

Annual Report

Ended December 31,2016

Sabina Public Company Limited

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Message from Chairman

Thailand's overall economic situation in 2016 was not getting better significantly when compared with the previous year. Government's investment and purchasing power boost policy in the final quarter did not stimulate higher level of purchasing. However, in 2016, the company's sales increased by 3.90 percent with 2,397 million Baht which higher than the previous year, which we made 2,307 million Baht sales, we also made higher profit than the previous year about 10.10 million Baht, which we made profit for 175.70 million Baht that can be calculated growth by 6.10 percent. When in 2015 we made profit for 165.50 million Baht. We also increased distribution channels both in domestic market and Asean market, and also online channel with the effective budget management in all aspects.

According to the operation, the Board committee had mutual agreement to present Annual general meeting in 10th April 2017 to spend the dividend in the rates of 0.14 Baht per share which is scheduled to be paid in 9th May 2017.

In 2017, the company focuses on expanding market mainly in Asean. Several neighbor countries has better economic growth and also higher than us, especially for the countries in CLMV group which are the manufacturers to export worldwide in this era so it made people get occupation and has more income to spend, plus the opening more of shopping malls so it was the opportunity for Sabina brand to expand as well.

Moreover in 2016, the company received the Thailand's Top Corporate Brand Value award in business fashion category from the faculty of Commerce and Accountancy, Chulalongkorn University and Yasothon factory also received Thailand Lean Award (Silver) from Technology Promotion Association (Thailand-Japan). We still focus on leverage the standard of managing the organization to the international class especially for the Anti Corruption policy which we received Certificate of Membership from Thailand Private Sector Collective Action Coalition Against Corruption (CAC) in CSR aspect from keeping operate campaign "Sewing Cup, Sewing Heart" by sewing artificial breasts for breast cancer patients to bring back their confident and live happily after cutting their breasts due to curing cancer.

On behalf of the Board of Directors, CEOs, and employees, the Company will continuously 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.



(Mr. Viroj Thanalongkorn)

Chairman

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.

Long-term strategies and objectives

We aim to be the number one Thai brand that cover both domestic and Asean countries by all distribution channels especially via television and online, concentrate on Digital Marketing.

In manufacturing aspect, we aim to be the quality ladies' lingerie manufacturer and always create new innovative to respond the customers' needs by reduce OEM manufacturing in every year to produce more on "Sabina" brand instead.

Operational goals

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 6 countries which are Singapore, Philippines, Vietnam, Laos, Myanmar, and Cambodia. The Company has terminated contract with the distributors in Malaysia last year since they could not achieve company's selling goal so we are now looking for the new distributor including Indonesia and Brunei. We are also looking for the new distributor in Indonesia but due to economic crisis resulted from global scale crisis led to the decrease in domestic consumption. Many contacted distributors in Indonesia tended to slow down their expansion plan. In Brunei, the Company thinks that the market has the high-purchasing power so we are seeking new distributors here. 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.

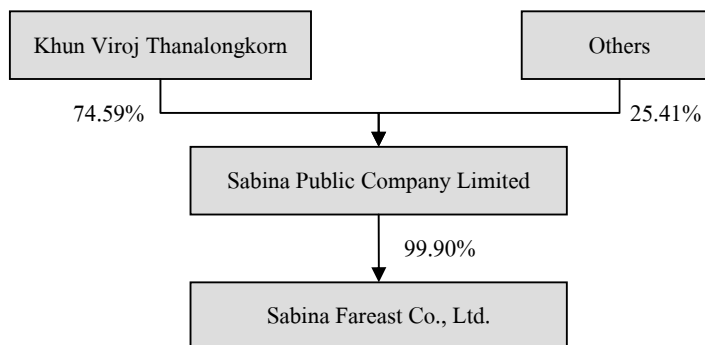
2. Improvement in Logistic In current situation, consumers' behaviors are more variety in product demand. Therefore, the Company has produced more variety of products to respond that such of variety demand. There also have to spread products to stores to respond demanding of products as always. We have 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. Moreover, 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 development 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 2,400 machines including 2,320 sewing machines and 80 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 4.53 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 collections 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 regions 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 1,250 machines in total including 1,150 sewing machines and 100 other machines. We also have maintenance plan to maintain our production standard and keep our safety level for employees. Production capacity of our subsidiary are 1.95 million pieces per year.

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	✓	✓		✓

Operation policy for 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, and modern trade stores, both domestic and overseas. We also distribute in new channels such as shopping on TV, our website and mobile application, and other website.

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, Buriram.

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

- 2014**
- Sabina Public Company Limited (Chainat factory) was 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) was 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) was 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) was awarded in Zero accident campaign 2014 from Ministry of Labour on August 8, 2014.

- Sabina Public Company Limited (Yasothon factory) was 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) was 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) was 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) was 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) was awarded THAILAND 5S AWARD 2014 (Golden Class) from Technology Promotion Association (Thai-Japan) on November 20, 2014.
- Sabina Public Company Limited (Yasothon factory) was awarded THAILAND 5S AWARD 2014 (Golden Class) from Technology Promotion Association (Thai-Japan) on November 20, 2014.
- Sabina Fareast Company Limited (Ta-Phra factory) was awarded THAILAND 5S AWARD 2014 (Silver Class) from Technology Promotion Association (Thai-Japan) on November 20, 2014.
- Sabina Public Company Limited (Chainat factory) was awarded “Operations outstanding in complying the law of disabilities employment 2014” on December 18, 2014 from Mr. Suthipong Juljaroen, Chainat province governor.

2015

- Sabina Public Company Limited (Yasothon factory) participated in project to establish Publishing Energy Conservation Guidelines Center in industrial sector as a unit that assists the energy conservation promotion in industrial sector on January 20, 2015.
- Sabina Public Company Limited (Chainat factory) was awarded TO BE NUMBER ONE contest to be the sustaining standard role model in Central and East region on March 2, 2015
- Sabina Public Company Limited (Chainat factory) was awarded in educating organization management system complying 5S guidelines from Technology Promotion Association (Thai-Japan) on March 19, 2015
- Sabina Public Company Limited (Yasothon factory) was awarded in educating organization management system complying 5S guidelines from Technology Promotion Association (Thai-Japan) on March 19, 2015.
- Sabina Public Company Limited (Chainat factory) was awarded for being role model for the outstanding in 100% safety helmet wearing on March 27, 2015.

- Sabina Public Company Limited (Yasothon factory) was awarded TO BE NUMBER ONE's "Outstanding large scale standard role model organization" - Diamond class on July 14-15, 2015.
- Sabina Public Company Limited (Chainat factory) was awarded TO BE NUMBER ONE's "Outstanding large scale standard role model organization" – Gold class on July 14-15, 2015.
- Sabina Fareast Company Limited (Ta-Phra factory) was awarded "Operations outstanding in labor relations and welfare" from Department of Labour Protection and Welfare, Ministry of Labour for 8 consecutive years on July 17, 2015.
- Sabina Fareast Company Limited (Sai 5 factory) was awarded Operations 5th outstanding in labor relations and welfare" of the year 2015 on July 17, 2015 from Ministry of Labour.
- Sabina Public Company Limited (Yasothon factory) was awarded 10th Operations outstanding in labor relations and welfare" of the year 2015 on July 17, 2015 from Department of Labour Protection and Welfare, Ministry of Labour.
- Sabina Public Company Limited (Yasothon factory) was awarded Silver honor in Zero accident campaign 2015 Department of Labour Protection and Welfare, Ministry of Labour on July 18, 2015.
- Sabina Public Company Limited (Yasothon factory) was awarded "Determined business firm for safety operation project Chaloem Phra Kiat" on August 3, 2015 from the Ministry of Labor.
- Sabina Fareast Company Limited (Ta-Phra factory) was awarded "Determined business firm for safety operation project Chaloem Phra Kiat" on August 3, 2015 from the Ministry of Labor.
- Sabina Public Company Limited (Chainat factory) was awarded "Determined business firm for safety operation project Chaloem Phra Kiat" on August 3, 2015 from the Ministry of Labor.
- Sabina Public Company was awarded in supporting, cooperation, and managing on vocational education with Noen-Kham vocational college on September 19, 2015.
- Sabina Public Company Limited (Sai 5 factory) was awarded THAILAND 5S AWARD 2015 (Golden Class) from Technology Promotion Association (Thai-Japan) on November 4, 2015.
- Sabina Public Company Limited received the Certificate of Membership from Thailand Private Sector Collective Action Coalition Against Corruption (CAC) on July 10, 2015.

2016

- Sabina Public Company Limited (Chainat factory) was awarded "Operations outstanding in complying the law of disabilities employment" on January 14, 2016.
- Sabina Public Company Limited (Chainat factory) was awarded "Disease clean, happiness body and mind factory" on February 29, 2016.
- Sabina Public Company Limited (Chainat factory) was awarded TO BE NUMBER ONE contest to be the sustaining standard role model in Silver class as the second year for national level award on July 14-15, 2016

- Sabina Public Company Limited (Yasothon factory) was awarded for Thailand Lean Award Silver class from Technology Promotion Association (Thai-Japan) on July 28, 2016.
- Sabina Fareast Company Limited (Sai 5 factory) was awarded Kaizen Suggestion System Certificate from “Steaming Siren Iron” on August 11, 2016 from Technology Promotion Association (Thai-Japan).
- Sabina Public Company Limited (Chainat factory) was awarded Kaizen Suggestion System Golden class from “Khong-Phom-Gor-Jeng-Na-Krab” on August 11, 2016 from Technology Promotion Association (Thai-Japan).
- Sabina Fareast Company Limited (Sai 5 factory) was awarded Operations 7th outstanding in labor relations and welfare” of the year 2016 on August 17, 2016 from Ministry of Labour.
- Sabina Fareast Company Limited (Ta-Phra factory) was awarded Operations 5th outstanding in labor relations and welfare” of the year 2016 on August 17, 2016 from Ministry of Labour.
- Sabina Public Company Limited (Yasothon factory) was awarded Operations 10th outstanding in labor relations and welfare” of the year 2016 on August 17, 2016 from Ministry of Labour.
- Sabina Public Company Limited (Chainat factory) was awarded “The Best in Enhancing Labour skill on August 25, 2016.
- Sabina Fareast Company Limited (Sai 5 factory) was awarded Silver class of “Disease clean, happiness body and mind factory” of the year 2016.
- Sabina Public Company Limited received Thailand’s Top Corporate Brand Value trophy in fashion business category of the year 2016

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 88.66% and 90.40% of the total revenue in the financial statements of 2015 and 2016, respectively. On the other hand, the revenue from the OEM products decreased 10.85% and 9.01% of the total revenue in the consolidated financial statements in 2015 and 2016, respectively.

Product Lines	Operated by	Share-holding ratio %	2014		2015		2016	
			Value	%	Value	%	Value	%
Sale of subsidiary's brandname products	Sabina Fareast Co., Ltd.	99.90%	1,911.16	88.29	2,046.18	88.66	2,167.01	90.40
Sale of OEM products	Sabina Plc.	-	242.27	11.19	250.36	10.85	215.90	9.01
Incomes from provision of service and other sources ^{1,2}	Sabina Plc.	-	11.17	0.52	11.36	0.49	14.13	0.59
Total			2,164.60	100.00	2,307.92	100.00	2,397.01	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, 22.15% in 2011, 9.15% in 2012, 9.13% in 2013, 11.19% in 2014, and 10.85% in 2015 and 9.01% in 2016 of the total revenue of the consolidated financial statements. Therefore, SABINA Company would remain proportion of OEM product sales below 10-20 percent due to:

1 The uncertainty of domestic and international market According to the manufacturing capacity of the factory, mostly, it depends on high-skilled labours which cannot be decreased and increased immediately because this kind of labour requires high capability and skill for producing tasks. Therefore, we have to maintain manufacturing standard related to the skilled labours between brand's manufacturing and OEM to manage manufacturing issue in the most effectiveness. Especially for recent years, we faced Subprime crisis of America, European's public debt, Russian economical boycott, or the fluctuations of China's economic. These factors led to lower domestic of consumption growth. As well, United States election result in 2016 led the changing of PTT policy which means Vietnam will be the large exporter. So we have to boost OEM manufacturing to maintain high manufacturing standard as always including to find new market in AEC countries which have mutual agreement on international zero tax which started on 31st December 2015.

2 To learn new technologies and design trends Receiving orders from foreign countries. The company can keep up with the demands of the lingerie market worldwide including technology for the production of new underwear, direction and trend of the market in each country and identifying opportunities to expand into markets in those countries. We also adopt the trend of underwear in the future to develop the production and design for the company's own brands

For the year 2017, the company aims to operate as follows.

1) Brand extension Sabina in the first half grew well led by new product releases - The Perfect Bra, including the executing TVC campaign, but the market economy in the second half, resulting in sluggish overall growth of the company has grown only slightly. It is expected to have growth rates than the overall market. This is due to make more Online Digital Marketing in the world this year. To build awareness of the brand in line with changing consumer behavior in the online business.

For the year 2017, the forecast figures from both the government and the foreign country are expected to experience growth in gross domestic product (GDP) to 3.4 percent due to the economic situation in the country and abroad remains in a downturn. However, the policies the government issued economic stimulus package, the company expects conditions in domestic consumption is getting better. The company has set a target to grow revenues by selling brand Sabina inside the country at 10 percent which is higher than the forecasts of economic growth. The company still has the goal of creating a strong brand Sabina and in the minds of consumers as possible. The products meet the needs of consumers in each age group in order to wrest market share as possible by continuing to focus on growth in the two groups together. First, youth groups, the strongest group, primarily by focusing on the study of the behavior, trends and needs of adolescents, release the products to meet the demand and changing the behavior of adolescents. Including budgeting, marketing activities increased to maintain and increase market share. And for a agrowing ups groups, which has high purchasing power and more brand loyalty in adolescents. We primarily aim to expand the company's customer base.

2) Extending the brand Sabina away abroad. Especially in countries in the ASEAN Economic Community or AEC: Asean Economic Community, now the company has distributors in six countries, including Singapore, Philippines, Vietnam, Laos, Myanmar and Cambodia but Indonesia and Brunei is underway to appoint distributors. For Malaysia, we are working on finding a new supplier to replace the previous one which the company has canceled a contract. We are working to increase the distribution channels in each country as well as working closely with distributors in more inventory management vendor. To help distributors with a turnover of inventory easily and faster. Due to the company's products are emphasis on fashion, this requires the circulation of the new fashion throughout the country. Beyond ASEAN, the company has performed well in the dealership and sales in the normal format, including the United Arab Emirates, Pakistan, Bangladesh, Kazakhstan, Iran, etc. Expected in 2017 will be sold Sabina abroad 70 Million Baht.

3) Contract manufacturing customers under the brand (OEM). Although the company adjusts a policy to reduce production of branded products for OEM customers, the company continues to maintain this ratio is about 10-20 percent of capacity. In fiscal year 2016 to the year 2017 is expected in Thai Baht currency has weakened steadily throughout by comparing to the US dollar, making the company the opportunity to offer OEM customers a price that can compete with other countries, plus the strength of the Company's OEM products in terms of quality and delivery on time. Some customers who have been affected by other manufacturers in this regard have returned to order to the company. Furthermore in 2017, the company continues to focus on finding more of these customers from the production capacity of the company and ability to produce more, but the company continues to focus on the part of the profit as the important part.

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. The opening stores under the

brand Sabina. Some shops are successful or not. The Company closed some shops as necessary. At present, the Company's retail shops consist of 85 shops. For 2017, the Company plan to open new branches (about 7 shops) and close losses branches (about 10 branches) expecting that in the end of 2017 the company will have 82 shops in total.

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", "Doomm Series", "Soft Doomm", "Doomm Function", "Maggie Mae", "Modern V", "Viora Lingerie", "Cris's Collection", "Perfect Bra", "Sbn Sport", "Soft Collection", "Function Bra and Function Shapewear", 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 categorized by shape and function such as.

1.1.1.1 By shape; semi-cup bras, full coverage bras, under-wired bras, wireless bras.

1.1.1.2 By function; Shape-support bra, shape-supportless bra, bra shape, bra with no shape, compact shape bra, unstrappable bra.

1.1.2 Underpants

The company produced a wide range of panties to meet all customer needs, women of all ages. It can be divided into different categories according to the type of materials, shape, and beneficial functionality such as modale cloth panties, expose protection panties, both a plain and pattern color matching with bras style.

1.1.3 Other types of products

1.1.3.1 Lingerie accessories; bra strap and transparent removable strap

1.1.3.2 Extra accessories; silicone push up bra, nipple cover pad

1.1.3.3 Other products; Sleepwear and lining

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

Because of the requirements of consumer ergonomics which changed from time to time, the company recognizes the importance of the research and development of new products at any time by making an analysis of consumer behavior. Westress on the Focus Group in the preparation of the query information and target customer questionnaires via online media get information using in the development of new products to meet the needs and changes in customer behaviour nowadays, both function and fashion. Production for sale of branded clients from European countries makes the company having know-how about sewing techniques and new forms. And joining WGSN in 2015, which was the site of the world's leading manufacturer of apparel widely used for a long time, makes the Company to know future Global Trend Fashion that will happen up to 24 months in advance. The company is able to produce modern fashion item to meet customer's preference accurately. Moreover, products still have high quality at a reasonable price for consumers.

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 6 countries in Asean which are Vietnam, Laos, Cambodia, Myanmar, Philippines and Singapore. There was a cancellation of dealership one country which is Malaysia since the distributor can not expand distribution channels to the targets set by the company. For Indonesia and Brunei, we are on process to increase distributors. 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

The company has placed the distribution strategy of new underwear products continuously to cover using in every period of ladies. Starting from childhood girls at the age of 6 years which start to use underwear to maintain proper posture and correct way, in order to maintain the beauty of the body continuously until they grow up. By breaking down all categories based on basic goods are goods and fashion design to make consumers recognize modernity and fashion movement at any time. The company has marketed a new version of "Sabina" brand every month to maintain customer loyalty. Marketing department will select the time interval to release the goods to the appropriate consumer group in each product group such as Sabinie and Cool Teen underwear, which will be marketed during the prior school semester so that parents have time to supply their children during times of maximum purchase requirements. The company also plans to sell its innovations continuously to meet the needs of consumers' change, as new group named "Soft Collection" focuses on the production of seamless woven bags with highly flexible and comfortable soft fabric. The company also introduced the popular licensed products to offer customers a lot of attention which is the Disney Frozen product from United States, designed for childhood. The company also supports the intellectual property of Thailand with the introduction of the famous cartoon pattern designer to join the Pretty

Perfect for teenagers which is Wisut Ponnimit's Mamuangand, Khon-A-Rai-Mee-Fan-Pen-Mhee facebook page characters (Bear Girlfriend), and "Bear Please" famous animation character in LINE sticker. In addition, the company is also presenting new products in the form of a teen fashion collection for customer groups for teenage girls and adult circulation continuously throughout the year.

Policy on sales promotion

Since the market products underwear women are very competitive, the competitors presented both products very low cost with low quality and high price with high quality. Includes, there is discount competition to win market share and release inventory continuously throughout the year. The company provides product promotion in conjunction with the various department stores regularly, in terms of introducing a new item arranging promoting campaign as the activities that customer will have opportunity to participate as result in increasing sales volume and attracting consumers who have never used the company's products via joint marketing activities such as department stores' media, fashion shows, and other marketing activities.

In addition, the company has focused on the management of the company's promotion campaign to make products become popular among consumers extensively, create interesting image use and trust, and create Sabina brand as as Top of consumers' mind by offering people of Thailand smile image the brand of high quality at a cost effective price. In 2015, the company has focused on using modern media to reach consumers through omni-channels by using a variety of materials to for each consumer's groups, most effectively. The Company used media in television commercial, radio, billboard signage, department store, in rail stations, in the leading offices' elevator, publications, and online media both social media and advertising on Youtube made the brand more popular. It has opened up Sabina Club to tie consumers with special privileges for members to strengthen brand loyalty.

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 emphasize 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 cheap to maintain the profit margin to be at the right level.

Reduction of raw material preparation time and cost for raw material for production

The company has a policy to reduce Lead time or a period of preparation the raw material by introducing modern production planning program to assist in TPM management project after the the successful in applying a LEAN MANUFACTURING KAIZEN production system principles. The Company has undertaken TPM (Total Productive Management) project, which included all update activity developed to reduce the amount of time in the preparation of raw materials and production, such as in the purchase process. the Company will also provide Pre-purchase before making official order to the vendor and check the quality of raw materials at the source of raw material to reduce the period of delivery of the raw materials and reduce the amount of raw material that does not meet the requirements of the customer and the purchase of raw materials to the finished production process, etc. Currently, the Company can reduce the amount of time in preparing raw

materials to have only about 10-15 days, which reduce the amount of time in the preparation of raw materials which led to the better budget circulating.

In addition, the company also performed in the lower material costs without reducing the quality of the raw materials which is a very important factor in competition with competitors both domestic and foreign such as China and Indonesia. Moreover, cost reduction allows the company to use more competitive price resulted in more profit from the sale by reducing the cost of raw materials in new sources which we provide the vendors to pitch the sales price of raw materials as follows:

Finding new sources of raw materials with a variety, good quality, and reasonable price is to reduce reliance on one vendor. This prevent the problem of insufficient capacity per vendor that company make order and also prevent price monopoly that allows the company to have more choices to share the quantity to purchase the raw materials from different vendors in both overseas and domestic. Currently, the trade agreements with several countries, perform an import tax on raw materials is greatly reduced. Finding new sources of raw material supply, both domestic and abroad, not only demonstrate the potential of the company that has developed the supply of raw materials, but also increases the diversity and modern products.

Production of raw materials on our own, the Companies has tried to study and find innovative techniques to produce some of our own material to lower the costs of raw materials and reduce dependence on monopoly suppliers of raw materials such as bubble Mold, which is an important raw material in the production of underwear. Currently, the company can produce on its own about 30% of the amount used and plans to produce up to 80% in 2016 and is expected to be 100% in the near future.

Reduction in production time

As mentioned above. The company has TPM system (Total Productive Management) used in the manufacturing process led the factories to be able to reduce the amount of time in the production and delivery of the goods to the customer faster. Using the SAM system (Standard Allowance Minute), duration for production of 1 staff per 1 step in the calculation of the duration of each step of the production, makes a smooth production system, no obstacles or bottlenecks in the production process. There is also a team to study the device to help make the time period and in the production of short steps down. As a result, production time per 1 item the shortest production per employee, more maximize performance for one staff.

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 Pre-production of all products codes in various work groups to prevent errors, and conducts inspection of Production 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 AEC which enhance social knowledge and culture of each country in the AEC group through cute pattern on the product. The Company also held “Sabinie Camp” activity by bringing qualified kids to be in the camp to participate in each country activity base led by native volunteers educating kids on and learning together on farming rice which is the main food for everyone in the region. The activity gave kids education, impression, and recognition on Sabinie brand.

