

Personnel Development Policy

Pursuant to its longstanding business experience, the Company appreciates the importance of “human resources” as the most valuable asset that constitutes the key factor in driving the organization to success. This is combined with the ideological transformation which assigns lesser significance to tangible assets and the adoption of an approach which increasingly relies on working knowledge and skills, also called the intellectual capital. Together with a clear vision to become the leader in the national and regional fashion industries, the Company fully realizes that in order to achieve the set targets, it is imperative that the Company step up the creation of value and competencies of personnel ahead of its competitors. The goal is to achieve readiness to respond to business needs and create an advantage in an ever increasingly intensified competitive environment.

Education

The Company has a policy of promoting opportunities for personnel to develop their competencies by increasing knowledge as well as technical and technological expertise as appropriate and in line with the business operations. This year, 2 scholarships were granted to employees to undertake fashion studies in the Fashion Creation Course held by the Bunka Fashion Institute (Thailand). The period of studies is 2 years at a cost of Baht 240,000 each.

Product Knowledge Development

Throughout the previous year, the Company undertook the development of personnel, primarily on the basis of essential knowledge required for the performance of work (knowledge base). Importance was attached to knowledge-building pursuant to the concept of promoting the personnel’s in-depth knowledge of products. Thus, tests were administered to evaluate knowledge levels with respect to raw materials and trainings were continually organized to educate employees in business and production units, as well as other relevant units, to enhance those essential knowledge. These trainings were conducted by internal and external speakers having expertise in the development of raw materials. It is greatly anticipated that employees would be capable of applying those knowledge to their performance of work.

Apart from setting formal personnel development policies, the Company has also initiated informal development programmes. The “Learning by Sharing” project was launched with the objective of exchanging knowledge and experience between experts in raw materials and related persons with

respect to the business, designer, production, techniques, procurement and development of raw materials. Topics involved the sharing of data relating to the performance of tasks, such as new fibers and fabric, sewing techniques and procedures, and the selection of fabric for various products, including the directions and trends of demands for raw materials in the market. This project focuses on questions pertaining to data that would be beneficial to the performance of work in the format of dialogues to exchange views and experiences arising from work performance. A learning atmosphere is thereby created within the organization. Moreover, the knowledge obtained from exchanges in the project has been recorded in the E-learning system of the Company. This information database is opened to unlimited access by employees at all times.

Computer Training

In the light of technological evolutions that have affected current business operations and became an increasingly important factor in businesses, the Company has not stood still in developing its personnel in terms of skills, knowledge and competencies in the use of modern computer technology and keeping them up to date with innovations. For these reasons, a personnel development plan has been drawn in this regard. Surveys and assessments were carried out on the needs for development. Employees were given opportunities to receive training and actual practice guidance in workshops, after which they would be continually assessed whereby the success of training would be measured from their performances after such training.

High Caliber Personnel Training

Pursuant to the Company's views with regard to the importance of changes in external factors as well as the growth of the organization, the Company fully appreciates the significance of building and developing a new generation of personnel who would rise up the ranks to become executives in the future. A project to develop a group of high caliber personnel, also known as STAR, was therefore initiated. Analyses, selections and assessments of employees' calibers were undertaken to seek out qualified candidates with the objective of developing such group of employees to possessing the requisite knowledge, high potential and recognized high performance in line with the organization's direction in the future. Focus was given to the formulation of a suitable individual development plan (IDP), in which the forms of knowledge training, work visits in companies within the Sahapat Group, special assignments

were stipulated to encourage mutual learning, including the sponsorship of educational scholarships and the promotion of study visits domestic and overseas.

Training and Development

As regards training and development, factors at the heart of the promotion and enhancement of personnel calibers which are continually regarded and attributed with great significance, the Company has formulated personnel development plans which are essentially consistent with the business directions. In-house and public trainings have both been organized with particular focus on monitoring the result of trainings and developments by assessing the capabilities to apply such knowledge to the tasks at hand, as well as the ability to transfer knowledge received from the training to other team members or related work units. These programmes have been undertaken in the interest of development and improvement of work performances, such as in the “Lean Thinking” course. In addition, the Company has appreciated the significance of updated knowledge on fashion market demands through training in creative design courses. These design concepts were consistent with fashion trends as advised by consultants with direct expertise and experience, an aspect which is regarded as having great importance in the business.

Creation and Development of Organizational Culture

Pursuant to the visions and tasks of the organization in carrying out a sustainable business, the Company has designated core competencies of the organization, also called “CABLE”. The objective of this exercise is to create and develop working guidelines for the Company’s personnel by continually promoting such concepts. In 2009, the “CABLE in your Souls” event was organized at the Head Office in Bangkok and the branch offices. The aim was to achieve employees’ appreciation of the importance of the Company’s expectations on its personnel, as well as the adaptation of working behavior and attitudes. In this regard, the knowledge, understanding and expression of behaviors of employees have been continually assessed. At the same time, the Company has also promoted other related activities which are consistent with 5 important characteristics, as follows.

- Continuous Learning. The Company promotes learning from within and outside the organization, including the “Learning by Sharing” scheme to exchange experiences and knowledge between work units. Employees were thereby able to carry out continuous learning.

- Accountability. The Company fosters the determination to achieve goals and accountability to the work results, both from work plans and assessments. Key performance indices (KPI) are stated clearly, transparently and open to inspection. The performances would then be applied in further developments and improvements of work results.

- Business Understanding. The Company communicates and conveys awareness and understanding of the Company's business standing, as well as invited qualified experts and external speakers to provide knowledge on proactive business methods in response to current economic conditions.

- Leadership. The Company is committed to creating and developing the leadership qualities of employees through its notion of enhancing the leadership skills, including the development of competencies of good leaders, such as decision-making, planning, advising and developments under the "managerial competency" principles. Other forms of development have also been applied.

- Energy to Teamwork. The Company has promoted harmony in the organization to converge the working energies into successes by promoting teamwork, knowledge sharing and organizational learning, including collective analyses and modifications of work for greater efficiency.

In any event, however, the sources of great pride for Thanulux are the successes in the joint creation and development of innovative products. Focus was given to the collective creativity of personnel which were expressed in the work products. Acclamation was finally given in the form of an Outstanding Innovation Award in the Saha Group Innovation Contest organized under the Saha Group Export & Trade Exhibitions 2009. Above all, the success on this occasion serves as an indication of a major turning point where Thanulux was able to advocate to its members of the importance of creativity, the development of operational systems, as well as perceptions from different viewpoints to create value, the delivery of products and services to the satisfaction of customers and related persons, and clearly responding to the tasks of the Company. This is regarded as an important factor in fostering synergy in the development of the organization to its continual successes.

For over thirty years, the Company has operated its businesses with trust and respect for the value of humans, which was at the heart of operations, the recognition of equality and the prioritization of the creation and development of personnel as members of the organization. This was consistent and in line with the philosophy of the former chairman, Dr. Thiem Chokwatana, who once said "people are the most valuable resources in the world" and were the driving force behind the organization in tackling crises and leading the organization in reaching its goals together.