of 2012 has been revised according to related accounting standards.

Managerial Structure

Organization Chart on December 31, 2014



Board of Directors

There are 10 Directors on the Board.

Name	Title
Mr. Viroj Thanalongkorn	Chairman
Mr. Bunchai Punturaumporn *	Director
Mrs. Suchanya Thanalongkorn	Director
Mr. Apisit Jongkittipong *	Director
Miss Somsri Sripatoomrak *	Director
Mr. Amorntep Asepunya *	Director
Miss Vachirawan Yamsri	Director
Miss Rawewan Peyayopanakul	Director and Chairman of Audit Committee
Mr. Somchai Vanavit	Director and Member of Audit Committee
Mr. Yuthana Adipath	Director and Member of Audit Committee

* Are the Directors of the subsidiary

Attendance of the Board of Directors and Board committees in meetings

Name	Board Meeting 2014		
	(Total Meetings / Attendance)		
	Directors 4 times attendance in total	Audit Committee 4 times attendance in total	Managerial Committee 12 times attendance in total
Mr. Viroj Thanalongkorn	4/4	-	12/12
Mr. Bunchai Punturaumporn *	4/4	-	12/12
Mrs.Suchanya Thanalongkorn	3/4	-	12/12
Mr. Apisit Jongkittipong *	4/4	-	12/12
Miss Somsri Sripatoomrak *	4/4	-	12/12
Mr. Amorntep Asepunya *	4/4	-	12/12
Miss Vachirawan Yamsri	4/4	-	12/12
Miss Rawewan Peyayopanakul	4/4	4/4	-
Mr. Somchai Vanavit	4/4	4/4	-
Mr. Yuthana Adipath	3/4	3/4	-

Remark * Are the Directors of the subsidiary

Mrs.Suchanya Thanalongkorn did not attend AGM 2/2014 due to mission aboard.

Mr. Yuthana Adipath did not attend AGM 3/2014 due to a mission.

Authorized Directors as per Certificate of Company Registration

On May 3, 2007, the Extraordinary Meeting of Shareholders No.4/50 passed the following resolution: Out of the 5 Directors, namely Mr. Viroj Thanalongkorn, Mr. Bunchai Punturaumporn, Mr. Apisit Jongkittipong, Mr. Amornthep Asepunya and Miss Somsri Sripatoomrak, any two of them may jointly sign their names and affix the corporate seal to legally bind the Company.

Executives

The Company's executives comprise 5 members, whose names are listed in the table below:

Name	Title
Mr. Bunchai Punturaumporn	Managing Director Deputy Managing Director for Operations (Caretaker) Deputy Managing Director for Production (Caretaker) Director of Overseas Sales (Caretaker) Director of Human Resource (Caretaker)
Mr. Apisit Jongkittipong	Deputy Managing Director for Finance and Accounting (Caretaker) Director of Finance and Accounting (Caretaker)
Mr. Amornthep Asepunya	Director of strategic and Business Development
Miss Somsri Sripatoomrak	Director of Domestic Sales Director of Purchase and Production Preparation (Caretaker)
Ms.Vachiravan Yamsri	Director of Production and Production Engineering

Remark Education background, training history, and company's related major experience can be found on attached document 1.

Company Secretary

On November 13, 2013, the Board Meeting resolved in favor of appointing Miss Vaja Mukto as the Company Secretary instead of Miss Nuanchan Hansakulbunterng who resigned due to retirement, to be responsible for the following matters for and on behalf of the Board of Directors or the Company:

- Provide fundamental suggestion to the director related to law and regulations about securities and company's regulation and follow up on compliance including major changes which could affect directors.
- Arrange a meeting of shareholders and board in accordance with the law, regulations of the company.
- Preparation of the shareholders of the company and the follow up to practice properly.
- Take care of disclosure and reporting information in the related regulations and requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand (SET).
- Establish and maintain the following documents
 - Registration Committee
 - Board of Directors meeting Report of Board of Directors ' meetings and annual reports. Of the company.
 - Notice of the shareholders' meeting and shareholders' meeting report.

○ Annual Report Form (56-1) and Annual Report (56-2)

- Keeping stakeholders report from the directors or executives.
- Perform other duties as prescribed by the Capital Market Supervisory Board
- There is also a duty of care activities of the board and ensure that the Board of Directors and its practices to ensure compliance with laws and regulations.

The attributes of the person holding the position of company secretary is shown in Appendix 1.

Remuneration for Directors and Executives

Remuneration for Directors and Executives of year 2014 has been approved by AGM according to the proposal of the board of directors which considered by comparing data of the same industry, business expansion, and overall operation, including power, roles, and responsibility.

Financial Reward

In 2014, the Directors and Executives were remunerated as follows:

Name	2014	
	Description of payment	Amount (Million Baht)
Director (as Director)		
- Mr. Viroj Thanalongkorn	- Remuneration to Chairman	0.36
	- Remuneration to Director	0.12
	- Reward to Director	0.40
- Mr. Bunchai Punturaumporn	- Remuneration to Director	0.12
	- Reward to Director	0.24
-Mrs.Suchanya Thanalongkorn	- Remuneration to Director	0.05
	- Reward to Director	0.09
- Mr. Apisit Jongkittipong	- Remuneration to Director	0.12
	- Reward to Director	0.18
- Miss Somsri Stripatoomrak	- Remuneration to Director	0.12
	- Reward to Director	0.18
- Mr. Amornthep Asepunya	- Remuneration to Director	0.12
	- Reward to Director	0.18
-Miss Vachirawan Yamsri	- Remuneration to Director	0.12
	- Reward to Director	0.18
- Miss Rawewan Peyayopanakul	- Remuneration to Chairman of Audit Committee	0.06
	- Remuneration to Audit Committee	0.06
	- Remuneration to Director	0.12
	- Reward to Director	0.12
- Mr. Somchai Vanavit	- Remuneration to Audit Committee	0.06
	- Remuneration to Director	0.12
	- Reward to Director	0.12
- Mr. Yuthana Adipath	- Remuneration to Audit Committee	0.06
	- Remuneration to Director	0.12
	- Reward to Director	0.12
Directors & Executive (as Executive)	- Salary, position allowance and fuel allowance, cars, and bonuses.	35.69
	- Remuneration to Director	0.36

In 2014, the Company's stipulation of the remuneration is equivalent to 2013 of which the basic remuneration of all Directors is equally the same with an extra payment of additional responsibilities with the followings details.

Title	Remuneration (Baht/ Month)
Director	10,000
Chairman of Board of Directors	30,000
Chairman of Executive Committee	5,000
Chairman of Audit Committee	5,000
Executive Director	5,000
Member of Audit Committee	5,000

The Directors' bonus is not over Baht 3 million per year with the quarterly payment and the Directors have the authority to allocate and stipulate the shares among themselves.

Other Fringe Benefits for Directors and Executives

- Six vehicles are provided for use by the Executives in the Company business.
- Provident fund is provided for employees who are the fund members. Contributions by employees and the Company are at the following rates:
 - Department Manager and Director Salary scale 3, 4 or 5%
 - Deputy Managing Director and Director Salary scale 3, 4, 5 or 6% based on the income before tax of each month

Corporate Governance

The Board of Directors understands their roles, duties and responsibilities to the Company and shareholders. They have adopted a Code of Best Practices for the Directors of registered companies according to the guidelines as set forth by the Securities Exchange of Thailand. This is to ensure effective management and accurate performance assessment, which will promote growth through the following corporate governance:

Corporate Governance Policy

The Board of Directors realize the importance of good corporate governance as set forth in the notifications of the Securities Exchange of Thailand. To ensure the Company stability and continuous growth, increase the confidence of shareholders and all interested parties and create additional value to the business in the long run, the Board of Directors have set forth the corporate governance as follows:

1. The scope of powers, duties and responsibilities of the Board of Directors and the Executives is clearly defined according to the Company management structure.
2. The business shall be operated with all the information correctly and transparently disclosed to reflect the true and fair view of the Company's performance and financial status. There shall be proper assessment and measures against risks.
3. There shall be checks and balances among all departments and sections to allow audit and ensure transparency.
4. Excellent quality products shall be turned out to meet the demand in the markets and for the satisfaction of customers. Customers' views or complaints are welcome for product development and improvement.
5. Through training, the Company install moral virtue in employees that they will grow with the Company.
6. The ownership rights of each and every shareholder are equally well aware of and respected.
7. In the operation of our business, the Company bears in mind our responsibility to shareholders, interested parties, the society and the environment.
8. Anti-corruption and never pays a bribe for the business benefits. No violation of intellectual property rights. Respect for the law and human rights.

Subsidiary of the Committee

The company's Board of Directors has provided the Committee with appropriate expertise on each side to be responsible and help increase the performance of the company's Board of Directors, which consists of the Audit Committee, the Executive Committee, and the Remuneration Committee. The composition and functions of the Committee are detailed as follows:

1 Audit Committee

The Audit Committee is composed of 3 independent directors who are qualified according to the requirements of the The Securities and Exchange Commission (SEC) with the term 2 each year.

The Audit Committee is composed of 3 persons.

Name	Title
Miss Rawewan Peyayopanakul	Chairman of Audit Committee
Mr. Yuthana Adipath	Member of Audit Committee
Mr. Somchai Vanavit	Member of Audit Committee

* Remark : 3 persons above of the Audit Committee have knowledge and experience in the review of the company's financial statements (detailed educational background and experience of the Audit Committee are in Appendix 1, details about committees, executives, authorized persons, and secretary).

Scope of Power and Duty of Audit Committee

- 1) To conduct audits of financial reports and ensure the correctness and completeness thereof.
- 2) To conduct audits and ensure that the Company has a suitable and efficient internal control system; to ensure that the internal audit remains independent; to provide opinions on appointment, transfer and removal of the Head of Internal Audit Department or other persons responsible for internal audit.
- 3) To conduct audits to ensure that the Company complies with the law on securities and stock exchange and the regulations of the Securities Exchange of Thailand and other applicable laws.
- 4) To nominate independent persons as the Company's auditor and propose the remuneration thereto, and to attend meetings with an auditor with the absence of the management, at least once a year.
- 5) To examine connected transactions or transactions with conflict of interest to ensure compliance with laws and the regulations of the Securities Exchange of Thailand, and to ensure their justification and the Company's maximum benefit.
- 6) To prepare an Audit Committee's report, signed by the Chairman of the Audit Committee, which shall comprise, at least, the following details.
 - (a) The views on the correctness, completeness and reliability of the Company's financial report.
 - (b) The views on the efficiency of the Company's internal control system.
 - (c) The views on compliance with the law on securities and stock exchange and the regulations of the Securities Exchange of Thailand and the other laws applicable to the Company's business.
 - (d) The views on the suitability of the auditor.
 - (e) The views on transactions that may involve conflict of interests.
 - (f) The number of meetings of the Audit Committee and the attendance of each member.
 - (g) The views or remarks on performance of duties pursuant to the Charter.
 - (h) Other transactions that the shareholders or investors should know, subject to the scope of duties and responsibilities as set forth by the Board of Directors.
- 7) Performance of other duties assigned by the Board of Directors, subject to approval of the Audit Committee.

2. Executive Committee

The Executive Committee is responsible for managing the company's affair, suggestion for problem solving, and critical evaluation of the operations of the company and subsidiaries to effectively operate in order to meet the objectives that have been defined.

Composition and appointment of the Executive Committee

The Board of Directors is appointed by the Executive Committee elected from the membership of one of the company.

The company's Board of Directors is composed of 5 persons.

Name	Title
Mr. Bunchai Punturaumporn	Chairman of Executive Committee
Mr. Apisit Jongkittipong	Executive Director
Miss Somsri Sripatoomrak	Executive Director
Mr. Amornthep Asepunya	Executive Director
Miss Vachirawan Yamsri	Executive Director

Scope of Power and Duty of Executive Committee

- 1) To set policies, guidelines, strategies and principles for business operation in line with targets set by the Board of Directors, and has the authority to act according to the policies of the Board of Directors, subject to laws, rules, regulations and Articles of Association of the Company.
- 2) To set forth organization structures and administrative powers covering recruitment, transfer, training and termination of employees, except for the positions of the Chairman of the Executive Committee and the Managing Director.
- 3) To consider a budget allocation proposed by the Managing Director for submission to the Board of Directors for approval.
- 4) To investigate and monitor policies and directives on the management as set forth by the Company to ensure efficient performance.
- 5) To consider business investment related or unrelated to main businesses before submission to the Board of Directors for approval.
- 6) To consider approving applications to financial institutions for loans or credits and repayments thereof or repayments for the Company's usual transactions, e.g. payment for investment, purchase of land with or without structures, purchase of machinery and other assets, and payments for various operations, the amount of which, for each item, not exceeding 30 million baht (submission to the Board of Directors for acknowledgement); or seeking approval of the Board of Directors for payment exceeding the said limit.
- 7) To consider allocating rewards, prizes or remunerations, subject to approval of the Board of Directors.
- 8) To perform other duties assigned from time to time by the Board of Directors.

The Executive Committee may, as it deems appropriate, authorize an employee at management level to approve any one or many financial transactions.

Such authorization shall not allow the Executive Committee to approve any transaction that they or other persons have vested interests in (as set forth in the Company's Articles of Association, the regulations of the Securities and Exchange Commission and Securities Exchange of Thailand) or have conflict of interests with the Company or any of the subsidiaries, except an approval of a normal business transaction as set forth by the Board of Directors. The Executive Directors or persons with vested interests or conflict of interests with the Company or any of the subsidiaries may not vote on the matter being considered.

3. Remuneration Committee

The Board of Directors meeting 4/2014 on November 13, 2014, General Assembly resolution has been appointed the Remuneration Committee in total of 4 persons which are independent directors as a Chairman of the Committee for 3 persons and a representative from the Executive Committee of 1 person.

Name	Title
Mr. Somchai Wanawit	President of Remuneration Committee
Mr. Yoothana Adiphat	Remuneration Committee
Ms. Rawiwan Pinyopanakul	Remuneration Committee
Mr. Boonchai Puntura-amporn	Remuneration Committee

Scope of Power and Duty of Remuneration Committee

Duties and responsibilities of the Nominating Committee

Determine the criteria and methods for nominating directors while considering the qualifications of the person who will be nominated to the Board of Directors positions, both in terms of individual status, knowledge and experience, and the expertise to select qualified people into consideration in the nomination to propose at the meeting of the Board of Directors and/or shareholders to consider the appointment.

The duties and responsibilities of the Remuneration Committee

Determining the pay, bonus, allowances, bonuses, other benefits of the Board of Directors and other Committees and presented to the meeting of Board of Directors and shareholders for consideration and approval.

The duties on the basis Remuneration Committee is set to report to the Board of Directors on a regular basis. The meeting is set for at least twice a year.

Nomination of Directors and Executives

The Executive Directors or Executives of the Company shall be appointed by the Board Meeting without being nominated by the Recruitment Committee, as presently the Company has no Recruitment Committee. However, the Company has a policy to recruit persons who can make useful contributions to the Company. The appointment and removal of the Directors shall be done as follows:

- 1) The Meeting of Shareholders shall appoint the Directors by majority vote as follows.

- 1.1 The number of votes that each shareholder may cast shall be equal to the number of shares that he holds.
 - 1.2 Each shareholder may cast all of his votes according to Item 3.1 to elect one person or many persons as the Director, but he may not cast too many or too few votes for anyone.
 - 1.3 The persons who have received the highest votes in descending order shall be appointed the Directors in the number that the Meeting of Shareholders has to choose at that time. In the event of a tie between or among the persons in the next order exceeding the number of the persons to be chosen at the meeting, the Chairman of the Meeting shall cast a ruling vote
- 2) In the event that an office of the Director is vacant for reasons other than end of office term, the Board of Directors, shall, at the next Board Meeting, with a majority vote of at least three quarters of all the votes, appoint as a Director a person who has no undesirable qualities as set forth in the Public Company Act, unless the remaining office term is less than two months. The newly appointed Director shall be in office for the remaining office term of the person he replaces.
 - 3) By majority vote of at least three quarters of all the votes of the shareholders present and eligible to vote, whose shares are not less than half of the shares held by the shareholders present and eligible to vote, the Meeting of Shareholders may remove any Director from office before the end of his office term.

Qualification of the Committee

Individuals who are appointed as the directors of the company would have knowledge, capability and be ready to work in their duties. Minimum qualifications are in the following points:

1. Qualified and not prohibited under the Securities Act or the Exchange Act or the regulations of the Securities and Exchange Act. They must not show a lack of suitable to be entrusted with the management of the Company's shareholders according to the criteria of SEC.
2. Have knowledge, skills, or experience in related business or financial accounting, management, or other that the board deems appropriate. At least 1 person as a non-executive director have to work related to the Company's business.
3. Able to devote their time to the company as a Committee and perform duties in accordance with their responsibilities to the fullest. In particular, critical decisions and to act for the benefit of the company and joined the Board of Directors' meetings and shareholders' meetings at any time, unless required, or force majeure.
4. Has moral, ethical, and any other attributes that may be further defined in accordance with the law or as appropriate of the Committee.

For an individual to be selected as the independent Director, the Nomination Committee will consider the qualifications of independent directors, which meets the requirements of the The Securities and Exchange Commission (SEC), the Company defines "independent Director" as the following attributes.

1. Hold no more than 1 percent of shares with voting rights of the Company, its subsidiaries, affiliates or potential conflict of interest. Shall be inclusive of the shareholders of the company's independent directors as well.
2. Not or has never been a Director who participates in management, staff, employees, and consultants that have regular salaries or control authority of the Company, subsidiaries or joint subsidiaries in the same sequence, or the legal entity that may be conflicts unless it is from these characteristics and not less than two years before the appointed day.
3. Not related by blood or by registration under the law in such a way as parents, spouse, sibling, child, or spouse of a child of the major shareholders, controlling shareholders a person who has been nominated as the management or control of the company or its subsidiaries.
4. Never have a business relationship with the Company, its subsidiaries, affiliates or potential conflict of interest. In a way that may interfere with their independent judgment. Including not or never was the major shareholder of which is not independent. Or management Of those who have a business relationship with the Company, its subsidiaries, affiliates or potential conflict of interest. Unless it is clear from the manner for not less than two years prior to the appointment.
5. Not being or having been an auditor of the Company, its subsidiaries, affiliates or potential conflict of interest and not the major shareholders, directors who are not independent, executive, or managing partner of the audit for auditors of the Company, its subsidiaries, affiliates or potential conflict of interest belongs. Unless it is clear from the manner for not less than two years prior to the appointment.
6. Not or never was any professional service, including serving as a legal or financial consultant which has been charged more than two million baht per year from the Company, subsidiaries, affiliates or potential conflict of interest. Also a professional is a legal entity that includes the shareholders, directors, non-executive independent directors or management of professional services as well. Unless it is clear from the manner for not less than two years before the date of appointment.
7. Not appointed as a Director to be a representative of the company, major shareholders, or shareholders who are related to the Company's major shareholders.
8. No other characteristics that make it impossible to provide an independent opinion about the company's operations.

Supervising the operation of the subsidiaries and associated companies

The company's Board of Directors is responsible for setting the vision, strategy, business plans and management policies in the subsidiaries by the company shareholders in the subsidiaries 99.90 percent. The Company has policy to supervise the operations of its subsidiaries as well as companies with the management of the company that is the authorized

Director and managed subsidiaries in order to meet the approval of the Board of Directors of the company to determine vision, strategy, policy and business plan and budget of the company. By appoint meetings of a Director of a subsidiary or associated company on a regular basis to oversee its subsidiaries to meet its goals, control in terms of financial policy and operations of the subsidiary closely, and ensure that companies are able to monitor operations of its subsidiaries effectively and compliance with internal control system the company has defined an important criterion as follows:

- The company has a policy that its subsidiaries have appropriate and adequate internal control systems by the Office of Internal Audit of the Company to monitor and control internal of subsidiaries on a regular basis.

- The company has set the direction for the operation of a subsidiaries about a major disclosure information based on various criteria between the company and its subsidiary or subsidiaries with external parties such as related transactions, acquisition or disposal of assets or any other important items to complete properly.

- No agreement between the company and other shareholders in the management of its subsidiaries

Policies and Methods of Use of Internal Information

See details on the subject of compliance with corporate governance practices on other issues.

Auditor remuneration

According to Public Limited Company Acts, The Securities and Exchange Commission conduct, and company's regulation which authorized shareholders' common meeting appoint Auditor and determine company audit cost annually. Including, the Stock Market Control Committee Declaration (ทอ. 11/2552) about the principle, condition, and report procedures of reveal public financial status and overall operation of issued shares company Section 7(7) identify that the issuing company which have to rotate auditors. If the auditor audited, review, and commented on the financial statements of the Company for the past 5 consecutive periods, The Company can appoint a new auditor, which can come from the same audit firm as the previous auditor.

In 2013, the Shareholder meeting decided to appoint Professor Kessaree Narongdech or Miss Natsarak Sarochananjeen or Mister Chaiyut Angsuwittaya or Mister Sumitr Korpiboon, licensed auditor number 76, 4563, 3885, and 4885 consequently form A.M.T. Associate firm to be auditors of the company and the subsidiary. The remuneration concluded as 830,000 Baht. The auditors of A.M.T. Associate firm performed well comply with the standard and expert in audit. The auditors are freely and do not have any relationship to the Company, subsidiary, CEOs, major shareholders or any relevance of these people.

Auditor remuneration Table

Unit : Baht

Fee	SABINA Public Company Limited	SABINA Fareast Company Limited
2014 Audit Fee		
- Financial audit in each company	420,000	330,000
- Overall Financial Audit	80,000	-
Annual Stocks Audit - Factory	40,000	50,000
Annual Stocks Audit - Branch	-	20,000
Financial Review for Q1, Q2, and Q3	360,000	240,000
Review report according to Investment Promotion Card (1 Copy)	50,000	
Miscellaneous (transportation, postal service, fax, etc.)	Actual paid amount	Actual paid amount
Total	900,000	640,000

Good Corporate Governance

Chapter 1. The rights of shareholders

The rights of shareholders – The shareholding structure shall be clear and fair. The board of directors, executives and major shareholders shall not have conflicts of interest. The management shall protect investors' rights and treat shareholders equally.

Every shareholders have rights and equity as follows.

1. The right to acknowledging the information about operating performance and business policy, both regularly and in a timely manner through the Stock Exchange of Thailand and the Company's website at www.sabina.co.th
2. The right to receive the share certificates, transferring shares, and receive profit sharing
3. The right to propose the agenda and a person to be nominated as Director. The company has made the rules in the proposal as published on its website at www.sabina.co.th and through the Stock Exchange of Thailand.
4. The right to send questions to ask various issues of agenda presented in general meeting of shareholders in advance. By able to send questions in advance to the Secretary of the company E-mail: vaja@sabina.co.th Fax: 02-4345911 and published of such rights on the web site of the company at the www.sabina.co.th
5. The right to submit a question for the issues presented in the agenda of the General Meeting of Shareholders in advance. You can submit questions to the Company Secretary Email: Vaja@sabina.co.th Fax: 02-4345911, and published of such rights on the web site of the company at the www.sabina.co.th

5. The right to attend the shareholders' meeting by the company shall provide the shareholders' meeting once a year, the company will provide agendas with supporting data sheet with sufficient information to shareholders in advance so that shareholders can consider in advance to attend.

6. The company has a policy to promote and facilitate shareholders, so that shareholders and institutional investors could join the meeting by the shareholders' meeting places can be reached easily and sufficient convenient mass transit system has access.

7. The company also added channels to publish invitation to shareholders' meeting, documentation for the agenda of the shareholders' meeting, as well as the form of authorization, and any other information required by both Thai and English languages in advance on the website of the company www.sabina.co.th before sending it to the shareholders in order to decide about the exercise of right to vote and publishing a report to shareholders via the company's website.

8. To represent the treatment of their rights, the shareholders can proxies to another person or the independent director of the company to vote for if shareholders could not attend by him/her.

9. The company facilitates all shareholders equally by providing details on the conference, including how the votes of the shareholders to vote on each item in accordance with the Company's regulation, and opportunity for all attendees to ask. Comment recommendations on each item and a summary of the resolution of the vote in every election.

10. The company provided the published proceedings through the company's website. So the shareholders can be checked without waiting for the next meeting.

Meeting of Shareholders

The Board of Directors attaches importance to the Meeting of Shareholders. The Company holds a Meeting of Shareholders once a year. The Directors who are not engaged in other important business should attend every Meeting of Shareholders. We send invitation to attend meeting, items on the agenda, proxy form and other relevant information to shareholders at least 7 days before the meeting so that they can prepare themselves to vote. Any shareholder may appoint an Independent Director or any other person as his proxy to attend the meeting and vote for and on his behalf.

1. The company has the policy to support or promote any particular shareholders, including institutional shareholders to participate in general meeting of shareholders.
2. The company provided the website to offer news and information such as quarterly financial report for the year, the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2.). As well as the invitation to the general meeting of shareholders, which contains the date and time that the agenda. Supporting the decision for each agenda item The rules that are used in meetings and procedure pronounciation completely, which is the same data that is delivered to shareholders in paper format by publishing information via the company's Web site at least 30 days before the meeting to allow shareholders to have sufficient time to study the information.
3. The company held a shareholders' meeting by facilitating a meeting place in terms of located in the city center, easy access and provide sufficient time to conduct the meeting.
4. The company open up opportunities and grant shareholders to propose the agenda of the shareholder's meeting on matters that are important and believe that the proposed list of candidates

qualified for appointment as the new Director of advance. By clearly defined operating through the company's website.

5. The company gives the rights of shareholders to submit questions on the agenda at least 1 month before the meeting via the Company's website
6. The company encourages shareholders to use the proxy form format that shareholders can assign directions to vote and nominate independent directors at least 1 person as an alternative to shareholder's proxy.
7. The company is entitled to shareholders who join after the meeting began to have the right to vote in the agenda of pending and has not voted.
8. The company provides a representative from audit firm to count of the votes in those meetings and disclosed in the minutes of the meeting and shareholders.

Presentation and Information Delivery to Shareholders

1. The Company has appointed Thailand Securities Depository Co., Ltd. (TSD) as its securities registrar to send the meeting invitation notice, documents, and other information owever, such information is published, which is the same data that the company delivered to the shareholders ' meeting and via the company's website www.sabina.co.th at least 21 days prior to the meeting. so that shareholders will have sufficient time to study the information in advance for decision-making In addition, the Company advertised meeting notices in newspapers to inform shareholders of the date, time, venue and agenda items for 3 consecutive days at least 20 days in advance of the meeting.

2. Invitation to attend the meeting consists of sufficient detail and completeness, details of the date, time, agenda which clearly stated that it was proposed to notice or consideration, documentation and objective reasons as well as the opinion of the Commission, regulations regarding the AGM, location and maps of meeting venue. Details of the documents must be submitted to the shareholders at the meeting of shareholders, which contains complete and sufficient data for the shareholders' decision to vote on each item and how to attend. To facilitate communication for foreign shareholders, the company has prepared documents related to the AGM as English too.