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

Women teenage group ranging from university student to office worker is the group that peers, salesperson, and trademark influenced in lingerie buying decision. They are more interesting in useful functionality and good fitting for their contours enhancing their personality, and confident. They are more mature and starting to earn money by themselves which makes them to consider on functionality more than only beauty. Moreover, they have high purchasing power and considered as the large consumer scale. So, the Company planned to launch products focused more on this group in the future. The company has started to design the product to function, fix on flaws, and respond to their needs. The company has a product for every customer's chest shape patterns and responds to every problem that's designed to ages change according to the item such as Modern V has function to push v shape side by sponge which suitable for teenage girl that begins to burn fat more slowly and making excessive shape. It can keep the excessive part on side chest and make it more compact; close together caused their beautiful cleavage. By increasing confidence, this version is the popular one until now.

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 brand name ladies lingerie in UK, France, Spain, Germany, Netherlands, etc.

These buyers prefer lingerie with useful functionality to the fashion the collections for middle to upper market. Due to the current economic situation in Europe, many brands market themselves more to focus on mid to lower according to current economic situation that reduce consumer spending and consumption.

Moreover, the company steps on finding new market such as Eastern Europe countries 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 branddomestically 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 590 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 6 countries in total consist of Myanmar, Vietnam, Cambodia, Laos, Philippines, Singapore. For Malaysia, distributors cannotmeet the target, so we must cancel the dealership then we are seeking new distributor. The rest of 2 countries which are Indonesia and Brunei, we are also seeking new distributor. And beyond Asean region which include 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 including clients who run online business, both starter and existing clients from Direct Catalogues business.

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 2016 showed that the female population was closed to the male population with the amount of approximately 33.45 million females or 50.9% from total population or about 65.73 million people in Thailand.

The essential factors influencing decisions on lingerie purchase depend on ages. Parents influence their children buying decisions.

Teenagers prefer designs, patterns, and functionality.

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 lingerie is the fashion related product led to more frequency of buying which is the main factor for a great demand for lingerie.

In 2016, overall demand for lingerie the country grew well in the first half and stable range in half last quarter of the year for the following reasons.

The problem of domestic consumption from rising household debt levels must be monitored led to the increasing of bad debt provision. The banking group and the volatility of the global economy, including the number of Chinese tours to Thailand declined during the second half of 2016 that the policy of repression tour of zero dollars. Plus, the public investment in the infrastructure is more. Economic management of the country is stable and there is a clear trend toward improved. But export rate and agricultural decline brought the index of consumer confidence down as expected and consumers remain cautious in their spending dramatically. As a result, overall domestic demand continues to decline.

In the higher cost of living and the price of basic consumer goods still not decrease, even the price of oil went down significantly, consumers are more sensitive to price reductions in high-value goods discount. Department stores and brands arranged discount campaign to accelerate in generating fierce sales competition, both frequency and higher discount percentage. Consumers can shop the most benefit according to the promotions that provide good value for the worth price, including women's underwear items which used to adjust prices upward in every brand from higher labor costs in the past. They altogether discount prices as more competitive to stimulate sales, but when discount frequently occurring made consumer get used to it. Particularly, ineffectiveness began in the third quarter consumer spending to decelerate. Until, government launched policy on purchases of some type in the range within 15,000 Baht during December 14-31, 2016 that receipts can be applied for tax deduction. This resulted much effective outcome on stimulate consumers from in rising of sales in the last week of the year.

The company's target customer group which has moderate income is affected by high costs and cautious spending. Especially, teenage girl and adult women with income of their own, most of them are in high family and household expenses. This group is spending on the basic reason for the maximum benefit and likely be careful to expend, also, teenage mothers who have bought items for their children. Childhood, teenage, and adult products group affected by economic stagnation, as well as with other competitors in the market. Meanwhile, the main group of teens, which created main company's revenue, purchased goods by popular and reliable introduction of the media that influence decision. The sales of the goods in the teen group continue to thrive from the marketing activities that drive sales.

For domestic supply of women's underwear, the production of both major and minor operators increase in sales through E-Commerce system, and the expansion increases the mass brands from leading foreign selling lingerie fashion with the cheap production and imports from China and developing countries with low production costs. The expansion of cheap products sold through retail hypermarket & discounted stores all imported goods from countries with low manufacturing costs and increasing the proportion of house brands, the mall itself.

The increasing lingerie brands extend in distribution channel such as online and home shopping makes the market supply low to medium level continues to increase, expected that market competition is even more intense underwear around.

Local competition

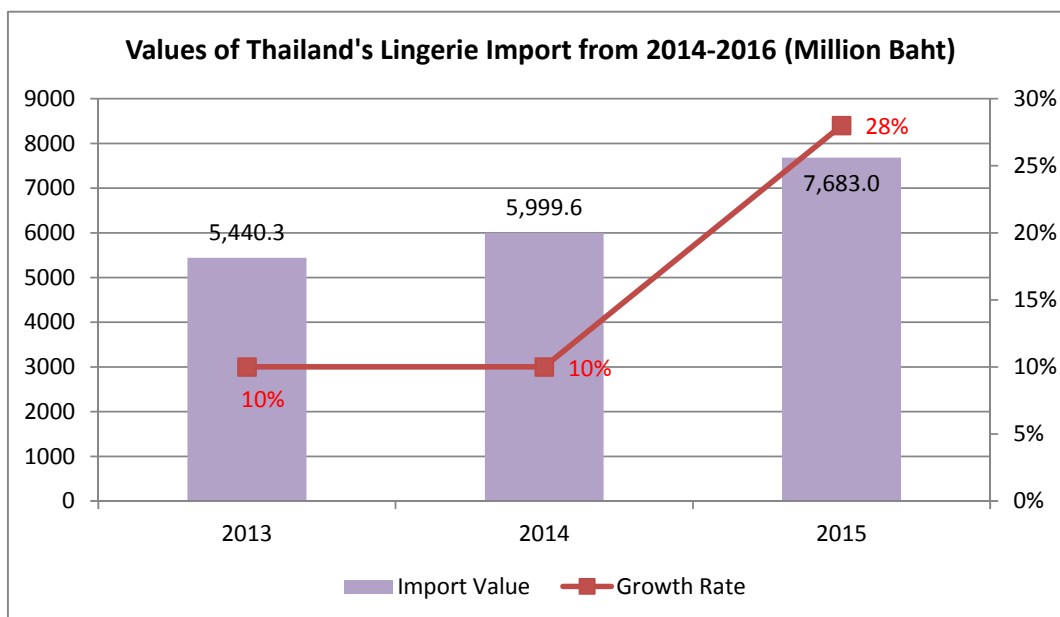
There is a great deal of competition in the local market. Thai Wacoal Public Company, manufacturer of Wacoal lingerie; Triumph International (Thailand) Co., Ltd., manufacturer of Triumph lingerie; our company, manufacturer of Sabina lingerie; and many other small manufacturers of no brandname lingerie 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 Sabina brand and Triumph International (Thailand) Co., Ltd. In this 2016, the overall local lingerie market's small growth and there's no significant of increasing purchasing power. Consumers tend to have more lower price options and buy only when discount or interesting promotion especially for discount and special price so they made the aggressive competition currently. 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.

LingerieImport

The following details are for Female's lingerie import value in Thailand since 2014 to 2016

(unit : Baht)

Year	2014	2015	2016
Import value	5,440.3	5,999.6	7,683.0
Growth rate (%)	10%	10%	28%

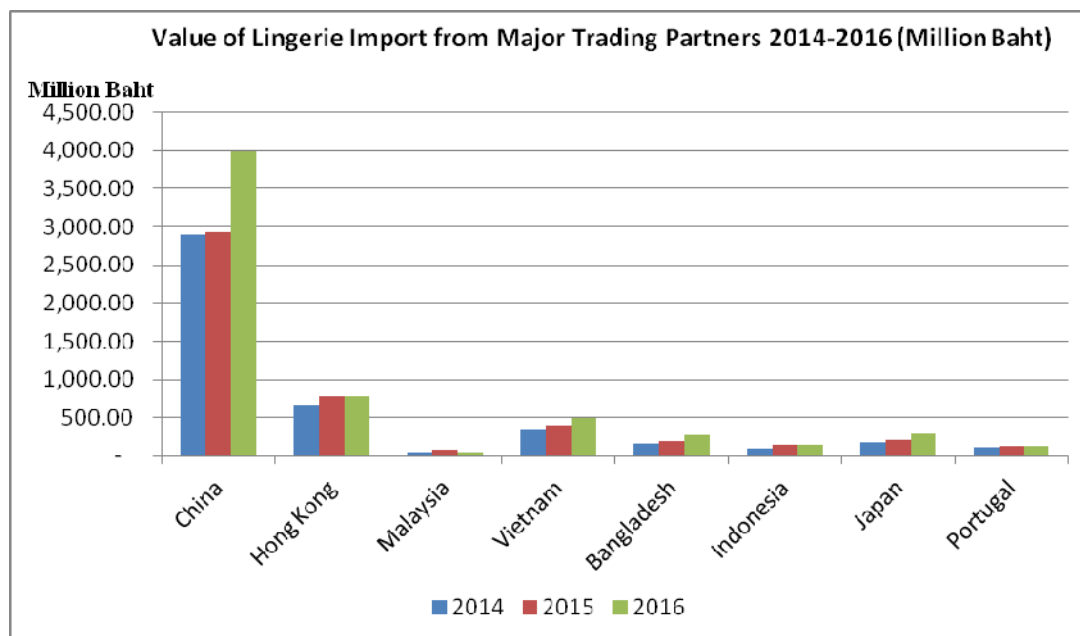


Source: Ministry of CommerceHS:6108/6109/6208/6212

From the table and graph, it can be seen that the trend to import goods in the lingerie group is likely higher last year, approximately 28 percent per year. In 2016, import rate is rise to almost 8,000 million Baht and tend to rise continually. There are 2 expected factors which are Thailand's domestic market that has potential which have bra consumption in a high rate, both from domestic and visiting tourists who have expend more since Thailand is a hub or central to tourism in ASEAN, making several brands from overseas came in Thailand domestic market, more and more brands from Europe and the United States. The second factor is expected to be the lingerie manufacturing costs in Thailand which tend to increase, as well, there are several brands started to hire manufacturing labor abroad to reduce costs.

Values of Lingerie Import from Major Trading Partners from 2013 – 2016(Million Baht)

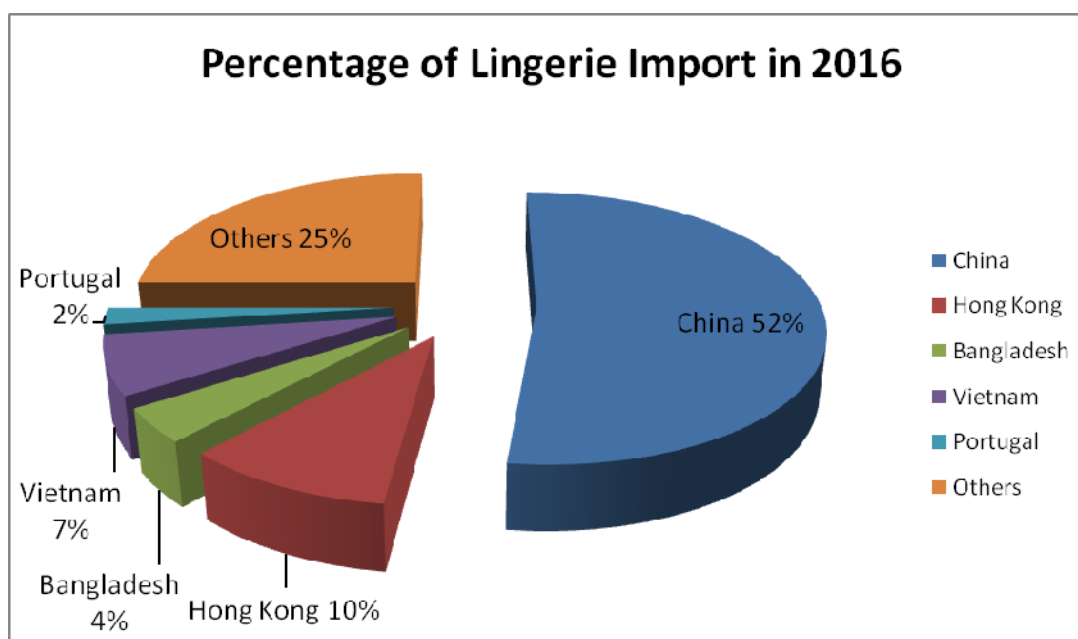
Country	2014	2015	2016
China	2,895.5	2,922.5	3,982.6
Hong Kong	666.0	779.6	773.8
Malaysia	38.1	79.2	36.0
Vietnam	331.4	397.8	502.7
Bangladesh	165.1	190.3	269.4
Indonesia	102.0	143.5	143.0
Japan	183.8	215.3	283.9
Portugal	110.9	126.7	131.7



Source: Ministry of CommerceHS:6108/6109/6208/6212

Percentage of Lingerie Import in 2016

Country	China	Hong Kong	Bangladesh	Vietnam	Portugal	Other countries
Percentage (%)	52	10	4	7	2	25



Source: Ministry of Commerce

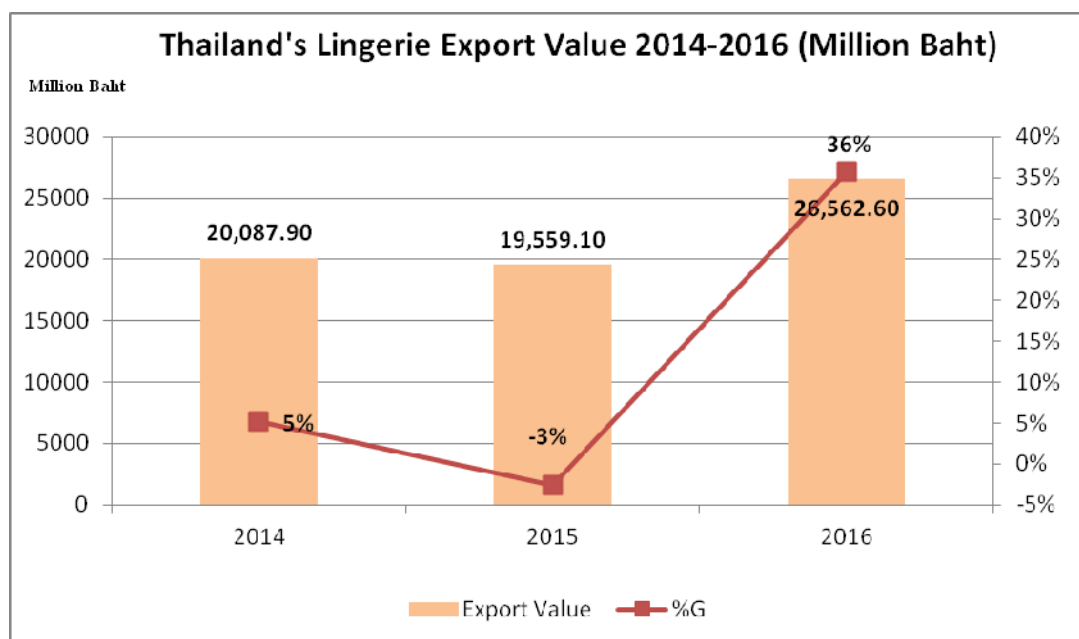
Considered from Import rate, Thailand has the most import rate and value from China at the most as always by 52 percent of import rate but decrease in export rate.. This expected that imports from China remain at a high rate since the cost of production in China is still low comparing with other countries. The goods from China have been improved in quality and more modern design. However, the import trend is expected to begin in decline while imports from ASEAN countries are likely to be much higher. The ASEAN Economic Community or AEC making a total tax rate of 0 percent in imports led to imports of underwear in these countries to rise steadily in the future.

Import of lingerie products

The following charts and table are details on import of lingerie products value from Thailand since 2014 to 2016

(unit : Million Baht)

	2014	2015	2016
Export Value	20,087.9	19,559.1	26,562.6
Growth Rate (%)	5%	-3%	36%



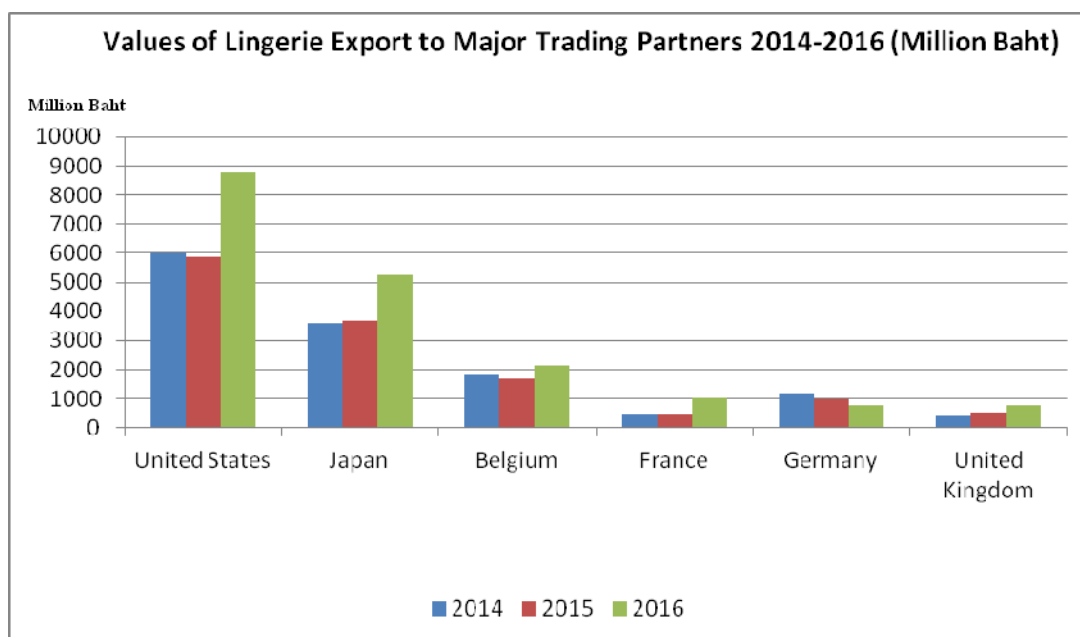
Source: Ministry of Commerce

(หน่วย : ล้านบาท)

From tables and graphs from the export of lingerie goods to the foreign countries, it can be seen that the export value increase higher in the 2016 at 36 percent. This is expected from the developing of economy in United States and Japan, see rank 1 and 2. However, new US tax policy would lead to decreasing of Thailand expert rate in 2017.

Value of Thailand's export to major trading partners in 2014-2016(Million Baht)

Country	2014	2015	2016
United States	5,975.2	5,885.3	8,787.3
Japan	3,586.7	3,656.1	5,254.7
Belgium	1,831.5	1,699.0	2,138.0
France	480.6	466.8	1,023.9
Germany	1,155.0	993.5	788.3
United Kingdom	391.0	527.5	783.1



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.

2. 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 Reserch 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 2,400 machines including 2,320 sewing machines and 80 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 4.53 million pieces per year.

Our subsidiary has two factories: one in Nakhon Pathom and another one in Bangkok with 1,250 machines in total including 1,150 sewing machines and 100 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 1.95 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

- **Dependance 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 54 stores from total of 85 stores in year 2016 (63%) 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 which at the end of 2014, the Company had 93 shops in total 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 which led to 85 shops remained in 2016.

- **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 December 31, 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 this year 2017 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 2016, the Company had product leftover for value 979.57 million Baht or 43.76% of circulation asset and 57.43 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 16.00 million baht, or 9.11 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 32-33 Baht to 35-36 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 42.11% of total revenue from OEM international sales in 2015 and 41.60% in 2016.
- 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 2016 through is expected to grow up around 3.4%, 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. Overall, we made 5% of sales growth in 2016.

- **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 2017 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. The Company tried to use the strengths in production to offer customers more, particularly regarding to product quality and on-time delivery. However, the company does not rely on a large customer base in the United States which has launched policy of reducing imports by increasing high import tax on in the year 2017.

Manufacturing

- **Lack of Skilled Labours**

Thailand has a current wage levels are high comparing with Asian manufacturers but it turns out that it is rarely to find labor the lingerie industry due to high skill required in tailoring and training is needed to be a specialists to be able to produce lingerie, unlike workers in the textile industry. Since that workers turned into industrial work that does not require much skill labor. Especially, industrial machinery and modern technology doesn't require skillful worker which produce outcome equally or more. Therefore, the lingerie industry is still very much a labor shortage.

- **Dependence 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. By the end of 2015, the Company produced Bubble Mold for 30 percent of usability rate and expected to produce for 80 percent in this 2017 year.

Affect the rights of holders of securities or investment

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

On Annual General Meeting 2016, 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 disputed 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
Registered Capital	: 347,500,000 baht
Paid Up Capital	: 347,500,000 baht
Ordinary Shares	: 347,500,000 Shares
Par Value	: 1baht
Securities Registrar	: The Thailand Securities Depository Co., Ltd. (TSD)
Address	: 93 Ratchadaphisek Road, Dindaeng,Dindaeng Bangkok 10400
Telephone	: 02-009-9000
Fax	: 02-009-9991
Auditor	: Professor Kesree Narongdej or Mrs. Natsarak Sarojpanjin or

	Mr. Chaityuth Aunsuwittya
	CPA License No. 76, 4563 and 3885
Address	: A.M.T. Associate Office
	491/27Silom 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 26, 2016.