3. The company has prepared the agenda invitation letter completely in order to help in the decision of the shareholders. The company maintains the rights of the shareholders on entirety according to law and Regulations of the Stock Exchange and the company's articles of association, the important agenda;

- **Payment of dividends.** The Company discloses its dividend payment policy, proposed payment rate and amount comparing to net profit, retained earnings and earnings per share as well as payment rate of the previous year, together with reasons and supporting information. In case of no dividend payment, clear reasons and supporting information will be given.

- **Nomination of directors,** the Company indicates the directors' names and summarizes profile of each director to be nominated, such as name and surname, age, education background, work profile, number of companies in which such person is a director by divided into listed companies and other companies, positions in other competitor / related companies, type of director to be proposed details of his/her

meeting attendance in the previous year, and his/her term/years in office shall also be provided. So that shareholders have the right to elect directors who they truly want.

-Compensation of Directors agendas have given detailed information about the policies and guidelines in considering all forms of remuneration of Board members and Committee compensation limits set by the remuneration Committee is to propose to the shareholders ' meeting to the shareholders for approval next.

-Nomination of auditor and fixing of audit fees. The Company gives details on the names of certified public accountants and their company to be the auditor, experiences and competence as well as independence of the auditor, and qualifications acceptable as the Company's auditor and approved by SEC. Audit fees and/ or other fees (if any) will also be clearly indicated so that shareholders can consider appropriateness before making decision.

Procedure on the date of the shareholders' meeting

1. Before start of the AGM, Chairman of the meeting introduces the Board of Directors, Committees of administrators, auditors and legal counsel to the Meeting and clarifies the rules as well as the process of voting and, in the case of any shareholder to come after the conference, the company has started to provide voting rights to the remaining agenda items that have not been considered and approved by a quorum.

2. The company has adopted the technology used in the register of shareholders, voting results in order to proceed meeting fast and accurate. The company also notifies the method of voting and the counting of votes each term, the shareholders prior to the meeting of shareholders.

3. The company appointed to the board of directors, board committees and executive, joined AGM and gives the opportunity for the shareholders to ask questions or offering opinions in the shareholders' meeting, on various subjects.

4. The company is using the voting ballots for every occasion for transparency and accountability if there are arguments in the case later.

5. The company gives an opportunity for shareholders to select voting individually and provide an opportunity for shareholders to ask questions about the agenda of the meeting properly.

6. The company avoids adding other agenda that is not predefined in the shareholders ' meeting because it was unfair to shareholders who do not attend meetings.

7. The company provides a review of the vote in the general meeting of shareholders and disclosed in the Annual Report.

Procedure after the shareholders' meeting

1. The company shall make a report to the meeting of shareholders by law records the vote process and how to display the results of the meeting prior to the meeting, as well as the opportunity for the shareholders to have equal right to post comments and ask questions which company has the President issues a note or a comment or a suggestion of shareholders

and voting results in each agenda whether shareholders agree, disagree and no vote including the names of the attendees and non-attendees. In the Meeting report would be published on the company's website in both Thai and English languages.

2. The company would reveal resolution of the shareholders with the result of the vote on the next business day from the date of the meeting. Informed via the Stock Exchange and published on the website of the company.

3. The Company follows the guidance of an assessment of the Shareholders' Meeting (AGM Checklist), prepared by Thai investors Association.

4. The company would record accurately and completely so that shareholders can be checked. The record consists of the Board of Directors and executives in attendance details, how to vote, counting, comments and questions of shareholders, statement of Directors, including the resolution clearly. And the company would deliver a report to the Stock Exchange within 14 days from the meeting. And such reports would be published on the website of the company which conclude meeting of shareholders's video and audio.

Chapter 2. Equitable Treatment of Shareholders

The Company recognizes the importance of shareholders and supervises the execution of all shareholders equally and fairly as follows.

1. The proposed agenda and nominate persons to be appointed as directors

The company gives opportunity for the shareholders to propose additional agenda ahead and nominate a person to be considered as an advance on the basis of the Board of Directors at the company according to the criteria. Both would be published through the Stock Exchange and the company website prior to the shareholders' meeting on December 1, 2014 to December 31, 2014, ranging from the November 14, 2014.

2. Proxy to attend shareholders' meetings

In the case of shareholders are not able to attend self. The company allows shareholders may appoint any other person Independent director of the company or to attend the meeting instead. In order to maintain their rights and introduce the methods and steps in the proxy clearly as the company delivered with the proxy pattern B. which shareholder can determine the direction the vote. In case of foreign shareholders, the company has sent invitation letter, English version and proxy pattern C to facilitate foreign shareholders, and can be seen from the company's website.

3. Determining the right to vote at the AGM, the company has granted to the shareholders to vote according to the number of shares held by each share is entitled to one vote. And do not share any privileged to limit the rights of other shareholders.

4. Each agenda voting done openly and every agendas used of a ballot and collected the ballot only if the shareholders do not agree or no vote except the election of directors. Every agenda would collect the ballots of all shareholders attending the meeting by using a barcode in the vote on each agenda.

5. Policies and Methods of Use of Internal Information

It is our policy to prevent our Directors and Executives from using information on securities trading and other confidential information for their personal gains, the details of which are as follows:

1.) Firewall and antivirus program are used to prevent unauthorized access to our information and to protect our data.

2.) For security reason, access levels are set in each computer program for different employees.

3.) A clause concerning storage of internal data and prevention of access thereto is included in the contract of employment, work regulations, management policy, work procedures, stating that the Company's undisclosed confidential information may not be used for personal gains or for the benefit of outsiders.

4.) We shall notify our Directors and Executives of the confidential information and order them not to trade any company's securities during the period of one month before disclosure of our financial statement to the public. Making any transaction during that period constitutes a breach of discipline. The penalties vary from verbal warning, written warning, and suspension from work or dismissal. The offender will be required to reverse the transactions and donate the profit to charitable organizations.

5.) The persons from outside, who take part in the audit or make transactions that may affect the price of the Company's securities, must make a non-disclosure agreement with us, which will be in force until we disclose such confidential information to the Securities Exchange of Thailand and Securities and Exchange Commission.

6) The Company's shareholding structure is not complicated. Almost of all transactions occurred a normal business transaction.

7) The company operates in accordance with the law, requirements of the Exchange Act, the Securities and Exchange Commission, rules and procedures of transactions, and rules for the acquisition and disposition of assets.

Chapter 3 Roles to Stakeholders

1. Rights to Stakeholders

The Company is aware of the rights of stakeholders and has a policy to ensure the importance of those rights by the appropriate prioritization of all stakeholders, which are shareholders, employees, executives, customers, partners, creditors, society and the general public. Cooperation between stakeholders shall be made according to their roles and responsibilities so that the Company can run smoothly and strongly in order to fairly benefit all groups of stakeholders. The company also made commitment to social and environmental sustainability, anti-corruption, do not infringement of intellectual property and copyright, and respect for human rights.

Shareholders

Through our knowledge, ability and integrity, we intend to make our business grow steadily for the long-term benefit of shareholders and the protection of our properties and interests. We regularly present correct and complete performance reports so that shareholders are kept abreast of all the latest developments. We pay dividend regularly and avoid any conflict of interests.

Customers

We intend to establish brand loyalty and ensure customer's satisfaction. Through innovation, we constantly add value to our products and services to meet the requirements of customers of all age groups. We have many salesclerks in

leading shops and department stores nationwide; they are happy to send customers' feedback and complaints to us, and we always treat all customers' complaints fairly.

Employees

Employees are valuable resources and the key to the success of the organization. We provide training to our employees to improve their knowledge and ability so that they will make achievements in their career. We offer our employees the opportunity for advancement on the basis of their potential. We also allow our employees to set directions for the Company's operation and growth. We pay our employee fair salaries – commensurate with their knowledge, abilities, responsibilities, performance, the way they maintain good working conditions, safety to lives and properties. We take care of our employees in respect of safety and provide them with staff welfare such as;

- First Aid Room
- Annual medical checkup
- Special price product to relieve employee cost of living
- Uniforms
- Provident Fund
- Emergency loan for employee in low rate interest
- Training and conference both on-site and off-site for employee development
- Sending employee to inspect domestic and aboard

Trading Partners and/ or Creditors

We strictly comply with the terms and conditions of the contracts with our trading partners and/or creditors. We do not demand or accept any property or interest dishonestly. We only create good relations and mutual understanding while exchanging knowledge in joint effort to develop value added products and services.

Society and Environment

In the operation of our business, we avoid the impact on the environment and the dissipation of natural resources. We constantly instill in our employees the sense of responsibility for the community and society. We sponsor activities that are useful to the community and society. We do not support illegal acts or the acts that are the threats to society or cause losses and damages to the country or undermine national security.

Competitors

We compete fairly according to the rules. We do not engage in any industrial espionage or compete with other firms by improper or illegal means.

1. Non-infringement of intellectual property or copyright.

The company has policies and practices relating to any infringement of intellectual property rights. The directors, management, employees of the Company, and all its subsidiaries operate under the Code of Conduct on the subject of intellectual property or copyright. By protecting the intellectual property of the company not to be violated, and avoid infringing the intellectual property of others. The company has never been reported complaints about violations of intellectual property or copyright.

2. The anti-corruption and bribery for business

The Board has policy to fight against corruption. The company has signed a commitment in the Private Sector Collective Action Coalition against Corruption. Along with the Directors, executives and employees of the Company and its subsidiaries are all performed in accordance with the fight against corruption. The policy focused on raising awareness for employees and executives at all levels of the negative effect of corruption include creating good values to develop an accurate and transparent monitoring effectively without causing a risk of damage to the business. The company also set policies relating to fraud against corrupt clearly in order to prevent such problems and operating according to the relevant laws and regulations. The company has set its managing director, employees, and subsidiaries to comply with all Anti-corruption policies as follows.

- Emphasis on cultivating the consciousness of employees and managers at all levels. Aware of the consequences of corruption, including creating good values to organizational development, fidelity must be transparent, and can be monitored efficiently.
- Determine to company directors and employees to follow the policy against corruption without getting involved with the corruption, whether directly or indirectly. For the benefit of the company towards themselves, family, friends, and acquaintances.
- Create a system of internal controls to prevent fraud. That will result in transparency and good corporate governance, occurs as the concrete and can be checked.
- The Company has taken steps to protect the complainant that complaints will be stored as the confidential. And safety of the complainant is significant. He/she will be protected from unfair practices.
- Corruption is the abuse of the company's business which must be punished by regulations of the company and also the common law if the action is illegal.
- The company is aware of the importance of communication and public relations in order to build knowledge and understanding of the Board of Directors and employees, as well as those who are involved with the company in accordance with the policy against corruption.

However, policies, practices, including the creation of internal control system are to prevent corruption. It will result in transparency, good corporate governance, concrete practice, and able to be inspected. From such of standard is to fight against corruption includes finding appropriate solution. The channel a report or complaint to the Audit Department of the company, and independent director of the company by the company has published such policies on the company's website www.sabina.co.th

3. Communication channels

The company has a channel for stakeholder can send suggestions, comments or questions, including complaints to the company through the company secretary E-mail address: vaja@sabina.co.th or the Investor Relations E-mail address:

amornthep@sabina.co.th Phone 02-4229400. Mailing address is Sabina Limited (PCL), No. 12, Arun Amarin, Arun Amarin Bangkok 10700

However, in the case of a key point or that may cause damage to the company. The Secretary will bring about such offer to the board of directors.

4. The protection of whistle-blower complaints practices.

The company has provided practices of whistleblower complaints on illegality, code of conduct or behavior that may indicate the misconduct of the staffs in the organization, related persons, and stakeholders.

Channels for complaints

Internal Audit Department

E-mail address : GRP_AUDIT_HO@SABINA.CO.TH

Telephone :02-4229400 ext. 9309,9404

Postal address: Internal Audit Department

Sabina Limited (PCL)

No. 12, Arun Amarin Rd., Arun Amarin

Bangkok Noi, Bangkok 10700

The company also provides channels for complaints for stakeholders to report the offense, unethical acts of the company and executives, the behavior implied fraud, and inequality treatment through the following channels:

Postal address: President or the Chairman of the Audit Committee.

Sabina Limited (PCL)

No. 12, Arun Amarin Rd., Arun Amarin

Bangkok Noi, Bangkok 10700

All claims for the common operation will be kept confidential to the Chairman of the Executive Board and / or the Internal Audit Department. The Company will not disclose any information, clues, and impartial complaints of mistreatment of senior management will be kept by the secretary of the Audit Committee, to report directly to the Audit Committee and the company will carry out the following steps.

The company had no record of violating labor law, employment, consumer, competition and environment.

Chapter 4. Information disclosure and transparency

1. Information disclosure

The company has revealed important information of various related companies, accurately and timely in the annual report including explanation and analysis of the management of various news through the website and the securities market the company's website www.sabina.co.th both Thai and English.

2. The preparation of the financial report

To show the responsibility to prepare financial statements that are required to be sufficient transparency to the Board of Directors, which is responsible for the company's consolidated financial statements and the financial information that appears in the annual report has been prepared in accordance with accounting standards generally accepted. By using the

appropriate accounting policies and practices on a regular basis, as well as the disclosure of important information in notes to the financial statements, the assembly had considered and reasonable prudence in preparing financial statements by the Board of Directors have been appointed to the Audit Committee, which is comprised of independent directors to act responsible about the quality of the financial reporting and internal control systems.

3. The company has announced a policy, regulatory affairs, and ethic in business, company's directors, executives, and employees. Written and published through the company website.

4. The company's Board of Directors has established a social and the environment responsibility policy by promoting and supporting the execution of policy consistently and regularly (based on CSR report, point number 10).

5. The company has to disclose the transaction. The company abides by the rules of the Securities and Exchange Commission and discloses details of transactions, individuals who are making transactions, relationship of terms / policies between price and value (details in Connected Transactions report point number 12).

6. The company has a policy that directors of the company must be reported to the buy-sell shares/securities holdings of the company to be informed by the Board of Directors at all times.

8. Remuneration of Directors and executives

The remuneration of the Board of Directors is clearly transparent by comparison with the company in the same industry to be able to attract and retain directors who are knowledgeable. Remuneration of Directors is also proposed for approval by the shareholders ' meeting every year.

For the executives ' remuneration is in accordance with the principles and policies set by the Board of Directors which linked to the performance of the company and the performance of individual persons (Total remuneration for directors and executives is revealed in the Management structure report in remuneration section of the Board of Directors and executives)

9. Investor Relations

Board of Directors give priority on the disclosure of information, both financial and non-financial information that is adequate, transparent, timely and thorough with the Company's disclosure information, news to shareholders, investors and those involved have been informed via the company's website. www.sabina.co.th so shareholders can access information easily and quickly, such as the nature of business financial statements, shareholding structure, organizational structure, annual invitation to AGM, and other necessary information.

In addition, the company has been established the Investor Relations department to provide data and information activities of the company with investors, shareholders, analysts, and the general public which manage by Mr. Amornthep Asipanya via email ir@sabina.co.th and amornthep@sabina.co.th or phone call. 0-2422-9400.

The company has no record of the past on ordered to edit the financial statements by the SEC as well as has revealed the annual financial statements and quarterly to shareholders and investors within the deadline

Chapter 5. Board of directors' roles and responsibilities

The Board of directors of the company has an important role in corporate governance for the benefit of the company. They are responsible for the duties of shareholders and independent from the management.

5.1 The structure of the Board of Directors

The Board of Directors consists of 10 members of the Non-Executive Directors of 5 people (a total of 3 independent directors, 1 must be female) and the Executive Directors of 5 persons.

The board of directors of the board structure to contain a variety of qualified directors. They must have knowledge, ability, experience, plus integrity and ethics that respected and trusted by companies with segregation and responsibility in the performance of the company clearly

The Board of Directors elected by the shareholders ' meeting, has fixed term by the regulations of the company provided that in every annual general meeting. The directors could hold the position as long as they retire, or reached the term. They may be elected back into the Board as directors, and there is no possibility of any Directors to be in more than 5 of different registered companies. The company still do not have a policy to determine the number of years in the position of independent Director independent Committee, however, everyone who holds the position of the companies also have a term of no more than 9 years

The company did not have a Director or senior management of the company as an employee or partner of the company's external audit firm to service in the period of 2 years.

On the Board of Directors of the company, there are no Executive Directors to be Director in other listed companies more than 2 companies

On the company's Board of Directors, there are non-executive directors more than 1 person that has experienced a work related to the company's business.

-There was no guilty record of the company's Board of Directors.

-The company did not have a record of doing against SEC regulations, and securities markets.

5.1.1 The tenure of directors and executive director elsewhere

For the directors to fully devote time and effort to perform their duties, Board of Directors has established a limited number of companies that each director be appointed as follows.

1. The company's Board of Directors has set the policy to the Director of another listed company Chief Executive Officer (CEO) of the company no more than 2.

2. The Board of Directors of the company directors has policy allowed person to be Director in other listed companies no more than 5 companies but does not define as Director in a company that is not registered.

3. In case of any member of the Company required to be directors of other companies more than 5 places shall inform of the reason and to perform such duties in the Annual Information Form (56-1) and annual reports (Form. 56-2). So far there is no record of the company's Board of Directors held the director for more than 5 listed companies.

5.1.2 Balance of power of the board

The structure of the Board of Directors on December 31, 2014 consists of 5 Executive Directors.

Director who meets the definition "Independent directors" of the Board of Directors of the Securities and Exchange Commission and the Stock Exchange of Thailand. 3 Persons served as member of the Audit Committee of the company.

At every annual general meeting, directors retire 1 of 3 which are or close to 1 of 3 of the company's regulations. When directors have reached an agenda, they might be elected next term.

5.1.3 Integration or Segregation of position

The company has a split of authority by the approval authorities and implementation of the company is clearly the type of transaction. It is divided into categories according to the agency, including manufacturing, accounting, and finance, human resource, sales in the country and abroad, and more. By including in the authority hierarchy and perform No. 1/2549, dated September 1, 2006.

The roles and responsibilities are different between the Chairman and Managing Directors. the Company has determined that the Chairman of the Company would not be the same person as the President to be clear separation of duties. It contributes to the balance of authority and the board of directors are free to express their opinion on the operations of the Company and supervise the implementation of the management to be effective, transparent and verifiable. However, the Chairman is not an independent director but act with independence, opportunity for all committee members are free to practice and express their opinion on the operations of the Company plus suggestions that are beneficial to the Company.

Authority of the Chairman and Managing Director

The Board has the duties and responsibilities for the Chairman and the Managing Director who authorized to carry a variety of companies which can be summarized as follows

Duties and responsibilities of the Chairman

The Chairman of the company is responsible for the policy and administrative management, tracking business plan and operation, advice and assist but do not participate and interfere with the normal operations of the day. In addition, the Chairman of the company must have the leadership by not influenced by the administration and managing departments. The Chairman holds the president position the meeting of the Board of Directors meeting and shareholders' fairness, support and encourages attendees to use rights and compliance with corporate governance principles strictly and efficiently.

By defining the composition, size and structure of the Board of Directors of the company to induce a balance between Executive Directors and independent directors.

Arrange the participation of Executive Directors, Non-executive directors, and independent directors on the activities and processes of the Board of Directors for decision.

Provide assessment and develop a portfolio of the company's Board of Directors on a regular basis and look forward to collaborating directors and directors' performance.

Duties and responsibilities of Managing Director

The Managing Director is responsible for routine administration in order to meet the objective complied with regulations policy statements, resolutions of the Board of Directors, and/or resolutions of the Board of Directors and/or the shareholders' meeting resolutions.

1. To provide preparation of business policy, business plan and budget for presentation to the Board of Directors for consideration and approval, and is obliged to report the progress of the business plan, the approved budget as approved by the Board of Directors in accordance with the defined period.

2. Manage the company's business operations in order to comply with the company's business policy. Business plans and budgets to achieve the financial goals that were approved by the Board of Directors.

3. Set resource allocation target for operation to comply with the management policy. Ensuring that the overall business growth of the company under the objectives and business plan.

4. Set review and strengthen the Organization's standards, there is a pure competition, which is something that is essential to the competitiveness and to create value for organizations with the ongoing work with personnel and products.

5. Provide analysis of the current situation and circumstances that might occur in an industrial worldwide to forecast future changes within the industry and change the company's strategy.

6. Consider and approve the appointment of packing withdrawal Migration to consider disciplinary measures, credit, as well as remuneration and employee benefits. Provide a standard assessment of the employee's job performance and review it regularly, such measures must not conflict with the powers of the Executive Committee.

7. Issue regulations on the company's without conflict with policy regulations from statements and resolutions of the general meeting of shareholders, the Board of Directors and Executive Committee.

8. Approve of the company's common finances activities.

9. The competent authority and/or assigned to another person in a premises specifically as empowerment agent and/or assigned to another person shall be governed by the extent of the power and/or under the regulations or instructions received from the Board of Directors of the company. Assigned person might not perform in case of approved materials that may have a conflict of interest (according to the definition of the publishing Committee for the Securities and Exchange Commission or the capital market supervisory board) by there is stake on or may be benefited in either a format, or there may be a conflict of interest with the company or its subsidiaries, unless it complies with policies and guidelines that have been approved by the general meeting of shareholders or the Board of Directors.

5.2 Roles and responsibilities of the Board of Directors

The company's Board of Directors has a responsibility for obligations to consider and provide comments on the subject relevant to the company's operations, management and monitoring of policy implementation, plan, internal control, and risk management efficiently and effectively, as well as a mechanism to receive complaints and take action if there are

suspicious pointing to maintain continuous business operations in the long term, as well as employee development plan and continuity of management.

5.2.1 Leadership and vision

Board of Directors is committed to operating the company to progress, and stable growth for the best returns to shareholders. Board of Directors performs with the knowledge and ability in the duties and responsibilities, and caution in the management of the company which abiding by the laws and rules of conduct that is good about the business, and ensure compliance with the objectives and targets set out for the interest of its shareholders and stakeholders all parties.

Board of Directors assigned the Executive Committee representing the vision, mission, policies and budgets to the Board of Directors for approval and guidance to the Board of Directors to supervise, monitor and evaluate performance to meet the target, and add value and wealth to the Company and shareholders. At the same time, take into consideration the interests of all stakeholders and the company's Board of Directors has considered, approved, and reviewing the company's mission, vision, and every 5 years for approval and monitoring, management plans, agreeing to comply with the direction, placing it on a regular basis.

The company's Board of Directors has considered defining roles and responsibilities in the implementation of the company's Board of committee and the management of the company have clearly separate both the structure and compliance officer. Both sides are working together on this power of Attorney specifying the scope of executive power level is defined and the operation each aspect clearly.

In order to fulfill the duties of the Board of Committees to succeed with the purpose and scope of the powers, duties, and responsibilities that have been assigned the company arranges orientation for new directors by the company to prepare and submit information that is beneficial to the new Committee the duties such as funding structure, shareholder structure, brief biography, list of Board of Directors and senior management, nature of business and past performance. They will be encouraged to training, knowledge of the company's corporate governance, the preparation of a summary overview of the business, and past performance, as well as the policies and regulations of the company, therefore the new Committee would have understanding for best practices with handbook for directors of listed companies to guide operations.

5.2.2. Business Ethics

We operate our business with integrity, transparency and fairness according to the law to increase confidence of shareholders, customers, partners, competitors, employees and the society as a whole. We prohibit the use or disclosure of confidential information for personal gains or any acts that will cause conflict of interests.

We issue our Directors and employees with business ethics manuals and code of conduct in writing that are supposed to be acknowledged and complied with.

The Company has disseminated the business ethic manual on the Company's website under the subject of "Business Ethics."

5.2.3 Conflict of Interests

We comply with the regulations of the Securities and Exchange Commission and the Securities Exchange of Thailand. The Board of Directors follows clear guidelines on how to deal with conflict of interests carefully and reasonably.

Before making any transactions that involve conflict of interests, we will disclose to the Meeting of Shareholders the values of transactions, the names of the parties under the contracts and the reasons that make such transactions necessary. The disclosure shall be transparent and its validity can be proved. If any transaction shall receive the approval from the Board of Directors, and/or the shareholders' meeting, the transaction must receive the consideration of screening from the Audit Committee which will provide the opinion toward the transaction.

When the Board of Directors provides different opinion from the opinion of the Audit Committee, the Company shall disclose the said different opinions. In addition, when a Director has a conflict of interest in any agenda, the Director shall be abstained from voting right of the agenda which follows the regulations of the Stock Exchange of Thailand.

Moreover, the Company has stipulated the principles for the Company's Directors, Executives, and related persons to report their conflicts of interest or related persons' conflicts of interest concerning the management of the Company and its subsidiaries. The report shall be included in the meeting agenda of the quarterly meetings of the Board of Directors as stipulated by the regulation of the connected transaction.

The company has disclosed a transaction with persons who may have a conflict in the year 2014 including the Board of Directors gave the opinion that all the transactions between the reasonable and beneficial to the business of the Company, pursuant to the Stock Exchange Commission regulations (see details in the Transactions section)

In addition, the Company has a policy that prohibiting the management and staff to trade securities of the Company during the one month prior to the public disclosure of financial statements which is considered as a disciplinary offense under the regulations of the company. If such of acts are for personal benefit within their intention before revealed to the public. There has to refrain from trading securities or wait for the investors receive information after the date it was published at least 24 hours, but if the data is very complicated is 48 hours waiting after it is published, also the director and the management of the Company's securities are traded, must notify the Securities and Exchange Commission, The Stock Exchange of Thailand and the company to acknowledge every time.

The company has a policy for directors and senior management to inform the Board of Directors about their own stock trading for at least one day in advance before trading.

The Board of Directors has also determined that there have been reports of securities holdings of Directors and Executive Directors, including the legitimate family of a Board of Directors. Including a duty to report holdings of securities and securities holdings changes to the Securities and Exchange Commission of Thailand.

5.2.4 Internal Control and Audit

The Board of Directors attach importance to internal control; therefore, they have adopted the internal control system that covers management, finances and operation to ensure efficiency, subject to the law and regulations on independence that audit can be conducted because there are checks and balances. The internal control system shall be improved constantly.

The Board of Directors has established an internal audit unit, which monitors the internal control and risk management by defining the internal audit unit which report directly to the Audit Committee on a quarterly basis. The Audit Committee will be responsible for reviewing the Company and have adequate internal control compliance.

5.3 Board Meeting

A Board Meeting will be held at least once a quarter. There may be extraordinary meetings as necessary. The items on the agenda and other relevant information will be sent to the Directors before the meeting at least 7 days so that they can read and understand all the details before attending the meeting.