Shareholders		
	Number of Shares	Percentage (%)
1.Mr. Viroj Thanalongkorn	259,207,000	74.59
2.Mrs. Vane Tongluck	14,001,000	4.03
3.Mr. Anurak Tangkaravakul	12,817,500	3.69
4.Mr. Atchada Thanalongkorn	10,501,000	3.02
5.Ms. Pitcha Thanalongkorn	10,501,000	3.02
6.Mr. Chaiyakorn 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	7,466,700	2.14
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

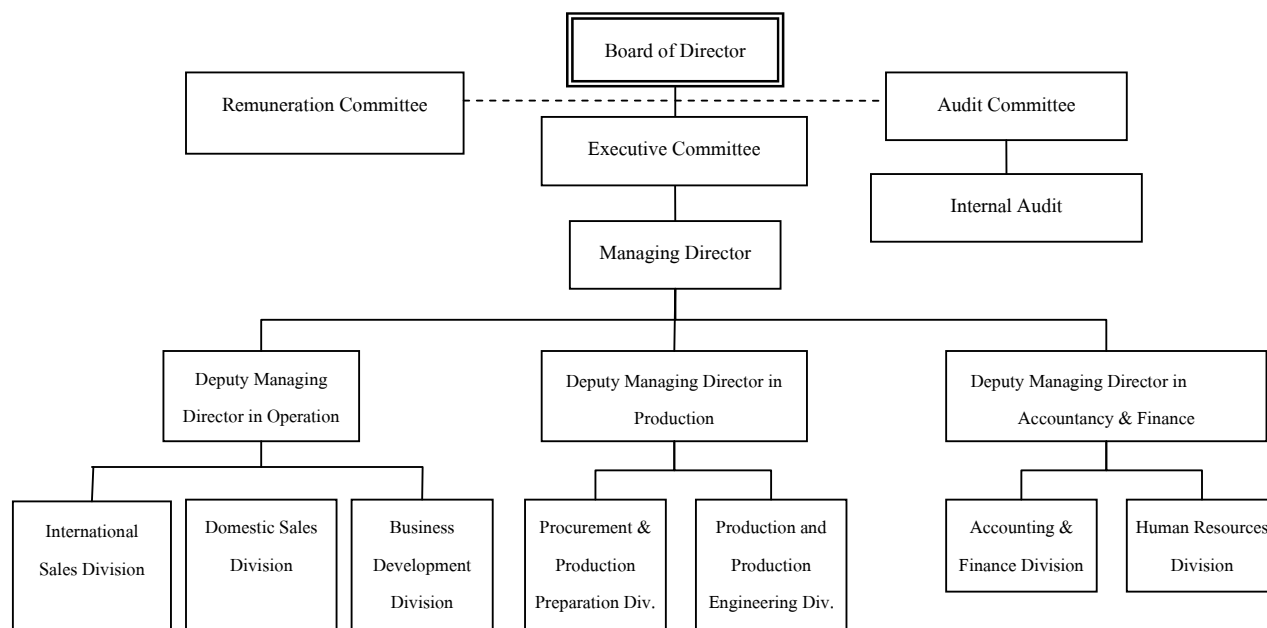
Sabina Co.Ltd.	2016**	2015	2014
Dividend per share (Baht)	0.24	0.19	0.17
Dividend remuneration rate (%) (Overall financial statement)	47.48	39.88	40.21
Dividend remuneration rate (%) (Specific financial statement)	86.88	85.54	92.67

Remark

**The dividend payment of the year 2016. The board of directors had resolved to approve the interim dividend payment at 0.10 baht per share, Therefore the board of directors had resolved will pay the dividend half year additional 0.14 baht per share in the year 2016 total dividend payment at 0.24 baht per share and propose to AGM which has been of the year 2017.

Managerial Structure

Organization Chart on December 31, 2016



Board of Directors

In present, the Board of Directors consists of 10 committees;

-Non-managerial committees: 6 people (Independent committees: 4 people)

-Managerial committees: 4 people

Name	Company's Committee	Audit Committee	Managing Director	The nomination and remuneration Committee
1. Mr. Viroj Thanalongkorn	Chairman	-	-	-
2. Mr. Bunchai Punturaumporn*	Managing Director	-	Chairman	Committee
3. Mrs. Suchanya Thanalongkorn	Committee	-	-	-
4. Mr. Somkid Padungkiattisak *	Committee	-	Committee	-
5. Mrs. Somsri Sripatoomrak *	Committee	-	Committee	-
6. Ms. Vachirawan Yamsri	Committee	-	Committee	-

7. Ms. Raweewan Peyayopanakul	Independent Director	Chairman	-	Committee
8. Mr. Somchai Vanavit	Independent Director	Committee	-	Chairman
9. Mr. Yuthana Adipath	Independent Director	Committee	-	Committee
10. Mr. Jakkrit Uttayopas	Independent Director	-	-	-

* Are the Directors of the subsidiary

Remark Information Directors about Education background, Training Institute of IOD and company's related major experience can be found on attached document 1.

Attendance of the Board of Directors and Board committees in meetings

Name	Board Meeting 2016			
	(Total Meetings / Attendance)			
	Directors 4 times attendance in total	Audit Committee 4 times attendance in total	Managerial Committee 12 times attendance in total	Nomination and Remuneration Committee 2 times attendance in total
Mr. Viroj Thanalongkorn	4/4	-	12/12	-
Mr. Bunchai Punturaumporn *	4/4	-	12/12	2/2
Mrs. Suchanya Thanalongkorn	2/4	-	-	-
Mr. Somkid Pardungkiattisak*	4/4	-	12/12	-
Miss Somsri Sripatoomrak *	4/4	-	12/12	-
Mr. Amorntep Asepunya *	4/4	-	11/12	-
Miss Vachirawan Yamsri	4/4	-	12/12	-
Miss Rawewan Peyayopanakul	4/4	4/4	-	2/2
Mr. Somchai Vanavit	4/4	4/4	-	2/2
Mr. Yuthana Adipath	4/4	4/4	-	2/2
Mr. Chakkris Uthayophas	4/4	-	-	-

Remark * Are the Directors of the subsidiary

- Mrs.Suchanya Thanalongkorn did not attend AGM 1/2016 , 2/2016 due to a mission abroad.
- Mr. Amorntep Asepunya did not attend AGM 12/2016 due to resignation which effective on November 30, 2016.

Authorized Directors :

The authorized directors for any company decision are “Mr. Viroj Thanalongkorn, Mr. Bunchai Punturaumporn, Mr.Somkid Pardungkiattisak, 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 4 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)
Mr. Somkid Pardungkiattisak	Director of Finance and Accounting
Miss Somsri Sripatoomrak	Director of Domestic Sales Director of Purchase and Production Preparation(Caretaker) Director of Human Resource (Caretaker)
Ms.Vachiravan Yamsri	Director of Production and Production Engineering

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 Hansakulbunterngr 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 2016 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 2016, the Directors and Executives were remunerated as follows:

Name	2016	
	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	0.12
	- Reward to Director	0.18
- Mr. Somkid Pardungkiattisak	- Remuneration to Director	0.12
	- Reward to Director	0.18
- Miss Somsri Sripatoomrak	- Remuneration to Director	0.12
	- Reward to Director	0.18
- Mr. Amornthep Asepunya	- Remuneration to Director	0.11
	- Reward to Director	0.14
-Miss Vachirawan Yamsri	- Remuneration to Director	0.12
	- Reward to Director	0.18

Name	2016	
	Description of payment	Amount (Million Baht)
- 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
- Mr. Chakkris Uthayophas	- Remuneration to Director	0.12
	- Reward to Director	0.12
Directors & Executive (as Executive)	- Salary, position allowance and fuel allowance, cars, and bonuses.	34.77
	- Remuneration to Director	0.36

In 2016, the Company's stipulation of the remuneration is equivalent to 2015 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 Miss Rawewan Peyayopanakul Chairman of Audit Committee Education MBA(Accounting), Michigan State University, USA (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 4 persons.

Name	Title
Mr. Bunchai Punturaumporn	Chairman of Executive Committee
Mr. Somkid Pardungkiattisak	Executive Director
Miss Somsri Sripatoomrak	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
- 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 The Nomination and 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:

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

1. The number of votes that each shareholder may cast shall be equal to the number of shares that he holds.

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.

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

4. 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.

5. 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 companySection 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 2016, the Shareholder meeting decided to appoint Professor Kessaree Narongdech or Miss Natsarak Sarochananjeen or Mister Chaiyut Angsuwittaya licensed auditor number 76, 4563, and 3885 consequently form A.M.T. Associate firm to be auditors of the company and the subsidiary. The remuneration concluded as 960,000 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 remunerationTable

Unit : Baht		
Fee	SABINA Public Company Limited	SABINA Fareast Company Limited
2016 Audit Fee		
- Financial audit in each company	450,000	350,000
- 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	390,000	270,000
Miscellaneous (transportation, postal service, fax, etc.)	Actual paid amount	Actual paid amount
Total	960,000	690,000

Good Corporate Governance

Corporate companies can be divided as follows :

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 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 pronunciation 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 however, 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.

4. 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, 2016 to December 31, 2016, ranging from the October 18, 2016.

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

They are an important part of the cost of production is a partner or vendor , the company has set the criteria for selecting and evaluating vendors . To ensure that the seller has the ability to respond to the requirements of the company and

its customers . The company is evaluated based on the principle of selection of raw materials . Materials and products , including an assessment of the vendor .

Raw materials and products Criteria for selection include:

1. Period of delivery of goods 2. Price goods 3.The minimum quantity to order 4. monitoring system for each product according to the standards set 5. Payment Terms . 6. Document delivery (only for overseas sales) , the company has provided in the form of vendor selection . And provide an assessment of the vendor at least 2 times a year .

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.

2. 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.

3. 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 corruptio. 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 (according to the Corporate Social Responsibility (CSR) section)

4. 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: yaja@sabina.co.th or the Investor Relations E-mail address: ir@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.

5. 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. The channel reported complaints and suggestions through the internal affairs which act as agency complaints and suggestions as follows.

Process to manage once receive a clue and complaint

The Company provides employees and stakeholders with channels to report complaints to guide the development and sustainability to the organization.

- The recipient of complaints, gather the facts related to the breach or non-compliance with the anti-corruption policies of the company.

- Recipient complaint reports the facts to the independent directors' duty investigation in order to consider complaints. Identify matters related to policy against corruption into the issues in political support, providing financial support and donations to the charity, and receiving gifts, property, or any other benefits.
- Standard implemented is the petition presented to recipients by Committee against corruption to investigate the facts and proceed. In order to suspend the infringement or not comply with the policy against corruption.
- Report by the recipient complaint is that the investigation result to the complainant informed the fact. If the petitioner in the case of self-disclosure is important. The complaint report of investigation on the chairman or the board of directors
- If the accused committed corruption, it's considered a crime policy against corruption. A person must have been a disciplinary, according to regulations of the company as set. If the action is against the law to get legal penalties

Channels for complaints

- Internal Audit Department via email : GRP_AUDIT_HO@sabina.co.th
- Internal Audit Department via email : 02-422-9400 ext. 9309 , 9404
- Internal Audit Department via post : Internal Audit Department
Sabina Limited (PCL)
No. 12, Arun Amarin Rd., Arun Amarin
Bangkok Noi, Bangkok 10700

Protection standard for the complainant

- The complainant can choose not to reveal identities. If there is harm to themselves and the people involved. But if they agree to reveal identities, they can perceive progress of the issue which reported by the company.
- Complaint information received from the complainant will be kept as confidential and considers the safety of the complainant is an important standard for anyone to claim and/or those who give information and/or collaboration in monitoring data will be protected from unfair practices, such as changing the position, job description, workplace bullying interferes with ordered the dismissal of the worker due to reasons of complaint is a complaint common actions will be kept confidential, only the Chairman of the Executive Committee and/or the internal audit department. Complaints section of top executives will be kept by the Secretary to the Audit Committee report directly to the Audit Committee.

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 inequally 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.

7. The Company has set a policy for the Board of Directors to report the interests of the Company's directors and management must report to the company every time it has its stake and relevant people within three months from the date of appointment or the date of the change.

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 via email ir@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 6 people (a total of 4 independent directors) 1 must be female and the Executive Directors of 4 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, 2016 consists 10 directors of 4 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. 4 Persons served as member of the Audit Committee of the company 3 Persons.

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 2016 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)

5.2.4 Prevention of Insider Trading

Board of Directors has a policy that prohibiting the management and staff to trade securities use of internal information that has not been disclosed to the public 's essential to change the company's stock price 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.

5.2.5 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 self assessment of the Board of Directors and whole the Board of Directors of assesment topics divided into 4major topics as follows:

1. Structure of the Board
2. Attendance
3. Roles and Responsibilities of the Board
4. Other subjects such as duties of the Board, relations with the management, and development of the board and executive development

Evaluation topics from Self-evaluation questionnaires of subcommittees of Board of director can be divided into 3 main topics. As follows:

1. Structure and qualifications of subcommittees
2. The conference of subcommittees
3. Role and responsibility of sub committees

The company has a process for the Board of Directors evaluation by the secretary is the one who send the evaluation form to directors and send it back to the Company. The Company will not disclose the names of the evaluated directors for the independence in the assessment. The results are presented to the Board of Directors meeting and the Board of Directors individually to consider individual evaluation and improvement of the Committee's work.

Evaluation methods Each committee will fill in evaluation form for personally, overall of the Board, individually, and subcommittees by identifying comments on each person, mark in designated boxes range from 104 score

By means as follows: starting from 1 = strongly disagree 2 = disagree 4 = agree 3 = strongly agree.

The evaluation results of the Board of Directors, both individual and group, and, subcommittees for the year 2015.are good andexcellent.

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.

The Company encourages directors to attend the related training courses or seminars which organized by Thailand Institute of Directors (IOD) in 2016 which the Board members have attended in courses per below;

Name	Position	Training
Mr. Boonchai Puntura-amporn	General committee, The nomination and remuneration Committee	- Financial Statements for Directors (FSD)
Mr. Somkid Padungkiattisak	General committee	- EDP 16/2016 - Anti-Corruption : Practical Guide (ACPG) - Driving Company Success with IT Governance (ITG) - Pre-CEO & Fundamental CFO - Transfer Pricing and special focus point of the Revenue Department
Ms. Somsri Sripatoomrak	General committee	- Anti-Corruption : Practical Guide(ACPG)
Mr. Amornthep Asipunya	General committee	- Basic Vietnamese Language 1 - Seminar for developing management Mergers & Acquisitions : Financial Legal and Tax Strategies and Planning Masterclass 2016
Ms. Vachirawan Yamsri	General committee	- TQA Internal Organization Assessment 3 rd batch - TQA Criteria 10 th batch - Management of warehousing and distribution at The Federation of Thai Industries

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 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 nomination and remuneration Committee responsible for a succession plan for Executive Chairman/Managing Director considered by the importance of efficient business operations and continuity. The plan proposes to select personnel for management position responsible at all levels, as appropriate, transparent. The Company defined selecting criteria for the successor position as follows:

1. Chair of Executive Board/Managing Director

When there is vacancy or tenure can not perform his duties, the company will appoint closely position to be a deputy responsibility until the selection of personnel qualified in accordance with the company's defined

2.Executive from Vice Director and Director

When there is vacancy or tenure can not perform his duties, the company has succession plan as follows. The Company will analyse the business to assess the availability of manpower in accordance with the policies and strategies by developing its employees or recruiting employees to replace those who resigned.It's required of determined competent, vision, knowledge and views which appropriate to the organization's culture to screen, evaluate, and assessuitable person.

5.6 Details of changing of Directos shares on December 31, 2016

Rank	Name-Surname	Position	Amount of shares on December 31, 2015	Shares changing	Amount of shares on December 31, 2016	Shareholding ratio(%)
	Mr. Viroj Thanalongkorn	Chairman	259,207,000	-	259,207,000	74.59
	Spouses and minor children		-	-	-	-
	Mr. Boonchai Puntura-amporn	Managing Director	10,000	-	10,000	0.003
	Spouses and minor children		-	-	-	-
	Mrs.Suchanya Thanalongkorn	Managing Director	-	-	-	-
	Spouses and minor children		-	-	-	-
	Mr. Somkid Padungkiattisak	Managing Director	10,000	-	10,000	0.003
	Spouses and minor children		-	-	-	-
	Ms. Somsri Sripatoomrak	Managing Director	10,000	-	10,000	0.003
	Spouses and minor children					
	Ms. Vachirawan Yamsri	Managing Director	35,000	-	35,000	0.01
	Spouses and minor children		-	-	-	-
	Ms. Raweevan Peyayopanakul	Independent Director and Audit Committee	-	-	-	-
	Spouses and minor children		-	-	-	-
	Mr. Somchai Vanavit	Independent Director and Audit Committee	-	-	-	-
	Spouses and minor children		-	-	-	-
	Mr. Yuthana Adipath	Independent Director and Audit Committee	-	-	-	-
	Spouses and minor children		-	-	-	-
	Mr. ChakkritUttayopas	Independent Director	-	-	-	-
	Spouses and minor children		-	-	-	-

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

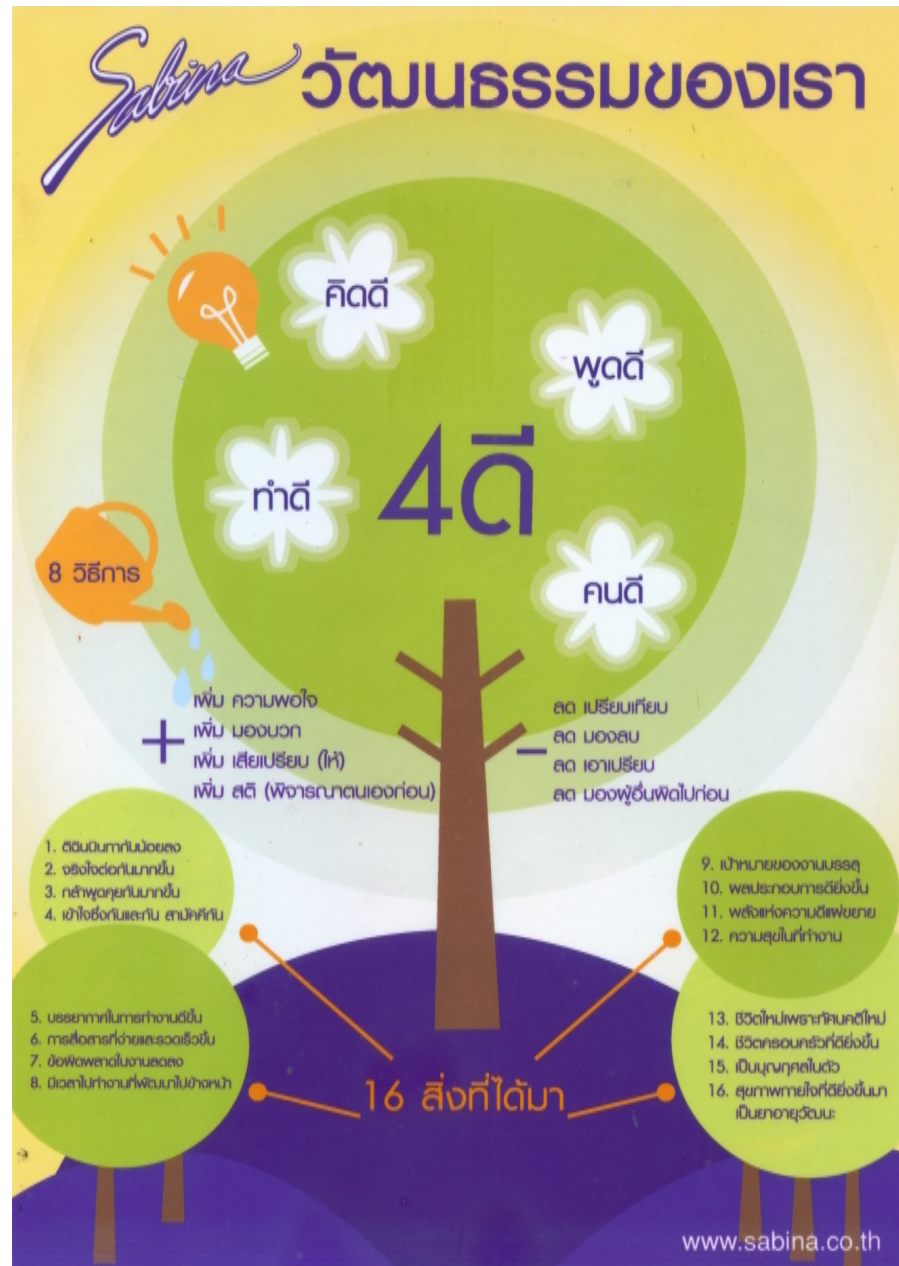
Act Smart

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.



Sabina Public Company Limited			
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
	“Sabine” 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 includes channels for consumers to express recommendations, complaints to improve in the future to comply with the responsibility for the products and results of operations, convenience for the consumer to give feedbacks including complaints. The company has established a multi-channel access to the problems and needs of the consumer as follows.

- Selling points / Brand Counter / Sabina Shop
- Call Center or Consumer Hotline (02-422-9430)
- Website www.sabina.co.th and also on Official Facebook Fan page
- Suggestions and complaints will be forwarded to the department, CRM (Customer Relation Management) and be considered carefully to answer questions / complaints to meet the needs of consumers and troubleshooting, as well as remedies. Then all suggestions and complaints will be forwarded to related authorities to determine the root cause of the problem and to consider joint Cross Functional Meeting to conclude the correction and prevention, as well as monitoring the amendments. It is also a topic at the monthly meeting of the board which includes the chief executives of each department.

Operation report for Customer responsibility 2014-2016

Dealing with customers' complaints	2014	2015	2016
Product issue	15	60	99
Service issue	10	14	25
Others	12	96	58
Total	37	170	182

We have improved website and added Facebook fanpage as another contact point for suggestions that led to the number of complaints increased in both the goods and service complaints. The company is a good chance that the company can reach out and acknowledge the problem, as well as the needs of consumers and more easily. To get to know such information to reflect changing needs or the expectations of the consumer goods and services and the R & D department in more information for the development, design and improve the product. As for the service, the company has a number of five-day training courses for every PCs including all PCs who receive complaints received from customers. This training course will be to all people. The training courses focus on their product knowledge, sales techniques, and training to provide better service to customers. Complaints about the service it will be conveyed to the salesperson to be revised to acknowledge the complaints diminish.

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 also sent employees to attend in courses related to corruption prevention by various institutes to educate, revise, and improve the publishing of Company's corruption prevention information.





As the Company operate project against corruption so far, we are in level 4 in the present time. The project details from the starting point are below;

Level 1 : Committed – Established policy to be a guideline or willing to cooperate in achieving acts against corruption target.

Level 2 : Declared – Declaration to outsider and allies to acknowledge of Company’s acts against corruption.

Level 3 : Established – The organization manage to set standard on preventing potential corruption which is the act to create “norm” for everyone related.

Level 4 : Certified –From achieving all levels above, 71 criterias of Collective Action Coalition Against Corruption(CAC) will be checked to see if the Company has complied with all determined points and continually. If the Company completes all the criterias, it will be certified as the organization against corruption which Sabina had been certified on 10 July 2015, auditing every 3 years by external auditors.

Moreover, the policies against corruption has been applied practically by each department will take part to create its policy to control the operation properly. Main company’s policies is the foundation for other departments to adapt with different kind of work particularly.

Corruption Risk Appraisal

Against corruption committees appraises company’s corruption risky pointfrom type of works internally by granting prevention policy and establishing strictly process-oriented operation guidelines to prevent action that might cause corruption on several related subjects;

1. Product, Raw material, Cutted pieces, Premium item, Gift voucher, or other tools. Including, cash and sub-cash sales receipt considered as the Company’s asset which cannot be used personally.
2. Information, Procedures, Processes, Reports and Manufacturing formulas, Product models, and customers’ membership data which are the Company’s intellectual asset. They are not allowed to be abused, exposed, including copied or modified for personal purpose.