At the Meeting, the Chairman will allow all Directors to express their views freely and openly. The Executives concerned will be invited to attend the Meeting to offer explanation or additional information on the issues being discussed to assist the Board of Directors in decision making. The minutes of the Meeting are taken by the Secretary and endorsed by the Board of Directors before they are kept as records that can be examined and used as reference at any time. In addition, the every voting agenda of the meeting, the directors must exist not less than 2 in 3 of all the directors.

5.4 Annual Performance Assessment of the Board

The company has conducted an annual performance review of the Board of Directors which divided into both evaluation of a whole and individual type. This is the assessment of the Board of Directors and the Board of subsidiaries which have the same guidelines and are consistent with model of the self-assessment of the Securities Commission, including the reviewing to keep assessment appropriate from time to time.

The company has an evaluation process of the Directors which the Secretary would send to the Directors to assess and evaluate and returned to the Company. The Company will not disclose the names of the directors for independently assessments. Then, its evaluation is presented to the Board of Directors and its committees to integrate, evaluate, and determine ways to improve the performance of the Director's.

The self assessment of the Board of Directors and whole the Board of Directors of assesment topics divided into 6 major topics as follows:

1. Structure of the Board
2. Roles and Responsibilities of the Board
3. Attendance
4. Duties of the Board
5. Relations with the Management
6. Development of the board and executive development and

The assessment of the Chief Executive Officer (CEO) is the duty of the Chairman and Board of Directors to consider and assess in each aspect.

5.5 Continuously Knowledge Development of the Board

5.5.1 The company encourages and facilitates training and education as part of its Board of Directors, the management, and all employees to improve working performance continuously.

5.5.2 For the new directors, the company arranges orientation by related directors will present information such as shareholder structure, organization structure, nature of business and operations, financial data, subsidiaries data, meetings data, the Board of Directors data, and other related data.

5.5.3 The Company encourages directors to attend the related training courses or seminars which organized by Thailand Institute of Directors (IOD) in 2014, by 2 directors attending a seminar organized by the IOD which are Mr. Boonchai Puntura-amporn and Miss Vachirawan Yamsri in the course called “How to Develop a Risk management plan (HRP 6/2014)”. Mr. Apisit Jongkittipong, the director, has attended in the following related program which is 19th National Conference of Accountants of Federation of Accounting Professions of Thailand and “25 CASE - A Review of Assessment Officer” program of Dharmniti Seminar And Training company.

5.5.4 The Company provides Succession Plan for the key position which is the part of the strategic plan to benefited successors and be guidelines for the development of executives as planned. Including the case that Managing Director or the Director is unable to perform duties so it will be standby person to support in emergency.

The Board's policy is to encourage the development of knowledge continuously. In the past, each Director has the training and development of knowledge related to the work as a director which can be summarized below:

Name	Training and Seminar
Mr. Viroj Thanalongkorn	DAP 64/2007
Mr. Boonchai Puntura-amporn	DAP 63/2007 , EDP 5/2010 , WorTorThor. 14, HRP 6/2014
Mrs. Suchanya Thanalongkorn	PorPorRor. 10 , WorTorThor. 8 , Tepcot 4 , WorPorMor. 6 Class WorPorOrr. 2555 , DAP 105/2013
Mr. Apisit Jongkittipong	DAP 50/2006 , EDP 9, 19th National Conference of Accountants, 25 CASE - A Review of Assessment Officer
Miss Somsri Sripatoomrak	DAP 63/2007 , EDP 8
Mr. Amornthep Asipunya	DAP 63/2007 , EDP 6
Miss Vachirawan Yamri	DAP 99/2012 , EDP 10 , HRP 6/2014
Miss Raweewan Peyayopanakul	DAP Year 2003 , ACP Year 2005
Mr. Somchai Vanavit	DAP 8/2004 , DCP 49/2004
Mr. Yuthana Adipath	DAP 63/2007

Corporate Social Responsibility (CSR)

The company always realizes about impact to organization, society, and environment both narrow and wide scope in every activity with the resource both inside and outside the company to live with happiness together in society. The company committee established the policies and regulations of company activities for not creating any negative effect to society – community – environment, including the use of resources for company events must be efficient. In order to be a part of society development and taking care of environment under the operation of Human Resource Department and related department.

Therefore, the director of Human Resource Department has appointed the committee chairman. The meeting has set monthly to specify any company activities as well as follow up the outcome and the achievement indicator, the company chairman preside over the meeting along with related director.

Vision

The company established vision to operate business under “Create Value with Innovation” concept. We believe that everyone on company can create value with innovation or new fresh idea can be happen every section in the company. This can be a part of community development and not creating any negative effect to environment.

Mission

The company separate missions to 5 P as follows.

1. People : Trust and Worthiness in Human as precious resources The company believes that employees are the most valuable human resources of the company.

2. Product : Delivered products beyond expectation The company gives important to deliver products beyond expectation both in time and quality aspects.

3. Partners : Trust and Reliable Enterprise The company will manage and operate to have trust and reliable from all shareholders or every stakeholders of the company.

4. Productivity : Innovations through productivity by advance mechanism the company will bring technology and innovation in managing production by using state of the art production machines to make high standard quality products and less cost of production.

5. Planet : Return benefits to society and environment The Company insists on operate business by paying back to societies and environment in every activity.

Moreover, the company also realizes good VALUE of employee and organization lead to 4 organization culture and trains employees to understand and help them to adapt and apply in daily life and career also which are;

Think Good

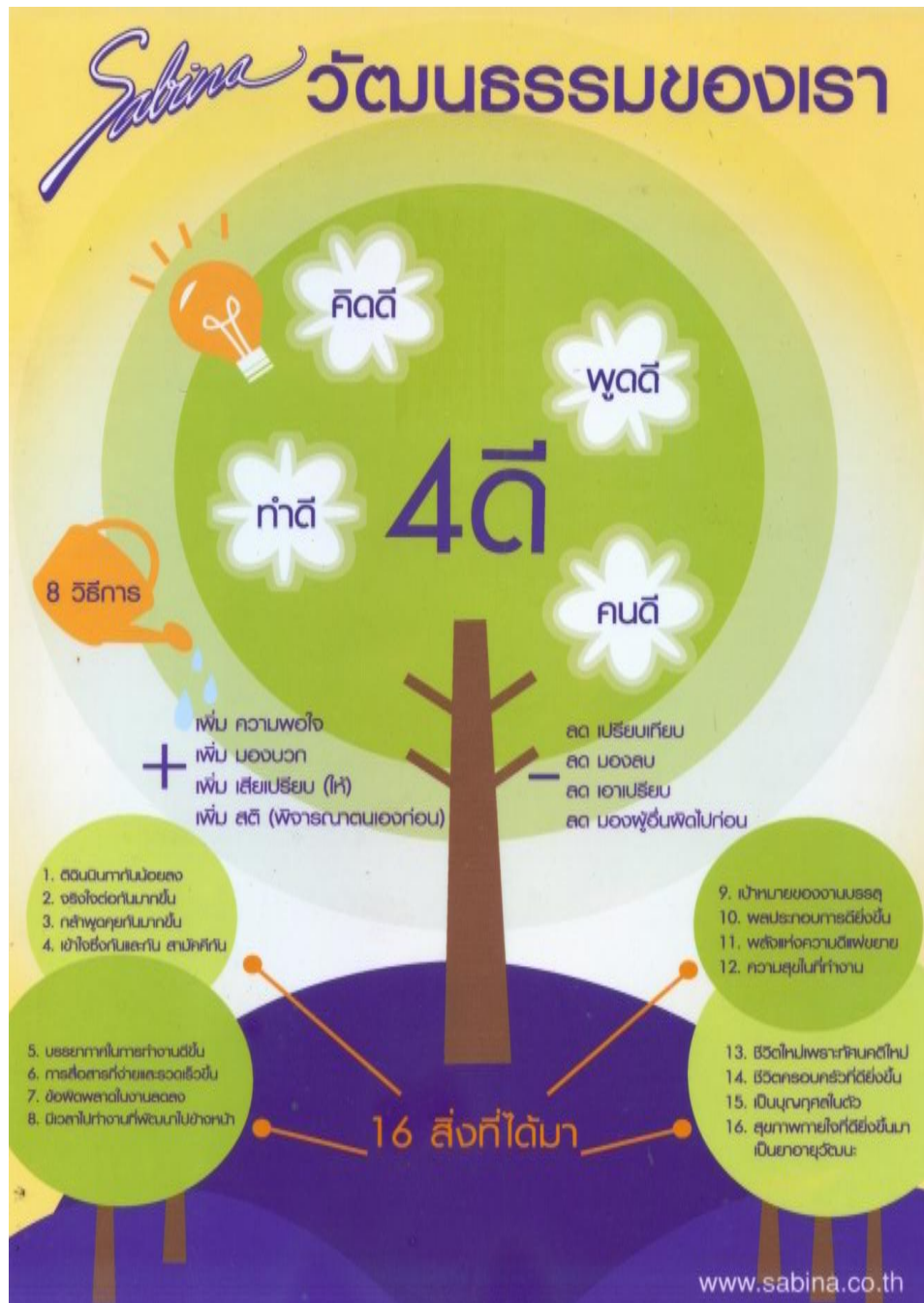
Act Smart

Gentle Talk

Good Man

For making happy organization, the Company believes that good man consists of think good, gentle talk, and act smart. When the Company has good people, the happy organization would be consequently.

Since 2009 until present, the Company announced and campaigned 4D culture through different media channel all the time such as activities, sign board, internal voice announcement. Resulted that turnover rate had decreased due to happy working life.



CSR	Sabina Public Company Limited				Business
	Level	Project	Intention	5P	
	Corporate	Yeb-Taw-Term-Jai (Sewing Cup Sewing heart)	Help breast cancer patient, develop community and society.	Partner	
		Jintana Thanalongkorn Foundation	Develop community and society.	People Partner	
	In Process	Responsibility to consumers	Keep good governance	Partner Product	
		5S increasing outcome policy	Create good work environment to increase outcome and take care of environment by reuse and recycle.	People Productivity Planet	
		Happiness organization 4 good (4Ds)	Respect human rights, good governance, and treat employee righteously.	People	
		“Sabinie” product	Educate youth to take care of environment/ foster conscious in developing community and society.	Product	
	After Process	School in factory	Develop community and society	Productivity People	
		Factory in school	Develop community and society including create and spread new innovation.	Partner People	
		Conserve Energy and environment	Take care of environment, create and spread new innovation.	Planet Partner	
		To Be No.1	Develop community and society.	Partner People	
		5 Sor from factory to home and community	Take care of environment, develop community and society, including, create and spread new innovation.	Planet Partner	
	Happiness organization 4 good (4Ds)				
	Social				

The company performed under consideration of society, which has 4 objectives

- To take care of people related directly to the business, which are customers and staffs, through 3 projects: responsibility in customers, fair operations, and respect human rights and treat labours fairly.
- To encourage the use of resources for production efficiency through 2 projects: increase output and energy conservation.
- To create reward to society and take part of community development through 5 projects :Sewing Cup Sewing Heart,Jintana Mother Foundation, Products and camp for youth, To Be No.1, Factory in School.
- To not let the outcome havingany effects on environment and campaign to protect environment through 2 projects: Environment Protection, and 5 S Project to Household and Community.

Responsibility in Customers

The company has a policy to responsible for customers in product quality along with service by choosing materials carefully and make sure it safe for consumer's health. Having product recall program for the endanger products, labeling product's component and user manual, and also having a channel for customer's recommendations and complains. So that the company established Sabina call center 02-422-9430 and e-mail CRM@sabina.co.th or www.sabina.co.th, which company can improve and show their responsibility in products and overall outcome.

Any recommendations and complains will be carefully considered and delivered to related department to investigate the cause, root of problem, solution and prevention, and also including the follow up. All the process will be investigated by the director of each related department and the issue will be in the monthly meeting for board of director.

Dealing with customers' complaints	2013	2014
Product	21	15
Service	13	10
Others	14	12
Grand total	48	37

Responsibility in Customers Report until 2014

In addition, company has create a great relationship and support activities with customers and family, business partner, includes staff and family, surrounding communities, and government department by using communication channel to create understanding, satisfaction, and sustainable social responsibility

Fair Operations

Company committee has the policy to fairly operate business without any personal interest. Never support any piracy activities and set up campaign for committee, managements, and staffs against corruptions and bribes.

The policy focuses on building awareness to staffs and all level management to realize disadvantages of corruption. The company also creates good value to develop organization which can be revealed and verified without any risk in negative impact to the business. The policy related to corruption resistant also set up clearly and committee, managements and staffs should follow this policy strictly. The policy should be communicated both inside and outside the company. Moreover, they distribute recognition to whom related to the company not to accept any money, goods or benefits from business partner. And the penalty already set for the offenders.

The company has sign in the Private Sector Collective Action Coalition Against Corruption to show their intention, and set up training program for all the staffs approximately 4,000 staffs. There are group activity and test, the one who cannot pass the test have to do it again until they pass it.

The company has a corruption preventive and also has a plan to prevent the risk. The inside investigators are responsible for setting the rules, following up process, writing report, and presenting in front of the meeting with committee who are in charge of corruption resistant. They will verify the related rules and inside management including report sufficiency and effectiveness of the corruption resistant rules. They also give an advice in front of the company committee about what to do, after that, the management will apply it afterward.

The rules for corruption resistant have content as follow.

1. Political support
2. Donation and charity
3. Acceptance or giving any gifts, assets or benefits
4. Clues noticing, complaint, and appellant protection

However, setting up any policy, principles, and building inside control system to resist the corruption will be objective revealed and manageable. Therefore, any possible corruption will be investigated and under control including finding the resolution and setting channel for clues noticing or complaint in case that any fault was found. This policy is also a part of 4D policy.

Clues noticing, complaint, and appellant protection

The company has a policy for clues noticing, complain, offence, moral, or any act that cause the corruption for all the staff and related person by having a channel for complain and suggest from inside investigators who responsible for this part as follow.

Clues noticing and complaining procedure

The company allowed all the staffs and related person to use the channel of clues noticing and complaining which leads to organization development and security as follow.

- The complain receiver will collect the evidence related to the offence or breaking the rules of corruption resistant.
- The complain receiver report the evidence to independent committee for investigation by separate the issue into political issue, donation and charity issue, acceptance and giving any gifts, assets, or benefits issue.
- The complain receiver report to corruption resistant committee to investigate and define a step to stop violation to follow the rules of corruption resistant.
- Inform the result to appellant, if they willing to reveal themselves, the investigation will be manage in front of the company chairman and/or committee.
- If the suspect commit an offence, they will be disciplined follow the rules and regulations of the company. If that fault breaks the law, legal proceeding will be happened next.

Channel for clues noticing and complaining

- Internal Audit E-mail : GRP_AUDIT_HO@sabina.co.th
Call : 02-422-9400 ext. 9309, 9404
Address : Internal Audit
Sabina Public Company Limited
12 Arun-amarin Rd., Arun-amarin,
Bangkoknoi, Bangkok 10700, Thailand

Appellant Protection

- The appellant have the right to reveal or not if they feel not safe to themselves and also related person. But the company will inform and clarify to them in case of they reveal themselves.
- The complain receiver will collect the information and keep it secret under consideration of appellant's safety. And release preventive action to protect the appellant and/or informant and/or collaborate from the unfair action for example transposition, job description, work place, suspension, bully, and disturbance, lay off due to any complaining. Every complaint will be kept in secret and will be revealed only for the chairman and/or internal audit. Any chairman's fault will be kept in secret by the committee's secretary and report directly to the committee.

Corruption Resistant Broadcasting

To inform company's committee, management, staffs, and related person about corruption resistant's policy which broadcast on different channel as follows.

Internal Sector

- Announce through company's electronics media
- Posting on apparent place

- New staff orientation
- Set up training regularly for all staffs to acknowledge and understand about corruption resistant and emphasize everyone to follow the policy.

Outside Sector

- Announce through the company's website
- Sending letters to dealers
- Company's annual report (56-1)

The company wins the award for Top Corporate Governance in morality level 1 from 3 in North - East area by National Anti-Corruption Commission, Thai Chamber of Commerce, and University of the Thai Chamber of Commerce on 20 August 2014. At this point, company is in the process for being a member of the corruption resistant in private sector.

Human Right and Fair Treatment to Labour

The company committee has a policy to take care staffs on the basis of the Labour Law and related regulations under the human right and equality. Staffs will be treated equally and fairly without any conflicts in habitat, race, religion, gender, marital status, language, or position. Moreover, the company won't force laborious, no support child labour, and human trafficking. Then, the mission has set as follows.

Security and hygiene environment appropriate for staffs

1. Having appropriate work tools and instruction training to aware of the possible accidents in working area.
2. Having personal safety device, fire drill, and at least 40% of staffs in each sector should pass the fire fighting training.
3. Examining light, sound, dust, and temperature yearly.
4. Having an election for the occupational safety, health and environment committee and provide them the occupational safety, health and environment training including set up the committee meeting.
5. Encouraging 5S project which is the key tools for making work area to be nice, tidy, and safety.

The result of previous process could stop serious accident that cause to take leave for 3 years in a row until this year. Yasothon Factory had won the award for Zero Accident Campaign (no loss-time accident occurred) from Department of Labour Protection and Welfare, Ministry of Labour on August 14, 2008.

Fair treatment to labour and quality of life

1. Paying on basis on Labour Law and having minimum benefits follow the law. Moreover, the company provide a further benefits such as provident fund, retirement benefit, annual check up, medical treatment fee, loaning, company party, and sport day.
2. Having an appropriate complaint process which fairly to the staffs and having rules and regulations for working including complaining box.
3. Encouraging any activities for society through 4D project.
4. Having the cultural activities such as giving alms to a Buddhist monk on New Year, making merit, or water pouring ceremony.
5. Encouraging having a welfare committee election and having a committee meeting to confer about any activities to develop quality of life.

Opportunity to train and accumulate working skills and showing their capability

1. Human Resource Department will provide training for managers about how to be a good leader, good attitude, and merciful to subordinates and coworkers.
2. Having training for staff follow development training plan and support capability development by provide study follow non-formal education course. Every staff who graduated will get the certificate from Ministry of Education. In 2014, company provided development training for staff as follow.

Employees who graduated from non-formal school in factory project since 2006 to 2013

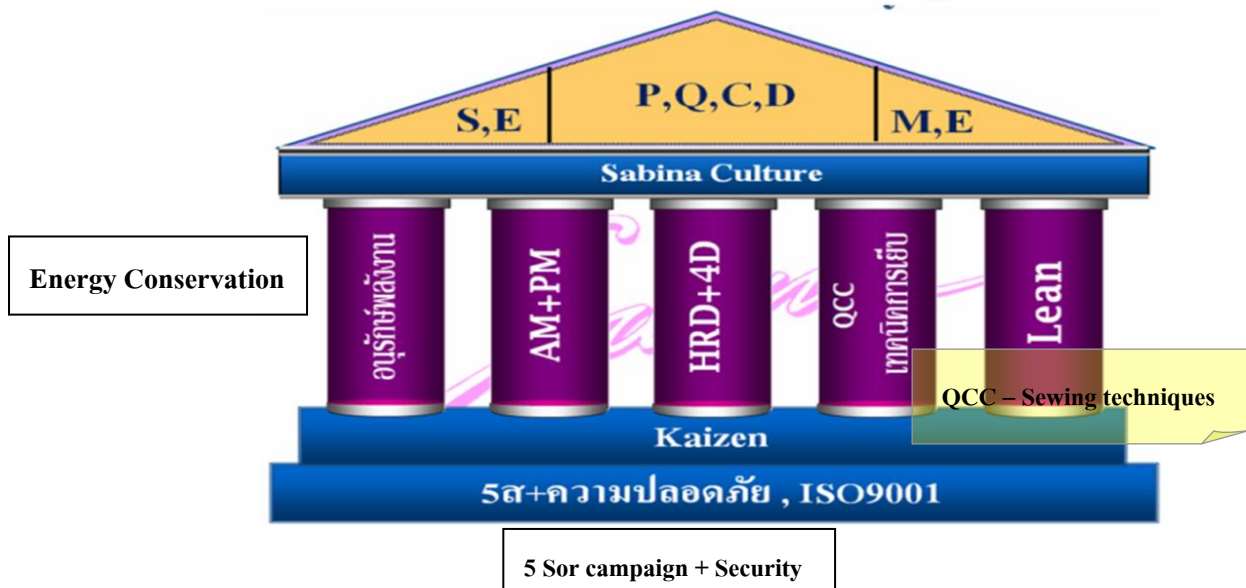
Level	SABINA Public Company Limited and subsidiary				
	Ta Pra	Sai 5	Chainat	Yasothon	Buriram
Junior high school	18	5	45	175	5
Senior high school	6	26	16	152	15
Vocational education	3	23	2	32	-
High vocational education - Bachelor degree	6	-	-	-	-
Total	33	54	63	359	20
Grand Total	529				

Development training plan and support capability report

Factory	No. of all Employees	No. of Training participants	Applied to Raise the skill level	Certified courses	Total Training hours	Total training hours per person	Raise the skill level ratio
Chainat	499	918	499	3	5,508	11.04	100.00
Sai 5	585	485	485	5	2,910	4.97	82.91
TaPhra	328	404	328	6	2,424	7.39	100.00
Yasothon	857	1,449	796	8	8,694	10.14	92.88
Buriram	162	184	162	2	1,104	6.81	100.00
Office	1,443	555	555	7	3,330	2.31	38.46
Total	3,874	3,995	2,825	31	23,970	6.19	72.92

3. Using Sabina Productive Management System or Participative Management

Sabina Productive Management



Giving an opportunity for staff to be director or leader of activities to develop working process and let them show their capability which affect on their career path.

As the result of human right and fairly treatment to labour process have bring out as follows.

1. Turnover rates are decreasing
2. Working rates are stabilize
3. The company won the award for Private Corporation which follows the law of disable employment in 2014 from Mr. Sutthipong Joonjaroen, Chai Nat Provincial Governor.
4. The company also won the award from Ministry of Labour in Labour Relation and Labour Welfare for many years which reaffirm that the company success in human right and fairly treatment to labour.
 - Yasothon Factory won the award for Excellent Workplace for Labour Relation and Labour Welfare in 2014 (10 years in a row) which is 1 in 19 company in Thailand.
 - ThaPra Factory won award for Operations Outstanding Labour Relations and Welfare in 2014 (7 years in a row)
 - Phutthamonthon line 5 Factory won the award for Excellent Workplace for Labour Relation and Labour Welfare in 2014 (5 years in a row)
 - Chai Nat Factory won the award for Excellent Workplace Model Social Security in 2014.

5 Sor for Productivity

The company encourages managing every sources efficiency by using 5Sor as a tool which are the root of development in working process and internal management leads to 3 results.

- Ability in competition (Productivity, Quality, Cost, Delivery)
- Environment and Safety
- Morale and Ethics

5 Sor - Sort, Set in Order, Shine, Standardize, and Sustain

Sort – Explore materials and working system to customize what is necessary or unnecessary and what is over will be moved out and fulfill what is lack of.

Set in Order – Setting up a diagram, layout, and name tag to reduce the waste of time for finding.

Shine – Having responsible man and detail how to clean including cleaning plan for explore the error.

Standardize - Making it in written and announce to everyone to make them understand, persuade them, and follow the result.

Sustain -> Habitually – Board of Director and managers should be a model to create discipline, do it again until it is a habit.

Overall Operation 2013-2014

After expand 5Sor project, Yasothorn Factory has been a nominee for Thailand 5S award in 2013 and received Silver Award on November 26, 2013 from Technology Promotion Association (Thailand-Japan) 2013 at Grand Ballroom BITEC-Bangna Exhibition Hall.



In 2014 company seriously expand 5 Sor project from Yasothorn Factory to ThaPra Factory, Chai Nat Factory, and Phutthamonthon Sai 5 Factory. To upgrade and standardization, Yasothorn Factory, ThaPra Factory, and Chai Nat Factory were joining Thailand 5S Award 2014 and Phutthamonthon line 5 Factory joining in Model 3 areas. Yasothorn Factory and Chai Nat Factory won Golden Award, ThaPra Factory won Silver award, and Phutthamonthon Sai 5 Factory pass the criteria

on November 20, 2014 from Technology Promotion Association (Thailand-Japan) 2013 at Centara Hotel, Government Complex.



The result of using 5 Sor with the whole organization and standardize 5 Sor in working process

1. One Best Center by Sort and Set in Order which can manage stationary hub and use it together such as stapler, punch, scissors, cutter etc. leads to reduce cost in stationary.
2. Shine and Sustain which reduce any dirty that cause to less using cleaning tools and reduce resources in production.
3. Shine, Standardize, Sustain will make staff devote in cleaning everyday which can explore the error of machine that bring out a quality products, reduce unqualified products from machine error
4. Set in Order, Standardize, Sustain will make staffs keep all tools tidy and avoid of loss. Making a habit of using resources carefully which reduces any extra request.

Energy Conservation

The company produces any product under consideration of resources usage especially in energy conservation including implant a good mind and push staff in all level to use resources efficiency by reduce unnecessary energy loss to get a quality production and worth any loss.

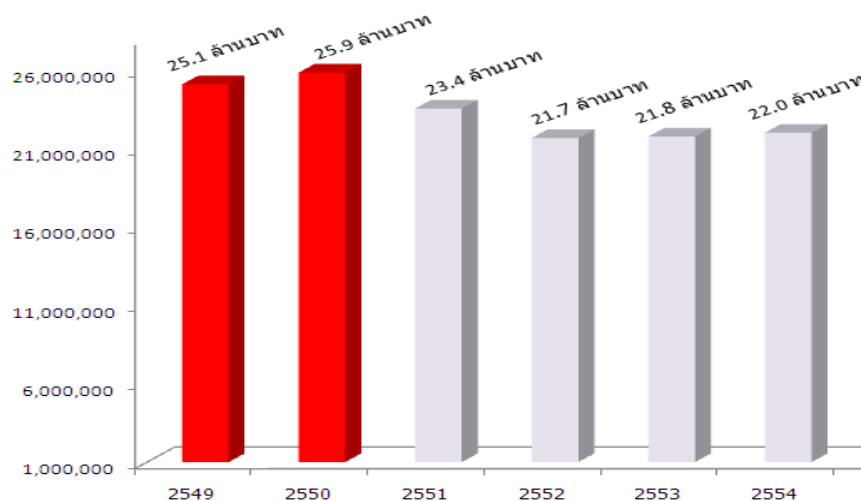
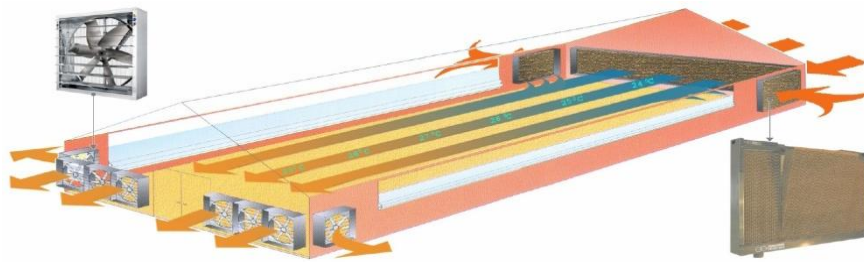
Electric energy usage is in an increase trend 3-5% depending on FT. Even the rate are lower than overall of Thailand which increase 6-7%, the company still begin Energy Conservation Project since 2008. Divided into 3 steps;

Source: <http://www.eppo.go.th/vrs/VRS57-02-forecast.html>

Step 1 EVAP System

Due to the refrigerant liquid in air conditioner has an impact on environment and atmosphere or Greenhouse effect and also using electronic energy up to 25% from overall, company has change air conditioner system in production area to EVAP system. The temperature in production area will be reduce lower than outside temperature 3-10°C by concept of

absorbing from outside through cooling pad which water flow through. The wind inside will be cooler which consumed energy only 10% compare to normal air conditioner. Moreover, inside will be protected from dust and bacteria.



25.1 Million Baht	25.9 Million Baht	23.4 Million Baht	21.7 Million Baht	21.8 Million Baht	22.0 Million Baht
2006	2007	2008	2009	2010	2011

This project began in 2008 at Chai Nat Factory and 2009 at Yasothon Factory, the cost for electric energy decreased to more than 4 millions baht per year (2007 Energy cost is 25.9 million baht, 2009 energy cost is 21.7 million baht).

Step 2 Energy Conservation and Participation Energy Management

Company begins Sabina Productive Management since 2010 which have 5 pillars. First is Energy Conservation Pillar which the team consist of staff from every sector helping each other to set purpose, activity, and goal for energy conservation in each year. Apart of that, they also share the idea across the factory which made the electricity bill stable even the FT increasing in every year (2010 – 2013)

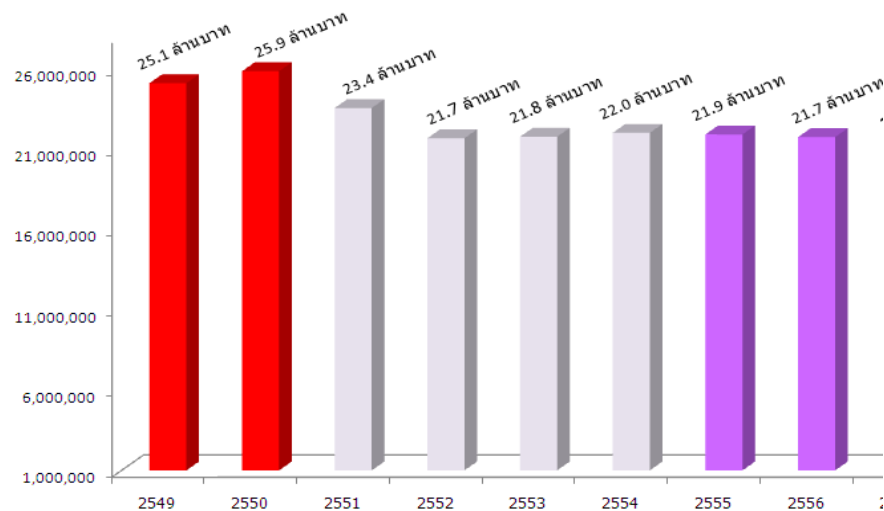
Example for suggestion and energy using point improvement in each factory



Installed sun shade to reduce heat from air-conditioner and drain heat in workplace and also developed leftovers from production and product to reflect heat around the building.



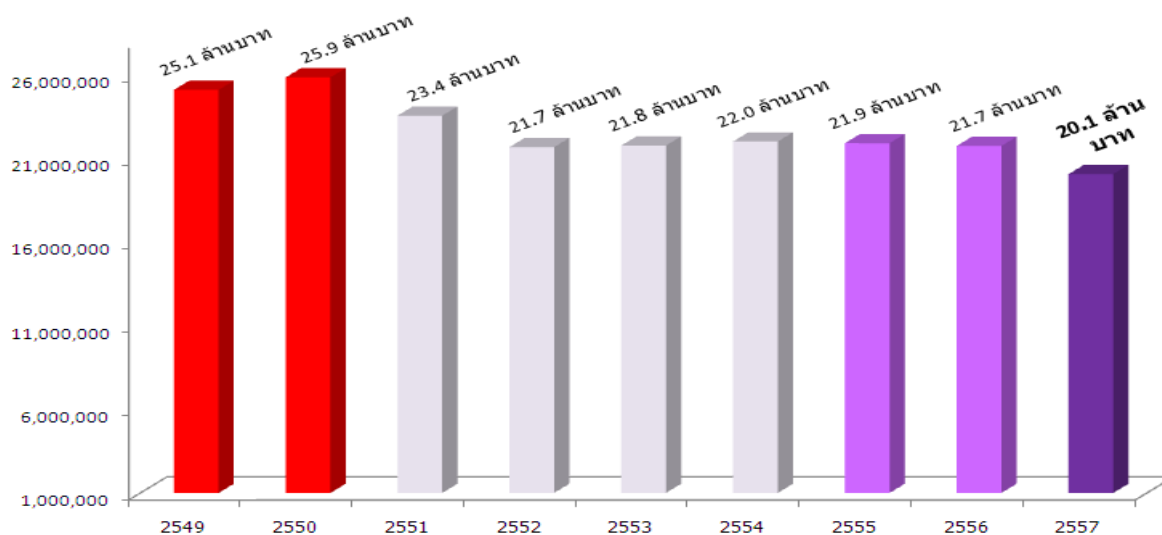
Recycling waste water from air conditioner for restroom cleaning by passing water quality testing



25.1 Million Baht	25.9 Million Baht	23.4 Million Baht	21.7 Million Baht	21.8 Million Baht	22.0 Million Baht	21.9 Million Baht	21.7 Million Baht
2006	2007	2008	2009	2010	2011	2012	2013

Step 3 Changing from Clutch Motor to Servo Motor

According to the study, Servo Motor can control speed and torque during turn on the switch but it didn't run all the time which can help the loss of electricity energy usage and use it efficiency. Apart of that, there is a campaign that staff should turn of the switch after using the machine. The company tries to change to Servo Motor since 2013-2014 which have an impact on electricity bill in 2014 that decrease for almost 2 millions baht.



25.1 Million Baht	25.9 Million Baht	23.4 Million Baht	21.7 Million Baht	21.8 Million Baht	22.0 Million Baht	21.9 Million Baht	21.7 Million Baht	20.1 Million Baht
2006	2007	2008	2009	2010	2011	2012	2013	2014

Road Map and Energy Conservation Result in 2007 - 2014

Energy Conservation	Trend in Energy Crisis from year 2002 to 2007 which the electricity costs had increased 2 - 5 % every year.		Installed EVAP building system which has air-condition system for inside building to have proper temperature, 5-7 degree celsius lower than outside, instead of previous system.				Change Clutch Motor in factory from always on operation with switching control to Servo Motor which can control Speed and Torque which does not have to operate all the time while turn on switch.		
			EVAP in Chainat factory	EVAP in Chainat and Yasothon factory					
Year	2006	2007	2008	2009	2010	2011	2012	2013	2014
Energy costs increase 3% if not monitor on energy issue	25,100,225	25,850,210	26,625,716	27,424,488	28,247,222	29,094,639	29,967,478	30,866,503	31,792,498
	25.10	25.85	26.63	27.42	28.25	29.09	29.97	30.87	31.79
Result from campaign	25,100,225	25,850,210	23,560,420	21,675,524	21,768,520	22,013,250	21,915,679	21,749,898	20,063,049
	25.10	25.85	23.56	21.68	21.77	22.01	21.92	21.75	20.06
Differences (million Baht)	0.00	0.00	-2.29	-4.17	-4.08	-3.84	-0.10	-0.26	-1.95
Reducing Ratio		2.99	-8.86	-16.15	-15.79	-14.84	-0.44	-1.20	-8.86

Electricity cost adjustment led to electricity bills increased.

In 2012 - 2013, Energy Conservation campaign initiated which encouraging everyone to participate and focusing on using resources in production properly .

Sewing Cup Sewing Heart

Company willing to help breast cancer patient which are mostly women to give them confidence in daily life, including reduce balancing problem as a result of breast losing. The purpose of this project is to hand on an artificial breast for using in their daily life, and be a part of campaigning for society and community to help the patient.

This project began in 2007 due to the number of breast cancer patient increasing and they lack of money and hardly find or buy an artificial breast. Then, the company and partnership had set up the Sewing Cup Sewing Heart project to support artificial breast sewing for breast cancer patient.

There are 7 partnerships in this project

1. Channel 3 “PuyingTuengPuying”
2. Muang Thai Life Assurance Public Company Limited
3. Singer Thailand Public Company Limited
4. PTT Global Chemical Public Company Limited
5. Robinson Department Store Public Company Limited – 32 Branch all over Thailand
6. Chiang Mai University, Faculty of Medicine
7. Phuket Rajabhat University

Overall operation in 2007 - 2014

Project result	Year 2007-2013	Year 2014	Unit
No. of patients who use the artificial breast from the project	1,582	3,582	People
No. of participants	19,580	24,563	People

Furthermore, this project can collect the money for donation to the Thai Red Cross Society since 2007 to present in amount of 640,00 baht.



In 2007, company had broadcast 3 video for being a part of movement for making society understand and encourage patient to live their daily life on basis of “spirit and hope are important for moving on”.

-Mai-Hen “Aok” Tae-Hen-Jai

-Kru-Jai-Rai-Tae-Dai-Jai-Rao

-Jai-Hai-Tae-Yung-Hai-Jai

There are 1,056,247 viewers (December 31, 2014) and advertise 3 channels to ask for artificial breasts which are.

www.sabina.co.th

Sabina Call Center 02-422-9430

Counter Sabina

Jintana Mother Foundation

The company wants to give a chance to any youth who had a good profile but have no money including the one who gets less opportunity on education and disable. Therefore, the quality of their life will be better and it is a way to support good people to have an opportunity in education and bring out their ability to develop our country in the near future.

Begin with support staff and staff's lineage by Adul – Jintana Thanalongkorn scholarship which is for staff and staff's lineage only. After that, the company had seen the relationship between organization and society & community; Jintana Mother Foundation was founded on July 15, 2009 which has purpose as follows.

- Giving a scholarship for the one who gets fewer opportunity and/or student with good profile but have no money
- Non-profit foundation
- Coordinate with others charity organization for public benefit
- Do not do any activity related to politic

Overall operation of Jintana Mother Foundation

Number of people who got supporting since the first establishment until 2014				
Year	Annual scholarship	Continuing scholarship	Scholarship for disabled students	Total
2010	75 scholarships	-	-	75 scholarships
2011	63 scholarships	8 scholarships	48 scholarships	119 scholarships
2012	108 scholarships	12 scholarships	63 scholarships	183 scholarships
2013	105 scholarships	8 scholarships	65 scholarships	178 scholarships
2014	89 scholarships	17 scholarships	39 scholarships	145 scholarships
TOTAL	440 scholarships	45 scholarships	215 scholarships	700 scholarships

Number of Scholarships 2014				
Foundation	Annual scholarship	Continuing scholarship	Scholarship for disabled students	Total
Number of students	89	45	39	173
Funds (Baht)	723,000	440,000	452,000	1,615,000

Now, there are 45 students under this project which are a good profile student but abandoned. The company willing to give them to the highest education in bachelor's degree for let them use their ability to make benefit both personally and public

Student under Jintana Mother Foundation

Buriram	5 students
Chai Nat	12 students
Yasothon	28 students

Order	Name-Last name	Class	Year(s) of Receiving continuous scholarships	School/Institute	Province	GPA
1	Ms. Supreeya Seripong	Bachelor year 3	3	Buriram Rajabhat University	Buriram	3.56
2	Ms. Piyarat Thongkum	Bachelor year 2	2	Mahamakut Buddhist University	Buriram	3.84
3	Mr. Thawatchai Nachaiploy	Vocational Cert. 3	2	Nangrong School	Buriram	3.86
4	Ms. Pinpayoam Prodsantia	High school 6	1	Nangrong Pittayakhom School	Buriram	3.54
5	Ms. Soontree Tiangpa	High school 4	1	Nangrong School	Buriram	3.61

Order	Name-Last name	Class	Year(s) of Receiving continuous scholarships	School/Institute	Province	GPA
1	Ms. Sukanya Wiriapong	High school 6	3	Chainat Pittayakhom School	Chainat	3.20
2	Mr. Vira Srimora	High school 5	3	Nern-Kharm Ratthaprachanookroh School	Chainat	3.01
3	Ms. Supranee Kummanee	Vocational Cert. 3	3	Nern-Kharm Vocational College	Chainat	3.57
4	Ms. Prapassorn Karnphakdee	Vocational Cert. 3	3	Nern-Kharm Vocational College	Chainat	3.78
5	Ms. Nongnuch Thitiphanawan	Vocational Cert. 2	2	Chainat College of Agriculture and Technology	Chainat	3.82
6	Ms. Orasa Kaewsuk	High school 5	2	Nern-Kharm Ratthaprachanookroh School	Chainat	3.19
7	Ms. Bussaba Jamnoom	Vocational Cert. 2	2	Chainat Technical College	Chainat	3.33
8	Mr. Natthaporn Sonthikorn	High school 5	2	Kuruprachasan School	Chainat	3.81
9	Ms. Aiyada Mongpraneet	High school 4	1	Hunkha Pittayakhom School	Chainat	3.59
10	Ms. Rachawadi Parnnoi	High school 4	1	Hunkha Pittayakhom School	Chainat	3.39
11	Ms. Nattha Choonjing-reed	Vocational Cert. 1	1	Nern-Kharm Vocational College	Chainat	3.48
12	Ms. Chananya Suriya	Vocational Cert. 1	1	Nern-Kharm Vocational College	Chainat	3.84

Order	Name-Last name	Class	Year(s) of Receiving continuous scholarships	School/Institute	Province	GPA
1	Ms. Umaporn Phonchai	Bachelor year 3	4	Dhonburi Rajabhat University	Yasothon	2.67
2	Ms. Wanchareeporn Boonthan	Bachelor year 1	4	Maharakarm University	Yasothon	3.60
3	Ms. Palinee Phulaiyao	Bachelor year 1	4	Ubonratchathani Rajabhat University	Yasothon	3.27

Order	Name-Last name	Class	Year(s) of Receiving continuous scholarships	School/Institute	Province	GPA
4	Mr. Natthaphon Sri-chan	Bachelor year 1	4	Chulalongkorn University	Yasothon	3.65
5	Ms. Bussakorn Orn-tham	High school 6	4	Mahachanachai Wittayakom School	Yasothon	3.63
6	Ms. Sirichan Kum-buttr	High school 6	3	Tragulpratueng Wittayakhom School	Yasothon	3.92
7	Ms. Krongkwan Koomboon	High school 6	3	Kum Kuen Kaew Chanoophatham School	Yasothon	3.00
8	Ms. Wannipa Chan-leung	High school 6	3	Yasothon Pittayakhom School	Yasothon	3.79
9	Mr. Natthaphong Choorat	High school 6	3	Yasothon Pittayakhom School	Yasothon	3.55
10	Mr. Piyawat Sricha	High school 6	3	Yasothon Pittayakhom School	Yasothon	3.68
11	Mr. Chayakorn Jan-ob	High school 5	3	Satreesirigate School	Yasothon	3.45
12	Ms. Areeya Samniengdee	High school 5	2	Tragulpratueng Wittayakhom School	Yasothon	3.58
13	Ms. Piyaporn Senathai	High school 5	2	Yasothon Pittayakhom School	Yasothon	3.24
14	Ms. Kanokwan Phutika	High school 5	2	Lerng Nok Tha School	Yasothon	3.71
15	Mr. Natthaphon Chaimee	High school 5	2	Lerng Nok Tha School	Yasothon	3.68
16	Mr. Phala Chidprathoom	High school 6	2	Lerng Nok Tha School	Yasothon	3.58
17	Ms. Sucheera Prajonyoot	High school 6	2	Lerng Nok Tha School	Yasothon	3.87
18	Ms. Jenjira Ngarm-wong	High school 5	1	Lerng Nok Tha School	Yasothon	4.00
19	Ms. Kullasatree Worayotha	High school 5	1	Lerng Nok Tha School	Yasothon	3.36
20	Ms. Natthaporn Hongharn	High school 5	1	Lerng Nok Tha School	Yasothon	3.18
21	Ms. Wanwisa Ouy	High school 5	1	Lerng Nok Tha School	Yasothon	3.93
22	Ms. Wanida Pong-sue	High school 4	1	Tragulpratueng Wittayakhom School	Yasothon	3.54
23	Ms. Phaiboon Pong-sue	High school 4	1	Tragulpratueng Wittayakhom School	Yasothon	3.60
24	Ms. Sujitra Boonthan	High school 4	1	Tragulpratueng Wittayakhom School	Yasothon	3.85
25	Ms. Nongluck Noikoon	High school 4	1	Tragulpratueng Wittayakhom School	Yasothon	3.41
26	Ms. Anchalee Chalermwong	High school 4	1	Tragulpratueng Wittayakhom School	Yasothon	3.69
27	Ms. Narissara Taparnboon	High school 2	1	Yasothon Pittayakhom School	Yasothon	3.30
28	Miss Sirirat Chongchala	Bachelor year 1	1	Burapha University	Central area	3.41

Total of continuous scholars are 45 students

Student under the foundation who will graduated in Bachelor's Degree in 2016 and 2017

Miss Supreeya Seripong – Student under Jintana Mother Foundation Year 3

20 years old who is studying in 3rd year, Faculty of Education, Early Childhood Education, Buriram Rajabhat University. Had 2 sister which one of them died since 7 years old and one died later because of drowning. Her parents divorce since she was 10, she stayed with mom but after her lost her mom in 2009, she have to stay with her 72 years old grandmother and help her earn some money.

“I used to work a part time job at Sabina Public Company Limited in position of EC 100% in 2011. That brought me some budget for my education. After that, I have got the scholarship from Jintana Mother Foundation for the first time in 2012. I’m really happy because I am going to go to Buriram Rajabhat University and afraid that I will not have budget for my study. I have to say thank you to Sabina and the foundation. After I graduated, I will be a teacher as I dream of and teach the children to be a good people for society and do my best as a teacher. I will be a good and honest person which I would teach my student though.



Miss UmapornPolchai – student under Jintana Mother Foundation year 4

20 years old who is studying in 2nd year, Faculty of Management Sciences, Logistic Management, ThonburiRajabhat University. Now she is living with mother and grandmother. There are 4 people in her family.

“My parents divorced since I was in kindergarten 2, I was 5 years old. I live with my mom but she is sick and always has to meet the doctor. Moreover, my mom has to take care of my grandmother and her sister. When I was graduated in M.3, I have to quit the school to help my mom working but she told me to study until I’ve got a scholarship from Jintana Mother Foundation for the first time in 2011. I was in M.5. I’m very happy to have a chance to study and got some good advice from Sabina’s family for my future study. I study hard for preparing to work about logistic as I dream of but I have to intern before. After everything has settled down, I will work around my home town at Yasothon, so that I can live with my family and take care of each other. My mom and grandma will be too old at that time. I will work for the society and give as much as I get from the foundation. I will give more than get because the foundation gave me a chance, so I have today and preparing for my future.”



Product and Camp for Youth

The company focuses on children and youth who will be important in country development, so the Sabini was founded for the children. Building good attitude, free time management, and activities for youth were happened as follow.

Year	Cencept Sabinie	Core Concept
2007	Fashion Room	Encourage teenagers to know more about women's body, Improvement of personality
2008	Save The World	Grow idea about awareness of Global warming through concept 3Rs (Reduce, Reuse, Recycle)
2009	Under the Sea	To learn about aquatic animals and participate in activities to conserve aquatic animals
2010	Love the Earth	Emphasis on Global warming and know about natural in sufficient way
2011	Saving	Create saving habit under idea "Roo-haa, Roo-keb, Roo-chai, Roo-juk-hai" (Know to find, save, use, and give)
2012	Sport Lover	Encourage teenager to exercise to develop all-round aspects and be smart by sports
2013	Reading	To grow good mind about reading which together with reading campaign in the year called "Bangkok World Book Capital 2013"
2014	Cooking	To give nutritional knowledge to teenagers so they could choose the healthy meals



Apart from that, company also focuses on doing activities for children and youth which is for 6-12 years old girl to invite them to join outside classroom experience and make them be a good people for society in the future. Sabini camp was happened as follows.

Year	Camp	Core idea/Activities	Participants	
2006	2 Hands for 3Rs	Workshop in family way, create reducing global warming pot	40	Families
2007	New Gen... Save the World by Heart	Planting mangrove forest at Bang Pu, Samutprakarn Province	50	Girls
2008	Under the Sea: Secret code guarding Under sea World	Build corals to the sea and Free little aquatic animals to their homes at Sattaheep Navy Base, Chonburi Province	50	Girls
2009	Wonderful Love the Earth day	Learn sufficiency nature at The Bhumirak Project, Nakhornnayok Province	50	Girls
2010	Little Savers Family	Create saving habit, learn about money plan, and spend money in sufficient way	50	Families
2011	Power of Saving episode 2	"Enjoy Saving in Siam old days" under idea of Know to find, save, use, and give	100	Girls
2012	Sport is Magic medicine...Yay	Sport Quotient (SQ) idea is to develop in major aspects for little kids by sports at The Pine Resort, Pathumthani Province	110	Girls

Year	Camp	Core idea/Activities	Participants	
2013	Read Read...let me read with you	"Miracle things create reading" is the activity which emphasis on youth reading which together with reading campaign in the year called "Bangkok World Book Capital 2013" and Recording voice book for blindness by famous anime voiceover, Na-Toi Sembe (Nirand Boonyarataphan) in recordings with MP3 player to give students who have sight disability at Learning Resort, Thammasat University (Pattaya center)	100	Girls
2014	Little cook...Nutrition expert	Cooking the knowledge about nutriton. The activity could develop eating attitude with cooking activities in the kitchen which develop thinking and imagination closely with famous chef, Jadee Kiratiphon, at Kaebangkok Farm and Restaurant Phutthamonthon Sai 1	100	Girls



Factory in School

Company wants to be a part of surrounded society and community development by using the knowledge of sewing industry and fixing technique. The company can see that this skill will benefit people in community and can be their occupation. Then, the company contact with surrounded school which is Vichitrangsan School to bring in the Industrial Sewing course and fixing course for students, parents or any people who interested. These skills can be their career and make profit to their family and community. The first time that open this course, there are 34 students join in the class.



And then expand to another 3 school so there are 4 schools now.

1. Vichitrangsan School August 2011
2. Baan Tung Krathin School April 2012
3. Tha Baan Luang School October 2013
4. Nern Kham Rat Prachanukrau School March 2014



Since the start until 2014, there are students and member of that area joining the course for 178 members (2014 - 28 members). So, there are 32 members who have a skill for their future job (2014 - 11 members). They start their career by open their own sewing business at home.

Qualifiers of studying and skill test	2014			2011-2014	
	Sewer	Hand Sewing	Do as the occupation	Class attendance	Do as the occupation
Primary school student class 6	5	2	0	39	2
High school student class 3	12	3	5	119	12
Individuals	5	1	6	20	18
Total	22	6	11	178	32

To Be No.1

Drugs are the national crisis which every sector need to coordinate in solving this problem immediately because it is getting more violent and have an effect on society, culture, environment, family, and national security.

Company committees give priority on protecting and solving drugs problem because our labour are in a risk group which are between ages of 18-35. To prevent spreading out of drugs, having good health, handing off drugs, which are important to working ability, To Be Number One was founded in Sabina Factory, Yasothon Factory (2005) and Chai Nat Factory (2009). To Be Number One committee was set up which consist of staffs from allover sector. They have to set up an activity under the budget such as internal sport day. So the zero rates for urinalysis have been happen 10 years consecutively.



Apart of Drug Free Workplace, we received an important award which is

Yasothon Factory

To Be Number 1 an Excellent Large Corporate Nationwide in 2009 which win the Golden Award in July 17, 2014

Chai Nat Factory

To Be Number 1 An Excellent Large Corporate in 2014



Buriram Factory also won the award for Drugs Protection and Solving Standard in Corporate from Department of Labour Protection and Welfare on August 4, 2014.

From the solid action and result from drug free, the next purpose is to expand to staffs family and community which are the important basis of building a good society and drug free which have activities as follow.

Sport against drugs

The company will be a host for football match against drugs in community to help them pay attention in building up a good health and mind.



Support and expand To Be No. 1 to community

Company tries to broadcast disadvantages of drugs to community by using dam building activity for community and establish youth friend center.



Expand To Be No.1 to school

Company brings out the knowledge to Du ToongKam Bon School in Muang, Yasothon and Kuruprachasan School, Sankhaburi, Chai Nat to push this project successfully.



Environment Preservation

Company committee has focus on protect any activity that have a negative impact to environment and community. So company tries to manage our area to be a nice place by increase green space and reduce number of garbage. Including control waste and industrial waste no to harm the environment and community.

Sort out the garbage

Company had push the idea of sorting out garbage to be happened in every level in company through 5Sor project, start with try to have different type of bin for different type garbage

Sort – Sorting bin- food, glasses, plastic



Select garbage eliminator

Company select the person to eliminate garbage and abundant stuff from selection of committee and Human Resources to have a garbage eliminator which have the license follow the rules and regulations and it won't have negative impact on environment and community.

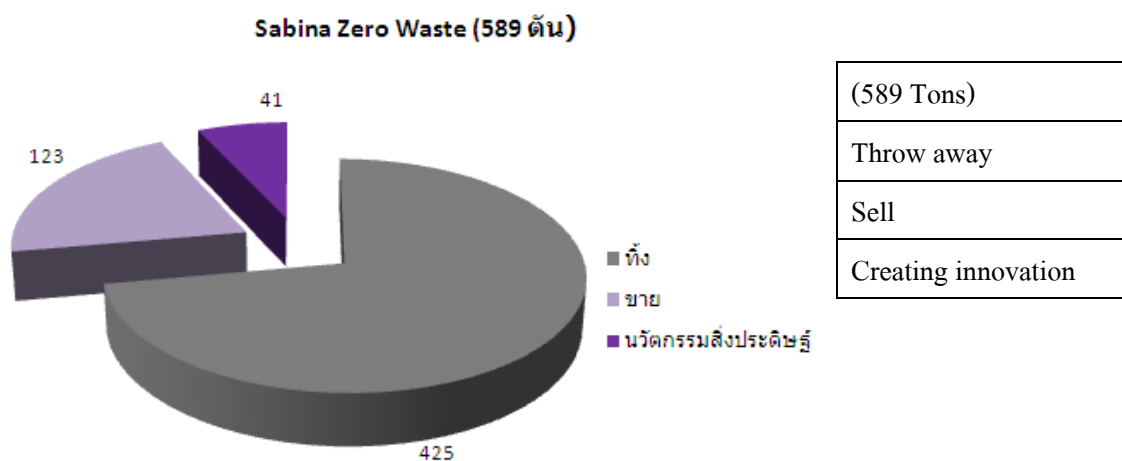
Zero Waste Project

To reduce the loss and create value from abundant stuff and garbage efficiency, recycle from garbage project were happened.