3. Creating product order for sell is only for right target group, if it is not comply with standard, it is required the permission from the authorized person.
4. Creating product order for exhibit is only for right amount, if it is not comply with standard, it is required the permission from the authorized person.
5. Selling product with right price and promotion.
6. Record and audit sales information by actual number and comply with company's standard, rules, and policy.
7. Record and audit returned product with real number only from shops.
8. Record and audit product delivery data with right number only from real created sales purchasing order.
9. Record and audit expenses of import and export with real documents.
10. Record and audit expenses of promotion and marketing activities right to the plan.
11. Avoiding marketing communication which compare directly with competitors' products and services.
12. Create purchasing order for online selling from real list and ordered amount.
13. Product design is only for the Company. External works should not be done in the Company which the benefit of Company and customer is the top priority.
14. Research and development is only for the Company. External works should not be done in the Company which the benefit of Company and customer is the top priority and the product information is confidential.
15. Change/modify raw material or adjust capital cost are needed to be a request from purchasing unit and Merchandiser only. After that, related departments need to be notified on any changes.
16. Receive/withdraw raw material and a cut piece is needed to be checked with documents accordingly.
17. Consideration of employees' work, salary, and overtime compensation must be done righteously and justified according to the company's standard.
18. Debts follow-up and doing report on abnormal about following up honestly.
19. Count products in shops and doing report on abnormal about counting honestly.
20. Record, adjust, and report balance sheet according to the policy which comply with accounting standard and related laws, approved by authorized person.
21. Make accounting/money report according to the fact with real and complete document.
22. Make budgeting/accounting reports and submit complete taxation form to related department.
23. Public financial report to investors righteously, checked and approved by authorized person.
24. Receive and spend money needs reliable documents attached which checked and approved by authorized person.

Action against corruption is needed participation by everyone so management, internal auditor, and committee against corruption have responsibilities in testing and appraising risk of corruption continually. Risks must be aware and every action needs to strictly comply with standard. Evaluation result will be presented to auditing committee and the Board of director respectively. Moreover, we create campaign to grow idea, to make cooperation in the same way to improve organization in the next step. The Company also has QA procedures, controlling details, and evaluation.

The procedures

- The Board of Directors, executives, and employees need to follow the policy strictly related to anti-corruption efforts in accepting and giving gifts, properties, or any other benefit.
- The Company's policy regarding the accepting and giving gifts, properties, or other benefits is designed to reduce the impact on the decision during duty with difficulty or have a conflict of interest.
- The company did not have a prohibition on accepting or giving gifts with the logo of the company in order to maintain the business relationship or do according to tradition and morality.
- Gifts, properties, or other benefits should not be cash or cash equivalent, and be illegal.
- The Board of Directors, executives, and employees must be impartial purchasing and supplying which not affecting the decision making process. Compliance with the standards and regulations of the company is a mandatory act.
- In case of benefits given to the company during the selective, negotiation, and purchasing processes on supplies, raw material and selling areas, the company does not claim to receive gifts, property or any other benefit to bribe and leads to the improperly advantage, or mutual contract including lobbying the authorities to ignore the standards and regulations as set.

The company has communication and public relations to the Board of Directors, executives, and employees of the company's subsidiaries, affiliates or another authorized companies plus other stakeholders to build understanding and procedures on giving gifts, properties or any other benefit of the company.

So the Management, Internal audit office, and the Committee against corruption are responsible for testing and evaluation of the risk of corruption continuously. These actions are required much awareness efforts of risky point and follow the rules strictly. The evaluation results will be represented to the audit committee and reported to the Board of Directors respectively. Moreover, it's necessary to campaign and create awareness in the organization to work together under the same guidelines and help developing company together. In addition, the company also has a process of review and detail of control including evaluation.

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. In 2016, we held some training as follows.

- Pinklao Office on December 29, 2016

- Yasothon factory on December 9, 2016
- Chainat factory on December 16, 2016
- Sai5 factory on December 22, 2016
- TaPhra and Buriram factory on December 23, 2016

External Sector

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

Guidelines for the evaluation of prevention practices

The Company established evaluation guidelines on corruption prevention operation. The internal audit Office examines internal control system and provides continuous feedback on the annual audit approving by the Audit Committee. If the investigation from the various complaints that there is evidence to believe that one has a list of action which may have significant impact on the financial position and operation, the results of the audit will be took to further investigation by the Audit Committee

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 instruction training to aware of the possible accidents in working area.
2. Having tools to work with the appropriate condition to work safely and are checked regularly.
3. Providing personal protective equipment that is appropriate for each type of work and teach how to use it properly to prevent accidents during work.
4. Providing fundamental fire training according to law, 40 percent of the area of each department, and continue to be 100 percent of the entire organization. There is a review of training every year by legally registered agency and operate fire evacuation drills once a year by the entire organization, the evacuation not more than a 5-minute walk according to the plan.
5. Examining light, sound, dust, and temperature annually.
6. Having safety agencies reported directly to the Chief Executive. Personnel and operational safety complying to law, such as safety. Safety professional officer, Safety professional manager, Safety professional head, and, Safety Commission's which are appointed and registered complying with law.

7. Safety and Health at Work Promotion Committees derived from the election of all employees. There will be a committee meeting at least once a month in all matters related to the security of the employees.
8. Providing medical check-up by first class Occupational Health doctors for employees annually by checking up general health and regarding to specific risks to be surveillance and protection of disease from working.
9. Encouraging 6 Sor 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 day-off for 2 consecutive years until this year.

Zero Accident Campaign 2016 **Gold Class**, National level, 1st year by owned overall working hour's statistic at 11,292,667 hours

สถิติสะสมการไม่มีอุบัติเหตุถึงขั้นหยุดงาน									
ปี พ.ศ. 2559	รายวัน				รายเดือน				11,292,667
	วันทำงาน	ชั่วโมงเฉลี่ย	ชั่วโมงทำงาน-ชั่วโมงเฉลี่ย	วันทำงาน	ชั่วโมงเฉลี่ย	ชั่วโมงทำงาน-ชั่วโมงเฉลี่ย	ชั่วโมงทำงาน-ชั่วโมงเฉลี่ย	ชั่วโมงทำงาน-ชั่วโมงเฉลี่ย	ชั่วโมงทำงาน-ชั่วโมงเฉลี่ย
มกราคม	18,014	8,513	180,626	3,785	1,032	31,309	181,934		
กุมภาพันธ์	17,803	13,221	184,045	3,838	1,388	32,078	186,124		
มีนาคม	20,510	4,018	188,088	3,578	2,327	30,933	189,031		
เมษายน	18,808	2,134	197,400	3,758	1,051	31,117	188,518		
พฤษภาคม	18,433	1,800	149,387	3,725	898	30,887	180,084		
มิถุนายน	20,158	858	182,123	3,928	889	32,101	184,224		
กรกฎาคม	18,878	11,608	170,608	3,923	207	31,881	202,200		
สิงหาคม	20,503	19,988	184,023	4,028	1,875	34,183	218,206		
กันยายน	21,711	15,835	188,823	4,034	2,841	35,213	224,736		
ตุลาคม	20,803	18,178	182,802	3,928	2,848	34,381	218,983		
พฤศจิกายน	21,088	15,224	183,778	4,118	2,888	35,827	218,903		
ธันวาคม	8,980	8,543	88,223	3,898	2,837	34,805	122,828		
รวม	1,804,702	118,713	1,920,418	373,042	20,895	283,737	2,314,181		
ชั่วโมงการทำงานสะสม 13,606,818									
สถิติสะสมชั่วโมงทำงาน ที่ไม่เกิดอุบัติเหตุ อัปเดต ณ วันที่ 05 มกราคม 2560									
13,606,818									

We had record total working hours without accident 13,606,818 hours which qualified for Zero Accident Campaign 2017 **Gold class**, national level for the second year.



Received award for Zero Accident Campaign 2016, Gold class, national level

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 2016, company provided development training for staff as follow.

Employees who graduated from non-formal school in factory project since 2006 to 2016

Level	SABINA Public Company Limited and subsidiary				
	Ta Pra	Sai 5	Chainat	Yasothon	Buriram
Junior high school	20	5	52	191	5
Senior high school	8	28	25	161	20
Vocational education	4	23	16	49	0
High vocational education - Bachelor degree	6	9	4	20	1
Master degree	0	0	0	1	1
Total	38	65	97	422	27
Grand Total	649				

3. Using Sabina Productive Management System or Participative 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, human right and fairly treatment to labour process have brought out as follows.

1. Turnover rates are decreasing

Turnover rates from 2011-2016

2011	2012	2013	2014	2015	2016
6.01	3.59	2.68	2.34	2.27	2.25

2. Working rates are stabilize

Working rates from 2011-2016

2011	2012	2013	2014	2015	2016
95.18	95.21	96.54	96.75	96.95	95.92

In 2016, 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.

- **Phutthamonthon Sai 5 Factory** won the award for Excellent Workplace for Labour Relation and Labour Welfare in 2016 (7 consecutive years) on August 17, 2016.

- **ThaPra Factory** won award for Operations Outstanding Labour Relations and Welfare in 2015 (8 consecutive years) on August 17, 2016

- **Yasothon Factory** won the award for Excellent Workplace for Labour Relation and Labour Welfare in 2016 (more than 10 years) on August 17, 2016

- **Chainat Factory** won the award for Excellent Workplace for Labour Relation and Labour Welfare of Chainat Province on May 4, 2016

3. The company aims to create safety standards contributed to increased productivity with the foundation of personnel discipline. Increasing quality and performance lead to customer trust. It also preserves resources, reduces pollution and waste in workflow. The implementation of 5S makes the Company to win Thailand 5S Award from Technology Promotion Association. (Thailand - Japan) to measure substantial performance of the 5S operation for organizations. Encouraging every employee to be the part of improvement by representing internal organization's Kaizen project until they were in the contest and received Thailand Kaizen Award and Thailand Lean Award.

- **Chainat Factory** was awarded Kaizen Suggestion System Golden class from "Khong-Phom-Gor-Jeng-Na-Krab" on August 11, 2016 from Technology Promotion Association (Thai-Japan).

- **Phutthamonthon Sai 5 Factory** was awarded Kaizen Suggestion System Certificate from "Steaming Siren Iron" on August 11, 2016 from Technology Promotion Association (Thai-Japan).

- **Phutthamonthon Sai 5 Factory** was awarded THAILAND 5S AWARD (Golden Class) from Technology Promotion Association (Thai-Japan) on November 4, 2015 and 2016. For sustainability reason, we have opened for government sectors, students, or private sectors to visit and inspect how we operate without any fee as the one of our CSR task.

- **Yasothon Factory** was awarded for Thailand Lean Award Silver class from Technology Promotion Association (Thai-Japan) on July 28, 2016.

4. The Company operates awareness of safety in the workplace for employees by attending "Safety organization" honored for HRH Princess Maha Chakri Sirindhorn the Ministry of Labour.

- **Chainat Factory** was awarded TO BE NUMBER ONE contest to be the sustaining standard role model in Silver class as the second year for national level award on July 14-15, 2016

- **Yasothon Factory** was awarded TO BE NUMBER ONE's "Outstanding large scale standard role model organization" - Diamond class on July 14-15, 2015.

- **Phutthamonthon Sai 5 Factory** was guaranteed in standard of Drug abuse control in operations on August 20, 2016 from Department of Labour Protection and Welfare, Nakhon Pathom Province.

5. The company participated in Disease clean, happiness body project under the policy of working life, disease clean, and happiness body and mind with the successful outcome of the protection and control of disease while working and environment.

- **Chainat Factory** was awarded Gold class of “Disease clean, happiness body and mind factory”, national level from Bureau of Occupational and Environmental Diseases (BOED).
- **Phutthamonthon Sai 5 Factory** was awarded Silver class of “Disease clean, happiness body and mind factory”, national level from Bureau of Occupational and Environmental Diseases (BOED).

5S for Organization Improvement

Business today, organizations must accept the situation that was in a state of highly competition. It is essential that organizations have to adapt over time to create a competitiveness tool that is like the beginning of creation to anyone who can see the various organizations will be updated changes into something better. Therefore that tool is “5S activities”.

Bringing 5S system to be applied in the organization encouraging employees to gain skills and understand 5S concept and also able to apply to their work. **Implementation of 5S in the operated area plus “In process”** leads the strong organization’s fundamental which can help us to cut unnecessary costs and losses.

The organization development activity that **encouraged employees to participate by separating in Small Group** led to the employee’s performance development from being the leader of Small Group. This process gives the empowerment in running 5S campaign that develops organization continuously and sustainably.

Overall Operation 2013-2016

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.



In 2015, besides keeping 5S system consistently in Yasothon, Chainat, Ta-Phra factories, the Company has leveraged 5S system in Phutthamonthon Sai 5 factory by expanding 5 S from 3 model area to every area, departments in the factory. The Company also joined the contest for “Thailand 5S Award 2015” which we achieved Golden Award on November 4, 2015 from Technology Promotion Association (Thailand-Japan) at BITEC-Bangna conference and exhibition center, Bangkok.



In 2016, the company maintained 5S standard to be sustainable and leverage operation by opening for interested organizations to visit factories which is the one of our CSR action.



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 and the key is training employees to inspect unusual machines during cleaning according to the principles of the maintenance manual (Automatic Maintenance-TPM). This resulted in a clean environment and suitable for employee. When employee finds something wrong during the cleaning of the machine daily so they could tell the mechanic to fix.
3. 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.
4. Sort and Set in order ideas make the employees to arrange and manage their stuffs, raw materials, and tools properly. From Max-Min and Fi-Fo principles resulted in controlled purchasing to be more necessary, appropriate to needs, and reduce cost from over keeping things to waste.

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.

Regulatory compliance

The company has been operating according to the law, rules and regulations of the various environmental and safety management in strictly manner and done waste management from the production and waste water treatment. Measurements of work environment for waste from the maintenance of machinery such as machine oil, metal scrap, aluminum scrap, engine oil, etc. All wastes are stored in containers properly according to the type of waste, along with records on the volume and type of waste for each category before dispose properly. Works are owned by professional waste management company who registered the Department of industrial works.

Effective resources usage

The company has the procedure to control resource usage for decreasing and prevent pollution problem to environment and community as follows.

Electrical usage: We have invested on projects related to decreasing energy usage such as changing 36 W fluorescent light bulbs to 18 W LED light bulbs at all our 4 factories.

Air quality: We have controlled polluted air ventilation to comply with the standard according to related regulations by having a plan to check and protective maintenance for polluted air ventilation control equipments. We also measure air quality from ventilation chimney and inside the factories. In result, air quality from our factories was beyond the standard.

Noise: We provide the maintenance of various machinery and equipment always in good condition, provide a sound personal protective equipment (PPE) to employees wear to suit the type of work. We measured work noise volume annually and ready to solve if detected the excessive noise.

Lighting: We provide the measurement and analysis of light intensity condition on the nature and intensity of light in the workplace to perform a proper modification.

Employee education and training The Company realizes the importance of the environment. The environmental problems caused mainly by a lack of staff understanding. The guidelines will create awareness for all staff involved both directly and indirectly by training in environmental management. The course has sent staff already trained as follows.

1. Environmental and security laws

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หลักสูตร: กฎหมายสิ่งแวดล้อมและการปลอดภัย
Environmental & Safety Law

รายละเอียดหลักสูตร:

- ความรู้เกี่ยวกับกฎหมายสิ่งแวดล้อม (Environmental Law) และกฎหมายความปลอดภัย (Safety Law) ตามมาตรฐาน ISO 14001 และ ISO 45001
- การประเมินความเสี่ยงด้านสิ่งแวดล้อมและความปลอดภัย
- การปฏิบัติตามกฎหมายสิ่งแวดล้อมและความปลอดภัย
- การรายงานผลการปฏิบัติตามกฎหมายสิ่งแวดล้อมและความปลอดภัย
- การแก้ไขปัญหาการไม่ปฏิบัติตามกฎหมายสิ่งแวดล้อมและความปลอดภัย

ผู้จัดทำหลักสูตร: บริษัท บียู กรุ๊ป (ประเทศไทย) จำกัด (BSI Group (Thailand) Co., Ltd.)

ระยะเวลา: 1 วัน

สถานที่: กรุงเทพมหานคร

เวลา	กิจกรรม
9.00-12.00 น.	- ความรู้เกี่ยวกับกฎหมายสิ่งแวดล้อมและความปลอดภัย - การประเมินความเสี่ยงด้านสิ่งแวดล้อมและความปลอดภัย - การปฏิบัติตามกฎหมายสิ่งแวดล้อมและความปลอดภัย - การรายงานผลการปฏิบัติตามกฎหมายสิ่งแวดล้อมและความปลอดภัย - การแก้ไขปัญหาการไม่ปฏิบัติตามกฎหมายสิ่งแวดล้อมและความปลอดภัย
13.00-15.00 น.	- การปฏิบัติตามกฎหมายสิ่งแวดล้อมและความปลอดภัย - การรายงานผลการปฏิบัติตามกฎหมายสิ่งแวดล้อมและความปลอดภัย - การแก้ไขปัญหาการไม่ปฏิบัติตามกฎหมายสิ่งแวดล้อมและความปลอดภัย - การปฏิบัติตามกฎหมายความปลอดภัย - การรายงานผลการปฏิบัติตามกฎหมายความปลอดภัย - การแก้ไขปัญหาการไม่ปฏิบัติตามกฎหมายความปลอดภัย
16.00-16.30 น.	สรุปเนื้อหาความรู้เกี่ยวกับกฎหมายสิ่งแวดล้อมและความปลอดภัย

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BSI Training Academy

This is to certify that
Jirawat Saysorn
has attended the:
Environmental & Safety Law

S. S.
Udomsak Sunthakavong, General Manager

Date: 25 October 2016
Certificate number: T-00064190-25

The British Standards Institution is a member of the BSI Group and is incorporated in England by Royal Charter
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2. Environmental manager

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



Monitor and select garbage eliminator

Company select the person to eliminate garbage and abundant stuff from selection of committee and Human Resource 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

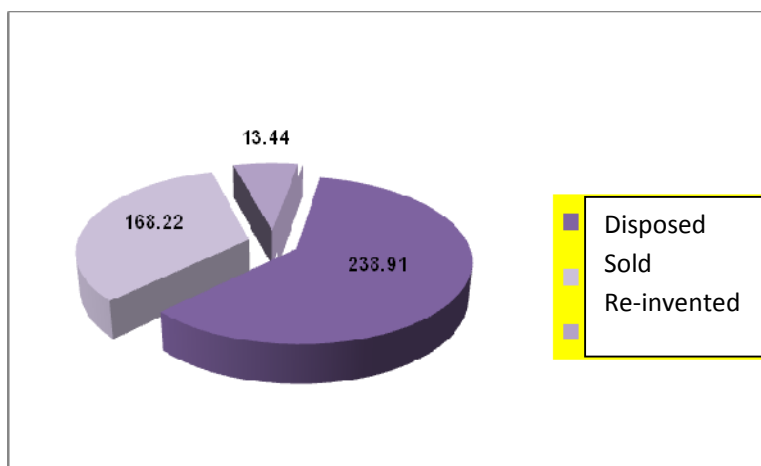
To reduce the loss and create value from abundant stuff and garbage efficiency, recycle from garbage project were happened.



Zero Waste Outcomes 2016 (unit : Ton)

Factory	Waste in 2016 (Ton)	Zero Waste Outcomes 2016		
		Waste	Recycled	Invention
Ta Phra	59.85	70.00	28.05	1.95
Sai5	243.60	50.91	45.00	4.09
Chainat	54.57	32.00	20.45	2.12
Yasothon	66.00	34.00	26.72	5.28
Buriram	26.10	52.00	48.00	0.00
Total	450.12	238.91	168.22	13.44

Sabina Zero Waste (450Ton)



The number of garbage increase to 815,640 kg in 2012 has decrease to 450,116 kg in 2016

Factory	2012	2013	2014	2015	2016	% waste	% Recycle
Tha phra	85,590	76,080	66,570	60,429	59,850	69.93	30
Sai5	478,500	435,000	348,000	203,000	243,600	42.42	58
Chatnat	86,130	74,820	65,250	58,825	54,566	68.30	32
Yasothon	116,700	91,105	81,200	76,558	66,000	65.60	34
Buriram	48,720	36,540	27,840	25,520	26,100	52.38	48
Total	815,640	713,545	588,860	424,332	450,116	52.02	48

5S 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 Hous

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 “Imm-Boon 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 or everyone’s education.

จำนวนบ้านของพนักงาน ที่เข้าโครงการ 5ส ชุมชน															
โรงงาน	ปี 2555			ปี 2556			ปี 2557			ปี 2558			ปี 2559		
	ทั้งหมด	เข้าร่วม	%	ทั้งหมด	เข้าร่วม	%	ทั้งหมด	เข้าร่วม	%	ทั้งหมด	เข้าร่วม	%	ทั้งหมด	เข้าร่วม	%
ท่าพระ	495	23	4.65	423	40	9.46	371	43	11.59	361	65	18.01	361	66	18.28
สาย 5	700	37	5.29	621	189	30.43	578	348	60.21	591	380	64.30	651	58	8.91
ชัยนาท	560	52	9.29	510	281	55.10	502	459	91.43	473	445	94.08	497	385	77.46
ยโสธร	1,150	175	15.22	892	480	53.81	502	815	162.35	877	800	91.22	1,011	524	51.83
บุรีรัมย์	181	0	0.00	176	5	2.84	162	20	12.35	141	25	17.73	101	3	2.97
รวม	3,086	287	9.30	2,622	995	37.95	2,115	1,685	79.67	2,443	1,715	70.20	2,621	1,036	39.53

5 S 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 S 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.

5S activities at Phon-ngoy temple, Yasotho province and Wang Kra Chay temple, Chainat province



Helping each other to clean inside area of the temple



Helping each other to get rid of unnecessary and messy things



Helping each other to arrange utilities



Donating garbage separation bin to cultivate garbage separation idea



In mid 2014 until now, TaPhra factory has expanded 5S campaign to Pra Doo Chim Phlee, TaPhra subdistrict, Bangkok Yai district began from cleaning inside temple area and arranging things.



Energy Conservation

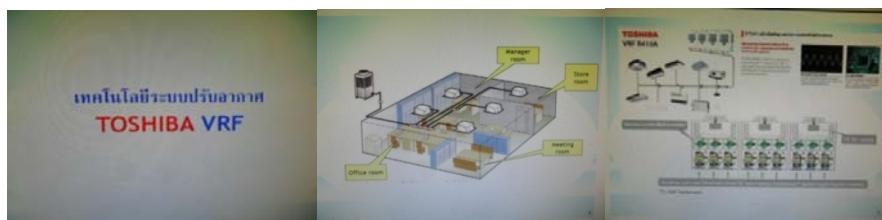
The company produces any product under consideration of resources usage especially in energy conservation including implant a good mind and push staff in all level to use resources efficiency by reduce unnecessary energy loss to get a quality production and worth any loss.

The company continues to focus on energy management and everyone involved. Sabina Productive Management starting in 2010, with five pillars. First pillar is the pillar of energy conservation. The chief pillar and members by volunteer /recruit staffs from all departments. They will set of objectives, activities, goals for energy conservation awareness campaign each year together. In addition to employees of the organization is sharing of knowledge between plants. This makes it more likely the power can be sustained despite the variable electrical float time (FT) every year (2010-2013).

Including Phuttamonthon Sai 5 factory and Yasothon factory were classified as the controlled factory according to the Royal Decree on Designated Factory B.E. 2540 to comply by the regulations, principles, and procedures according to Royal Decree on Designated Factory B.E. 2552.

Energy conservation actions in each year must be consistent with the action plan of the factory, tangible result of savings for sustainable operations. All measures are still ongoing every year such as:

- Energy conservation project by changing old air conditioner system to VRF inverter system at Sai 5 factory warehouse.