Zero waste result in 2014 (Unit:Tons)

Factory	Total waste in 2014 (Unit:Tons)	Zero waste result in 2014		
		Throw away	Recycle	Creating innovation
TaPhra	66.57	77.78	16.67	5.56
Sai 5	348.00	72.73	20.45	6.82
Chainat	65.25	75.76	18.18	6.06
Yasothon	81.200	69.58	22.81	7.60
Buriram	27.84	57.14	32.14	10.71
Total	588.86	352.99	110.26	36.75



The number of garbage increase to 815,640 kg in 2012 has decrease to 588,860 in 2014

The number of garbage from 2012 to 2014 (Unit:Kg)

Factory	2012	2013	2014	Amount of garbage reduced (%)
TaPhra	85,590	76,080	66,570	22.22
Sai 5	474,500	435,000	348,000	27.27
Chainat	86,130	74,820	65,250	24.24
Yasothon	116,700	91,195	81,200	30.42
Buriram	48,720	36,549	27,840	42.86
Total	815,640	713,545	588,860	27.8

5 Sor to Household and Community

The committee see that 5 Sor is the tools that make environment secure and hygiene which leads to the development and manage surrounding things that build up discipline, the basis of environment consideration. So, 5 Sor will be expand to the community.

5 Sor to Staff House

Start with acknowledging about 5 Sor activity at home by use it in daily life for example clear up the house, sorting, make things in order, manage the wardrobe etc. 5 Sor to staff house start since 2012 until now.



Abundant stuff from staff house will be donated to “delight room” depend on them or selling to other staffs by the money the got will be in Jintana Mother Foundation which return to their lineage’s education.

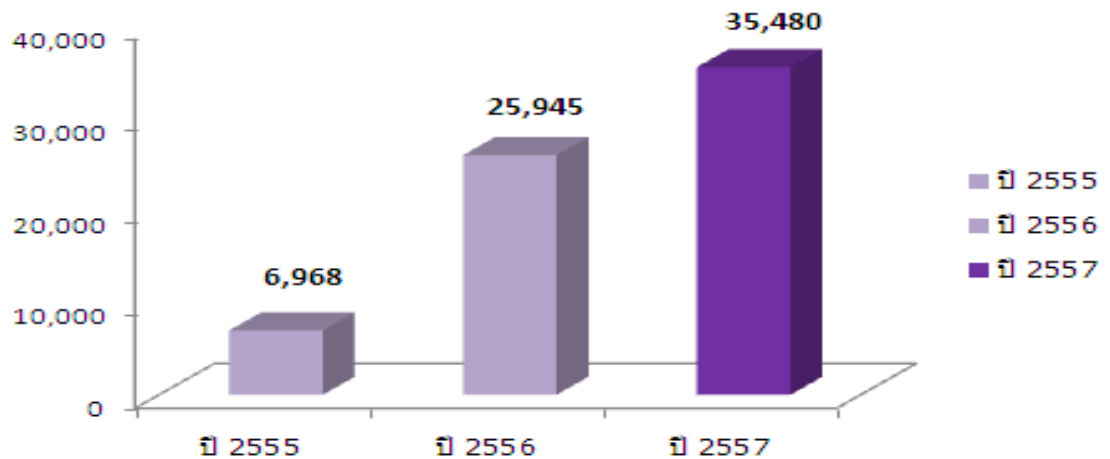


Overall 5 Sor to Household and Community

Number of employee's families that participated in 5 Sor to household campaign

Factory	2012			2013			2014		
	Total	Participate	%	Total	Participate	%	Total	Participate	%
TaPhra	495	23	4.65	243	40	9.46	371	43	11.59
Sai 5	700	37	5.29	621	189	30.43	578	348	60.21
Chainat	560	52	9.29	510	281	55.1	502	459	91.43
Yasothon	1150	175	15.22	892	480	53.81	856	815	95.21
Buriram	181	0	0	176	5	2.74	162	20	12.35
Total	3086	287	9.3	2622	995	37.95	2469	1685	68.25

Value of items from cleaning up which donated to “Im-Boon” Room (Baht)



5 Sor to Community

Due to Yasothon Factory and Chai Nat Factory is a large corporate in community and temple is the center of community, in 2013, 5 Sor to the Temple had begin between surrounded temple which are PoanNgoi Temple - Yasothon, Wang Krachai Temple – Chai Nat. Starting with cleaning general area of the temple and set all the stuff in order and donate sorting bin for garbage sorting.

5Sor Activity at PoanNgoi Temple – Yasothon and Wang Krachai Temple – Chai Nat



Cleaning common area



Throw out abundant stuff



Set things in order



Sorting bin donation for garbage sorting



In mid 2014, ThaPra Factory had expand5 Sor 50 PraduChimpli Temple, ThaPra, Bangkokyai. Starting with cleaning surrounded area.



Internal Control and Risk Management

Our internal control system is audited by the Internal Audit Office. The operations of the departments in our company and subsidiary are audited according to the Internal Audit Plan of the Management. The Audit Committee will audit the internal control and audit systems of our company and subsidiaries to ensure that they are adequate and efficient.

On February 20, 2015, the Board Meeting No. 1/2015 was held. Three Audit Committees also attended this meeting. The Meeting assessed the Company's internal control system through examination of documents from the Executives, questionnaire on the internal control system adequacy made by the Audit Committee and the Executives. The Company's and subsidiary's internal control systems in respect of organization, environment, risk management, management operation control, information system, data communication and follow-up were assessed. The Meeting decided that the Company and subsidiary have adequate internal control systems that make the operation and management efficient and transparent.

On November 13, 2013 the Company Audit Committee appointed Mister Samphan Puyabhiromya as the secretary and Internal Audit Committee due to his internal audit experiences and good understanding of internal operations.

The qualifications of Head of Company Internal Auditor included in Attached Document 2

Connected Transactions

Connected Transactions between the Company, Subsidiary and Other Persons that May Create Conflict of Interests

According to the Auditor, in the year 2014, Sabina Public Company Limited and Sabina Fareast Co., Ltd. made connected transactions that may create conflict of interests. Other connected transactions were also disclosed in the note attached to the financial statement. The details are shown in the table below:

Related Companies	Relationship	Type of Transaction	Value (Million Baht)	Related Companies
Sabina Fareast Co., Ltd	A subsidiary whose shares are held by its parent company, Sabina Plc. in the ratio of 99.90%.	Purchase of raw materials such as fabrics, laces and rubber.	10.08	<p>Parent company bought the goods from its subsidiary at regular price under common term of payment -- same as dealing with other suppliers.</p> <p>Necessity for transaction: Normally, parent company and its subsidiary do not jointly buy raw materials and other items though the purchase order made by the latter. However, in some cases by placing a large order we can get raw materials and other items at lower price.</p> <p>Audit Committee's views: The transactions were made in normal purchase and sale where prices and term of payment were based on the market's indexes and references as if dealing with unrelated company</p>
		Purchase of Finish Goods	-	

Sabina Fareast Co., Ltd	A subsidiary whose shares are held by its parent company, Sabina Plc. in the ratio of 99.90%.	Sale of Finish Goods	599.52	<p>Sabina Plc. sold raw materials to Sabina Fareast Co., Ltd. at normal price under regular payment term.</p> <p>Necessity for transaction: Parent company manages the production capacity of all factories as if there is one factory. When parent company has excessive production capacity and its subsidiary has insufficient production capacity, the former buys raw materials from the latter to make lingerie for sale to the latter.</p> <p>Audit Committee's views: The transactions were made in normal purchase and sale where prices and term of payment were based on the market's indexes and references as if dealing with unrelated company.</p>
		Sale of raw materials.	-	

Sabina Fareast Co., Ltd.	A subsidiary whose shares are held by its parent company, Sabina Plc. in the ratio of 99.90%.	Income for lingerie production service.	76.05	<p>Parent company made lingerie for its subsidiary. The transaction is normal. The price and payment term are normal.</p> <p>Necessity for transaction: Parent company does not usually mass product lingerie for its subsidiary on a long-term basis. However, the said production was offered due to excessive capacity. It was a way to use the most of remaining production capacity.</p> <p>Audit Committee's views: The transactions were made in normal purchase and sale where prices and term of payment were based on the market's indexes and references as if dealing with unrelated company.</p>
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Sabina Fareast Co., Ltd.	A subsidiary whose shares are held by its parent company, Sabina Plc. in the ratio of 99.90%.	Payment for lingerie work pieces.	9.40	<p>Payment made by parent company to its subsidiary for making lingerie work pieces at the price and payment term as in normal business practice.</p> <p>Necessity for transaction: Parent company manages the production capacity of all factories as if there is one factory. When parent company has excessive production capacity and its subsidiary has insufficient production capacity, the former buys raw materials from the latter to make lingerie for sale to the latter.</p> <p>Audit Committee's views: The transactions were made in normal purchase and sale where prices and term of payment were based on the market's indexes and references as if dealing with unrelated company.</p>
Sabina Fareast Co., Ltd.	A subsidiary whose shares are held by its parent company, Sabina Plc. in the ratio of 99.90%.	Rental income	0.23	<p>Parent company leased space from its subsidiary (Yasothon factory) on February 15, 2013. The rent was based on the market rate and the rate in the area nearby prevailing at the time.</p> <p>Auditor Committee's Views: Normal transaction based on the market rate.</p>
Sabina Fareast Co., Ltd.	A subsidiary whose shares are held by its parent company, Sabina Plc. in the ratio of 99.90%.	Rental for office space and warehouse income.	1.71	<p>Parent company leased office space and warehouse from its subsidiary on June 1, 2013. The rent was based on the market rate and the rate in the area nearby prevailing at the time.</p> <p>Auditor Committee's Views: Normal transaction based on the market rate.</p>

Sabina Fareast Co., Ltd.	A subsidiary whose shares are held by its parent company, Sabina Plc. in the ratio of 99.90%.	Account receivable	261.47	<p>Payment term is the normal -- same as when parent company sells goods to other customers.</p> <p>Payment term is the normal -- same as when parent company sells goods to other customers.</p> <p>Audit Committee's views: The transactions were made in normal purchase and sale where prices and term of payment were based on the market's indexes and references as if dealing with unrelated company.</p>
		Account payable	1.35	
Sabina Fareast Co., Ltd.	A subsidiary whose shares are held by its parent company, Sabina Plc. in the ratio of 99.90%.	Interest received	10.65	Interest earned by parent company from extending a loan to its subsidiary. The interest rate is 3.35-5% which is higher than the rate for a fixed deposit account offered by commercial banks.
Sabina Fareast Co., Ltd.	A subsidiary whose shares are held by its parent company, Sabina Plc. in the ratio of 99.90%.	Loan out	416	Parent company, having liquidity, extended a loan to its subsidiary to help the latter repay the loan taken out from other financial institutions.

2) Normal transactions between Sabina Plc. and Sabina Fareast Co., Ltd. or between Sabina Fareast Co., Ltd. and other persons that may create conflicts with other transactions.

Related Persons	Relationship	Transaction	Value (Million Baht)	Audit Committee's Views / Necessity and Justification for Transaction
Mr. Viroj Thanalongkorn	Major shareholder of Sabina Plc., holding 74.59% of its shares.	Security for loan taken out from financial institution. No fee is charged	-	To assist Sabina Plc. in its operation, Mr. Viroj Thanalongkorn puts up a security for the credits comprising O/D , P/N, L/C , T/R , P/C , L/G, long-term loan and forward contract.
Mr. Viroj Thanalongkorn	Director of Sabina Fareast Co., Ltd.	Security for loan taken out from financial institution. No fee is charged	40	Audit Committee's Views: The transaction is made justifiably.

12.2 Approval of Connected Transactions: Measures and Procedures

The transaction between the persons that may have conflict of interests in the future requires prior approval of the Board Meeting which is also attended by the Audit Committee. The Meeting shall consider the proposed transaction carefully to ensure reasonable pricing, fairness and justification for the maximum benefit of the Company. At the Meeting, the interested Director shall have no right to vote on the transaction being considered

12.3 Future Connected Transactions: Policies and Possibilities

On June 10, 2008, the Board Meeting No.11/2008 of Sabina Plc. decided to adopt the measures for the approval of future connected transactions, in which the transactions can be put into two categories, namely the normal and continuous transactions and extraordinary transactions that occur from time to time. The Meeting also adopted the policy on financial assistance. The procedures are as follows:

1. Normal business transactions

Purchase of raw material is for example a normal business transaction because it occurs in the course of normal business operation. It is therefore stipulated that this type of transaction be made at a fair market price under the usual terms and conditions generally accepted in the industry that can be audited to prove justification. The proposed transaction shall be examined and approved by the Audit Committee according to the principles and guidelines adopted in continuous phrases.

2. Extraordinary transactions which occur from time to time

Share purchase or sale is for example an extraordinary transaction that occurs from time to time such as stock trading. The Audit Committee shall express their views whether or not the price is fair, the terms and conditions are acceptable or the transaction is justifiable. If the Audit Committee lacks the expertise on the type of transaction in question, an independent specialist or the Company Auditor will be called to conduct an audit. The views of the Audit Committee or independent specialist will be taken into account to assist decision on the approval by the Board Meeting or Shareholders Meeting of the said transaction, whichever the case may be, subject to the related applicable regulations.

3. Policies on Financial Assistance

It is our policy that only financial assistance in the form of personal guarantee put up by a major shareholder and/or a Director, without charging any fee, to secure the loan taken out by the Company or subsidiary from financial institution -- inclusive of financial assistance to subsidiary -- shall be allowed in the future.

To make any connected transaction, the Board of Directors shall comply with the Securities and Exchange Act, the notifications, orders or requirements as set forth by the Securities Exchange of Thailand and the Securities Exchange Commission. The Internal Audit Office shall at random audit the transactions already made and present a report to the Audit Committee at the Meeting in that period for perusal. The connected transactions shall be shown in the financial statement that has been audited by the Company's Auditor – Form 56-1 and Form 56-2 shall be used – in compliance with the generally recognized accounting standard.

Essential Financial Information

Unit : Million Baht

	<u>Consolidated financial statements</u>			<u>Financial statements</u>		
<u>Performance</u>	2012	2013	2014	2012	2013	2014
1. Total incomes	2,032.48	2,189.43	2,164.60	779.60	798.80	712.17
2. Incomes from sales and services	2,014.72	2,177.66	2,153.43	763.54	786.99	697.41
3. Gross profit	1,002.13	1,116.18	1,141.31	154.91	156.16	144.45
4. Operating profit	178.58	168.43	188.19	70.56	75.05	60.65
5. Net profit	111.51	117.15	146.92	68.21	73.65	63.72
<u>Financial Status</u>						
1. Total assets	2,264.88	2,293.41	2,307.51	1,103.93	1,160.62	1,197.34
2. Total liabilities	862.99	821.13	741.25	93.14	122.93	136.75
3. Total shareholder's equity	1,401.89	1,472.28	1,566.26	1,010.79	1,037.68	1,060.59
<u>Financial Ratio</u>						
<u>Liquidity Ratio</u>						
Current ratio (times)	2.07	2.16	2.55	9.96	7.83	8.35
Account receivable turnover (times)	3.96	5.14	6.49	2.19	1.96	2.03
Inventory turnover (times)	0.94	0.94	0.84	3.38	4.42	3.95
Account payable turnover (times)	8.51	9.13	8.46	9.97	10.58	7.99
<u>Profitability Ratio</u>						
Gross profit margin (%)	49.74	51.26	53.00	20.29	19.84	20.71
Net profit margin (%)	5.49	5.35	6.79	8.75	9.22	8.95
Return on equity (%)	8.45	8.15	9.67	6.94	7.19	6.07
<u>Efficiency Ratio</u>						
Returns on assets (%)	5.07	5.14	6.39	6.20	6.50	5.40
<u>Financial Policy Ratio</u>						
Debt to equity ratio (times)	0.62	0.56	0.47	0.09	0.12	0.13

Analysis of Performance and Financial Status with Explanation

Financial Status

Total Assets

In 2013, the Company's total assets increased to 2,293.41 million Baht which about 28.52 million Baht more than 2012 due to increase in cash and cash equivalents of 20.32 million Baht, the decrease in account receivable of 130.57 million Baht, increase in other creditor of 5.62 million Baht, increase in inventories of 93.99 million Baht, increase in deferred income tax of 25.61 million Baht, increase in leasehold right of 9.98 million Baht, and increase in deposit of 4.61 million Baht, respectively.

In 2014, the Company's total assets increased to 2,307.51 million Baht which about 14.1 million Baht more than 2013 due to investment in the registered fund increased about 23.5 million Baht, increase in Securities available for sell of 19.5 million Baht, decrease in account receivable of 54.01 million Baht, increase in inventories of 43.11 million Baht, increase in deferred income tax of 10.34 million Baht.

Account receivable

In 2013, the Company had account receivable of 358.73 million Baht decreasing by 130.57 million Baht due to the Company more focused on sales in cash and rushed in collecting debts. The proportions of current account receivable and account receivable overdue 0 - 3 months was at 99.13% and 0.87% of the total account receivable before allowance for doubtful accounts.

In 2014, the Company had account receivable of 304.72 million Baht decreasing by 54.01 million Baht. The proportions of current account receivable, account receivable overdue 0 - 3 months, and receivable overdue 4-6 months was at 93.89%, 3.51%, and 2.61% of the total account receivable.

Inventories

In 2013, the inventories were recorded at 1,182.02 million Baht, an increase of 93.99 million Baht or 8.64%. Most of the increasing inventories covered finished products of subsidiary brands but work-in- process products, raw materials and supplies reduced.

In 2014, the inventories were recorded at 1,225.14 million Baht, an increase of 43.11 million Baht or 3.65%. Most of the increasing inventories covered finished products of subsidiary brands.

Estate, Building, and Equipment

In 2013, the book value of estate, building, and equipment was worth at 368.44 million Baht, increased by 0.57 million Baht from the last year figure. Most of the investment included machinery and equipment increasing by 7.52 million Baht, office supplies increasing by 1.02 million Baht, Computer and equipment increasing by 6.78 million Baht. At the end of 2013, the depreciation of tangible assets was recorded at 51.24 million Baht.

In 2014, the book value of estate, building, and equipment was worth at 345.04 million Baht, decreased by 23.39 million Baht from the last year figure. At the end of 2014, the depreciation of tangible assets was recorded at 51.52 million Baht.

Performance

In 2013, the net profit rate recorded as 5.35 % resulting in the return on total assets and the return on fixed assets at 7.91% and 43.19%, respectively.

In 2014, the net profit rate recorded as 6.79 % resulting in the return on total assets and the return on fixed assets at 6.39% and 51.55%, respectively.

Liabilities

In 2013, the Company had the liabilities of 821.13 million Baht, a decrease of 41.87 million Baht from the last year. The shore-term loans from financial institutions and account payable dropped to 532 million Baht and 126.65 million Baht, respectively. Other creditors rose to 102.5 million Baht and other current liabilities decreased to 38.99 million Baht.

In 2014, the Company had the liabilities of 741.25 million Baht, a decrease of 79.88 million Baht from the last year. The shore-term loans from financial institutions and account payable dropped to 431 million Baht and 112.59 million Baht, respectively. Other creditors rose to 111.72 million Baht and other current liabilities decreased to 32.64 million Baht.

Shareholder's Equity

In 2013, the Company's shareholders' equity totaled at 1,472.28 million Baht

In 2014, the Company's shareholders' equity totaled at 1,566.26 million Baht, increased in 93.98 million Baht from last year figure.

Liquidity Analysis**Operation Cash flow**

In 2013, the Company's cash flow from operating activities was recorded at 163.74 million Baht comprising the net profit of 117.15 million Baht, depreciation and amortization of 58.54 million Baht, account receivable dropped by 130.57 million Baht, Other creditor increased by 5.60 million Baht, inventories increased by 95.99 million Baht, Other current assets dropped by 20.99 million Baht, account payable increased by 21.53 million Baht, etc.

In 2014, the Company's cash flow from operating activities was recorded at 199.08 million Baht comprising the net profit of 146.92 million Baht, depreciation and amortization of 58.03 million Baht, account receivable dropped by 51.83 million Baht, Other creditor decreased by 4.95 million Baht, inventories increased by 43.11 million Baht, Other current assets increased by 3.47 million Baht, account payable increased by 14.28 million Baht, etc.

Investment Cash Flow

In 2013, the Company's cash flow for investment activities was recorded at 54.46 million Baht, The Company invested in temporary investment, building and equipment and intangible assets of 13.82 million Baht, 52.53 million Baht, and 17.11 million Baht, respectively.

In 2014, the Company's cash flow for investment activities was recorded at 51.41 million Baht, The Company invested in temporary investment and building and equipment of 23.52 million Baht and 28.13 million Baht, respectively.

Funding Cash flow

In 2013, the Company's cash flow for funding activities was recorded at 88.96 million Baht. The Company paid the dividend of 39.96 million Baht and repaid the short-term loans from financial institutions of 49 million Baht.

In 2014, the Company's cash flow for funding activities was recorded at 147.91 million Baht. The Company paid the dividend of 46.91 million Baht and repaid the short-term loans from financial institutions of 101 million Baht.

Operation Performance in 2014

Incomes from Sales

In 2013, the Company had the incomes from the sales of products for 2,177.66 million Baht which increased from 2012 about 162.93 million Baht, equal to 8.09 percent increase. Main reason due to the increasing of subsidiaries' trademarks sales increased about 152.98 million Baht and income from sales of OEM products increased about 14.06 million Baht which followed the company's goal to emphasis on increasing sales under subsidiaries' trademarks continuously.

In 2014, the Company had the incomes from the sales of products for 2,153.43 million Baht which decreased from 2013 about 24.22 million Baht, equal to 1.11 percent decrease. Main reason due to the increasing of subsidiaries' trademarks sales decreased about 66.53 million Baht and income from sales of OEM products increased about 42.31 million Baht which caused by political situation in the first half of the year and slow in domestic consumption in second half of the year.

Incomes from Sales Classified by Product (Unit: Million Baht)

	2012	Percent	2013	Percent	2014	Percent
Incomes from OEM product sale						
Bras	122.81	6.11	146.77	6.70	174.22	8.09
Underpants	41.65	2.07	37.11	1.70	52.17	2.42
Others	21.44	1.07	16.08	0.73	15.88	0.74
Total incomes from OEM product sale	185.90	9.25	199.96	9.18	242.27	11.25
Incomes from sale of subsidiary' brandname products						
Bras	1,397.66	69.51	1,545.25	70.58	1,475.44	68.51
Underpants	368.40	18.32	376.84	17.21	363.36	16.87
Others	58.65	2.92	55.60	2.54	72.36	3.37
Total incomes from sale of subsidiary' brandname products	1,824.71	90.75	1,977.69	90.33	1,911.16	88.75
Total incomes from sale	2,010.61	100.00	2,177.65	100.00	2,153.43	100

OEM Products

In 2013, the incomes from the sales of OEM products were at 199.96 million Baht, increased by 14.06 million Baht or 7.85%. The incomes from the sales of OEM products were divided into the sales of lingerie, underpants and other products at 6.70%, 1.70 % and 0.73 % of the total sales, respectively.

In 2014, the incomes from the sales of OEM products were at 242.27 million Baht, increased by 42.31 million Baht or 21.16%. The incomes from the sales of OEM products were divided into the sales of lingerie, underpants and other products at 8.09%, 2.42% and 0.74% of the total sales, respectively.

Subsidiary's Brandname Products

The revenue from the sales of products under the subsidiaries' trademarks is significant to the Company's revenues since the products have better prices and gross profit margin than the OEM products. In addition, the Company can control the design, quantity, and the distribution period. The revenue from the sales of products under the subsidiaries' trademark with continuous growth as follows.

In 2013, the Company had the incomes from the sales of products under the subsidiaries' trademarks of 1,977.69 million Baht, an increase of 152.98 million Baht (8.38%), or 90.33% of the total sales income .The incomes from lingerie, underpants and other products were at 70.58%, 17.21%, and 2.54% of the total sales incomes, respectively.

In 2014, the Company had the incomes from the sales of products under the subsidiaries' trademarks of 1,911.16 million Baht, an decrease of 66.53 million Baht (3.36%), or 88.75% of the total sales income .The incomes from lingerie, underpants and other products were at 68.51%, 16.87%, and 3.37% of the total sales incomes, respectively.

Cost of Goods Sold and Gross Profit Margin

In 2013, the Company's cost of goods sole totaled 1,061.48 million Baht or 48.74% of the incomes from sales and services. The gross profit margin was recorded at 1,116.18 million Baht or 51.26% of the incomes from sales and services. The Company has emphasized on expansion of sales of products under the subsidiaries' trademarks consistently and strictly. Advertising budgets were allocated and marketing promotions were applied. New sales counters were opened at department stores, new retail stores and the Company's shops.

In 2014, the Company's cost of goods sole totaled 1,012.12 million Baht or 46.75% of the incomes from sales and services. The gross profit margin was recorded at 1,141.31 million Baht or 52.72% of the incomes from sales and services. The Company has emphasized on expansion of sales of products under the subsidiaries' trademarks consistently and strictly. Advertising budgets were allocated and marketing promotions were applied. New sales counters were opened at department stores, new retail stores and the Company's shops.

Selling and Administrative Expenses and Operating Profit

In 2013, the Company's selling and administrative expenses were at 947.75 million Baht, increasing by 124.20 million Baht (14.66%) or 43.29 % of the total sales incomes. The Company has focused on expansion of sale counters resulting in higher leasing costs for sales and service areas. To increase sales volumes and market shares of products under the subsidiaries' trademarks, the budgets for advertising and marketing promotion were added consistently.

Accordingly, the Company had the operating profit of Baht 168.42 million or 7.73% of the incomes from sales and services.

In 2014, the Company's selling and administrative expenses were at 953.12 million Baht, increasing by 5.37 million Baht (0.57%) or 44.03 % of the total sales incomes. The Company has focused on expansion of sale counters resulting in higher leasing costs for sales and service areas. To increase sales volumes and market shares of products under the subsidiaries' trademarks, salespersons and the budgets for advertising and marketing promotion were added consistently.

Accordingly, the Company had the operating profit of Baht 188.18 million or 8.74% of the incomes from sales and services.