- Changing 36W Fluorescent bulbs to 18W LED bulbs in factory entirely. We intervally changed by 100 bulbs monthly until finished all factories



- Locked air conditioner temperature control at 25 celcius degree which make the button be able to switch on and off only.



- Installing temperature meters separately in each department to measure energy usability to analyze and plan on reducing and worthy energy consumption.



แผนล้างเครื่องปรับอากาศ ประจำปี 2559 โดยหน่วยงานซ่อมบำรุง สาย5

วันที่ เดือน																														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
1	ล้างคอยเย็น AHU 3-1,3-2,3-3,4-3,4-4										ห้องบุคคล,ห้องserver,ประชาสัมพันธ์,ห้องLAB,ออฟฟิตลิฟท์																			
2	ล้างคอยเย็น AHU 3-1,3-2,3-3,4-3,4-5										ออฟฟิตชั้น3,ห้องพยาบาล,คอยร้อนชั้น2+3																			
3	ล้างคอยเย็น AHU 3-1,3-2,3-3,4-3,4-6										ออฟฟิตชั้น4,ห้องผู้จัดการชั้น4,แอสเซบลีไลน์เย็บ,ห้องแพ็ก																			
4	ล้างคอยเย็น AHU 3-1,3-2,3-3,4-3,4-7										ห้องPC,ออฟฟิตลิฟท์,คอยร้อนคาลฟา																			
5	ล้างคอยเย็น AHU 3-1,3-2,3-3,4-3,4-8										ห้องมัลลิ่ง,ห้องจัดซื้อ,ห้องสมุด,ห้องผู้จัดการคลังสินค้า																			
6	ล้างคอยเย็น AHU 3-1,3-2,3-3,4-3,4-9										ห้องบัญชี,ห้องไอที,ห้องประชุมชั้นลอย																			
7	ล้างคอยเย็น AHU 3-1,3-2,3-3,4-3,4-10										ห้องบุคคล,ห้องserver,ประชาสัมพันธ์,ห้องLAB,ออฟฟิตลิฟท์																			
8	ล้างคอยเย็น AHU 3-1,3-2,3-3,4-3,4-11										ออฟฟิตชั้น3,ห้องพยาบาล,คอยร้อนชั้น2+4																			
9	ล้างคอยเย็น AHU 3-1,3-2,3-3,4-3,4-12										ออฟฟิตชั้น4,ห้องผู้จัดการชั้น4,แอสเซบลีไลน์เย็บ,ห้องแพ็ก																			
10	ล้างคอยเย็น AHU 3-1,3-2,3-3,4-3,4-13										ห้องPC,ออฟฟิตลิฟท์,คอยร้อนคาลฟา																			
11	ล้างคอยเย็น AHU 3-1,3-2,3-3,4-3,4-14										ห้องมัลลิ่ง,ห้องจัดซื้อ,ห้องสมุด,ห้องผู้จัดการคลังสินค้า																			
12	ล้างคอยเย็น AHU 3-1,3-2,3-3,4-3,4-15										ห้องบัญชี,ห้องไอที,ห้องประชุมชั้นลอย																			

● Standard procedures of annual air-conditioners clean up related to number of available air-conditioners are useful for:

1. To save electricity expense
2. To save air-conditioners maintenance expense
3. To maintain air-conditioners performance in long-term
4. To stop infection by prevent accumulated germs at the coil part

Sewing Cup Sewing Heart

Social responsibility and helping hands are the part of company's CorporateSharedValue which is important thing that we always dedicate. Since the company is the long-time leader in lingerie manufacturing, so we have strong knowledge on Thai female's body shape in all ages. Our products are designed to emphasize on taking care of body properly to maintain proper ages' beauty, especially breast skin that quite sensitive. 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.

Also, Patients or their relatives who intend to acquire artificial breast can contact via 3 channels below;

1. Via website <http://www.sabina.co.th/sewingcupsewingheart/>



2. Via Customer Relations service by Sabina Call Center 02-422-9430 or

line@ : @sabinathailand



3. Via Sabina point of sales throughout the country

In 2016, the Company has organised Sewing Cup Sewing Heart campaign continuously by making artificial breast all year, in and out of places which there are many volunteers from different groups, agencies, students, and etc.

- Nakhon Pathom hospital (February 4, 2016)
- Kasem Bundit University (February 29, 2016)
- Betagro Group (March 25, 2016)
- Kasikorn Bank, main office at Rat Burana (August 30, 2016)
- Chulabhorn Hospital (October 29, 2016)
- Map Ta Phut, Rayong province (December 14, 2016)

Photos of Sewing Cup Sewing Heart activities



Nakhon Pathom hospital



Kasem Bundit University



Betagro Group



Kasikorn Bank, main office at Rat Burana



Chulabhorn Hospital

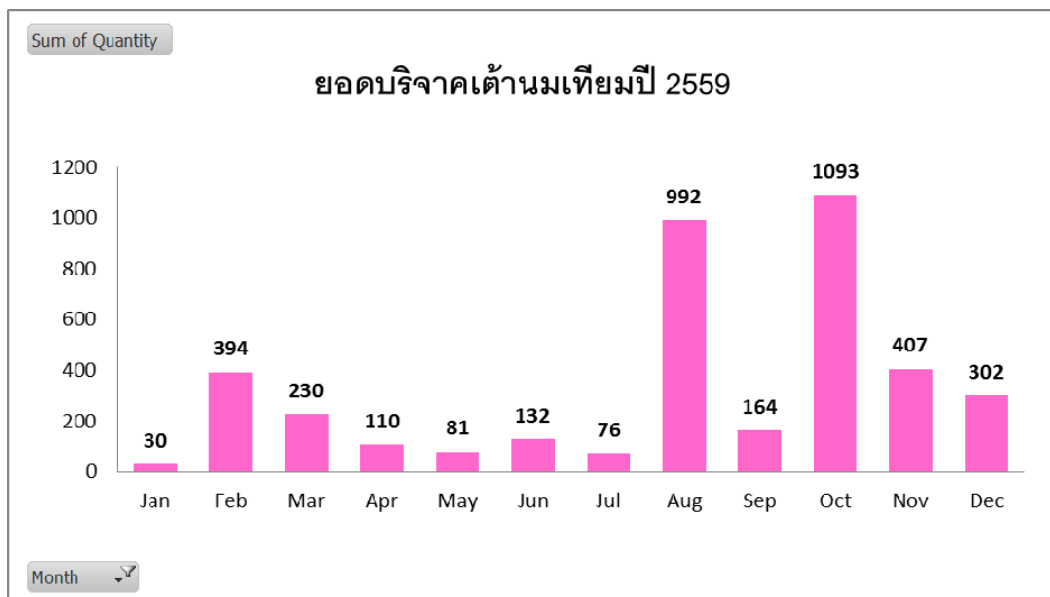


Map Ta Phut, Rayong province

The Company also held the Sewing Cup Sewing Heart against cancer 10th to gather 10,000 artificial breasts in order to emphasizing the great series of CSR campaign in a decade by inviting volunteers to sew artificial breasts at Robinson Department Store, 43 branches throughout Thailand for 2 months (October – November 2016). All sewed artificial breasts in the events will be collected for donation to the patients in local area of the events to fulfill confident. We partnered with leading organizations such as:

1. Robinson Department Store Public Company Limited
2. PTT Global Chemical Public Company Limited
3. Roche Thailand Ltd.
4. Allianz Ayudhya Assurance Public Company Limited

Photos of Sewing Cup Sewing Heart activities 10th



Moreover, we will still keep doing activities for society through “Sewing Cup Sewing Heart” to fulfill the confident for the breast cancer patients after surgery and emphasize on “Best friend for women” concept as always.

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 – JintanaThanalongkorn 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.

- Promote and support education activities
- Provide funding support to disadvantaged people and/or students with good grades but lack of funding.
- Do not seek for any monetary benefit or profit for the foundation.
- Collaborate with other charity foundation for public benefit
- Do not operate activities that related with politics in any case

Jintana Mother Foundation provided funding for students since year 2010 continuously until now.

The results from the Jintana Mother Foundation's activities so far

The foundation has created activities to raise funds as the scholarships for students per below:

- Donation from Sabina Public Company Limited
- Donation from employees, outsiders , and Suppliers
- Im-Boon room (from all factories)
- Donation from the foundation establishment anniversary event and Mother's day
- Donation from donation boxes placed in all shops
- Donation from events at factories and offices such as:
 - Events – pay respect to the monks, Father's day, Games
 - Auction of the donated items from employees, 5S from home campaign
 - Selling fried meatballs and Lucky Pick
 - TV series and commercials shooting on our sites

Photo of activities in 2016

- TV series and commercials shooting on our sites



- 5S from home for scholarships

5 ส จากที่บ้าน



- Opening food booth and showing performance by bringing foods to sell in lunch time for employees, main and subsidiary branches for every employee who wants participate in raising funds for scholarships.



ขับลำตมุดนิจิอุดเมจิคนา ธนาคาร โรงงานไฮดร
ได้เงินเข้ามุดนิจิอุดเมจิคนา ธนาคาร จำนวน 9,030 บาท



วันครบรอบมูลนิธิคุณแม่จินตนา ธนาลงกรณ์ 7 ปี โรงงานท่าพระ



วันที่ 8-9/08/2559

กิจกรรมวันครบรอบมูลนิธิ โรงงานชัยนาท



รวมรายได้
15,818 บาท

วันครบรอบมูลนิธิคุณแม่จินตนา ธนาลงกรณ์ 7 ปี สำนักงานใหญ่ 167,016 บาท



Summary of giveaway scholarships to present

There are 1,202 scholarships provided since the establishing of the foundation

Number of people who got supporting since 2010 until 2015 (All 3 categories)						
Year	Annual scholarship	Continuing scholarship	Scholarship for disabled students	Total each year	Outstanding academic performance scholarship(Baht)	Total scholarship provided
2010	75	-	-	75		347,000
2011	63	8	48	119		746,000
2012	108	20	63	191		1,706,000
2013	105	31	65	201		1,911,000
2014	89	45	39	173	46,000	1,615,000
2015	195	42	54	291	70,000	2,685,000
2016	88	38	26	152		1,748,000
TOTAL	723	184	295	1,202	116,000	10,758,000

For continuing scholarships, we will give students with outstanding academic performance with grade 3.5 or above. For high school, each scholarship valued 2,000 Baht. For High Vocational Certificate/Bachelor degree, each scholarship valued 5,000 Baht. In 2016, our foundation has provided outstanding academic rewards, valued 70,000 Baht, to 17 students with continuing scholarship as the incentive for them to keep concentrate and be more determined.

Annual Giving Scholarship Ceremony 2016

Every year, there is a ceremony to provide scholarship to selected students from Elementary, High school, Vocational Education, Higher Vocational Education, and Bachelor degree.

Central section at main branch, Arun Amarin



Yasothon factory



Chainat factory



Buriram factory



For 2016, The Ministry of Finance has announced that Jintana Mother Foundation to be public charity foundation in rank number 928 so the donators, natural person and legal entity, are able to keep donation receipts for legally tax reduction.

ประกาศกระทรวงการคลัง

ว่าด้วยภาษีเงินได้และภาษีมูลค่าเพิ่ม (ฉบับที่ ๖๖๓)
เรื่อง กำหนดองค์การ สถานสาธารณกุศล สถานพยาบาล และสถานศึกษา
ตามมาตรา ๔๗ (๗) (ข) แห่งประมวลรัษฎากร และมาตรา ๓ (๔) (ข)
แห่งพระราชกฤษฎีกาออกตามความในประมวลรัษฎากร
ว่าด้วยการยกเว้นภาษีมูลค่าเพิ่ม (ฉบับที่ ๒๓๙) พ.ศ. ๒๕๓๔
ซึ่งแก้ไขเพิ่มเติมโดยพระราชกฤษฎีกาออกตามความในประมวลรัษฎากร
ว่าด้วยการยกเว้นภาษีมูลค่าเพิ่ม (ฉบับที่ ๒๕๔)

พ.ศ. ๒๕๓๕

อาศัยอำนาจตามความในมาตรา ๔๗ (๗) (ข) แห่งประมวลรัษฎากร ซึ่งแก้ไขเพิ่มเติมโดยพระราชบัญญัติแก้ไขเพิ่มเติมประมวลรัษฎากร (ฉบับที่ ๑๙) พ.ศ. ๒๕๐๘ และมาตรา ๓ (๔) (ข) แห่งพระราชกฤษฎีกาออกตามความในประมวลรัษฎากร ว่าด้วยการยกเว้นภาษีมูลค่าเพิ่ม (ฉบับที่ ๒๓๙) พ.ศ. ๒๕๓๔ ซึ่งแก้ไขเพิ่มเติมโดยพระราชกฤษฎีกาออกตามความในประมวลรัษฎากร ว่าด้วยการยกเว้นภาษีมูลค่าเพิ่ม (ฉบับที่ ๒๕๔) พ.ศ. ๒๕๓๕ รัฐมนตรีว่าการกระทรวงการคลังจึงประกาศดังต่อไปนี้

ข้อ ๑ ให้เพิ่มความต่อไปนี้เป็น (๔๒๘) ของข้อ ๓ แห่งประกาศกระทรวงการคลังว่าด้วยภาษีเงินได้และภาษีมูลค่าเพิ่ม (ฉบับที่ ๒) เรื่อง กำหนดองค์การ สถานสาธารณกุศล สถานพยาบาล และสถานศึกษา ตามมาตรา ๔๗ (๗) (ข) แห่งประมวลรัษฎากร และมาตรา ๓ (๔) (ข) แห่งพระราชกฤษฎีกาออกตามความในประมวลรัษฎากร ว่าด้วยการยกเว้นภาษีมูลค่าเพิ่ม (ฉบับที่ ๒๓๙) พ.ศ. ๒๕๓๔ ซึ่งแก้ไขเพิ่มเติมโดยพระราชกฤษฎีกาออกตามความในประมวลรัษฎากร ว่าด้วยการยกเว้นภาษีมูลค่าเพิ่ม (ฉบับที่ ๒๕๔) พ.ศ. ๒๕๓๕ ลงวันที่ ๑๒ ตุลาคม พ.ศ. ๒๕๓๕

“(๔๒๘) มูลนิธิคุณแม่จินตนา ธนาलगर्ณ”

ข้อ ๒ ประกาศนี้ให้เริ่มใช้บังคับ

- (๑) สำหรับเงินได้พึงประเมินประจำปี พ.ศ. ๒๕๕๙ ที่จะต้องยื่นรายการใน พ.ศ. ๒๕๖๐ เป็นต้นไป
(๒) สำหรับมูลค่าของฐานภาษีของผู้ประกอบการในเดือนกรกฎาคม พ.ศ. ๒๕๕๙ เป็นต้นไป

ประกาศ ณ วันที่ ๑๕ มิถุนายน พ.ศ. ๒๕๕๙

วิสุทธิ์ ศรีสุพรรณ

รัฐมนตรีช่วยว่าการ ฯ ปฏิบัติราชการแทน

รัฐมนตรีว่าการกระทรวงการคลัง

Product and Youth camp activity

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 follows.

Year	Sabinie Concept	Concepts
2007	Fashion Room	Promotes youth to know female's body and improves personality.
2008	Save the World	Cultivates youth to take part in solving Global warming via concepts 3R: Reduce, Reuse, and Recycle.
2009	Under the Sea	Learning about different type of sea lifes and join sea life conservative activity.
2010	Love the Earth	Emphasizes on Global warming issue and lerning about sufficiency nature.
2011	Saving	Creates savings discipline under "Well Find-Keep-Use-Give" ideas.
2012	Sport Lover	Promotes youth to exercise to improve development and intelligence by sports.
2013	Reading	Cultivates youth on reading preference according to Thailand year of reading "Bangkok World Book Capital".
2014	Cooking	Educates youth on nutrition to know which is good for their health.
2015	AEC	Educates social and cultural fundamental of 9 countries in AEC to be prepared for AEC in action.
2016	Dance & Music	Educates and promotes youngsters get acquainted with various musical and entertaining about the movement and dance activities.

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	Sabinie Camp	Concepts/Activities	Participants	
2007	Cool the world by 2 little hands (2 Hands for 3Rs)	Family workshop,makingtree pots	40	Families
2008	New Gen...Save the World Heart	Plants mangrove forest at Bang Pu, Samutprakarn Province	50	Girls
2008	Under The Sea...Secret code saving under the sea	Create sea corals and let the litte sealife back to the sea at Sattahip Navy base, Chonburi Province	50	Girls
2009	Miracle day ofLove the Earth	Learn sufficient nature at Bhumirakthammachart Center, Nakornnayok province	50	Girls
2010	Little money saver family	Create saving discipline, know how to make money plan, and spend properly	50	Families
2011	Power of Money SavingsEpisode 2	“Enjoy Saving Returning to historic Siam”under concept“Well Find-Keep-Use-Give”at Ancient city, Samut Prakarn province	100	Girls
2012	Sport is magic drug...Yey	SQ idea (Sport Quotient) in promoting significant youth development, all-around with sports at The Pine Resort, Pathum Thani province	110	Girls
2013	Read Read...let me read with you	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 Kiratipphan, at Kaebangkok Farm and Restaurant Phutthamonthon Sai 1	100	Girls

2015	Ta Lui Na Ta Lui ASEAN	Gives fundamental knowledge about cultures of 9 countries in AEC by each native language speakers including learns English with Ice Prechaya Pongthanani, Thai famous actress, enjoying smart buffaloes show and harvests rice farm which is the main food of region at Thai buffalo conservating community, Suphanburi province.	100	Girls
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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. In 2016, we have operated 3 schools with 230 students participated

- | | | |
|---------------------------------------|----------|------|
| 1. Wat Sa Mai Daeng School | February | 2016 |
| 2. Raj Prachanukhro 46 School Chainat | July | 2016 |
| 3. Huai Krot Wittaya School | November | 2016 |



50 students from Wat Sa Mai Daeng School participated in activities which 20 students can apply to help thier parents sewing at home to earn money.



80 students from Raj Prachanukhro 46 School Chainat participated in activities which 30 students can apply to help thier parents sewing at home to earn money.



100 students from Huai Krot Wittaya School participated in activities which 45 students can apply to help thier parents sewing at home to earn money.



50 people participated in the Industrial Sewing training 2016 which 30 people can apply knowledge for sewing at to earn money for their families. 5 people have been appointed as a sewer to our factories.

Qualifiers of studying and skill test	Year 2011-2015		Year 2016		Total	
	Studied	Get practical as the occupation	Studied	Get practical as the occupation	Studied	Get practical as the occupation
Primary school student class 6	89	5	80	15	169	20
High school student class 3	219	57	150	45	369	102
Individuals	20	18	50	35	70	53
Total	328	80	280	95	608	175

To Be Number 1 Club Sabina Public Company Limited

Prevention and solving issue in drug abuse

Result of Operation 2016

TO BE NUMBER ONE club of Sabina public Company Limited has established in service and royal grace of The King Bhumibol Adulyadej and TO BE NUMBER ONE project of Royal Majesty Princess Ubon Ratana Kanya Ubolrat Wadi who kinds to all Thais and youth which risk in the drug abusing issue. Therefore, Sabina public Company Limited has started recruiting membership and established the club.

TO BE NUMBER ONE club of Sabina public Company Limited has held activities continuously until present by keeping in **3 main strategies** as follows.

1st Strategy; Cultivating good heart and trends on drug abuse prevention and problem solving

2nd Strategy; Promoting youth mental immunity

3rd Strategy; Creating and developing of drug protection network and drug problem solving

Overall objective is we want to protect drug risky group to use drug by focusing on risky worker group and common people to get information rapidly. This will make them to have mental immunity, living right, staying alert, and co-operating in drug intervene prevention. Including, we want to adjust the social attitude to be acceptance of “people who take drug” and addicted ones are patients that need recovery treatment and giving them some chances in willing to participate properly treatment programs. Sabina public Company Limited has responded the government policy in operating integrated drug fighting activities by establishing **TO BE NUMBER ONE club of Sabina public Company Limited** which we have held drug related issue solving acts, rallied all related agencies, had clear solving integrated instruction, since the “**Pa Lung Pan Din Ka Jud Sin Ya Sep Tid**” Strategy (Power of nation to eliminate drugs) to “**Pa Ti But Karn Ruam Thai Thung Chart Ka Jud Ya Sep Tid Terd Tai Ong Ra Chan**” Strategy (All Thais drugs elimination mission for the King)

TO BE NUMBER ONE club of Sabina public Company Limited is the club that collecting good people, smart people, and goodwill idealists to create good activities to prevent and battle against drug issue together. All members and operate

independently and creatively, create clear and continuous activities, and have substantial results under co-operation satisfaction of club's members.

Outstanding activities in 3 main strategies

1st Strategy; Cultivating good heart and trends on drug abuse prevention and problem solving

- **Create works for TO BE NUMBER ONE Contest, regional and national level**
- **Be one of the instructors to exchange knowledge of TO BE NUMBER ONE to network's members**
- Against Drug Marching activity with provincial agency in National Labour day and publishing demerit of drug at Nakorn Sawan Juvenile Detention Center
- Publishing knowledge and guidelines about establishing TO BE NUMBER ONE club at several places such as school, community, and provincial government agency (at specific province and nearby). In present, there are 32,563 network's membership.
- **Create trend via supporting budget to network's members**

To create good trend to external network of the community to stay away from drug and publishing knowledge about drug prevention in youth and common people

Encourage members away from drugs by doing useful things for community such as painting and helping to maintain the temple. In addition, they also participate in sports against drugs as well.



Cleaning temple area at Hua Ta Phan temple, Han ka district, Chainat



Provide charity feast at Sa Mai Daeng temple, Sankhaburi District, Chainat

2nd Strategy; Promoting youth mental immunity

- **Created exhibition about a campaign to protect and solve drug abuse issue which collaborated with provincial authorities.**



- Gave offering dedicated to the monks on the Buddhist Holy day



- **Members gave the candles to monks on Buddhist Lent day altogether**



- **Praying brought happiness members**



3rd Strategy; Creating and developing of drug protection network and drug problem solving

- Network consists of 6 government sectors

Chainat Provincial Public Health Office

Chainat Provincial Labour Office

Lopburi Provincial Labour Office

Lopburi Provincial Public Health Office

Juvenile Observation and Protection Centre of Chainat

Juvenile Observation and Protection Centre of Nakhon Sawan



The governors visit to show support every years

- Network consists of 30 schools

Schools in our network mostly located in or nearby provinces for the convenient in tracking result.



Visiting network and opening club for network so members can share knowledge. The visits take place in different schools by rotation pattern

- Network consists of 19 entrepreneurs

Entrepreneur network emphasizes on sharing knowledge and create new innovation together in order to develop the clubs in the workplaces to solve drug abuse problem.

- Extending Betagro Group's network, Lopburi



-Extending wax Garbage's network, Ratchaburi



- Network consists of 15 communities

Community network focused on the community around the duty to share, learn and do activities together.

Club representatives out to educate and guide the operation of the club.