Interest Paid

In 2013, the Company had interest paid of 16.08 million Baht, decreasing by 5.95 million Baht.

In 2013, the Company had interest paid of 13.43 million Baht, decreasing by 2.65 million Baht.

Corporate Income Tax

The Company still received the corporate tax privilege for the profit received from Yasothon Factory. The overall tax privilege of reduction will be scheduled to complete in May 2, 2011, and will receive the tax privilege of 50% deduction of the normal rate till 2016.

In 2013, the Company had the corporate tax at 46.97 million Baht.

In 2014, the Company had the corporate tax at 39.01 million Baht.

Net Profit

In 2013, the Company had the net profit of 117.15 million Baht increasing by 5.63 million or 5.05%

In 2014, the Company had the net profit of 146.92 million Baht increasing by 29.77 million or 25.41%

Returns on Equity

In 2013, the Company's basic earnings per share was at 0.34 Baht; and the Return on Equity (ROE) was at 8.15%

In 2014, the Company's basic earnings per share was at 0.42 Baht; and the Return on Equity (ROE) was at 9.67%

Remuneration to Auditor

From 2012 to 2014, the auditor, A.M.T Associate Office, was paid as follows:

Unit: Baht	2012	2013	2014
Remuneration to auditor	830,000	830,000	900,000
Other payments	-	-	-

Audit Committee's Report for 2014

The Audit Committee of Sabina Public Company Limited consists of 3 Independent Directors (Miss Rawewan Peyayopanakul, Mr. Yuthana Adipath, and Mr. Somchai Vanavit). Delegated by the Board, its key roles and responsibilities include reviewing the financial reports and disclosing in financial statements, reviewing good corporate governance, reviewing internal control systems and internal audit systems, reviewing conflict of interest issues of connected parties, reviewing risk management assessment system and appointing auditors for the year 2015. In 2014, the Audit Committee held 4 meetings (one agenda of the 4th meeting was considered by the Committee and the auditors without the management). Details of key performances in 2014 are summarized as follows:

1. Review the quarterly financial statements and the annual financial statements of 2014

The Audit Committee reviewed the quarterly financial statements and the 2014 annual financial statements which were prepared in accordance with Thai Financial Reporting Standards (TFRS) and International Financial Reporting Standards (IFRS), including laws and regulations, accounting standards and financial reporting standards specified in notifications of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). Moreover, the Audit Committee held one meeting with the auditors without the management.

1. Review the good corporate governance

The Audit Committee consistently reviewed and governed the operations to be in line with the Company's regulations and regulations set by SEC and SET, related laws and good corporate governance. The information and connected transactions under the SEC's notifications were disclosed accurately, completely and in a timely manner. The transparency and fairness have been focused.

2. Review the internal control system and internal auditing

The Audit Committee has reviewed the Company's internal control system and stated that the internal control system is still appropriate. The Audit Committee has approved the annual audit plan and reviewed whether it has operated according to the plan and monitored whether any corrections have been made.

3. Review the conflict of interest between connected parties

The Audit Committee quarterly reviewed connected transactions and transactions having conflict of interests from business or trade agreement with directors, management and connected parties as specified in the SET's regulations and related laws. The Company strongly complied with laws and SET's regulations, including good corporate governance principles. The Company also disclosed information to the SET accurately and in a timely manner.

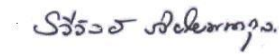
4. Review the risk management assessment systems

The Audit Committee reviewed the risk management assessment system by conducting quarterly reviews with the Board of Directors. The Board identified material risks, probability and impact. Accordingly, plans to mitigate and prevent risks have been determined.

5. Appointing the auditor for the year 2015

The Audit Committee selected and appointed A.M.T. Associates Office to be the Company's auditor based on its satisfactory performance in the last year. The Audit Committee reviewed the accuracy and completeness of the auditor's qualifications. Therefore, the Audit Committee proposed the Board for approval in the 2015 Annual General Meeting of Shareholders to appoint Professor Kesari Narongdej or Mrs. Natsarat Sarochananjin or Mr. Chaiyut Ungsuvitaya or Mr. Sumit Kopibul, Certified Public Accountant License No. 76, 4563, 3885 and 4885, respectively, from A.M.T. Associates Office, to be the Company's auditor for the year 2015.

For the Audit Committee



(Miss Rawewan Peyayopanakul)

Chairman of Audit Committee

Board of Directors' Responsibility for Financial Report

The Board of Directors of Sabina Plc. are responsible for the financial statements and consolidated financial statements of the Company and subsidiary, including the financial information that appears on the annual report. The said financial statements are prepared according to the generally recognized accounting standard with appropriate accounting policies and usual practices adopted, with utmost care and best projection where essential information is sufficiently disclosed in the notes attached thereto for the benefit of shareholders and investors to ensure transparency.

The Board of Directors have and maintain an efficient internal control system to ensure that the accounting entries are made correctly, completely and sufficiently for the maintenance of properties and awareness of weaknesses so that frauds or irregularities can be prevented.

In this regard, the Board of Directors have appointed an Audit Committee to audit the financial reports and the internal control system to ensure the quality and efficiency thereof, and the Audit Committee's views related thereto appear on their report, which is attached to the annual report.

The financial statements and consolidated financial statements of Sabina Plc. and its subsidiary have been audited by A.M.T. Associate Office, the Company Auditor, during which the Board of Directors provided the information and documentations to assist the Auditor in the audit and expression of their views according to the generally recognized accounting standard, the details of which appear on the Auditor's Report attached to the Annual Report.

The Board of Directors are of the opinion that the Company's overall internal control system is efficient enough to ensure reliability of the financial statements and the consolidated financial statement of Sabina Plc. and its subsidiary for the year ending December 31, 2014 and compliance with the generally recognized accounting standard, the laws and regulations applicable thereto.



(Mr. Viroj Thanalongkorn)

Chairman of Board of Directors



(Mr. Bunchai Punturaumporn)

Chairman of the Executive Committee

Summary of Audit Report

The consolidated financial statements and the separate financial statements or the year ended December 31, 2014

Auditor name:	Chaiyuth Angsuwithaya Certified Public Accountant Registration No. 3885
Auditor's Opinion:	The financial statements present fairly, in all material respects, the consolidated financial position of Sabina Public Company Limited and its subsidiary as of December 31, 2014, and the result of their operations and their cash flows for the year then ended and the financial position of Sabina Public Company Limited as of December 31, 2014, the results of its operations and its cash flows for the year then ended in accordance with financial reporting standards.

SABINA PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
AND
INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To The Shareholders and Board of Directors of Sabina Public Company Limited

- (1) I have audited the accompanying consolidated financial statements of Sabina Public Company Limited and its subsidiary, which comprise the consolidated statement of financial position as of December 31, 2014, the related consolidated statements of changes in shareholders' equity, consolidated statement of income, consolidated comprehensive income and consolidated cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. I have also audited the separate financial statements for the same period of Sabina Public Company Limited.

(2) Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

(3) Auditor's Responsibility

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

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

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

(4) Opinion

In my opinion, the financial statements present fairly, in all material respects, the consolidated financial position of Sabina Public Company Limited and its subsidiary as of December 31, 2014, and the result of their operations and their cash flows for the year then ended and the financial position of Sabina Public Company Limited as of December 31, 2014, the results of its operations and its cash flows for the year then ended in accordance with financial reporting standards.

(5) Other matter

The consolidated financial statements of Sabina Public Company Limited and its subsidiary and the separate financial statements of Sabina Public Company Limited for the year ended December 31, 2012 audited by another auditor in my office, in accordance with auditing standards, and expressed an un-qualify opinion in his report dated February 20, 2013.



(CHAIYUTH ANGSUWITHAYA)

Certified Public Accountant

Registration No. 3885

A.M.T. & ASSOCIATES
Bangkok, Thailand
February 18, 2014

SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2014

		Baht			
		Consolidated Financial Statement		Separarate Financial Statement	
	NOTE	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and cash equivalents	4	43,946,590.40	44,197,669.38	13,745,045.23	14,612,617.79
Temporary Investment					
- Mutual funds	5.1	29,825,698.88	6,301,633.41	29,825,698.88	6,301,633.41
- Available-for-sale securities	5.2	77,000,000.00	57,500,000.00	77,000,000.00	57,500,000.00
Trade receivables and other receivables					
Trade receivable - net					
- Related parties	3.1	-	-	261,467,277.19	425,739,171.78
- Other parties	6	304,716,680.62	358,726,523.98	944,957.81	-
Other receivables		4,442,867.01	9,391,778.78	1,251,578.69	798,685.59
Short-term loan to related party	3.2	-	-	416,000,000.00	256,000,000.00
Inventories - net	7	1,225,137,290.60	1,182,023,744.13	144,341,950.80	135,457,637.44
Other current assets					
Prepaid output VAT		69,971,641.13	66,561,499.39	-	-
Others		1,973,736.72	1,910,290.82	471,102.44	392,895.38
Total current assets		1,757,014,505.36	1,726,613,139.89	945,047,611.04	896,802,641.39
NON-CURRENT ASSETS					
Investment in subsidiary company	1.5	-	-	144,849,500.00	144,849,500.00
Property, plant and equipment - net	8	345,045,301.77	368,435,802.05	98,082,479.23	108,722,666.13
Intangible asset	9	6,777,466.22	7,541,339.20	49.00	3,447.32
Deferred tax assets	17.4	133,445,229.03	123,108,740.92	9,356,709.80	10,237,471.60
Others non-current assets					
Leasehold right - net	10	31,453,621.26	35,952,682.64	-	-
Deposit		33,772,284.35	31,756,868.55	-	-
Total non-current assets		550,493,902.63	566,795,433.36	252,288,738.03	263,813,085.05
TOTAL ASSETS		2,307,508,407.99	2,293,408,573.25	1,197,336,349.07	1,160,615,726.44

The accompanying notes to financial statements are an integral part of these financial statements.

(Signed).....Director

(Signed).....Director

SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2014

		Baht			
		Consolidated Financial Statement		Separate Financial Statement	
NOTE		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdrafts and short-term loans from					
financial institutions	11	431,000,000.00	532,000,000.00	-	-
Trade payables and other payables					
Trade payable					
- related parties	3.3	-	-	1,350,519.74	1,329,135.15
- other parties		112,590,249.60	126,653,066.21	64,687,086.95	70,982,984.05
Other payables	12	111,724,314.72	102,500,442.98	39,121,451.85	34,921,397.27
Other current liabilities					
Accrued income tax		17,368,315.76	28,387,076.48	5,033,717.55	3,987,255.01
Others		15,277,299.08	10,604,410.99	3,028,262.94	3,289,410.86
Total current liabilities		687,960,179.16	800,144,996.66	113,221,039.03	114,510,182.34
NON-CURRENT LIABILITIES					
Employees' benefit obligation	13	50,594,083.99	18,358,907.99	23,523,548.99	8,427,357.99
Employees' deposit		2,695,000.00	2,621,000.00	-	-
Total non-current liabilities		53,289,083.99	20,979,907.99	23,523,548.99	8,427,357.99
Total liabilities		741,249,263.15	821,124,904.65	136,744,588.02	122,937,540.33

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SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2014

		Baht			
		Consolidated Financial Statement		Separarate Financial Statement	
	NOTE	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
SHAREHOLDERS' EQUITY					
Share capital - Par value Baht 1 each	14				
Authorized share capital					
Common share 347,500,000 shares of Baht 1 each		347,500,000.00	347,500,000.00	347,500,000.00	347,500,000.00
Issued and paid - up share capital					
Common share 347,500,000 shares of Baht 1 each		347,500,000.00	347,500,000.00	347,500,000.00	347,500,000.00
Premium on share capital		275,164,000.00	275,164,000.00	275,164,000.00	275,164,000.00
Retained earnings					
Appropriated – legal reserve	15	49,250,000.00	45,950,000.00	34,750,000.00	34,750,000.00
Unappropriated		718,864,625.68	643,789,149.44	430,132,761.05	422,819,186.11
Total other components of equity		175,480,519.16	159,880,519.16	(26,955,000.00)	(42,555,000.00)
Total equity of the Parent		1,566,259,144.84	1,472,283,668.60	1,060,591,761.05	1,037,678,186.11
Non-controlling interests		-	-	-	-
Total shareholders' equity		1,566,259,144.84	1,472,283,668.60	1,060,591,761.05	1,037,678,186.11
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,307,508,407.99	2,293,408,573.25	1,197,336,349.07	1,160,615,726.44

The accompanying notes to financial statements are an integral part of these financial statements.

(Signed)  Director

(Signed)  Director

SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2014

BAHT

	Retained earnings				Other components of equity								
	NOTE	Issued and paid - up share capital	Premium on share capital	Appropriated legal reserve	Unappropriated	Net book value of subsidiary company which exceed cost of investment (Note 1.5)	Others						
							Comprehensive Income			Total Other components of equity	Total Equity of the Parent	Non Controlling Interests	Total Shareholders' Equity
							Gain (loss) from valuation of available-for-sale investment	Gain (loss) on actuarial estimates	Gain (loss) on				
Balance as of January 1, 2013	347,500,000.00		275,164,000.00	41,950,000.00	471,605,942.94	202,435,519.16	(34,260,000.00)	-	168,175,519.16	1,304,395,462.10	-	1,304,395,462.10	
The effects of changes in accounting policy													
- Income tax					98,997,506.81	-	(1,495,000.00)	-	(1,495,000.00)	97,502,506.81	-	97,502,506.81	
Balance of January 1, 2013, adjusted	347,500,000.00		275,164,000.00	41,950,000.00	570,603,449.75	202,435,519.16	(35,755,000.00)	-	166,680,519.16	1,401,897,968.91	-	1,401,897,968.91	
Changes in shareholders' equity for the period													
Appropriated legal reserve				4,000,000.00	(4,000,000.00)								
Dividend Paid	16	-	-	-	(39,962,500.00)	-	-	-	-	(39,962,500.00)	-	(39,962,500.00)	
Total comprehensive income (loss) for the period					117,148,199.69	-	(6,800,000.00)	-	(6,800,000.00)	110,348,199.69	-	110,348,199.69	
Balance as of December 31, 2013	347,500,000.00		275,164,000.00	45,950,000.00	643,789,149.44	202,435,519.16	(42,555,000.00)	-	159,880,519.16	1,472,283,668.60	-	1,472,283,668.60	
Balance as of January 1, 2014	347,500,000.00		275,164,000.00	45,950,000.00	643,789,149.44	202,435,519.16	(42,555,000.00)	-	159,880,519.16	1,472,283,668.60	-	1,472,283,668.60	
Changes in shareholders' equity for the period													
Total comprehensive income (loss) for the period					146,916,569.04	-	15,600,000.00	(21,628,592.80)	(6,028,592.80)	140,887,976.24	-	140,887,976.24	
Transfer gain (loss) on actuarial estimate													
- to Retained earnings					(21,628,592.80)	-	-	21,628,592.80	21,628,592.80	-	-	-	
Appropriated legal reserve				3,300,000.00	(3,300,000.00)								
Dividend Paid	16				(46,912,500.00)	-	-	-	-	(46,912,500.00)	-	(46,912,500.00)	
Balance as of December 31, 2014	347,500,000.00		275,164,000.00	49,250,000.00	718,864,625.68	202,435,519.16	(26,955,000.00)	-	175,480,519.16	1,566,259,144.84	-	1,566,259,144.84	

The accompanying notes to financial statements are an integral part of these financial statements.

(Signed).....Director

(Signed).....Director

SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
SEPARATE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2014

BAHT

	Other components of equity							Total Shareholders' Equity
	Retained earnings			Others				
	Issued and paid - up share capital	Premium on share capital	Appropriated legal reserve	Unappropriated	Comprehensive Income		Total Other components of equity	
Gain (loss) from valuation of available-for-sale investment					Gain (loss) on actuarial estimates.			
NOTE								
Balance as of January 1, 2013	347,500,000.00	275,164,000.00	34,750,000.00	377,420,723.11	(34,260,000.00)	-	(34,260,000.00)	1,000,574,723.11
The effects of changes in accounting policy								
- Income tax	-	-	-	11,711,379.66	(1,495,000.00)	-	(1,495,000.00)	10,216,379.66
Balance of January 1, 2013, adjusted	347,500,000.00	275,164,000.00	34,750,000.00	389,132,102.77	(35,755,000.00)	-	(35,755,000.00)	1,010,791,102.77
Changes in shareholders' equity for the period								
Dividend Paid	16	-	-	(39,962,500.00)	-	-	-	(39,962,500.00)
Total comprehensive income (loss) for the period		-	-	73,649,583.34	(6,800,000.00)	-	(6,800,000.00)	66,849,583.34
Balance as of December 31, 2013	347,500,000.00	275,164,000.00	34,750,000.00	422,819,186.11	(42,555,000.00)	-	(42,555,000.00)	1,037,678,186.11
Balance as of January 1, 2014	347,500,000.00	275,164,000.00	34,750,000.00	422,819,186.11	(42,555,000.00)	-	(42,555,000.00)	1,037,678,186.11
Changes in shareholders' equity for the period								
Transfer gain (loss) on actuarial estimate		-	-	(9,496,758.40)	-	9,496,758.40	9,496,758.40	-
- to Retained earnings	16	-	-	(46,912,500.00)	-	-	-	(46,912,500.00)
Dividend Paid		-	-	63,722,833.34	15,600,000.00	(9,496,758.40)	6,103,241.60	69,826,074.94
Total comprehensive income (loss) for the period		-	-	430,132,761.05	(26,955,000.00)	-	(26,955,000.00)	1,060,591,761.05
Balance as of December 31, 2014	347,500,000.00	275,164,000.00	34,750,000.00	430,132,761.05	(26,955,000.00)	-	(26,955,000.00)	1,060,591,761.05

The accompanying notes to financial statements are an integral part of these financial statements.

(Signed).....Director

(Signed).....Director

SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2014

B A H T

		Consolidated Financial Statement		Separate Financial Statement	
		For the year ended December 31		For the year ended December 31	
	NOTE	2014	2013	2014	2013
REVENUES					
Revenues from sales - net		2,153,428,458.97	2,177,655,463.11	621,354,450.14	723,745,408.37
Revenues from services		-	-	76,051,775.00	63,240,098.80
Other incomes		11,168,049.90	11,775,430.70	14,760,203.09	11,809,978.98
Total Revenues	3.4	2,164,596,508.87	2,189,430,893.81	712,166,428.23	798,795,486.15
EXPENSES					
Cost of sales and services		1,012,120,289.39	1,061,479,869.41	552,960,135.83	630,830,791.42
Selling expenses		733,068,710.91	750,909,661.19	924,041.01	1,440,965.33
Administrative expenses		220,054,452.59	196,844,626.00	82,883,425.56	79,674,069.01
Financial expenses		13,426,486.81	16,080,255.65	5.15	-
Total Expenses	3.4	1,978,669,939.70	2,025,314,412.25	636,767,607.55	711,945,825.76
PROFIT BEFORE INCOME TAX		185,926,569.17	164,116,481.56	75,398,820.68	86,849,660.39
INCOME TAX EXPENSE	17.3	(39,010,000.13)	(46,968,281.87)	(11,675,987.34)	(13,200,077.05)
PROFIT FOR THE PERIODS		146,916,569.04	117,148,199.69	63,722,833.34	73,649,583.34
Net income attributable to :					
Equity holders of the parent		146,916,569.04	117,148,199.69	63,722,833.34	73,649,583.34
Non - controlling interests		-	-	-	-
		146,916,569.04	117,148,199.69	63,722,833.34	73,649,583.34
BASIC EARNINGS PER SHARE					
Earnings (loss) per share (Baht)		0.42	0.34	0.18	0.21
Number of weighted average common shares (shares)		347,500,000	347,500,000	347,500,000	347,500,000

The accompanying notes to financial statements are an integral part of these financial statements.

(Signed)  Director

(Signed)  Director

SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2014

		B A H T			
		Consolidated Financial Statement		Separate Financial Statement	
		For the year ended December 31		For the year ended December 31	
NOTE		2014	2013	2014	2013
	PROFIT FOR THE PERIODS	146,916,569.04	117,148,199.69	63,722,833.34	73,649,583.34
	Other comprehensive income;				
	Gain (loss) from valuation of -				
	- available-for-sale investment	19,500,000.00	(8,500,000.00)	19,500,000.00	(8,500,000.00)
	Gain (loss) on actuarial estimates.	(27,035,741.00)	-	(11,870,948.00)	-
	Income tax related to other components of equity				
	- valuation of available-for-sale investment	17.2 (3,900,000.00)	1,700,000.00	(3,900,000.00)	1,700,000.00
	- on actuarial estimates.	17.2 5,407,148.20	-	2,374,189.60	-
	Other comprehensive income (loss) -				
	- for the periods - net of tax	(6,028,592.80)	(6,800,000.00)	6,103,241.60	(6,800,000.00)
	Total comprehensive income for the periods	140,887,976.24	110,348,199.69	69,826,074.94	66,849,583.34
	Total comprehensive income attributable to :				
	Equity holders of the parent	140,887,976.24	110,348,199.69	69,826,074.94	66,849,583.34
	Non - controlling interests	-	-	-	-
		140,887,976.24	110,348,199.69	69,826,074.94	66,849,583.34

The accompanying notes to financial statements are an integral part of these financial statements.

(Signed).....Director

(Signed).....Director

SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

B A H T

	NOTE	Consolidated Financial Statement		Separate Financial Statement	
		For the year ended December 31		For the year ended December 31	
		2014	2013	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES :					
Net profit		146,916,569.04	117,148,199.69	63,722,833.34	73,649,583.34
Adjustments to reconcile net profit to net cash proceed (paid)					
Depreciation	8	51,518,894.28	51,238,215.32	13,027,160.66	17,950,854.94
Amortization	9, 10	6,513,934.36	7,302,395.67	3,398.32	182,782.67
Reversal of allowance for doubtful accounts		2,181,975.31	-	-	-
Allowance for obsolete inventories	7	-	2,000,000.00	-	-
Employees' benefits obligation	13	12,980,107.00	3,087,580.99	7,658,723.00	849,095.99
Loss (gain) from disposal of property		(1,488,464.13)	(633,937.42)	(1,116,666.63)	(570,540.30)
Unrealised (gain) loss on exchange rate		217,331.69	(696,793.14)	(47,857.67)	94,353.97
Interest expenses		13,426,486.81	16,080,255.65	5.15	-
Current tax expense	17.1	47,839,340.05	70,874,515.98	12,321,035.94	11,521,168.99
Deferred tax expense (income)	17.1	(8,829,339.92)	(23,906,234.11)	(645,048.60)	1,678,908.06
(Increase) decrease in trade receivable - related parties		-	-	164,271,894.59	(49,838,980.71)
(Increase) decrease in trade receivable - other parties		51,827,868.05	130,572,813.26	(944,957.81)	-
(Increase) decrease in other receivable		4,948,911.77	(5,622,600.01)	(452,893.10)	294,348.43
(Increase) decrease in inventories		(43,113,546.47)	(95,985,202.05)	(8,884,313.36)	14,359,007.81
(Increase) decrease in other current assets		(3,473,587.64)	(20,897,833.97)	(78,207.06)	(25,162.15)
(Increase) decrease in other non-current assets		(2,015,415.80)	(4,608,164.62)	-	-
Increase (decrease) in trade payables - related party		-	-	21,384.59	(436,900.97)
Increase (decrease) in trade payables - other parties		(14,280,148.30)	21,533,105.30	(6,248,039.43)	25,727,531.40
Increase (decrease) other payables		8,864,592.40	2,131,530.77	4,200,054.58	5,621,138.92
Increase (decrease) in other current liabilities - others		4,672,888.09	(5,344,637.01)	(261,147.92)	1,312,559.00
Others non-current liabilities					
- Payment of employees' benefit	13	(7,780,672.00)	(4,320,880.00)	(4,433,480.00)	(2,580,780.00)
- Increase (decrease) in - Employee deposit		74,000.00	149,000.00	-	-
Net cash received (paid) from operation		271,001,724.59	260,101,330.30	242,113,878.59	99,788,969.39
Payment of interest expenses		(13,067,207.47)	(15,609,411.24)	(5.15)	-
Payment of Corporate income tax		(58,858,100.76)	(80,749,849.75)	(11,274,573.40)	(12,308,584.14)
Net cash provided by (Used in) operating activities		199,076,416.36	163,742,069.31	230,839,300.04	87,480,385.25

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SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY


STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

B A H T

		Consolidated Financial Statement		Separate Financial Statement	
		For the year ended December 31		For the year ended December 31	
	NOTE	2014	2013	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES :					
Cash proceed (paid) on sales (purchase)					
- for temporary investment	5.1	(23,524,065.47)	13,817,681.90	(23,524,065.47)	13,817,681.90
Cash paid for short-term loan to subsidiary	3.2	-	-	(160,000,000.00)	(47,000,000.00)
Acquisition of property, plant and equipment	8	(28,130,242.40)	(52,526,622.76)	(2,387,026.76)	(4,781,903.10)
Cash received from sales of property and equipment		1,490,312.53	1,349,777.28	1,116,719.63	570,647.30
Acquisition of intangible assets	9, 10	(1,251,000.00)	(17,105,121.00)	-	-
Net cash provide by (Used in) investing activities		(51,414,995.34)	(54,464,284.58)	(184,794,372.60)	(37,393,573.90)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend Paid	16	(46,912,500.00)	(39,962,500.00)	(46,912,500.00)	(39,962,500.00)
Bank overdrafts and short-term loans received from					
- financial institutions increase(decrease)		(101,000,000.00)	(49,000,000.00)	-	-
Net Cash Provided by (Used in) Financing Activities		(147,912,500.00)	(88,962,500.00)	(46,912,500.00)	(39,962,500.00)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS - NET		(251,078.98)	20,315,284.73	(867,572.56)	10,124,311.35
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIODS	4	44,197,669.38	23,882,384.65	14,612,617.79	4,488,306.44
CASH AND CASH EQUIVALENTS, END OF PERIODS	4	43,946,590.40	44,197,669.38	13,745,045.23	14,612,617.79

The accompanying notes to financial statements are an integral part of these financial statements.

(Signed)..........Director

(Signed)..........Director

SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

1. GENERAL INFORMATION

1.1 General matter

SABINA PUBLIC COMPANY LIMITED (Formerly J & D Apparel Company Limited) was incorporated as a limited company under the Civil and Commercial Code on August 17, 1995, and changed its status to a Public Company Limited under the Public Company Limited Act and changed its name to be SABINA PUBLIC COMPANY LIMITED on May 18, 2007. The address of the head office is 177 Moo 8, Wang kaituen Sub-district, Han-ka District, Chai-nart Province. There is a plant as its branch at 236 Moo 10, Doo Tung Sub-district, Mueng District, Yasothon Province. The company gets privilege in investment promotion from The Board of Investment. On December 28, 2010, the company established two factory's branches which located at 81 and 106 Moo 6, Nhong-Boht Sub-district, Nang-Rong District, Burirum province. The company operates its business in Thailand and the main business is producing and distributing ready made clothes which main product is lady's underwear.

SABINA FAREAST COMPANY LIMITED which is a subsidiary, was incorporated as a limited company under the Civil and Commercial Code on January 11, 1977. The address of the head office is 12 Arun-Amarin Road, Arun-Amarin Sub-district, Bangkok Noi District, Bangkok Province. There are plants, which Ta Pra plant located at 93/8 Soi Pet Ka Seam 7, Pet Ka Seam Road, TA PA Sub-district, Bangkok Yai District, Bangkok Province, and Budhamonthon Sai 5 plant located at Rai Keing Sub-district, Sam Pran District, Nakhonpathom Province. The subsidiary company operates its business in Thailand and the main business is producing and distributing ready made clothes which main product is lady's underwear.

1.2 Basis for preparation of financial statements

The company's financial statements have been prepared in accordance with financial reporting standards including guidelines promulgated by the Federation of Accounting Professional

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

An English language version of the financial statements has been prepared from the statutory financial statements that were issued in Thai language. In case of conflict or difference in understanding, the interim financial statements in Thai language shall prevail.

1.3 Basis for preparation of consolidated of interim financial statements

The consolidated financial statements incorporated the financial statements of Sabina Public Company Limited and Sabine Fareast Company Limited, its subsidiary, which 99.90 % of share hold by the Company (treated 100% in the consolidate preparation), and being under common controls with the Company. For the purpose of the consolidation, all significant inter-company transactions and all inter-company account balances have been eliminated.

1.4 Related parties

Enterprises that directly or indirectly control by the Company, or are under common shareholders/ director controls are as follows:

Name	Type of business	Relationship	Share holding (%)
<u>Subsidiary</u>			
- Sabina Fareast Co., Ltd.	Producing and distributing ready made clothes and lady's underwear	Shares holding and joint directors	99.90%

1.5 Restructure of company and its subsidiary's shareholders structure

In March 2007, the Company acquired 448,495 shares of a subsidiary's capital shares from its existing shareholder, who is the related parson, at par value of Baht 100 per share, while the book value of the share as of December 31, 2006 is approximately Baht 247.29 million and booked as investment in subsidiary amounting to Baht 44.85 million, which equivalent to 99.67% of share holding in the subsidiary. Since January 1, 2007, in preparation of consolidated financial statement, the Company assumed that its interest in the subsidiary is equivalent to 100.00%. The Company has presented the difference of Baht 202.44 million, between book value of the subsidiary company of Baht 247.29 million and cost of the investment of Baht 44.85 million as "net book value of subsidiary company which exceed cost of investment" in shareholders' equity of consolidated financial statements.

Subsequently, in April 2007 the subsidiary has increased its registered capital for another Baht 100 million. The Company bought for the whole increased capital of subsidiary of 1 million shares at par value of Baht 100 per share, totaling of Baht 100 million. As a result, the company's investment in subsidiary increased from Baht 44.85 million to Baht 144.85 million. There for the proportion of shareholding in the subsidiary increased to be 99.99%.

1.6 Adoption of new financial reporting standards

1.6.1 Financial reporting standards which are effective for the current year

During the year, the Company and its subsidiaries adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, which are effective for financial statement year beginning on or after January 1, 2014 and relevant to the Group business as follows :

Accounting Standard

- TAS 1 Presentation of Financial Statements (revised 2012)
- TAS 7 Statement of Cash Flows (revised 2012)
- TAS 12 Income Taxes (revised 2012)
- TAS 17 Leases (revised 2012)
- TAS 18 Revenue (revised 2012)
- TAS 19 Employee Benefits (revised 2012)
- TAS 21 The Effects of Changes in Foreign Exchange Rate (revised 2012)
- TAS 24 Related Party Disclosures (revised 2012)
- TAS 28 Investments in Associates (revised 2012)
- TAS 31 Interests in Joint Venture (revised 2012)
- TAS 34 Interim Financial Reporting (revised 2012)
- TAS 36 Impairment of Assets (revised 2012)
- TAS 38 Intangible Assets (revised 2012)

Financial Reporting Standard

- TFRS2 Share - Based Payments (revised 2012)
- TFRS3 Business Combinations (revised 2012)
- TFRS5 Non - current Assets Held for Sale and Discontinued Operations (revised 2012)
- TFRS8 Operating Segments (revised 2012)

Accounting Standard Interpretations

- TSIC 15 Operating Leases - Incentives
- TSIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease
- TSIC 29 Service Concession Arrangements: Disclosures
- TSIC 32 Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations

- TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities
- TFRIC 4 Determining whether an Arrangements contains a Lease
- TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- TFRIC 7 Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
- TFRIC 10 Interim Financial Reporting and Impairment

- TFRIC 12 Service Concession Arrangements
- TFRIC 13 Customer Loyalty Programmers
- TFRIC 17 Distributions of Non - cash Assets to Owners
- TFRIC 18 Transfers of Assets from Customers

Adoption of the above financial reporting standards in the current year does not have material effect on the financial statements.

1.6.2 Financial reporting standards which are not effective for the current year

During the year to present, the Federation of Accounting Professions has issued the revised and new accounting standard, financial reporting standards, accounting standard interpretation and financial reporting standard interpretations, which are effective for financial statements period beginning on or after January 1 in the year indicated as follows:

	<u>Year effective</u>
Accounting Standard	
TAS 1 Presentation of Financial Statements (revised 2014)	2015
TAS 2 Inventories (revised 2014)	2015
TAS 7 Statement of Cash Flows (revised 2014)	2015
TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (revised 2014)	2015
TAS 10 Events After the Reporting Period (revised 2014)	2015
TAS 11 Construction Contracts (revised 2014)	2015
TAS 12 Income Taxes (revised 2014)	2015
TAS 16 Property, Plant and Equipment (revised 2014)	2015
TAS 17 Leases (revised 2014)	2015
TAS 18 Revenue (revised 2014)	2015
TAS 19 Employee Benefits (revised 2014)	2015
TAS 20 Accounting for Government Grants and Disclosure of Government Assistance (revised 2014)	2015
Accounting Standard	
TAS 21 The Effects of Changes in Foreign Exchange Rates	2015
TAS 23 Borrowing Costs (revised 2014)	2015
TAS 24 Related Party Disclosures (revised 2014)	2015
TAS 26 Accounting and Reporting by Retirement Benefit Plans (revised 2014)	2015
TAS 27 Separate Financial Statements (revised 2014)	2015
TAS 28 Investments in Associates and Joint Ventures (revised 2014)	2015
TAS 29 Financial Reporting in Hyperinflationary Economics (revised 2014)	2015
TAS 33 Earnings per Share (revised 2014)	2015
TAS 34 Interim Financial Reporting (revised 2014)	2015
TAS 36 Impairment of Assets (revised 2014)	2015
TAS 37 Provisions, Contingent Liabilities and Contingent Assets (revised 2014)	2015
TAS 38 Intangible assets (revised 2014)	2015
TAS 40 Investment Property (revised 2014)	2015

Financial Reporting Standard

TFRS 2 Share - Based Payment (revised 2014)	2015
TFRS 3 Business Combinations (revised 2014)	2015
TFRS 4 Insurance Contracts (revised 2014)	2016
TFRS 5 Non-current Assets Held for Sale and Discontinued Operations (revised 2014)	2015
TFRS 6 Exploration for and Evaluation of Mineral Resources (revised 2014)	2015
TFRS 8 Operating Segments (revised 2014)	2015
TFRS 10 Consolidated Financial Statements	2015
TFRS 11 Joint Arrangements	2015
TFRS 12 Disclosure of Interests in Other Entities	2015
TFRS 13 Fair Value Measurement	2015

Accounting Standard Interpretations

TSIC 10 Government Assistance – No Specific Relation to Operating Activities (revised 2014)	2015
TSIC 15 Operating Leases - Incentives (revised 2014)	2015
TSIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders (revised 2014)	2015
TSIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease (revised 2014)	2015
TSIC 29 Service Concession Arrangements (revised 2014)	2015
TSIC 31 Revenue-Barter Transactions Involving Advertising Services(revised 2014)	2015
TSIC 32 Intangible Assets - Web Site Costs (revised 2014)	2015

Financial Reporting Standard Interpretations

TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities (revised 2014)	2015
TFRIC 4 Determining whether an Arrangement contains a Lease (revised 2014)	2015
TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (revised 2014)	2015
TFRIC 7 Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies (revised 2014)	2015
TFRIC 10 Interim Financial Reporting and Impairment (revised 2014)	2015
TFRIC 12 Service Concession Arrangements (revised 2014)	2015
TFRIC 13 Customer Loyalty Programmes (revised 2014)	2015
TFRIC 14 TAS 19 (revised 2014) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	2015
TFRIC 15 Agreements for the Construction of Real Estate (revised 2014)	2015
TFRIC 17 Distributions of Non-cash Assets to Owners (revised 2014)	2015
TFRIC 18 Transfers of Assets from Customers (revised 2014)	2015
TFRIC 20 Stripping Costs in the Production Phase of a Surface Mine	2015

The management of the Company has assessed that TAS 1, TAS 2, TAS 7, TAS 8, TAS 10, TAS 12, TAS 16, TAS 17, TAS 18, TAS 19, TAS 21, TAS 24, TAS 33, TAS 34, TAS 36, TAS 37 and TFRS 8 will not have material impact on the financial

statements when it is applied. For the other TAS, TFRS, TSIC and TFRIC are not relevant to the Company's business, therefore they do not have impact on the financial statement when they are applied.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The company has significant accounting policies as follows:-

2.1 Revenue and expense recognition

Income from Sales are recognized when the significant risks and reward of ownership of products is transferred to the buyer.

Income from Service is recognized when services are rendered.

2.2 Cash and cash equivalents

Cash and cash equivalents presented in the statement of cash flows consist of cash on hand, and banks saving and current deposits with an original maturity of three months or less.

2.3 Temporary investment

Investment which the Company intend to held less than one year period, consists of investment Mutual fund, Trading security, Available-for-sale security, other investment, debts instrument due within one year.

Investment in trading security and mutual fund are presented in fair value. Change in the value of the investments is recorded as gain or loss in the statements of income.

Investment in available-for-sale security is presented in fair value. Change in the value of the investments is recorded as premium on share capital in shareholders' equities.

Fair value of the marketable securities is calculated from the latest bidding price of the securities on the last working day of the year of the Stock Exchange of Thailand.

If the category of investment is changed, the Company will adjust the value of the investment using fair value of the changed date. Differences between the book value and fair value on the changed date is recorded as gain or loss in the statements of income or recorded as capital premium or (deficit) from change in value of shareholders' equities depends on type of the investment that is changed.

2.4 Allowance for doubtful accounts

Allowance for doubtful accounts is estimated based on those receivables that might be un-collectible. The estimation is based upon the experience and the current status of existing receivables.

2.5 Inventories

Inventories, working process and raw material are stated at the lower of cost (FIFO) or net realizable value. Company has estimated amount of inventory impairment or inventory obsolete to be expenses by considering of the condition of inventories and trend of consumer preference.

2.6 Investments in subsidiary

Investments in subsidiary, which is the companies in which the Group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to exercise control over the financial and operating policies, has been consolidated. Subsidiary is consolidated from the date on which effective control is transferred to the Group and is no longer consolidated from the date of disposal. All inter-

company transactions, balances and unrealized gains (losses) on transactions between group companies have been eliminated.

Investment in subsidiary (in the Separate financial statements) is stated at the cost method.

2.7 Property, plant and equipments

Lands and land improvements are stated at cost.

Building, building improvement and equipment stated at cost less accumulated depreciation.

Depreciation is computed by the straight-line method over the estimated useful life as follows;

	Year
Building and building improvement	20
Machinery and equipment	10
Computer equipment	3
Fixture, equipment and furniture	5
Vehicles	5

2.8 Foreign currency transactions

Transactions in foreign currencies are converted at the exchange rate of the transaction date. Assets and liabilities in foreign currencies at the end of period are converted at average (buying and selling) rate that Bank of Thailand announce at date of statement of financial position. Gain or loss from conversion is included in the Statements of Income.

2.9 Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to business combination or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities at the reporting date and tax base of the relating assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2.10 Employees benefits

Salaries, wages, bonuses, contributions to the social security fund, provident fund and other benefits are recognized as expenses when incurred.

Severance Payment as specified in Thai Law is recognized as expenses in the income statement along the service period of employees. The Company's post - employment benefit obligations are estimated by a qualified actuary under the actuarial assumption using the Projected Unit Credit Method. However, the actual benefit obligation may be different from the estimate.

The Company recognized the actuarial gains or losses arising from defined benefit plan in the period incurred in other comprehensive income.

2.11 Accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ.

2.12 Basic earnings (loss) per share

Basic earnings (loss) per share is determined by dividing the net profit (loss) by the weighted average number of issued and paid-up of common shares at the end of accounting period.

3. RELATED PARTY TRANSACTIONS

The Company had certain accounting transactions with its subsidiary and related persons, which were considered as a normal business practice. The transactions were based on the general market price and in cases where market price was not available, the contract price was used.

Balance of assets and liabilities, accounting and business transactions with subsidiary and related person presented in the statements of financial position as of December 31, 2014 and 2013 are as follows:

	BAHT			
	<u>Consolidated Financial Statement</u>		<u>Separate Financial Statement</u>	
	<u>Dec-31, 2014</u>	<u>Dec-31, 2013</u>	<u>Dec-31, 2014</u>	<u>Dec-31, 2013</u>
<u>ASSETS</u>				
3.1 Trade Receivable				
<u>Subsidiary Company</u>				
Sabina Fareast Co., Ltd.	-	-	261,467,277.19	425,739,171.78
Less : Allowance for doubtful account	-	-	-	-
Trade receivable – Related parties net	<u>-</u>	<u>-</u>	<u>261,467,277.19</u>	<u>425,739,171.78</u>

The outstanding balance of above trade receivable is undue amount.

3.2 Short-term loan to related party

Movement of short - term loan to related party is as follows;

	Baht				Transfer Pricing Policy
	Balance As of			Balance As of	
	December 31, 2013	Increase	Decrease	December 31, 2014	
<u>Subsidiary Company</u>					
Sabina Fareast Co., Ltd.	256,000,000.00	235,000,000.00	75,000,000.00	416,000,000.00	3.20% p.a.
	<u>256,000,000.00</u>	<u>235,000,000.00</u>	<u>75,000,000.00</u>	<u>416,000,000.00</u>	

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
<u>Liability</u>				
<u>3.3 Account Payable</u>				
<u>Subsidiary Company</u>				
Sabina Fareast Co., Ltd.	-	-	1,350,519.74	1,329,135.15
Accounts payable – Related	<u>-</u>	<u>-</u>	<u>1,350,519.74</u>	<u>1,329,135.15</u>

3.4 Related party transactions for the year ended December 31, 2014 and 2013 are as follows:

	BAHT				Transfer
	Consolidated Financial Statement		Separate Financial Statement		Pricing
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	Policy
<u>Subsidiary company</u>					
Sales of finished goods	-	-	599,516,840.84	723,745,408.37	Contract price
Sawing service cost	-	-	76,051,775.00	63,240,098.80	"
Purchase of raw materials	-	-	10,080,966.17	11,738,308.89	"
Rent of office space and warehouse	-	-	1,994,000.00	1,845,500.00	"
Cutting service cost	-	-	9,403,824.91	10,285,666.10	"
Interest income	-	-	10,648,183.15	8,558,835.46	"

3.5 MANAGEMENT REMUNERATIONS

Management remunerations consist of salary, bonus, director attendance fee etc.

Management remuneration for the year ended December 31, 2014 and 2013 as follow;

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	2014	2013	2014	2013
Benefits – Short-term	41,124,345.35	40,030,097.16	41,124,345.35	40,030,097.16
Benefits – After retirement	3,816,060.00	-	3,816,060.00	-
Benefits – Long-term	-	-	-	-
Total	44,940,405.35	40,030,097.16	44,940,405.35	40,030,097.16

4. CASH AND CASH EQUIVALENTS

For the purpose of preparation of the statement of cash flows with relevant accounting standards, as of December 31, 2014 and 2013 are consisted as follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Cash	971,928.00	1,052,237.50	275,373.00	252,682.00
Cash at banks and financial institutions	42,974,662.40	43,145,431.88	13,469,672.23	14,359,935.79
Total Cash and Cash Equivalents	43,946,590.40	44,197,669.38	13,745,045.23	14,612,617.79

5. TEMPORARY INVESTMENT

Temporary investment as of December 31, 2014 and 2013 are consisted as follows:

5.1 INVESTMENT IN MUTUAL FUND

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Investment in Commercial paper fund				
K-Treasury Fund	29,825,698.88	6,301,633.41	29,825,698.88	6,301,633.41
Total Temporary Investments	29,825,698.88	6,301,633.41	29,825,698.88	6,301,633.41

5.2 INVESTMENT IN AVAILABLE-FOR-SALE SECURITIES

As of December 31, 2014 and 2013 Investment in available-for-sale securities of the Company and its subsidiary are as follow;

BAHT						
Consolidated Financial Statement / Separate Financial Statement						
December 31, 2014			December 31, 2013			
Cost	Unrealized Profit (loss)	Fair Value	Cost	Unrealized Profit (loss)	Fair Value	
Marketable Security	100,260,000.00	(23,260,000.00)	77,000,000.00	100,260,000.00	(42,760,000.00)	57,500,000.00
Total	100,260,000.00	(23,260,000.00)	77,000,000.00	100,260,000.00	(42,760,000.00)	57,500,000.00

Movement of the unrealized profit (loss) of the available-for-sale securities for the year ended December 31, 2014 is as follow;

	BAHT	
	Consolidated Financial Statement	Separate Financial Statement
Balance as of January 1, 2014	57,500,000.00	57,500,000.00
Movement during the period	19,500,000.00	19,500,000.00
Balance as of December 31, 2014	77,000,000.00	77,000,000.00

6. TRADE RECEIVABLES – OTHER PARTIES - NET

Trade receivables – other parties as of December 31, 2014 and 2013 are consisted as follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Trade receivables–other parties	304,716,680.62	360,908,499.29	944,957.81	-
<u>Less:</u> Allowance for doubtful account	-	(2,181,975.31)	-	-
Trade receivables–other parties - net	304,716,680.62	358,726,523.98	944,957.81	-

As of December 31, 2014 and 2013, trade receivables–other parties were classified by aging of debt outstanding as follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Trade receivables– other parties				
- Current	286,084,429.91	357,776,707.45	944,957.81	-
- Overdue 0 - 3 months	10,684,247.71	3,131,791.84	-	-
- Overdue 4 - 6 months	7,948,003.00	-	-	-
- Overdue 7 - 12 months	-	-	-	-
- Overdue over 12 month	-	-	-	-
Total	304,716,680.62	360,908,499.29	944,957.81	-
Less: Allowance for doubtful accounts	-	(2,181,975.31)	-	-
Trade receivables–other parties - net	304,716,680.62	358,726,523.98	944,957.81	-

Movement of allowance for doubtful accounts for the year ended December 31, 2014 is as follow;

	BAHT	
	Consolidated Financial Statement	Consolidated Financial Statement
Beginning balance	2,181,975.31	-
Increase during the year	-	-
Reversal due to collection	-	-
Decrease due to receivable written off	(2,181,975.31)	-
Ending balance	-	-

7. INVENTORIES - NET

As of December 31, 2014 and 2013, inventories – net are consisted as follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Finished goods	1,003,618,053.06	962,726,244.21	1,154,907.97	-
Work in process	140,636,292.43	117,771,586.82	90,449,213.04	67,767,630.96
Raw materials	80,073,634.79	101,513,988.85	45,435,044.68	59,514,218.35
Supplies	13,774,587.43	12,965,826.21	7,275,421.22	8,175,788.13
Inventories in transit	34,722.89	46,098.04	27,363.89	-
Total	1,238,137,290.60	1,195,023,744.13	144,341,950.80	135,457,637.44
Less: Allowance for obsolete	(13,000,000.00)	(13,000,000.00)	-	-
Inventories – net	1,225,137,290.60	1,182,023,744.13	144,341,950.80	135,457,637.44

As of December 31, 2014 and 2013, the balance of inventories in subsidiary's account which purchased from the Company have been presented net from profit in inventories totaling of Baht 144,521,000.00 and Baht 117,020,547.54 respectively (eliminated in consolidated financial statement).

Movement of allowance for obsolete inventories account for the year ended December 31, 2014 is as follow;

	BAHT	
	Consolidated Financial Statement	Separate Financial Statement
Beginning balance	13,000,000.00	-
Increase during the period	-	-
Ending balance	13,000,000.00	-

8. PROPERTY, PLANT AND EQUIPMENT - NET

	BAHT					
	Consolidated Financial Statement					
	As of Dec-31, 2013	Increase	Decrease	Transfer - In	Transfer –	As of Dec-31, 2014
COST :						
Land	117,316,674.50	1,176,000.00	-	-	-	118,492,674.50
Building & building improvement	310,020,988.93	2,661,000.00	-	-	-	312,681,988.93
Machinery & equipment	271,503,584.09	2,844,000.00	(853,284.00)	-	-	273,494,300.09
Tools & supplies	11,323,117.89	314,481.82	(13,289.81)	-	-	11,624,309.90
Furniture & fixture	89,595,130.13	379,379.34	(2,501,511.35)	15,454,471.51	-	102,927,469.63
Office equipments	51,786,155.43	2,345,499.94	(1,066,427.36)	65,660.00	-	53,130,888.01
Vehicles	54,764,129.58	-	(3,343,330.84)	-	-	51,420,798.74
Other equipments	891,977.77	10,271.03	-	-	-	902,248.80
Construction in progress	-	-	-	257,500.00	(257,500.00)	-
Computer & equipment	35,940,826.42	6,880,717.29	(2,225,499.94)	-	-	40,596,043.77
Assets installation in progress	4,606,846.00	11,518,892.98	-	-	(15,520,131.51)	605,607.47
Total cost	<u>347,749,430.74</u>	<u>28,130,242.40</u>	<u>(10,003,343.30)</u>	<u>15,777,631.51</u>	<u>(15,777,631.51)</u>	<u>965,876,329.84</u>
Less: Accumulated depreciation						
Building & building improvement	(181,144,089.57)	(15,086,509.38)	-	-	-	(196,230,598.95)
Machinery & equipment	(226,352,320.53)	(9,734,243.66)	852,649.00	-	-	(235,233,915.19)
Tools & supplies	(10,321,346.24)	(400,714.06)	13,272.81	-	-	(10,708,787.49)
Furniture & fixture	(32,865,002.38)	(17,896,357.86)	2,500,737.35	-	-	(48,260,622.89)
Office equipments	(48,445,825.76)	(1,530,982.31)	1,066,367.36	-	-	(48,910,440.71)
Vehicles	(51,444,953.19)	(1,577,684.78)	3,343,324.84	-	-	(49,679,313.13)
Other equipments	(887,833.52)	(3,127.78)	-	-	-	(890,961.30)
Computer & equipment	(27,852,257.50)	(5,289,274.45)	2,225,143.54	-	-	(30,916,388.41)
Total accumulated depreciation	<u>(579,313,628.69)</u>	<u>(51,518,894.28)</u>	<u>10,001,494.90</u>	<u>-</u>	<u>-</u>	<u>(620,831,028.07)</u>
Property, plants and equipment-net	<u>368,435,802.05</u>					<u>345,045,301.77</u>

Depreciation for the year ended December 31, 2014 and 2013 has been included in cost of goods sold, and selling and administrative expenses as follows:

	BAHT	
	December 31, 2014	December 31, 2013
Cost of goods sold	25,423,817.50	31,017,332.50
Selling and administrative expenses	26,095,076.78	20,220,882.82
Total	<u>51,518,894.28</u>	<u>51,238,215.32</u>

BAHT

	Separate Financial Statement					As of Dec-31,2014
	As of Dec-31, 2013	Increase	Decrease	Transfer	Transfer - Out	
COST :						
Land	17,424,744.50	-	-	-	-	17,424,744.50
Building & building improvement	143,477,160.57	257,500.00	-	-	-	143,734,660.57
Machinery & equipment	158,374,045.85	1,378,000.00	-	-	-	159,752,045.85
Tools & supplies	3,764,330.97	199,475.52	(4,230.00)	-	-	3,959,576.49
Furniture & fixture	10,020,393.81	82,483.73	-	-	-	10,102,877.54
Office equipments	7,993,736.78	459,296.48	(307,950.00)	-	-	8,145,083.26
Vehicles	20,950,876.87	-	(2,550,514.02)	-	-	18,400,362.85
Other equipments	891,977.77	10,271.03	-	-	-	902,248.80
Construction in progress	-	-	-	257,500.00	(257,500.00)	-
Assets installation in progress	-	-	-	-	-	-
Total cost	362,897,267.12	2,274,616.56	(2,862,694.02)	257,500.00	(257,500.00)	362,421,599.86
Less: Accumulated depreciation			-	-		
Building & building improvement	(76,570,654.95)	(7,181,020.15)	-	-	-	(83,751,675.10)
Machinery & equipment	(135,984,086.17)	(4,776,170.00)	-	-	-	(140,760,256.17)
Tools & supplies	(3,287,992.46)	(194,359.62)	4,216.00	-	-	(3,478,136.08)
Furniture & fixture	(9,418,884.34)	(382,123.73)	-	-	-	(9,801,008.07)
Office equipments	(7,362,286.74)	(365,959.58)	307,914.00	-	-	(7,420,332.32)
Vehicles	(20,662,862.81)	(124,399.80)	2,550,511.02	-	-	(18,236,751.59)
Other equipments	(887,833.52)	(3,127.78)	-	-	-	(890,961.30)
Total accumulated depreciation	(254,174,600.99)	(13,027,160.66)	2,862,641.02	-	-	(264,339,120.63)
Property, plants and equipment -net	108,722,666.13					98,082,479.23

Depreciation for the year ended December 31,2014 and 2013 has been included in cost of goods sold, and selling and administrative expenses as follows:

	BAHT	
	December 31, 2014	December 31, 2013
Cost of goods sold	12,275,949.57	16,104,425.59
Selling and administrative expenses	751,211.09	1,846,429.35
Total	13,027,160.66	17,950,854.94

The Company has pledged a part of land, buildings and machineries owned by company and subsidiary as collateral with banks for the Company's credit facilities.