TO BE Sabina 5S Together Against Drugs

Integration of 5S activities as the innovation of TO BE Sabina 5S Together Against Drugs to let the club's members to be the part to activity which led to the coalition, teamwork, and realizing importance of prevention and solving drugs campaign in organization. Plus, the activities expand results to external network which is Wat Sang Sook and Wat Baan Phon-Ngon Tumbon Kan Dai Yai, Amphoe Muang, Yasothon province.

Knowledge base

Secret Tips of TO BE Sabina 5S Together Against Drugs



Objective and importance

To be a learning center for club and network's member that they can apply and expand TO BE NUMBER ONE and 5S knowledge to other organization and nationwide.

Success and benefit that organization and club member's can get

To build a network in terms of developing 5S and TO BE NUMBER ONE knowledge which provide the opportunity for other organizations to visit as a valueable and sustainable development learning center

Achievements and benefits the organization and clubs members receive

Create a network in the field of cognitive development about 5S and TO BE NUMBER ONE, which is open to other organizations to study by learning a valuable and sustainable development.

The success of the club to members

- Reduce the risk and avoid the drugs
- Self development and more thinking about others
- Develop 4 D enterprise culture

The success of the club to the enterprise

- Turnover rate decreased
- Work rate increased
- Work efficiency increased

The achievement of social and community

Social strengthen

Network stability

Maintain good relationship

Yasothon Factory

TO BE NUMBER ONE Award for large scale entrepreneur in National level year 2009 and we won award in 2016 for Maintaining as a standard model Diamond class, 1st year.



Chainat Factory

TO BE NUMBER ONE's National Best for Large scale Entrepreneur in 2014 and we still received as a standard model Silver class, 1st year in 2015.

In year 2014 we recieved TO BE NUMBER ONE's National Best for Large scale Entrepreneur award (First place).

In year 2015 we recieved TO BE NUMBER ONE's National Best for Large scale Entrepreneur as a standard model Silver class award, 1st year.

In year 2016 we recieved TO BE NUMBER ONE's National Best for Large scale Entrepreneur as a standard model Silver class award, 2nd year.



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 23, 2017, the Board Meeting No. 1/2017 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 February 23, 2017 the Company Audit Committee appointed Mister Samphan Puyphirom 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 2016, 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.	12.78	Parent company bought the goods from its subsidiary at regular price under common term of payment -- same as dealing with other suppliers. 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. 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
		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	712.61	Sabina Plc. sold raw materials to Sabina Fareast Co., Ltd. at normal price under regular payment term. 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. 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.
		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.	29.47	Parent company made lingerie for its subsidiary. The transaction is normal. The price and payment term are normal. 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. 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.
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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.	12.93	Payment made by parent company to its subsidiary for making lingerie work pieces at the price and payment term as in normal business practice. 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. 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.
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	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. Auditor Committee's Views: Normal transaction based on the market rate.
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	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. Auditor Committee's Views: Normal transaction based on the market rate.

Sabina Fareast Co., Ltd.	A subsidiary whose shares are held by its parent company, Sabina Plc. in the ratio of 99.90%.	Account receivable	345.14	Payment term is the normal - same as when parent company sells goods to other customers.
		Account payable	2.07	Payment term is the normal -- same as when parent company sells goods to other customers. 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.
Sabina Fareast Co., Ltd.	A subsidiary whose shares are held by its parent company, Sabina Plc. in the ratio of 99.90%.	Interest received	14.97	Interest earned by parent company from extending a loan to its subsidiary. The interest rate is 3.20-5% 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	415	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(Mi llion 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	170	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	-	Audit Committee's Views: The transaction is made justifiably.

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

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

	Consolidated financial statements			Financial statements		
Performance	2014	2015	2016	2014	2015	2016
1. Total incomes	2,164.60	2,307.92	2,397.04	712.17	737.39	811.89
2. Incomes from sales and services	2,153.43	2,296.56	2,382.91	697.41	718.26	790.32
3. Gross profit	1,141.31	1,197.53	1,257.91	144.45	154.01	178.74
4. Operating profit	188.19	200.70	207.02	60.65	69.69	94.97
5. Net profit	146.92	165.54	175.67	63.72	77.20	96.00
Financial Status						
1. Total assets	2,307.51	2,215.86	2,238.03	1,197.33	1,214.24	1,246.46
2. Total liabilities	741.25	552.33	483.89	136.74	150.19	171.47
3. Total shareholder's equity	1,566.26	1,663.53	1,754.14	1,060.59	1,064.05	1,074.99
Financial Ratio						
Liquidity Ratio						
Current ratio (times)	2.55	3.44	4.18	8.35	8.77	7.89
Account receivable turnover (times)	6.49	7.29	7.45	2.03	2.70	2.55
Inventory turnover (times)	0.84	0.93	0.98	3.95	4.35	5.32
Account payable turnover (times)	8.46	9.34	8.85	7.99	8.37	8.73
Profitability Ratio						
Gross profit margin (%)	53.00	52.14	52.79	20.71	21.44	22.62
Net profitmargin (%)	6.79	7.17	7.33	8.95	10.47	11.82
Return on equity (%)	9.67	10.25	10.28	6.07	7.27	8.98
Efficiency Ratio						
Returns on assets (%)	6.39	7.32	7.89	5.40	6.40	7.80
Financial Policy Ratio						
Debt to equity ratio (times)	0.47	0.33	0.28	0.13	0.14	0.16

Analysis of Performance and Financial Status with Explanation

Financial Status

Total Assets

In 2015, the Company's total assets decreased to 2,215.86 million Baht which about 91.65 million Baht less than 2014 due to investment in the registered fund decreased about 27.70 million Baht, decreased in Securities available for sell of 3.50 million Baht, increased in account receivable of 20.43 million Baht, decreased in inventories of 77.54 million Baht. Land, building and net utilities decreased 14.47 million Baht, increased in deferred income tax of 5.98 million Baht.

In 2016, the Company's total assets increased to 2,238.03 million Baht which about 22.17 million Baht increased 2014 due to investment in the registered fund increased about 53.75 million Baht, decreased in Securities available for sell of 12.60 million Baht, decreased in account receivable of 10.67 million Baht, increased in inventories of 3.56 million Baht. Land, building and net utilities decreased 24.87 million Baht, increased in deferred income tax of 15.43 million Baht.

Account receivable

In 2015, the Company had account receivable of 325.15 million Baht increasing by 20.43 million Baht. The proportions of current account receivable, account receivable overdue 0 - 3 months, and receivable overdue 4-6 months was at 91.41%, 5.64% respectively, and 2.94% of the total account receivable.

In 2016, the Company had account receivable of 314.48 million Baht decreased by 10.67 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% respectively, and 2.61% of the total account receivable.

Inventories

In 2015, the inventories were recorded at 1,147.59 million Baht, a decrease of 77.54 million Baht or 6.33%. Most of the increasing inventories covered finished products of subsidiary brands and on processing of manufacturing.

In 2016, the inventories were recorded at 1,151.16 million Baht, an increase of 3.56 million Baht or 0.31%. Most of the increased inventories covered finished products of subsidiary brands and on processing of manufacturing.

Estate, Building, and Equipment

In 2015, the book value of estate, building, and equipment was worth at 330.57 million Baht, decreased by 14.47 million Baht from the last year figure. At the end of 2015, the depreciation of tangible assets was recorded at 53.27 million Baht.

In 2016, the book value of estate, building, and equipment was worth at 305.70 million Baht, decreased by 24.87 million Baht from the last year figure. At the end of 2016, the depreciation of tangible assets was recorded at 54.21 million Baht.

Performance

In 2015, the net profit rate recorded as 7.17% resulting in the return on total assets and the return on fixed assets at 7.32% and 60.44%, respectively.

In 2016, the net profit rate recorded as 7.33% resulting in the return on total assets and the return on fixed assets at 7.89% and 67.91%, respectively.

Liabilities

In 2015, the Company had the liabilities of 552.33 million Baht, a decrease of 188.92 million Baht from the last year. The short-term loans from financial institutions dropped to 219 million Baht and account payable increased 122.64 million Baht. Other creditors dropped to 108.91 million Baht and other current liabilities increased to 35.39 million Baht.

In 2016, the Company had the liabilities of 483.89 million Baht, a decrease of 68.44 million Baht from the last year. The short-term loans from financial institutions dropped to 108 million Baht and account payable increased 131.50 million Baht. Other creditors increased to 124.24 million Baht and other current liabilities increased to 44.26 million Baht.

Shareholder's Equity

In 2015, the Company's shareholders' equity totaled at 1,663.53 million Baht, increased in 97.27 million Baht from last year figure.

In 2016, the Company's shareholders' equity totaled at 1,754.14 million Baht, increased in 90.61 million Baht from last year figure.

Liquidity Analysis**Operation Cash flow**

In 2015, the Company's cash flow from operating activities was recorded at 279.92 million Baht comprising the net profit of 165.54 million Baht, depreciation and amortization of 59.77 million Baht, account receivable increased by 22.01 million Baht, Other creditor increased by 2.48 million Baht, inventories decreased by 74.54 million Baht, Other circulate assets increased by 2.50 million Baht, account payable increased by 10.05 million Baht, etc.

In 2016, the Company's cash flow from operating activities was recorded at 270.83 million Baht comprising the net profit of 175.67 million Baht, depreciation and amortization of 60.10 million Baht, account receivable decreased by 10.67 million Baht, Other creditor decreased by 6.11 million Baht, inventories increased by 3.56 million Baht, Other circulate assets increased by 3.83 million Baht, account payable increased by 8.52 million Baht, etc.

Investment Cash Flow

In 2015, the Company's cash flow for investment activities was recorded at 9.93 million Baht, The Company invested in temporary investment and building and equipment of 27.70 million Baht and 38.80 million Baht, respectively.

In 2016, the Company's cash flow for investment activities was recorded at 85.31 million Baht, The Company invested in temporary investment and building and equipment of 56.25 million Baht and 29.86 million Baht, respectively.

Funding Cash flow

In 2015, the Company's cash flow for funding activities was recorded at 274.55 million Baht. The Company paid the dividend of 62.55 million Baht and repaid the short-term loans from financial institutions of 212 million Baht.

In 2016, the Company's cash flow for funding activities was recorded at 183.98 million Baht. The Company paid the dividend of 72.98 million Baht and repaid the short-term loans from financial institutions of 111 million Baht.

Operation Performance in 2015

Incomes from Sales

In 2015, the Company had the incomes from the sales of products for 2,296.55 million Baht which increased from 2014 about 143.12 million Baht, equal to 6.65 percent increase. Main reason due to the increasing of subsidiaries' trademarks sales increased about 135.02 million Baht and income from sales of OEM products increased about 8.08 million Baht.

In 2016, the Company had the incomes from the sales of products for 2,382.91 million Baht which increased from 2015 about 86.38 million Baht, equal to 3.76 percent increase. Main reason due to the increasing of subsidiaries' trademarks sales increased about 120.81 million Baht and income from sales of OEM products decreased about 34.43 million Baht.

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

	2014	Percentage	2015	Percentage	2016	Percentage
Incomes from OEM product sale						
Bras	174.22	8.09	185.53	8.08	156.32	6.56
Underpants	52.17	2.42	51.29	2.23	48.18	2.02
Others	15.88	0.74	13.53	0.59	11.40	0.48
Total incomes from OEM product sale	242.27	11.25	250.35	10.90	215.90	9.06
Incomes from sale of subsidiary' brandname products						
Bras	1,475.44	68.51	1,578.81	68.75	1,634.52	68.59
Underpants	363.36	16.87	390.19	16.99	446.65	18.75
Others	72.36	3.37	77.18	3.36	85.84	3.60
Total incomes from sale of subsidiary' brandname products	1,911.16	88.75	2,046.18	89.10	2,167.01	90.94
Total incomes from sale	2,153.43	100.00	2,296.53	100	2,382.91	100.00

OEM Products

In 2015, the incomes from the sales of OEM products were at 250.35 million Baht, increased by 8.08million Baht or 3.34%. The incomes from the sales of OEM products were divided into the sales of lingerie, underpants and other products at 8.08%, 2.23% and 0.59% of the total sales, respectively.

In 2016, the incomes from the sales of OEM products were at 215.90 million Baht, decrease by 34.43million Baht or 13.75%. The incomes from the sales of OEM products were divided into the sales of lingerie, underpants and other products at 6.56%, 2.02% and 0.48% 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 2015, the Company had the incomes from the sales of products under the subsidiaries' trademarks of 2,046.18million Baht, an increase of 135.02 million Baht(7.06%), or 88.66% of the total sales income .The incomes from lingerie, underpants and other products were at 68.75%, 16.99%, and 3.36% of the total sales incomes, respectively.

In 2016, the Company had the incomes from the sales of products under the subsidiaries' trademarks of 2,167.01million Baht, an increase of 120.83 million Baht(5.91%), or 90.94% of the total sales income .The incomes from lingerie, underpants and other products were at 68.59%, 18.75%, and 3.60% of the total sales incomes, respectively.

Cost of Goods Sold and Gross Profit Margin

In 2015, the Company's cost of goods sold totaled 1,099.02 million Baht or 47.86% of the incomes from sales and services. The gross profit margin was recorded at 1,197.53million Baht or 52.14% 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 2016, the Company's cost of goods sold totaled 1,125 million Baht or 47.21% of the incomes from sales and services. The gross profit margin was recorded at 1,257.91million Baht or 52.79% 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 2015, the Company's selling and administrative expenses were at 996.82million Baht, increasing by 43.70 million Baht (4.59%) or 43.19% 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 200.71 million or 8.74% of the incomes from sales and services.

In 2016, the Company's selling and administrative expenses were at 1,050.89million Baht, increasing by 54.07 million Baht (5.42%) or 43.84% 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 207.02 million or 8.69% of the incomes from sales and services.

Interest Paid

In 2015, the Company had interest paid of 8.42 million Baht, decreasing by 5.01million Baht.

In 2016, the Company had interest paid of 3.27 million Baht, decreasing by 5.15million 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 2015, the Company had the corporate tax at 38.12million Baht.

In 2016, the Company had the corporate tax at 42.21million Baht.

Net Profit

In 2015, the Company had the net profit of 165.54million Baht increasing by 18.62million Baht or 12.67%

In 2016, the Company had the net profit of 175.67million Baht increasing by 10.13million Baht or 6.12%

Returns on Equity

In 2015, the Company's basic earnings per share was at 0.48Baht; and the Return on Equity (ROE) was at 10.25%

In 2016, the Company's basic earnings per share was at 0.51Baht; and the Return on Equity (ROE) was at 10.28%

Remuneration to Auditor

From 2014 to 2016, the auditor, A.M.T Associate Office, was paid as follows:

Unit: Baht	2014	2015	2016
Remuneration to auditor	900,000	900,000	960,000
Other payments	-	-	-

Audit Committee's Report for 2016

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 2017. In 2016, 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 2016 are summarized as follows:

1. Review the quarterly financial statements and the annual financial statements of 2016

The Audit Committee reviewed the quarterly financial statements and the 2016 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.

2. 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.

3. 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.

4. 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.

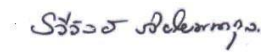
5. Review the risk management assessment systems

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.

6. Appointing the auditor for the year 2017

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 2016 Annual General Meeting of Shareholders to appoint Professor Kesari Narongdej or Mrs. Natsarat Sarochananjin or Mr. Chaiyut Ungsuvitaya Certified Public Accountant License No. 76, 4563, and 3885, respectively, from A.M.T. Associates Office, to be the Company's auditor for the year 2017.

For the Audit Committee



(Miss Rawewan Peyayopanakul)

Chairman of Audit Committee

Board of Directors' Responsibility for Financial Report

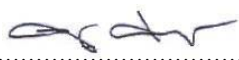
The Board of Directors of Sabina Plc. are responsible for the financial statements and consolidated financial statements of the Company and subsidiary, including the financial information that appears on the annual report. The said financial statements are prepared according to the generally recognized 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, 2016 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 for the year ended December 31, 2016

Auditor name: Natsarak Sarojchanunjeen Certified Public Accountant Registration No. 4563
A.M.T Associate Office

Auditor's Opinion: I have audited the consolidated financial statements of Sabina Public Company Limited and its subsidiaries (the "Group") and the separate financial statements of Sabina Public Company Limited (the "Company") which comprise the consolidated and separate statements of financial position as of December 31, 2016, and the related consolidated and separate statements of changes in equity, income, comprehensive income, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Sabina Public Company Limited and its subsidiaries and of Sabina Public Company Limited as of December 31, 2016, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

**SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
AND
INDEPENDENT AUDITOR'S REPORT**

INDEPENDENT AUDITOR'S REPORT

To The Shareholders and Board of Directors of SABINA PUBLIC COMPANY LIMITED

Opinion

I have audited the consolidated financial statements of Sabina Public Company Limited and its subsidiaries (the "Group") and the separate financial statements of Sabina Public Company Limited (the "Company") which comprise the consolidated and separate statements of financial position as of December 31, 2016, and the related consolidated and separate statements of changes in equity, income, comprehensive income, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Sabina Public Company Limited and its subsidiaries and of Sabina Public Company Limited as of December 31, 2016, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing ("TSAs"). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions under the Royal Patronage of His Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key Audit Matters included Audited Procedures are as follows:

Presentation of inventories valuation (the consolidated and separated financial statements)

As describe in note 2.5 and note 7 to the financial statement, the Group has significant amount of inventories which stated at the lower of cost and net realizable value. Most of inventories aging are not long, due to main business of the Group is manufacturing and distribute ready-made clothes, which the main products are underwear. And the management used information from inventories aging analysis report and individual obsolete stock analysis report to consider the allowance for inventories declining value, therefore, I have identified that the valuation of inventories is the significant matter that requires special attention in the audit.

My Audited Procedures to the Key Audit Matters

I assessed and tested the internal control related to the calculation of inventories cost, observed the inventory count, checked the aging report of inventories, inquired the management, and considered reasonableness of the policy regarding setup allowance for inventories declining value, and tested compliant of the allowance for inventories declining value to the policy. Including test the calculation of the allowance for inventories declining value by comparing cost of inventories and net realizable value. Additionally, I considered the adequacy of information disclosure related to the measurement of inventories.

Other Information

Management is responsible for the other information. The other information comprise the information included in the annual report of the Group, but does not include the financial statements and my auditor's report thereon, which is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and the management of the Group.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(NATSARAK SAROCHANUNJEEN)
Certified Public Accountant
Registration No. 4563

A.M.T. & ASSOCIATES
Bangkok, Thailand
February 23, 2017

SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2016

		Baht			
		Consolidated Financial Statement		Separarate Financial Statement	
NOTE		December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and cash equivalents	4	40,930,991.20	39,389,510.34	8,172,219.35	7,738,357.94
Temporary Investment					
- Mutual funds	5.1	55,870,733.92	2,121,065.61	55,870,733.92	2,121,065.61
- Available-for-sale securities	5.2	60,900,000.00	73,500,000.00	60,900,000.00	73,500,000.00
Trade receivables and other receivables					
Trade receivable - net					
- Related parties	3.1	-	-	345,138,458.81	269,828,981.58
- Other parties	6	314,482,704.55	325,149,569.81	4,180,329.84	742,055.82
Other receivables		4,345,894.47	9,018,787.88	654,437.04	1,857,629.38
Short-term loan to related party	3.2	-	-	415,000,000.00	496,000,000.00
Inventories - net	7	1,151,156,040.59	1,147,592,388.93	114,708,888.78	115,356,897.98
Other current assets					
Prepaid output VAT		76,396,500.79	72,035,783.77	-	-
Others		1,660,107.50	2,194,658.14	258,332.07	301,179.18
Total current assets		1,705,742,973.02	1,671,001,764.48	1,004,883,399.81	967,446,167.49
NON-CURRENT ASSETS					
Investment in subsidiary company	1.5	-	-	144,849,500.00	144,849,500.00
Property, plant and equipment - net	8	305,698,652.72	330,571,325.42	79,355,784.91	88,406,577.03
Intangible asset	9	4,565,017.18	5,435,517.63	49.00	49.00
Deferred tax assets	17.4	154,851,110.72	139,424,355.11	17,196,692.40	13,325,252.40
Others non-current assets					
Leasehold right - net	10	21,778,376.74	26,294,891.98	-	-
Deposit		45,394,783.52	43,133,228.52	173,590.00	208,590.00
Total non-current assets		532,287,940.88	544,859,318.66	241,575,616.31	246,789,168.43
TOTAL ASSETS		2,238,030,913.90	2,215,861,083.14	1,246,459,016.12	1,214,236,135.92

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, 2016

NOTE	Baht			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Bank overdrafts and short-term loans from				
financial institutions	11	108,000,000.00	219,000,000.00	-
Trade payables and other payables				
Trade payable				
- related parties	3.3	-	-	2,072,446.16
- other parties		131,500,727.72	122,638,601.16	69,195,479.34
Other payables	12	124,239,093.40	108,905,221.03	40,898,969.12
Other current liabilities				
Accrued income tax		26,663,525.52	19,435,453.42	11,712,675.13
Others		17,599,800.17	15,952,277.14	3,406,247.16
Total current liabilities		408,003,146.81	485,931,552.75	127,285,816.91
NON-CURRENT LIABILITIES				
Employees' benefit obligation	13	69,570,365.00	61,035,682.00	44,123,462.00
Employees' deposit		6,318,000.00	5,365,500.00	56,000.00
Total non-current liabilities		75,888,365.00	66,401,182.00	44,179,462.00
Total liabilities		483,891,511.81	552,332,734.75	171,465,278.91

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SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2016

NOTE	Baht			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
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	49,250,000.00	34,750,000.00
Unappropriated		921,624,882.93	818,933,829.23	459,414,737.21
Total other components of equity		160,600,519.16	172,680,519.16	(41,835,000.00)
Total equity of the Parent		1,754,139,402.09	1,663,528,348.39	1,074,993,737.21
Non-controlling interests				
Total shareholders' equity		1,754,139,402.09	1,663,528,348.39	1,074,993,737.21
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,238,030,913.90	2,215,861,083.14	1,246,459,016.12

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, 2016

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			Total Equity of the Parent	Non Controlling Interests	Shareholders' Equity
							Gain (loss) from valuation of available-for-sale investment	Gain (loss) on actuarial estimates.	Other components of equity			
Balance as of January 1, 2015	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
Changes in shareholders' equity for the year												
Total comprehensive income (loss) for the year	-	-	-		165,543,431.55	-	(2,800,000.00)	(2,924,228.00)	(5,724,228.00)	159,819,203.55	-	159,819,203.55
Transfer gain (loss) on actuarial estimate	-	-	-	-	(2,924,228.00)	-	-	2,924,228.00	2,924,228.00	-	-	-
- to Retained earnings	-	-	-	-	(62,550,000.00)	-	-	-	-	(62,550,000.00)	-	(62,550,000.00)
Dividend Paid												
Balance of December 31, 2015	347,500,000.00	275,164,000.00		49,250,000.00	818,933,829.23	202,435,519.16	(29,755,000.00)	-	172,680,519.16	1,663,528,348.39	-	1,663,528,348.39
Balance as of January 1, 2016	347,500,000.00	275,164,000.00		49,250,000.00	818,933,829.23	202,435,519.16	(29,755,000.00)	-	172,680,519.16	1,663,528,348.39	-	1,663,528,348.39
Changes in shareholders' equity for the year												
Total comprehensive income (loss) for the year	-	-	-	-	175,666,053.70	-	(12,080,000.00)	-	(12,080,000.00)	163,586,053.70	-	163,586,053.70
Dividend Paid	-	-	-	-	(72,975,000.00)	-	-	-	-	(72,975,000.00)	-	(72,975,000.00)
Balance as of December 31, 2016	347,500,000.00	275,164,000.00		49,250,000.00	921,624,882.93	202,435,519.16	(41,835,000.00)	-	160,600,519.16	1,754,139,402.09	-	1,754,139,402.09