9. INTANGIBLE ASSETS

	BAHT					
	Consolidated Financial Statement					
	As of			Transfer		
	Dec-31, 2013	Increase	Decrease	in	out	As of Dec-31, 2014
Cost:						
Computer Software	26,248,594.09	-	-	780,000.00	-	27,028,594.09
Software under installation	234,000.00	546,000.00	-	-	(780,000.00)	-
Total	26,482,594.09	546,000.00	-	780,000.00	(780,000.00)	27,028,594.09
Less: Accumulated amortization expense						
Computer Software	(18,941,254.89)	(1,309,872.98)	-	-	-	(20,251,127.87)
Total	(18,941,254.89)	(1,309,872.98)	-	-	-	(20,251,127.87)
Intangible assets – net	7,541,339.20					6,777,466.22

Amortization expenses for the year ended December 31, 2014 and 2013 has been included as selling and administrative expenses in the consolidated financial statement are as follow;

	BAHT	
	December 31, 2014	December 31, 2013
Cost of goods sold	202,281.83	202,281.83
Selling and administrative expenses	1,107,591.15	1,204,631.92
Total	1,309,872.98	1,406,913.75

	BAHT				
	Separate Financial Statement				
	As of Dec-31, 2013	Increase	Decrease	Transfer	As of Dec-31, 2014
Cost:					
Computer Software	2,469,288.38	-	-	-	2,469,288.38
Total	2,469,288.38	-	-	-	2,469,288.38
Less: Accumulated amortization expenses					
Computer Software	(2,465,841.06)	(3,398.32)	-	-	(2,469,239.38)
Total	(2,465,841.06)	(3,398.32)	-	-	(2,469,239.38)
Intangible assets – net	3,447.32				49.00

Amortization expenses for the year ended December 31, 2014 and 2013 has been included as selling and administrative expenses in the consolidated financial statement are as follow;

	BAHT	
	December 31, 2014	December 31, 2013
Cost of goods sold	-	-
Selling and administrative expenses	3,398.32	182,782.67
Total	3,398.32	182,782.67

10. LEASEHOLD RIGHT -NET

As of December 31, 2014, leasehold right – net are consisted as follows:

	BAHT				
	Consolidated Financial Statement				
	As of Dec-31, 2013	Increase	Decrease	Transfer	As of Dec-31, 2014
<u>LEASEHOLD RIGHT</u>					
COST	72,963,916.67	705,000.00	-	-	73,668,916.67
<u>Less : Accumulated</u>					
Amortization	(37,011,234.03)	(5,204,061.38)	-	-	(42,215,295.41)
Intangible assets - net	35,952,682.64				31,453,621.26

Amortization for the year ended December 31, 2014 and 2013, has been included in cost of goods sold, and selling and administrative expenses as follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	2014	2013	2014	2013
Selling expenses	5,204,061.38	5,895,481.92	-	-
Total	5,204,061.38	5,895,481.92	-	-

11. BANK OVERDRAFTS AND SHORT TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short term loans from financial institution as of December 31, 2014 and 2013 were consisted of the follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Bank overdrafts	-	-	-	-
Short term loan	431,000,000.00	532,000,000.00	-	-
Loan on trust receipt	-	-	-	-
Total	431,000,000.00	532,000,000.00	-	-

The Company and its subsidiary have entered into the bank overdraft and short term loan agreement with several banks. The interest rate was ranging from 2.60% to 8.125% per annum. The Company and its subsidiary pledged its land, buildings and machinery as collateral with the banks. Besides, the company's director and shareholder are also guarantor for the loans.

12. OTHER PAYABLES

As of December 31, 2014 and 2013 other payables are consisted as follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Advance for merchandise	4,253,975.16	1,171,063.86	2,867,990.22	-
Accrued expenses	106,155,670.26	101,294,264.64	34,938,792.33	34,886,282.79
Accrued dividend	1,314,669.30	35,114.48	1,314,669.30	35,114.48
Total	111,724,314.72	102,500,442.98	39,121,451.85	34,921,397.27

13. EMPLOYEES' BENEFIT OBLIGATION

Movements of present value of employee benefit obligation for the year ended December 31, 2014 and December 31, 2013 were as follows:

	Baht			
	Consolidated Financial Statement		Separate Financial Statement	
	For the year	For the year	For the year	For the year
	ended	ended	ended	ended
	Dec-31, 2014	Dec-31, 2013	Dec-31, 2014	Dec-31, 2013
Employee benefits obligation as of beginning of periods	18,358,907.99	19,592,207.00	8,427,357.99	10,159,042.00
Payment of Employees' benefit	(7,780,672.00)	(4,320,880.00)	(4,433,480.00)	(2,580,780.00)
Current service cost and interest cost	12,980,107.00	3,087,580.99	7,658,723.00	849,095.99
Gain (loss) from estimate of actuarial assumptions	27,035,741.00	-	11,870,948.00	-
Employee benefits obligation as of ending of periods	50,594,083.99	18,358,907.99	23,523,548.99	8,427,357.99

Expenses recognized in statements of income for the year ended December 31, 2014 and 2013 are as follow;

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	2014	2013	2014	2013
Current service cost	10,913,315.00	2,725,963.30	6,612,075.00	751,167.26
Interest cost	2,066,792.00	361,617.69	1,046,648.00	97,928.73
Total	12,980,107.00	3,087,580.99	7,658,723.00	849,095.99

The principle actuarial assumptions used to calculate the provision under the retirement benefit obligation as of December 31, 2014 and 2013 are as follows:

	Consolidated	Separate
	Financial Statement	Financial Statement
Discount rate	3.6492 %	3.6492 %
Salary scale increase rate	3.00 %	3.00 %
Employee with voluntary resignation before retirement ratio	0-56 %*	0-56 %*
Mortality rate	TMO 2008 **	TMO 2008 **

* Based on rate weighted by age group of employee

** Reference to Thai Mortality ordinary Table of 2008 common type

14. REGISTERED CAPITAL

14.1 On May 15, 2008 the Company common shares have been approved to be a registered security in SET and the share initial trading has been started since that date.

14.2 On July 26, 2012, an extra ordinary shareholder meeting no 1/2012 had approved a resolution to change number of shares and par value of the share capital from; a registered capital of Baht 347,500,000 with 69,500,000 shares at Baht 5.00 par value to a registered capital of Baht 347,500,000 with 347,500,000 shares at Baht 1.00 par value. The change was registered with the Ministry Commerce on July 27, 2012.

15. LEGAL RESERVE

According to public company legislation 1992, the Company has to allocate a portion of net profit for the year to be Legal Reserve not less than 5% of profit of the year. The allocation of Legal Reserve should be deducted with the beginning balance of deficit (if any) until the balance of Legal Reserve not less than 10% of registered capital. The Company cannot pay dividend from the Legal Reserve.

16. DIVIDEND PAYMENT

On April 10, 2013, the shareholder meeting no. 1/2013 has approved to pay dividend for the year 2012 to shareholders, at Baht 0.05 per share for the 347.5 million shares, total amount of Baht 17.375 million.

On August 14, 2013, the board of director meeting no. 3/2013 has approved to pay interim dividend for the first months operation of 2013 to shareholders, at Baht 0.065 per share for the 347.50 million shares, total amount of Baht 22.5875 million.

On April 9, 2014, the shareholder meeting no. 1/2014 has approved to pay dividend for the year 2013 to shareholders, at Baht 0.065 per share for the 347.5 million shares, total amount of Baht 22.5875 million.

On August 13, 2014, the board of director meeting no. 3/2014 has approved to pay interim dividend for retained earnings, at Baht 0.07 per share for the 347.50 million shares, total amount of Baht 24.3250 million.

17. INCOME TAX EXPENSE

In accordance with taxable conditions on Thailand's revenue code, the Company and its subsidiaries have calculated its net taxable profit (loss) by taking both any forbidding expenditures and any reduced or exceptionable accounting transactions to adding - up or deducting from net profit (loss) under accounting base.

The Company has calculated income tax on its taxable profit for the years 2014 and 2013 at the rate 20%.

17.1 Income tax expense for the year ended December 31, 2014 and 2013, consisted of;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Income tax charge of current periods	47,839,340.05	70,874,515.98	12,321,035.94	11,521,168.99
Deferred income tax Expense (Revenue)				
from temporary difference	(8,829,339.92)	(23,906,234.11)	(645,048.60)	1,678,908.06
Effects of deferred income tax				
from change of tax rates	-	-	-	-
Income tax expense presented				
in the statement of income	<u>39,010,000.13</u>	<u>46,968,281.87</u>	<u>11,675,987.34</u>	<u>13,200,077.05</u>

17.2 Income tax relating to components of statements of comprehensive income – other for the year ended December 31, 2014 and 2013 consisted of :

	BAHT			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Deferred income tax relating to;				
- Investment in marketable securities	(3,900,000.00)	1,700,000.00	(3,900,000.00)	1,700,000.00
- actuarial estimates.	<u>5,407,148.20</u>	<u>-</u>	<u>2,374,189.60</u>	<u>-</u>
Deferred tax expense (income) presented				
in statement of comprehensive income	<u>1,507,148.20</u>	<u>1,700,000.00</u>	<u>(1,525,810.40)</u>	<u>1,700,000.00</u>

17.3 The reconciliation of the income tax expense and the result of the multiplying of the accounting profit with tax rate for the year ended December 31, 2014 and 2013 are presented as the following:

	BAHT			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Accounting profit before corporate income	213,427,021.63	198,830,029.10	75,398,820.68	86,849,660.39
Corporate income tax rates	20%	20%	20%	20%
Accounting profit before corporate income				
Multiply by tax rates	42,685,404.33	39,766,005.85	15,079,764.14	17,369,932.08
Effects to deferred income tax				
From change of income tax rates	(8,829,339.91)	(23,906,234.11)	(645,048.60)	1,678,908.06
Income tax effects that is nondeductible in				
Calculation of profit:				
- BOI Privileges	(3,017,573.17)	(5,394,225.70)	(3,017,573.17)	(5,394,225.70)
- Revenue exempted in tax calculation	6,781,912.25	35,705,931.34	(1,007,540.66)	(764,680.85)
-Nondeductible expenses	1,389,596.63	796,804.52	1,266,385.63	310,143.46
Income tax expense presented in the -				
Statement of Income	39,010,000.13	46,968,281.87	11,675,987.34	13,200,077.05

17.4 Components of deferred tax assets and deferred tax liabilities comprised of the following items;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	Dec-31, 2014	Dec-31, 2013	Dec-31, 2014	Dec-31, 2013
<u>Deferred tax assets</u>				
Investment in marketable securities	4,652,000.20	8,552,000.00	4,652,000.00	8,552,000.00
Allowance for doubtful account	-	436,395.06	-	-
Consignment receivable	199,918,974.66	190,175,712.55	-	-
Allowance for impairment of	2,600,000.00	2,600,000.00	-	-
Employee benefit obligation	10,118,816.80	3,671,781.60	4,704,709.80	1,685,471.60
Total	217,289,791.46	205,435,889.21	9,356,709.80	10,237,471.60
<u>Deferred tax liabilities</u>				
Consignment inventories	(83,844,562.43)	(82,327,148.29)	-	-
Total	(83,844,562.43)	(82,327,148.29)	-	-
<u>Deferred tax assets – net</u>	133,445,229.03	123,108,740.92	9,356,709.80	10,237,471.60

18. PROVIDENT FUND

During year 2005, the Company and its employees agreed to establish employees' provident fund under authorization from Ministry of Finance as per provident fund legislation 1987. This provident fund is comprised of a portion of not less than 3% from employee's salary and a portion that contributed at the same amount from the Company. Employees entitle to receive money from provident fund if he/she resign and comply with its regulation. The provident fund is managed by MFC Public Co., Ltd.

19. COMMITMENT

19.1 Lease agreement and long term services

19.1.1 On June 1, 2010, company has entered into the lease of buildings agreement with Sabina Far East Co., Ltd., to use the buildings as company's office and warehouse for 3 years. The Company has a right to renew the lease agreement for 3 times at 3 years each. However the Company has to inform landlord by written in advance not less than 180 days. The rental is Baht 142,500 per month; landlord is responsible for municipal taxes. Landlord promised that it will not sell or dispose the assets in 12 years.

19.1.2 On June 12, 2009, the subsidiary has entered into another lease contract with the department store and for extension the lease period to another 10 years, which will expire in June 2019. The subsidiary had paid for the leasehold right for the 10 years approximately amounting to Baht 13.71 million.

The commitment for the long-term lease, which should be paid the rent and service in the future, as of December 31, 2014 are as follow;

The Company

<u>For the period</u>	<u>Unit (Million baht)</u>
Not over 1 year	0.71
Over 1 year but not over 5 years	1.71
Over 5 years	-
Total	<u>2.42</u>

The Subsidiary Company

<u>For the period</u>	<u>Unit (Million baht)</u>
Not over 1 year	63.00
Over 1 year but not over 5 years	43.04
Over 5 years	1.75
Total	<u>107.79</u>

19.2 Letter of bank guarantee

As of December 31, 2014 and 2013, the Company has letter of guarantee which issuing by the bank on behalf of company as follows:

Objective	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2014	December 31, 2013	December 31, 201	December 31, 2013
1. Guarantee for Custom Department	1.37	1.91	-	-
2. Others	3.25	2.12	1.34	1.34
Total	4.62	4.03	1.54	1.34

20. DISCLOSURE FOR FINANCIAL INSTRUMENTS

Risk from foreign exchange rate

The Company and its subsidiary encounters risk in foreign exchange rate because company has foreign receivables and payables. However, the credit terms given or received from the receivables and payables are short period.

As of December 31, 2014 and 2013, the Company and its subsidiary have assets and liabilities in foreign currencies as follows:

	Amount in Foreign Currencies			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
<u>ASSETS</u>				
US Dollar	396,749.47	96,722.06	41,452.11	655.40
Hong Kong Dollar	-	-	-	-
Euro Dollar	-	-	-	-
Pound Sterling	545,478.28	531,173.28	-	-
<u>LIABILITIES</u>				
US Dollar	190,641.13	317,740.60	170,135.02	89,687.91
Hong Kong Dollar	195.50	27,328.75	-	-
Euro Dollar	81.00	-	-	-
Pound Sterling	6,948.97	20,566.82	-	-

Risk from interest rate

The interest rate risk depends on the fluctuation of interest rate in financial market. The fluctuation of the interest rate may have impact on the company's operation and cash flows. However, management believes that risk is insignificant in the current financial market because company can generate enough income and cash flows to pay interest.

Risk from credit term

Credit risk refers to the risk that trade accounts receivable may default in its obligations resulting in a financial loss to company. However, since the company currently sells its products to creditworthy customers, it does not anticipate any material problem in collecting its debt. The concentration of credit risk with respect to trade receivable is limited because company's debtors are spread over in different area and type of business. Account receivable showed in the statement of financial position, net of a portion of allowance for doubtful debts, represents the maximum exposure to credit risk.

Fair value

The management believes that the fair value of company's financial assets and liabilities does not materially differ from accounting carrying value.

21. PRIVILEGES FROM BOARD OF INVESTMENT (BOI)

The Company received privileges from BOI as stated in the BOI certificate number 1837/2538 and 1653(2)/2545 dated November 28, 1995 and October 24, 2002 respectively, which accordance with investment legislative 1977, for manufacturing of lingerie and related products. The privilege includes exempt of corporate income tax, but the Company has to comply with the conditions indicated in the BOI certificates.

22. FINANCIAL INFORMATION BY SEGMENT OF BUSINESS

Statements of income segmented by business for the year ended December 30, 2014 and 2013 as follows:

	Consolidated Financial Statement (Million Baht)					
	December 31, 2014			December 31, 2013		
	Export	Domestic	Total	Export	Domestic	Total
Revenue						
Sales – net	271.62	1,881.81	2,153.43	212.86	1,964.80	2,177.66
Services income	-	-	-	-	-	-
	<u>271.62</u>	<u>1,881.81</u>	<u>2,153.43</u>	<u>212.86</u>	<u>1,964.80</u>	<u>2,177.66</u>
Cost of sales			(1,012.12)			(1,061.48)
Gross profit			1,141.31			1,116.18
Selling and administrative			(953.12)			(947.75)
Net profit from operation			<u>188.19</u>			<u>168.43</u>
Other income and expenses						
Other income			11.17			11.77
Financial cost			(13.43)			(16.08)
Total other income and expenses			<u>(2.26)</u>			<u>(4.31)</u>
Profit before income tax			185.93			164.12
Income tax expense			(39.01)			(46.97)
Net profit			<u>146.92</u>			<u>117.15</u>

Property, plant and equipment of company have been commonly used for export and domestic operations.

Separate Financial Statement (million Baht)

	December 31, 2014			December 31, 2013		
	Export	Domestic	Total	Export	Domestic	Total
Revenue						
Sales – net	21.84	599.51	621.35	-	723.75	723.75
Services income	-	76.05	76.05	-	63.24	63.24
Total revenue	21.84	675.57	697.40	-	786.99	786.99
Cost of sales			(552.96)			
Gross profit			144.44			156.16
Selling and administrative			(83.80)			(81.12)
Net profit from operation			60.64			75.04
Other income and expenses						
Other income			14.76			11.81
Financial cost			-			-
Total other income and expenses			14.76			11.81
Profit before income tax			75.40			86.85
Income tax expense			(11.68)			(13.20)
Net profit			63.72			73.65

Property, plant and equipment of the Company have been commonly used for export and domestic operations.

Major customer information

During the year 2014, the Company has earned from 3 major customers from Thailand and Overseas operating segment amounting to Baht 772.26 million.

23. EXPENSE BY NATURE

The significant expenses for the year ended December 31, 2014 and 2013 classified by nature are as follow;

	Baht			
	Consolidated Financial Statement		Separate Financial Statement	
	2014	2013	2014	2013
Changes in finished goods -				
- and work in process	63,756,514.46	111,464,680.55	23,836,490.05	(8,248,588.34)
Purchase of finished goods	37,677,710.13	38,173,503.64	-	-
Raw material and supply usage	521,182,280.13	587,658,743.08	308,552,057.50	334,911,384.20
Employees' expenses -				
- (Exclude management)	522,424,718.72	518,496,677.19	97,696,704.16	97,769,250.63
Depreciation and Amortization	58,032,828.64	58,540,610.99	13,030,558.98	18,133,637.61
Transportation expense	11,848,855.62	12,846,585.31	10,597.00	20,617.00
Chemical supplies and cost of analysis	2,627,132.08	2,951,423.84	127,140.00	99,775.00
Advertising and promotion	84,140,058.14	63,770,153.97	587,131.31	1,030,110.29

24. EVENTS AFTER THE REPORTING PERIOD

On February 20, 2015 the Company board of director no 18/2015 has resolution to pay dividend for year 2014 from the net profit of 2014 to its shareholder at Baht 0.10 per share each, for the total 347.5 million shares totaling of Baht 34.75 million , and propose to the Company shareholder meeting no 1/2015 for approval.

25. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved by the authorize director on February 20, 2015.

(Signed) .....Director

(Signed) .....Director

Particulars of Directors, Executives and Persons Controlling the Company, and Directors of Subsidiaries

Name and Title	Age (Year)	Education /Training	Share- holding ratio (%)	Relation- ship	Work experience during the past 5 years		
					Period	Title	Company and nature of business
1. Mr. Viroj Thanalongkorn (authorized director as per details in the Certificate of Company Registration)	62	MINI MBA, Thammasat University / DAP 64/2007	74.59	Mrs. Suchanya Thanalon gkorn's brother	2007 - Present 1973 - Present	- Chairman - Consultant of Executive Committee - Chairman	- Sabina Plc. -Sabina Fareast Co., Ltd./design and manufacturing of ladies lingerie
2. Mr. Bunchai Punturaumporn (authorized director as per details in the Certificate of Company Registration))	51	MBA (Marketing) , Thammasat University /DAP 63/2007, EDP 5/2010, CMA 14,HRP 6/2014	0.003	None	2007 - Present 1995 - 2007 1992 - 1993	- Chairman, Managing Director - Chairman and Member of Executive Committee - Director of Overseas Sales Department - Manager of Domestic Sales Division	- Sabina Plc. - Sabina Fareast Co., Ltd./design and manufacturing of ladies lingerie - Sabina Fareast Co., Ltd./design and manufacturing of ladies lingerie - Sabina Fareast Co., Ltd./design and manufacturing of ladies lingerie
3.Mrs.Suchanya Thanalongkorn	60	Bachelor of political Science Ramkhamhaeng University / Kpi. 10, CMA. 8, Tepcot 4, NDP. 6 NDC 2012, DAP 105/2013	-	Mr.Viroj Thanalon gkorn's sister	2012-Present 2009-Present 1996-2009 1992-1996	-Director -Managing Director -Managing Director -Managing Director	- Sabina Plc. -36 Property -SGF Trading(Thailand) -Frank Jewelry
4. Mr. Apisit Jongkittipong (authorized director as per details in the Certificate of Company Registration)	56	MBA, NIDA / DAP 50/2006, EDP 9 19 th ,National Conference of Accountants,25 case a review of the assessment officer	0.003	None	2007 - Present 1995 - 2007	- Director, Deputy Managing Director - Director and Executive Director - Manager of Finance and Accounting Department	- Sabina Plc. - Sabina Fareast Co., Ltd./design and manufacturing of ladies lingerie - Sabina Fareast Co., Ltd./design and manufacturing of ladies lingerie

Name and Title	Age (Year)	Education /Training	Share- holding ratio (%)	Relation- ship	Work experience during the past 5 years		
					Period	Title	Company and nature of business
5. Miss Somsri Sripatoomrak (authorized director as per details in the Certificate of Company Registration)	51	MBA (Marketing), Thammasat University / DAP 63/2007, EDP 8	0.003	None	2007 - Present	- Executive Director - Director and Executive Director	- Sabina Plc. - Sabina Fareast Co., Ltd./design and manufacturing of ladies lingerie
					Oct.2010-Present	-Acting Director of Purchase and Production Preparation - Director of Domestic Sales	- Sabina Plc., - Sabina Fareast Co., Ltd./design and manufacturing of ladies
					2007-Sept2010	- Director of Purchase and Production Preparation	- Sabina Plc.
					1995 - 2007	- Deputy Manager of Factory	- Sabina Fareast Co., Ltd./design and manufacturing of ladies lingerie
6. Mr. Amornthep Asepunya (authorized director as per details in the Certificate of Company Registration)	46	MBA, Bangkok University / DAP 63/2007, EDP 6	-	None	2007 - Present	- Executive Director - Director and Executive Director	-Sabina Plc. - Sabina Fareast Co., Ltd./design and manufacturing of ladies lingerie
					Oct.2010-Present	- Director of Strategy and Business Development Department	- Sabina Fareast Co., Ltd./design and manufacturing of ladies lingerie
					2007 –Sept 2010	- Director of Domestic Sales Department	- Sabina Fareast Co., Ltd./design and manufacturing of ladies lingerie
					1995 – 2007	- Manager of Domestic Sales Department	- Sabina Fareast Co., Ltd./design and manufacturing of ladies lingerie
7. Miss Vachirawan Yamsri (Director)	50	Bachelor of political and administrative Science (finance) Chulalongkorn University / DAP 99/2012, EDP 10,HRP 6/2014	0.01%	None	2012 – Present	- Director and Executive Director	- Sabina Plc.
					2012 – Present	- Director of Production	-Sabina Plc.
					2007 - 2012	-Manager of Production	- Sabina Plc.

Name and Title	Age (Year)	Education /Training	Share- holding ratio (%)	Relation- ship	Work experience during the past 5 years		
					Period	Title	Company and nature of business
8. Miss Rawewan Peyayopanukul (Director and Chairman of Audit Committee)	68	MBA (Accounting) , Michigan State University, USA. / DAP 2003, ACP 2005	-	None	2007 - Present	- Chairman of Audit Committee	- Sabina Plc.
					2002 - Present	- Independent Director and Audit Committee	- Tata Steel (Thailand) Plc. /investment and consultation on marketing and management
					1995 - Present	- Independent Director and Audit Committee	- Thai Theparos Food Products Plc /production of sources and canned pickles
					1970 - 2007	- Assistant Professor	- Faculty of Commerce and Accounting, Thammasat University
9. Mr. Somchai Vanavit (Director and Member of Audit Committee)	66	MBA, Southeastern Louisiana University, USA. / DAP 8/2004, DCP 49/2004	-	None	March 2011- Present	-Independent Director and Chairman of Audit Committee	-T.S.Flowmill Plc. (wheat flour Manufacture)
					2007 – Present	- Member of Audit Committee	-Sabina Plc.
					2004 - Present	- Director and Deputy Managing Director	- K.C. Property Plc. /real estate, construction and construction materials
					2005-2005	- Director	- Metropolitan Leasing and Factoring Plc.) /acceptance of transfer of claims under lease, operation and hire purchase
					2003-2004	- Director	- Modern Home Planner Co., Ltd./consultation on production and finances
					2001-2003	- Consultant	- KC Group Co., Ltd./ real estate, construction, construction materials
10. Mr. Yuthana Adipath (Director and Member of Audit Committee)	70	MBA, Eastern New Maxico University /DAP 63/2007	-	None	2007 – Present	- Member of Audit Committee	- Sabina Plc.
					2002 - 2005	- Tax Specialist	- Region 7 Tax Office / Government agency
11. Miss Vaja Mukto (Company Secretary)	47	Bachelor of Accounting,Suan Dusit Rajabhat University / CSP 53/2013	0.03	None	Present	-Company Secretary and Accounting Manager	-Sabina Plc.
					2014	-Company Secretary and Accounting Division Manager	-Sabina Plc.
					2007 – 2013	-Accounting Division Manager	-Sabina Plc.

Particulars of Directors, Executives and the Persons Controlling the Company; Directors of Subsidiary

Directors and Executives	Company	Sabina Fareast Co., Ltd.
1.Mr. Viroj Thanalongkorn	X	X
2.Mr. Bunchai Punturaumporn	/, //	/, //
3.Mrs.Suchanya Thanalongkorn	/	
4.Mr. Apisit Jongkittipong	/, //	/, //
5.Miss Somsri Sripatoomrak	/, //	/, //
6.Mr. Amornthep Asepunhya	/, //	/, //
7. Miss Vachirawan Yamri	/, //	
8. Miss Rawewan Peyayopanakul	/, **	
9. Mr. Somchai Vanavit	/, *	
10. Mr. Yuthana Adipath	/, *	

Note: X = Chairman / = Director // = Executive Director

** = Chairman of Audit Committee * = Audit committee

Particulars Head of Internal Audit

Name and Title	Age (Year)	Education	Share- holding ratio (%)	Relation -ship	Work experience during the past 5 years		
					Period	Title	Company and nature of business
Acting Sub Lt.Samphan Puypiom (Head of Internal Audit)	33	Bachelor of Accounting, Sripatum University	-	-	2555-Present	- Head of Internal Audit	- Sabina Plc.
					2553-2555	- Head of Internal Audit	- Peerapat Technology Plc.
					2550-2552	- Junior Internal Audit	- East West Seed Co.,Ltd.