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, 2016

BAHT

NOTE	Retained earnings		Other components of equity			
			Others			
	Issued and paid - up share capital	Premium on share capital	Appropriated legal reserve	Unappropriated	Gain (loss) from valuation of available-for-sale investment	Comprehensive Income Gain (loss) on actuarial estimates, Total Other components of equity
Balance as of January 1, 2015	347,500,000.00	275,164,000.00	34,750,000.00	430,132,761.05	(26,955,000.00)	-
Changes in shareholders' equity for the year						
Total comprehensive income (loss) for the year	-	-	-	77,195,292.75	(2,800,000.00)	(8,386,052.00)
Transfer gain (loss) on actuarial estimate	-	-	-	(8,386,052.00)	-	8,386,052.00
- to Retained earnings	-	-	-	(62,550,000.00)	-	-
Dividend Paid	-	-	-	-	-	-
Balance as of December 31, 2015	347,500,000.00	275,164,000.00	34,750,000.00	436,392,001.80	(29,755,000.00)	(29,755,000.00)
Balance as of January 1, 2016	347,500,000.00	275,164,000.00	34,750,000.00	436,392,001.80	(29,755,000.00)	-
Changes in shareholders' equity for the year						
Total comprehensive income (loss) for the year	-	-	-	95,997,735.41	(12,080,000.00)	-
Dividend Paid	-	-	-	(72,975,000.00)	-	-
Balance as of December 31, 2016	347,500,000.00	275,164,000.00	34,750,000.00	459,414,737.21	(41,835,000.00)	(41,835,000.00)

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, 2016

NOTE	B A H T			
	Consolidated Financial Statement		Separate Financial Statement	
	For the year ended December 31		For the year ended December 31	
	2016	2015	2016	2015
REVENUES				
Revenues from sales - net	2,382,913,336.13	2,296,536,432.93	760,851,318.78	666,036,603.21
Revenues from services	-	20,395.00	29,468,125.00	52,222,916.00
Other incomes	14,125,348.81	11,367,772.05	21,566,352.76	19,133,409.24
Total Revenues	3.4 2,397,038,684.94	2,307,924,599.98	811,885,796.54	737,392,928.45
EXPENSES				
Cost of sales and services	1,125,003,096.94	1,099,023,487.11	611,580,739.17	564,249,236.50
Selling expenses	832,991,667.93	784,977,306.53	2,083,904.71	1,644,988.19
Administrative expenses	217,900,379.70	211,847,057.70	81,689,059.90	82,675,479.08
Financial expenses	3,268,468.01	8,418,166.96	-	2.48
Total Expenses	3.4 2,179,163,612.58	2,104,266,018.30	695,353,703.78	648,569,706.25
PROFIT BEFORE INCOME TAX	217,875,072.36	203,658,581.68	116,532,092.76	88,823,222.20
INCOME TAX EXPENSE	17.1, 17.3 (42,209,018.66)	(38,115,150.13)	(20,534,357.35)	(11,627,929.45)
PROFIT FOR THE PERIODS	175,666,053.70	165,543,431.55	95,997,735.41	77,195,292.75
Net income attributable to :				
Equity holders of the parent	175,666,053.70	165,543,431.55	95,997,735.41	77,195,292.75
Non - controlling interests	-	-	-	-
	175,666,053.70	165,543,431.55	95,997,735.41	77,195,292.75
BASIC EARNINGS PER SHARE				
Earnings (loss) per share (Baht)	0.51	0.48	0.28	0.22
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, 2016

		B A H T				
		Consolidated Financial Statement		Separarate Financial Statement		
		For the year ended December 31		For the year ended December 31		
NOTE		2016	2015	2016	2015	
PROFIT FOR THE PERIODS		175,666,053.70	165,543,431.55	95,997,735.41	77,195,292.75	
Other comprehensive income;						
Item that will be reclassified subsequently to profit or loss :						
	Gain (loss) from valuation of - available-for-sale investment	(15,100,000.00)	(3,500,000.00)	(15,100,000.00)	(3,500,000.30)	
	Gain (loss) on actuarial estimates.	-	(3,655,285.00)	-	(10,482,565.00)	
	Income tax related to other components of equity					
	- valuation of available-for-sale investment	17.2	3,020,000.00	3,020,000.00	700,000.00	
	- on actuarial estimates.	17.2	-	731,057.00	-	2,096,513.00
	Other comprehensive income - for the periods - net of tax	(12,080,000.00)	(5,724,228.00)	(12,080,000.00)	(11,186,052.00)	
Total comprehensive income for the periods		163,586,053.70	159,819,203.55	83,917,735.41	66,009,240.75	
Total comprehensive income attributable to :						
	Equity holders of the parent	163,586,053.70	159,819,203.55	83,917,735.41	66,009,240.75	
	Non - controlling interests	-	-	-	-	
		163,586,053.70	159,819,203.55	83,917,735.41	66,009,240.75	

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, 2016

B A H T

NOTE	Consolidated Financial Statement		Separate Financial Statement	
	For the year ended December 31		For the year ended December 31	
	2016	2015	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES :				
Net profit	175,666,053.70	165,543,431.55	95,997,735.41	77,195,292.75
Adjustments to reconcile net profit to net cash proceed (paid)				
Depreciation	8	54,212,678.44	53,272,981.47	11,263,510.06
Amortization	9, 10	5,887,015.69	6,500,677.87	-
Bad debts and doubtful accounts		-	1,577,337.08	-
Reversal of allowance for doubtful accounts		-	-	-
Allowance for obsolete inventories	7	-	3,000,000.00	-
Employees' benefits obligation	13	13,260,563.34	11,593,541.00	7,632,500.00
Loss (gain) from disposal of property		(777,677.64)	(1,168,261.44)	(739,029.31)
Unrealised (gain) loss on exchange rate		344,419.23	990.32	54,024.10
Interest expenses		3,268,468.01	8,418,166.96	-
Current tax expense	17.1	54,615,774.26	42,663,219.21	21,385,797.35
Deferred tax expense (income)	17.1	(12,406,755.60)	(4,548,069.08)	(851,440.00)
(Increase) decrease in trade receivable - related parties		-	-	(75,309,477.23)
(Increase) decrease in trade receivable - other parties		10,666,865.26	(22,010,226.27)	(3,438,274.02)
(Increase) decrease in other receivable		6,110,655.86	(2,479,143.23)	2,174,382.56
(Increase) decrease in inventories		(3,563,651.66)	74,544,901.67	648,009.20
(Increase) decrease in other current assets		(3,826,166.38)	(2,496,254.06)	42,847.11
(Increase) decrease in other non-current assets		(2,261,555.00)	(9,149,754.17)	35,000.00
Increase (decrease) in trade payables - related party		-	-	74,289.36
Increase (decrease) in trade payables - other parties		8,517,707.33	10,047,361.24	2,349,583.79
Increase (decrease) other payables		15,276,625.80	(2,994,312.85)	8,336,993.04
Increase (decrease) in other current liabilities - others		1,647,523.02	689,478.06	224,588.90
Others non-current liabilities				
- Payment of employees' benefit	13	(4,725,880.34)	(4,807,228.00)	(3,375,300.00)
- Increase (decrease) in - Employee deposit		952,500.00	2,656,000.00	38,000.00
Net cash received (paid) from operation		322,865,163.32	330,854,837.33	66,543,740.32
Payment of interest expenses		(3,211,221.44)	(8,242,947.80)	-
Payment of Corporate income tax		(48,825,464.61)	(42,692,859.18)	(16,411,521.97)
Net cash provided by (Used in) operating activities		270,828,477.27	279,919,030.35	50,132,218.35

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SABINA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE	B A H T			
	Consolidated Financial Statement		Separate Financial Statement	
	For the year ended December 31		For the year ended December 31	
	2016	2015	2016	2015
CASH FLOWS FROM INVESTING ACTIVITIES :				
Cash proceed (paid) on sales (purchase)				
- for temporary investment	5.1	(56,249,668.31)	27,704,633.27	(56,249,668.31)
Cash paid for short-term loan to subsidiary	3.2	-	-	81,000,000.00
Acquisition of property, plant and equipment	8	(29,858,727.80)	(38,799,886.69)	(2,231,226.00)
Cash received from sales of property and equipment		796,399.70	1,169,143.01	757,537.37
Net cash provide by (Used in) investing activities		(85,311,996.41)	(9,926,110.41)	23,276,643.06
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend Paid	16	(72,975,000.00)	(62,550,000.00)	(72,975,000.00)
Bank overdrafts and short-term loans received from				
- financial institutions increase(decrease)		(111,000,000.00)	(212,000,000.00)	-
Net Cash Provided by (Used in) Financing Activities		(183,975,000.00)	(274,550,000.00)	(72,975,000.00)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS - NET		1,541,480.86	(4,557,080.06)	433,861.41
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4	39,389,510.34	43,946,590.40	7,738,357.94
CASH AND CASH EQUIVALENTS, END OF YEAR	4	40,930,991.20	39,389,510.34	8,172,219.35

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 FINANCIAL STATEMENTS****FOR THE YEAR ENDED DECEMBER 31, 2016****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 Soi 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 financial statements that were issued in Thai language. In case of conflict or difference in understanding, the financial statements in Thai language shall prevail.

1.3 Basis for preparation of consolidated of financial statements

The consolidated financial statements incorporated the financial statements of Sabina Public Company Limited and Sabina 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 period to present, the Federation of Accounting Professions has issued the revised and new accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations, which are effective for financial statements period beginning on or after January 1, 2016 in the year indicated as follows.

Accounting Standards

TAS	1	Presentation of Financial Statements (revised 2015)
TAS	2	Inventories (revised 2015)
TAS	7	Statement of Cash Flows (revised 2015)
TAS	8	Accounting Policies, Changes in Accounting Estimates and Errors (revised 2015)
TAS	10	Events After the Reporting Period (revised 2015)
TAS	11	Construction Contracts (revised 2015)
TAS	12	Income Taxes (revised 2015)
TAS	16	Property, Plant and Equipment (revised 2015)
TAS	17	Leases (revised 2015)
TAS	18	Revenue (revised 2015)
TAS	19	Employee Benefits (revised 2015)
TAS20		Accounting for Government Grants and Disclosure of Government Assistance (revised 2015)
TAS	21	The Effects of Changes in Foreign Exchange Rate (revised 2015)
TAS	23	Borrowing Costs (revised 2015)
TAS	24	Related Party Disclosures (revised 2015)
TAS	26	Accounting and Reporting by Retirement Benefit Plans (revised 2015)
TAS	27	Separate Financial Statements (revised 2015)
TAS	28	Investments in Associates and Joint Venture (revised 2015)
TAS	29	Financial Reporting in Hyperinflationary Economics (revised 2015)
TAS	33	Earnings per Share (revised 2015)
TAS	34	Interim Financial Reporting (revised 2015)
TAS	36	Impairment of Assets (revised 2015)
TAS	37	Provisions, Contingent Liabilities and Contingent Assets (revised 2015)
TAS	38	Intangible assets (revised 2015)
TAS	40	Investment Property (revised 2015)
TAS	41	Agriculture

Financial Reporting Standards

TFRS	2	Share - Based Payments (revised 2015)
TFRS	3	Business Combinations (revised 2015)
TFRS	4	Insurance Contracts (revised 2015)
TFRS	5	Non-current Assets Held for Sale and Discontinued Operations (revised 2015)

TFRS	6	Exploration for and Evaluation of Mineral Resources (revised 2015)
TFRS	8	Operating Segments (revised 2015)
TFRS	10	Consolidated Financial Statements (revised 2015)
TFRS	11	Joint Arrangements (revised 2015)
TFRS	12	Disclosure of Interests in Other Entities (revised 2015)
TFRS	13	Fair Value Measurement (revised 2015)
Accounting Standard Interpretations		
TSIC	10	Government Assistance - No Specific Relation to Operating Activities (revised 2015)
TSIC	15	Operating Leases - Incentives (revised 2015)
TSIC	25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders (revised 2015)
TSIC	27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease (revised 2015)
TSIC	29	Service Concession Arrangements : Disclosures (revised 2015)
TSIC	31	Revenue - Barter Transactions Involving Advertising Services (revised 2015)
TSIC	32	Intangible Assets - Web Site Costs (revised 2015)
Financial Reporting Standard Interpretations		
TFRIC	1	Changes in Existing Decommissioning, Restoration and Similar Liabilities (revised 2015)
TFRIC	4	Determining whether an Arrangement contains a Lease (revised 2015)
TFRIC	5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (revised 2015)
TFRIC	7	Applying the Restatement Approach under TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economies (revised 2015)
TFRIC	10	Interim Financial Reporting and Impairment (revised 2015)
TFRIC	12	Service Concession Arrangements (revised 2015)
TFRIC	13	Customer Loyalty Programmes (revised 2015)
TFRIC	14	TAS 19 (revised 2015) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (revised 2015)
TFRIC	15	Agreements for the Construction of Real Estate (revised 2015)
TFRIC	17	Distributions of Non - cash Assets to Owners (revised 2015)
TFRIC	18	Transfers of Assets from Customers (revised 2015)
TFRIC	20	Stripping Costs in the Production Phase of a Surface Mine (revised 2015)
TFRIC	21	Levies

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.

ELATED 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, 2016 and 2015 are as follows:

	BAHT			
	<u>Consolidated Financial Statement</u>		<u>Separate Financial Statement</u>	
	<u>Dec-31, 2016</u>	<u>Dec-31, 2015</u>	<u>Dec-31, 2016</u>	<u>Dec-31, 2015</u>
<u>ASSETS</u>				
3.1 Trade Receivable				
<u>Subsidiary Company</u>				
Sabina Fareast Co., Ltd.	-	-	345,138,458.81	269,828,981.58
Less : Allowance for doubtful	-	-	-	-
Trade receivable – Related parties net	<u>-</u>	<u>-</u>	<u>345,138,458.81</u>	<u>269,828,981.58</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			Balance	
	As of			As of	
	December 31, 2015	Increase	Decrease	December 31, 2016	
<u>Subsidiary Company</u>					
Sabina Fareast Co., Ltd.	496,000,000.00	201,000,000.00	282,000,000.00	415,000,000.00	3.20% p.a.
	496,000,000.00	201,000,000.00	282,000,000.00	415,000,000.00	

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Liability				
3.3 Account Payable				
<u>Subsidiary Company</u>				
Sabina Fareast Co., Ltd.	-	-	2,072,446.16	1,998,156.80
Accounts payable – Related parties	-	-	2,072,446.16	1,998,156.80

3.4 Related party transactions for the year ended December 31, 2016 and 2015 are as follows:

	BAHT				Transfer
	Consolidated Financial Statement		Separate Financial Statement		Pricing
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015	Policy
<u>Subsidiary company</u>					
Sales of finished goods	-	-	617,342,746.00	712,611,025.00	Contract price
Sawing service cost	-	-	52,222,916.00	29,468,125.00	"
Purchase of raw materials	-	-	8,823,735.67	12,782,606.17	"
Rent of office space and warehouse	-	-	1,944,000.00	1,944,000.00	"
Cutting service cost	-	-	8,962,164.84	12,931,936.09	"
Interest income	-	-	14,141,895.54	14,967,057.15	"

3.5 MANAGEMENT REMUNERATIONS

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

Management remuneration for the year ended December 31, 2016 and 2015 as follow;

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	2016	2015	2016	2015
Benefits – Short-term	40,027,179.96	40,937,880.47	40,027,179.96	40,937,880.47
Benefits – After retirement	2,023,679.00	1,864,609.00	2,023,679.00	1,864,609.00
Benefits – Long-term	-	-	-	-
Total	42,050,858.96	42,802,489.47	42,050,858.96	42,802,489.47

4. CASH AND CASH EQUIVALENTS

For the purpose of preparation of the statement of cash flows with relevant accounting standards, as of December 31, 2016 and 2015 are consisted as follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Cash	1,112,357.50	900,813.00	398,916.00	205,836.75
Cash at banks and financial institution	39,818,633.70	38,488,697.34	7,773,303.35	7,532,521.19
Total Cash and Cash Equivalents	40,930,991.20	39,389,510.34	8,172,219.35	7,738,357.94

5. TEMPORARY INVESTMENT

Temporary investment as of December 31, 2016 and 2015 are consisted as follows:

5.1 INVESTMENT IN MUTUAL FUND

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Investment in Commercial paper fund				
K-Treasury Fund	55,870,733.92	2,121,065.61	55,870,733.92	2,121,065.61
Total Temporary Investments	55,870,733.92	2,121,065.61	55,870,733.92	2,121,065.61

5.2 INVESTMENT IN AVAILABLE-FOR-SALE SECURITIES

As of December 31, 2016 and 2015 Investment in available-for-sale securities of the Company and its subsidiary are as follow;

	BAHT					
	Consolidated Financial Statement / Separate Financial Statement					
	December 31, 2016			December 31, 2015		
	Cost	Unrealized Profit (loss)	Fair Value	Cost	Unrealized Profit (loss)	Fair Value
Marketable Security	102,760,000.00	(41,860,000.00)	60,900,000.00	100,260,000.00	(26,760,000.00)	73,500,000.00
Total	102,760,000.00	(41,860,000.00)	60,900,000.00	100,260,000.00	(26,760,000.00)	73,500,000.00

Movement of the unrealized profit (loss) of the available-for-sale securities for the year ended December 31, 2016 are as follow;

	BAHT	
	Consolidated Financial Statement	Separate Financial Statement
Balance as of January 1, 2016	73,500,000.00	73,500,000.00
The increased during the year	2,500,000.00	2,500,000.00
Movement during the year	(15,100,000.00)	(15,100,000.00)
Balance as of December 31, 2016	60,900,000.00	60,900,000.00

6. TRADE RECEIVABLES – OTHER PARTIES - NET

Trade receivables – other parties as of December 31, 2016 and 2015 are consisted as follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 30, 2016	December 31, 2015	December 30, 2016	December 31, 2015
Trade receivables– other parties	314,482,704.55	325,149,569.81	4,180,329.84	742,055.82
<u>Less:</u> Allowance for doubtful account	-	-	-	-
Trade receivables– other parties - net	314,482,704.55	325,149,569.81	4,180,329.84	742,055.82

As of December 31, 2016 and 2015 trade receivables–other parties were classified by aging of debt outstanding are as follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Trade receivables– other parties				
- Current	265,473,445.48	297,228,633.17	4,180,329.84	742,055.82
- Overdue 0 - 3 months	11,682,035.58	18,351,882.77	-	-
- Overdue 4 - 6 months	6,410,741.00	9,569,053.87	-	-
- Overdue 7 - 12 months	26,398,250.05	-	-	-
- Overdue over 12 month	4,518,232.24	-	-	-
Trade receivables– other parties - net	314,482,704.55	325,149,569.81	4,180,329.84	742,055.82

7. INVENTORIES - NET

As of December 31, 2016 and 2015 inventories – net are consisted as follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Finished goods	979,573,462.14	974,161,675.54	3,177,852.64	-
Work in process	131,698,581.03	134,611,067.29	80,608,175.50	88,083,816.69
Raw materials	48,267,764.44	47,274,627.16	26,499,036.83	23,786,414.26
Supplies	7,142,422.36	7,525,914.65	4,118,254.25	3,479,286.15
Inventories in transit	473,810.62	19,104.29	305,569.56	7,380.88
Total	1,167,156,040.59	1,163,592,388.93	114,708,888.78	115,356,897.98
<u>Less:</u> Allowance for obsolete	(16,000,000.00)	(16,000,000.00)	-	-
Inventories – net	1,151,156,040.59	1,147,592,388.93	114,708,888.78	115,356,897.98

As of December 31, 2016 and 2015, the balance of inventories in subsidiary's account which purchased from the Company have been presented net from profit in inventories totaling of Baht 171,835,500 and Baht 161,751,000 respectively (eliminated in consolidated financial statement).

Movement of allowance for obsolete inventories account for the year ended December 31, 2016 is as follow;

	BAHT	
	Consolidated	Separate
	Financial Statement	Financial Statement
Beginning balance	16,000,000.00	-
Increase during the year	-	-
Ending balance	16,000,000.00	-

8. PROPERTY, PLANT AND EQUIPMENT - NET

	BAHT				
	Consolidated Financial Statement				
	As of Dec-31, 2015	Increase	Decrease	Transfer - In	As of Dec-31, 2016
<u>COST :</u>					
Land	118,492,674.50	-	-	-	118,492,674.50
Building & building improvement	313,489,937.14	102,000.00	-	1,193,200.01	314,785,137.15
Machinery & equipment	274,369,927.09	2,066,600.00	(4,060,302.58)	446,936.50	272,823,161.01
Tools & supplies	12,323,955.64	497,474.48	(59,946.16)	-	12,761,483.96
Furniture & fixture	125,146,168.42	1,816,233.38	(630,110.11)	13,112,659.50	139,444,951.19
Office equipments	54,495,666.12	1,712,097.45	(1,379,107.50)	445,600.00	55,274,256.07
Vehicles	46,340,127.47	-	(2,512,000.00)	-	43,828,127.47
Other equipments	909,287.12	80,626.17	(45,013.07)	-	944,900.22
Construction in progress	1,004,662.15	92,537.86	-	-	(1,097,200.01)
Computer & equipment	43,459,541.07	4,489,756.89	(2,501,074.66)	-	45,448,223.30
Assets installation in progress	1,572,320.52	19,001,401.57	-	-	(14,601,196.00)
Total cost	991,604,267.24	29,858,727.80	(11,187,554.08)	15,198,396.01	(15,698,396.01)
					1,009,775,440.96
<u>Less: Accumulated depreciation</u>					
Building & building improvement	(211,367,960.81)	(15,127,405.64)	-	-	(226,495,366.45)
Machinery & equipment	(243,498,092.89)	(6,826,387.93)	4,060,227.58	-	(246,264,253.24)
Tools & supplies	(11,139,693.13)	(433,450.86)	41,615.10	-	(11,531,528.89)
Furniture & fixture	(68,369,767.43)	(22,302,459.05)	630,078.11	-	(90,042,148.37)
Office equipments	(44,320,922.24)	(3,048,096.20)	1,379,045.50	-	(45,989,972.94)
Vehicles	(45,811,291.21)	(515,635.94)	2,511,996.00	-	(43,814,931.15)
Other equipments	(894,634.85)	(17,977.24)	44,968.07	-	(867,644.02)
Computer & equipment	(35,630,579.26)	(5,941,265.58)	2,500,901.66	-	(39,070,943.18)
Total accumulated depreciation	(661,032,941.82)	(54,212,678.44)	11,168,832.02	-	(704,076,788.24)
Property, plants and equipment-net	330,571,325.42				305,698,652.72

Depreciation for the year ended December 31, 2016 and 2015 has been included in cost of goods sold, and selling and administrative expenses as follows:

	BAHT	
	2016	2015
Cost of goods sold	23,169,036.19	23,957,073.06
Selling and administrative expenses	31,043,642.25	29,315,908.41
Total	54,212,678.44	53,272,981.47

	BAHT					
	Separate Financial Statement					
	As of					As of
	Dec-31, 2015	Increase	Decrease	Transfer - In	Transfer - Out	Dec-31,2016
COST :						
Land	17,424,744.50	-	-	-	-	17,424,744.50
Building & building	143,824,528.78	-	-	1,097,200.01	-	144,921,728.79
Machinery & equipment	160,268,345.85	1,396,600.00	(4,060,302.58)	-	-	157,604,643.27
Tools & supplies	4,313,604.01	290,625.51	(59,946.16)	-	-	4,544,283.36
Furniture & fixture	10,253,844.89	194,217.94	(588,910.11)	-	-	9,859,152.72
Office equipments	8,439,300.27	176,618.52	(228,830.00)	-	-	8,387,088.79
Vehicles	14,192,588.78	-	(2,512,000.00)	-	-	11,680,588.78
Other equipments	909,287.12	80,626.17	(45,013.07)	-	-	944,900.22
Construction in progress	1,004,662.15	92,537.86	-	-	(1,097,200.01)	-
Total cost	360,630,906.35	2,231,226.00	(7,495,001.92)	1,097,200.01	(1,097,200.01)	355,367,130.43
Less: Accumulated depreciation						
Building & building	(90,938,493.21)	(7,232,447.27)	-	-	-	(98,170,940.48)
Machinery & equipment	(144,765,488.44)	(3,273,762.89)	4,060,227.58	-	-	(143,979,023.75)
Tools & supplies	(3,685,838.75)	(221,443.97)	41,615.10	-	-	(3,865,667.62)
Furniture & fixture	(9,957,159.20)	(121,977.43)	588,880.11	-	-	(9,490,256.52)
Office equipments	(7,829,333.55)	(356,706.80)	228,807.00	-	-	(7,957,233.35)
Vehicles	(14,153,381.32)	(39,194.46)	2,511,996.00	-	-	(11,680,579.78)
Other equipments	(894,634.85)	(17,977.24)	44,968.07	-	-	(867,644.02)
Total accumulated depreciation	(272,224,329.32)	(11,263,510.06)	7,476,493.86	-	-	(276,011,345.52)
Property, plants and equipment -net	88,406,577.03					79,355,784.91

Depreciation for the year ended December 31, 2016 and 2015 has been included in cost of goods sold, and selling and administrative expenses as follows:

	BAHT	
	2016	2015
Cost of goods sold	10,766,848.59	11,524,152.85
Selling and administrative expenses	496,661.47	579,104.87
Total	11,263,510.06	12,103,257.72

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	Increase	Decrease	Transfer	As of
	Dec-31, 2015			in out	Dec-31, 2016
Cost:					
Computer Software	27,028,594.09	-	-	500,000.00 -	27,528,594.09
Software under installation	-	-	-	- -	-
Total	27,028,594.09	-	-	500,000.00 -	27,528,594.09
Less: Accumulated amortization expenses					
Computer Software	(21,593,076.46)	(1,370,500.45)	-	- -	(22,963,576.91)
Total	(21,593,076.46)	(1,370,500.45)	-	- -	(22,963,576.91)
Intangible assets – net	5,435,517.63				4,565,017.18

Amortization expenses for the year ended December 31, 2016 and 2015 has been included as selling and administrative expenses in the consolidated financial statement are as follow;

	BAHT	
	2016	2015
Cost of goods sold	202,281.83	202,281.83
Selling and administrative expenses	1,168,218.82	1,139,666.76
Total	1,370,500.45	1,341,948.59

	BAHT				
	Separate Financial Statement				
	As of Dec-31, 2015	Increase	Decrease	Transfer	As of Dec-31, 2016
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	(2,469,239.38)	-	-	-	(2,469,239.38)
Total	(2,469,239.38)	-	-	-	(2,469,239.38)
Intangible assets – net	49.00				49.00

Amortization expenses for the year ended December 31, 2016 and 2015 has been included as selling and administrative expenses in the consolidated financial statement are as follow;

	BAHT	
	2016	2015
Cost of goods sold	-	-
Selling and administrative expenses	-	-
Total	-	-

10. LEASEHOLD RIGHT -NET

As of December 31, 2016 and 2015 leasehold right – net are consisted as follows:

	BAHT			
	Consolidated Financial Statement			
	As of Dec-31, 2015	Increase	Decrease	As of Dec-31, 2016
<u>LEASEHOLD RIGHT</u>				
COST	73,668,916.67	-	-	73,668,916.67
<u>Less: Accumulated</u>				
Amortization	(47,374,024.69)	(4,516,515.24)	-	(51,890,539.93)
Leasehold Right - net	<u>26,294,891.98</u>			<u>21,778,376.74</u>

Amortization for the year ended December 31, 2016 and 2015 has been included in cost of goods sold, and selling and administrative expenses as follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	2016	2015	2016	2015
Selling expenses	4,516,515.24	5,158,729.28	-	-
Total	<u>4,516,515.24</u>	<u>5,158,729.28</u>	<u>-</u>	<u>-</u>

11. BANK OVERDRAFTS AND SHORT TERM LOAN S FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short term loans from financial institution as of December 31,2016 and 2015 were consisted of the follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Bank overdrafts	-	-	-	-
Short term loan	108,000,000.00	219,000,000.00	-	-
Loan on trust receipt	-	-	-	-
Total	108,000,000.00	219,000,000.00	-	-

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 2.10% 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, 2016 and 2015 other payables are consisted as follows:

	BAHT			
	Consolidated Financial Statement		Separate Financial Statement	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Advance for merchandise	6,788,061.83	1,056,620.03	6,190,420.33	583,149.26
Accrued expenses	116,791,369.46	107,194,112.30	34,048,886.68	31,324,338.12
Accrued dividend	659,662.11	654,488.70	659,662.11	654,488.70
Total	124,239,093.40	108,905,221.03	40,898,969.12	32,561,976.08

13. EMPLOYEES' BENEFIT OBLIGATION

Movements of present value of employee benefit obligation for the year ended December 31, 2016 and 2015 were as follows:

Baht

	Consolidated Financial Statement		Separate Financial Statement	
	For the nine	For the year	For the nine	For the year
	month period ended	ended	month period ended	ended
	Dec-31, 2016	Dec-31, 2015	Dec-31, 2016	Dec-31, 2015
Employee benefits obligation as of beginning of year	61,035,682.00	50,594,083.99	39,866,262.00	23,523,548.99
Payment of Employees' benefit	(4,725,880.34)	(4,807,228.00)	(3,375,300.00)	(845,800.00)
Current service cost and interest cost	13,260,563.34	11,593,541.00	7,632,500.00	6,705,948.00
Gain (loss) from estimate of actuarial assumptions	-	3,655,285.01	-	10,482,565.01
Employee benefits obligation as of ending of year	69,570,365.00	61,035,682.00	44,123,462.00	39,866,262.00

Expenses recognized in statements of income for the year ended December 31, 2016 and 2015 are as follow;

BAHT

	Consolidated Financial Statement		Separate Financial Statement	
	2016	2015	2016	2015
Current service cost	11,621,123.34	10,147,869.00	6,528,308.00	5,764,076.00
Interest cost	1,639,440.00	1,445,672.00	1,104,192.00	941,872.00
Total	13,260,563.34	11,593,541.00	7,632,500.00	6,705,948.00

The principle actuarial assumptions used to calculate the provision under the retirement benefit obligation as of December 31, 2016 are as follows:

	Consolidated Financial Statement	Separate Financial Statement
Discount rate	2.49% and 2.77 %	2.77%
Salary scale increase rate	3.00 %	3.00 %
Employee with voluntary resignation before retirement ratio	0-67 %*	0-52 %*
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

Sensitivity analysis of significant actuarial assumptions

Significant actuarial assumptions for sensitivity analysis are discount rate, salary increase rate and mortality, while holding all other assumptions constant. The sensitivity analysis of change in the relevant actuarial assumption that was reasonably possible as of December 31, 2016 as follows:

- If the discount rate increases (decreases) by 1.0%, the employee benefit obligation would decrease Baht 3.12 million (increases Baht 3.53 million)
- If the salary increase rate increases (decreases) by 1.0%, the employee benefit obligation would increase Baht 3.84 million (decrease Baht 3.44 million).
- If the Employee with voluntary resignation before retirement increases (decreases) by one year for all employees, the employee benefit obligation would decrease Baht 3.37 million (increases Baht 2.02 million).

In presenting the above sensitivity analysis, the present value of the employee benefit obligation has been calculated by using the same method that applied in calculating the employee benefit obligation recognized in the statement of financial position.

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 24, 2015, the board of director meeting no. 1/2015 has approved to pay dividend for the year 2014 to shareholders, at Baht 0.10 per share for the 347.50 million shares, total amount of Baht 34.75 million.

On August 13, 2015, the shareholder meeting no. 3/2015 has approved to pay interim dividend for the six month period to shareholders, at Baht 0.08 per share for the 347.50 million shares, total amount of Baht 27.80 million.

On April 21, 2016, the shareholder meeting no. 1/2016 has approved to pay dividend for the year 2015 to shareholders, at Baht 0.11 per share for the 347.50 million shares, total amount of Baht 38.22 million.

On August 11, 2016, the shareholder meeting no. 3/2016 has approved to pay interim dividend for the six month period to shareholders, at Baht 0.10 per share for the 347.50 million shares, total amount of Baht 34.75 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 for bidding 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 2016 and 2015 at the rate 20%.

17.1 Income tax expense for the year ended December 31, 2016 and 2015, consisted of;

	BAHT			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Income tax charge of current periods	54,615,774.26	42,663,219.21	21,385,797.35	12,799,959.05
Deferred income tax Expense (Revenue)				
from temporary difference	-	-	-	-
Effects of deferred income tax				
from change of tax rates	(12,406,755.60)	(4,548,069.08)	(851,440.00)	(1,172,029.60)
Income tax expense presented				
in the statement of income	<u>42,209,018.66</u>	<u>38,115,150.13</u>	<u>20,534,357.35</u>	<u>11,627,929.45</u>

17.2 Income tax relating to components of statements of comprehensive income – other for the year ended December 31, 2016 and 2015 consisted of :

	BAHT			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Deferred income tax relating to;				
- Investment in marketable securities	8,372,000.00	700,000.00	8,372,000.00	700,000.00
- Actuarial estimates	-	731,057.00	-	2,096,513.00
Deferred tax expense (income) presented				
in statement of comprehensive income	<u>8,372,000.00</u>	<u>1,431,057.00</u>	<u>8,372,000.00</u>	<u>2,796,513.00</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, 2016 and 2015 are presented as the following:

	BAHT			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Accounting profit before corporate income	217,875,072.36	203,658,581.68	116,532,092.76	88,823,222.20
Corporate income tax rates	20%	20%	20%	20%
Accounting profit before corporate income-				
-Multiply by tax rates	43,575,014.47	40,731,716.33	23,306,418.55	17,764,644.44
Effects to deferred income tax	(12,406,755.60)	(4,548,069.08)	(851,440.00)	(1,172,029.60)
Effectsof income and expenses-				
- not related to income tax	2,016,900.00	3,446,000.00	-	-
Income tax effects that is nondeductible in				
Calculation of profit:				
- BOI Privileges	(2,273,832.16)	(5,599,888.38)	(2,273,832.16)	(5,599,888.38)
- Revenue exempted in tax calculation	9,546,998.14	2,474,120.28	(1,152,820.86)	(432,153.62)
-Nondeductible expenses	1,750,693.81	1,611,270.98	1,506,031.82	1,067,356.61
Income tax expense presented in the -				
Statement of Income	42,209,018.66	38,115,150.13	20,534,357.35	11,627,929.45

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, 2016	Dec-31, 2015	Dec-31, 2016	Dec-31, 2015
<u>Deferred tax assets</u>				
Investment in marketable securities	8,372,000.00	5,352,000.00	8,372,000.00	5,352,000.00
Consignment receivable	218,275,716.56	205,816,525.05	-	-
Allowance for impairment of	3,200,000.00	3,200,000.00	-	-
Employee benefit obligation	13,914,073.00	12,207,136.40	8,824,692.40	7,973,252.40
Total	243,761,789.56	226,575,661.45	17,196,692.40	13,325,252.40
<u>Deferred tax liabilities</u>				
Consignment inventories	(88,910,678.84)	(87,151,306.34)	-	-
Total	(88,910,678.84)	(87,151,306.34)	-	-
<u>Deferred tax assets – net</u>	154,851,110.72	139,424,355.11	17,196,692.40	13,325,252.40

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, 2016, 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, 2016 are as follow;

The Company

<u>For the period</u>	<u>Unit (Million baht)</u>
Not over 1 year	0.86
Over 1 year but not over 5 years	3.42
Over 5 years	-
Total	<u>4.28</u>

The Subsidiary Company

<u>For the period</u>	<u>Unit (Million baht)</u>
Not over 1 year	81.47
Over 1 year but not over 5 years	53.75
Over 5 years	0.24
Total	<u>135.46</u>

19.2 Letter of bank guarantee

As of December 31, 2016 and 2015, 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, 2016	December 31, 2015	December 31, 2016	December 31, 2015
1. Guarantee for Custom Department	0.56	1.93	-	0.25
2. Others	3.25	3.25	1.34	1.34
Total	3.81	5.18	1.34	1.59

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, 2016 and 2015, 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, 2016	December 31, 2015	December 31, 2016	December 31, 2015
ASSETS				
US Dollar	420,318.41	606,833.43	118,197.97	50,715.35
Hong Kong Dollar	-	-	-	-
Euro Dollar	-	-	-	-
Pound Sterling	-	490,999.52	-	-
LIABILITIES				
US Dollar	253,800.05	147,570.91	206,973.86	74,206.07
Hong Kong Dollar	200,799.20	9,246.00	-	9,246.00
Euro Dollar	282.70	72.00	-	-
Pound Sterling	4,698.97	30,727.58	-	-

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 fair value of company's financial assets and liabilities determine by the following basis.

Consolidated and Separate Financial Statement					
(Thousand Baht)					
Cost	Fair value				
	Level 1	Level 2	Level 3	Total	
As of December 31, 2016					
<u>Current</u>					
Temporary Investment					
<i>Available-for-sale securities</i>	102,760	60,900	-	-	60,900

The fair value of the Group's investment were determined to the Level 1 under the fair value hierarchy as such current investment has a published quotation price in an active market.

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 31, 2016 and 2015 are as follows:

Consolidated Financial Statement (Million Baht)						
	December 31, 2016			December 31, 2015		
	Export	Domestic	Total	Export	Domestic	Total
Revenue						
Sales – net	255.78	2,127.13	2,382.91	299.02	1,997.51	2,296.53
Services income	-	-	-	-	0.02	0.02
	<u>255.78</u>	<u>2,172.13</u>	<u>2,382.91</u>	<u>299.02</u>	<u>1,997.53</u>	<u>2,296.55</u>
Cost of sales			(1,125.00)			(1,099.02)
Gross profit			1,257.91			1,197.53
Selling and administrative expenses			(1,050.89)			(996.82)
Net profit from operation			<u>207.02</u>			<u>200.71</u>
Other income and expenses						
Other income			14.13			11.37
Financial cost			(3.27)			(8.42)
Total other income and expenses			<u>10.86</u>			<u>2.95</u>
Profit before income tax			217.88			203.66
Income tax expense			(42.21)			(38.12)
Net profit			<u>175.67</u>			<u>165.54</u>

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

Statements of income segmented by business for the year ended December 31, 2016 and 2015 are as follows:

	Separate Financial Statement (million Baht)					
	December 31, 2016			December 31, 2015		
	Export	Domestic	Total	Export	Domestic	Total
Revenue						
Sales – net	48.24	712.61	760.85	45.72	620.32	666.04
Services income	-	29.47	29.47	-	52.22	52.22
Total revenue	<u>48.24</u>	<u>742.08</u>	<u>790.32</u>	<u>45.72</u>	<u>672.54</u>	<u>718.26</u>
Cost of sales			(611.58)			(564.25)
Gross profit			178.74			154.01
Selling and administrative			(83.77)			(84.32)
Net profit from operation			<u>94.97</u>			<u>69.69</u>
Other income and expenses						
Other income			21.56			19.13
Financial cost			-			-
Total other income and expenses			<u>21.56</u>			<u>19.13</u>
Profit before income tax			116.53			88.82
Income tax expense			(20.53)			(11.63)
Net profit			<u>96.00</u>			<u>77.19</u>

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

Major customer information

During year 2016, the Company has earned from 3 major customers amounting to Baht 827 million.

23. EXPENSE BY NATURE

The significant expenses for the year ended December 31, 2016 and 2015 classified by nature are as follow;

	Baht			
	Consolidated Financial Statement		Separate Financial Statement	
	2016	2015	2016	2015
Changes in finished goods -				
- and work in process	2,499,300.34	35,481,602.66	(4,297,788.55)	(3,520,304.32)
Purchase of finished goods	22,373,864.17	8,325,887.25	-	-
Raw material and supply usage	548,380,843.93	539,968,891.92	324,611,090.65	305,167,649.86
Employees' expenses -				
- (Exclude management)	570,851,021.47	538,998,810.99	101,297,502.06	99,354,132.54
Depreciation and Amortization	60,099,694.13	59,773,659.34	11,263,510.06	12,103,257.75
Transportation expense	12,070,353.70	12,812,998.44	10,234.00	6,090.00
Chemical supplies and				
-cost of analysis	3,192,204.10	3,232,503.27	125,653.46	102,778.69
Advertising and promotion	86,686,777.44	85,266,982.14	64,502.52	89,904.86

24. EVENTS AFTER THE REPORTING YEAR ENDED

On February 23, 2017, the board of director meeting no. 1/2017 has a resolution to pay dividend for the year 2016 from the net profit of 2016 to its shareholders, at Baht 0.14 per share for the 347.50 million shares, total amount of Baht 48.65 million, which will be proposed to the Annual General Meeting of Shareholders No. 1/2017 on approval.

25. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statement has been approved by the Company's board of directors on February 23, 2017.

(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)	63	MINI MBA, Thammasat University Thai Institute of Directors (IOD) - 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))	52	MBA (Marketing) , Thammasat University Thai Institute of Directors (IOD) - DAP 63/2007 - EDP 5/2010 - HRP 6/2014 - FSD /2016	0.003	None	2015-Present 2007 - Present 1995 - 2007	-Nomination and Remuneration Committee - Chairman, Managing Director - Chairman and Member of Executive Committee - Director of Overseas Sales Department	- Sabina Plc - Sabina Plc. - Sabina Fareast Co., Ltd./design and manufacturing of ladies lingerie - Sabina Fareast Co., Ltd./design and manufacturing of ladies lingerie
3.Mrs.Suchanya Thanalongkorn	61	Bachelor of political Science Ramkhamkaeng University / Thai Institute of Directors (IOD) - DAP 105/2013	-	Mr.Viroj Thanalon gkorn's sister	2012-Present 2009-Present 1996-2009	-Director -Managing Director -Managing Director	- Sabina Plc. -36 Property -SGF Trading(Thailand)
4. Mr. Somkid Pardungkiattisak (authorized director as per details in the Certificate of Company Registration)	50	Bachelor's degree in cost accounting University of the Thai Chamber of Commerce/ Thai Institute of Directors (IOD) - DAP 120/2015 - EDP 16/2016 - ACPG /2016	0.003	None	2015-Present 2015 - Present 2013-2015	- Director - Accounting and Financial director - Accounting manager for factories	-Sabina Plc. -Sabina Plc. - Sabina Fareast Co., Ltd- for factories

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)	52	MBA (Marketing), Thammasat University / Thai Institute of Directors (IOD) - DAP 63/2007 - EDP 8 - ACPG /2016	0.003	None	2015-Present	-Director of Human Resource (Caretaker)	- Sabina Plc.
					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 Purchase and Production Preparation (Caretaker) - Director of Domestic Sales	- Sabina Plc.. - Sabina Fareast Co., Ltd
6. Miss Vachirawan Yamsri (Director)	51	Bachelor of political and administrative Science (finance) Chulalongkorn University / Thai Institute of Directors (IOD) - 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.
7. Miss Rawewan Peyayopanakul (Director and Chairman of Audit Committee)	69	MBA (Accounting) , Michigan State University, USA. / Thai Institute of Directors (IOD) - DAP ๓๑ 2003 - ACP ๓๑ 2005	-	None	2015-Present	- Nomination and Remuneration Committee	- Sabina Plc.
					2007 - Present	-Independent Director - 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
					2513-2550	- Assistant Professor	- Faculty of Commerce and Accountancy, Thammasat University

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. Mr. Somchai Vanavit (Director and Member of Audit Committee)	67	MBA, Southeastern Louisiana University, USA. / Thai Institute of Directors (IOD) - DAP 8/2004 - DCP 49/2004	-	None	2015-Present	-Chairman of the Nomination and Remuneration Committee	- Sabina Plc
					March 2011- Present	-Independent Director and Chairman of Audit Committee	-T.S.Flowmill Plc. (wheat flour Manufacture)
					2007 – Present	-Independent Director - Member of Audit Committee	-Sabina Plc.
9. Mr. Yuthana Adipath (Director and Member of Audit Committee)	71	MBA, Eastern New Maxico University Thai Institute of Directors (IOD) - DAP 63/2007	-	None	2015-Present	- Nomination and Remuneration	- Sabina Plc.
					2007 – Present	-Independent Director - Member of Audit Committee	- Sabina Plc.
10.Mr.Chakkris Uthayoplas	53	Master of Science Industrial Engineering&Manageme nt The Asian Institute of Technology/ / Thai Institute of Directors (IOD) - DCP 24/2002	-	None	2015-Present	-Independent Director	-Sabina Plc.
					2012-Present	-Managing Director	-Kelx Kaew Kor Kit Co.,Ltd.
					2008-2012	-Managing Director	-Sicco Securities Plc.
11.Miss Vaja Mukto (Company Secretary)	48	Bachelor of Accounting,Suan Dusit Rajabhat University / Thai Institute of Directors (IOD) - CSP 53/2013	0.03	None	2015-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. Somkid Pardungkiattisak	/, //	/, //
5.Miss Somsri Sripatoomrak	/, //	/, //
6. Miss Vachirawan Yamri	/, //	
7. Miss Rawewan Peyayopanakul	/, **	
8. Mr. Somchai Vanavit	/, *	
9. Mr. Yuthana Adipath	/, *	
10. Mr.Chakkris Uthayoplas	/	

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)	34	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.