

# Beauty Inside

ผู้หญิง...สวยที่สุดจากข้างใน

รายงานประจำปี 2556  
บริษัท ไทยวาโก้ จำกัด (มหาชน)

2013

# ANNUAL REPORT

Thai Wacoal Public Company Limited

# ข้อมูลสำคัญทางการเงิน

## Financial Overview

งบการเงินรวม	CONSOLIDATED	2556 / 2013	2555 / 2012	2554 / 2011
<b>ฐานะทางการเงินและ</b>				
<b>ผลการดำเนินงาน (ล้านบาท)</b>				
สินทรัพย์รวม	Total Assets	6,027	6,415	5,992
หนี้สินรวม	Total Liabilities	1,025	1,205	1,089
ส่วนของผู้ถือหุ้น	Equity	5,002	5,210	4,903
รายได้จากการขายและบริการ	Sales	3,630	4,095	3,689
รายได้รวม	Total Revenues	3,826	4,277	3,927
กำไรขั้นต้น	Gross Profit	792	984	920
กำไรสุทธิ	Net Profit	254	417	394
<b>ข้อมูลต่อหุ้น (บาท)</b>				
<b>PER SHARE DATA (Baht)</b>				
มูลค่าที่ตราไว้	Par Value	1.00	1.00	1.00
มูลค่าตามบัญชี	Book Value	41.68	43.41	40.86
กำไรสุทธิ	Net Earnings	2.12	3.48	3.28
ราคาตลาด	Market Price	50.00	47.25	47.00
เงินปันผล	Dividend	2.25 *	2.40	2.10
<b>อัตราส่วนทางการเงิน</b>				
<b>FINANCIAL RATIO</b>				
<b>ความสามารถในการทำกำไร (%)</b>				
<b>PROFITABILITY RATIO (%)</b>				
อัตรากำไรสุทธิต่อรายได้รวม	Return on Total Revenues	6.65	9.76	10.03
อัตราผลตอบแทนผู้ถือหุ้น	Return on Equity	4.98	8.25	7.93
<b>สภาพคล่อง (เท่า)</b>				
<b>LIQUIDITY RATIO (Times)</b>				
อัตราส่วนสภาพคล่อง	Current Ratio	4.44	4.60	4.63
อัตราส่วนสภาพคล่องหมุนเร็ว	Quick Ratio	2.40	2.92	3.09
อัตราส่วนสภาพคล่องกระแสเงินสด	Liquidity of Cash Flow from Operation	0.29	0.35	0.27
<b>ประสิทธิภาพในการดำเนินงาน (%)</b>				
<b>EFFICIENCY RATIO (%)</b>				
อัตราผลตอบแทนจากสินทรัพย์	Return on Assets	4.09	6.73	6.79
อัตราผลตอบแทนจากสินทรัพย์ถาวร	Return on Fixed Assets	37.27	59.49	58.54
<b>วิเคราะห์นโยบายทางการเงิน (เท่า)</b>				
<b>FINANCIAL POLICY RATIO (Times)</b>				
อัตราส่วนหนี้สินต่อส่วนของผู้ถือหุ้น	Debt to Equity Ratio	0.20	0.23	0.22
อัตราส่วนความสามารถชำระดอกเบี้ย	Interest Coverage Ratio	3,577.28	700,826.04	2,786,816.53
อัตราการจ่ายเงินปันผล (%)	Payout Ratio (%)	106.16 *	69.01	63.97

\* ที่ประชุมคณะกรรมการบริษัท มีมติให้จ่ายเงินปันผลหุ้นละ 2.25 บาท แล้วนำเสนอต่อที่ประชุมสามัญผู้ถือหุ้น ซึ่งกำหนดให้มีขึ้นในวันที่ 21 เมษายน 2557

\* The Board of Directors resolved to set dividend payment rate at Baht 2.25 per share, for further proposal to the shareholders' general meeting for approval, on April 21, 2014.

# Contents

2	Report by The Board of Directors
3	The Audit Committee's Report
4	The Board of Directors
6	Company Products
10	Corporate Business Policy and Business Overview
18	Corporate Business Nature
25	Risk Factors
27	General Information and Other Significant Details
31	Information on Company Securities and Shareholders
33	Dividend Payments Policy
34	The Nominating Committee's Report
35	The Remuneration Committee's Report
36	Management Structure
47	Corporate Governance
78	Social and Environmental Responsibilities Report
79	Corporate Social Responsibility (CSR)
93	Internal Control and Risk Management
96	Inter-Transaction
101	The Board of Directors' Responsibility Report towards Financial Statements
102	Financial Statements
160	Management Discussion and Analysis
167	Personal Information of Company Directors and Management Members

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

# Report by The Board of Directors



Mr. Manu Leelanuwatana  
Chairman

The year 2013 proved to be a considerably difficult year for both Thailand's economy and the business community as a whole. Against the backdrop of a slowly recovering global economy, the country's economy, however, had to endure several harshly adverse developments during the year.

Major critical impacts included the sharp hike in minimum wages to Baht 300 per day implemented across the country, coupled with the drastic volatility in exchange rates movement, causing the Thai currency to strengthen its value at such rates higher than its counterparts in the region, particularly against such major currencies as the Japanese yen and the US dollar. Consequently, the stronger Baht led the country to lose its competitiveness against others in the international trade arena.

On the other hand, the domestic economy continued to face persistent stagnation, significantly affecting both the consumption and the investment sectors at the same time. Such harsh situation was aggravated further by the prolonged political conflict within the country, continuing unabated with no immediate end in sight, in turn hindering the country's economic developments, and eroding the confidence among international investors and visitors destined for the country.

These prevailing adverse factors naturally posed unavoidable negative impacts upon the performances by both Thai Wacoal Plc. and other subsidiaries, leading to lower sales revenue and profits as the result. For the year 2013, the company registered total sales revenue of Baht 3,629.51 million and net profits of Baht 254.34 million, representing the decline of 11.36% and 39.05% from the previous year respectively.

Upon consideration of the company's performance results and its financial standing for 2013, The Board of Directors resolved to propose to the shareholders' general meeting on April 21, 2014, to approve dividend payments to the shareholders at the rate of Baht 2.25 per share, altogether amounting to 106.16% of its total net profits, with the payment date being set for May 20, 2014.

Based on such firm belief that any serious difficulty also opened up the window of new opportunity as well, the company therefore ensured its full readiness to embrace new forthcoming business ideas and prospects. For such purpose, the company strongly challenged both its management and company employees to strengthen their joint efforts in propelling the company towards its ultimate business objective—in establishing itself as a "World-Class Integrated Lingerie Trading Specialist" for the coming future.

Towards realizing such vision, it would be mandatory for the company to further upgrade its overall operating systems, so as to become much more speedy, accurate, and effective, in responding to the diversifying customers' requirements. Such improvements would need to cover all essential operations areas, ranging from further developments in its logistics infrastructure, marketing planning and strategies, cost-effective manufacturing processes, products merchandising creating value-added features, to the retail-end of sales outlets expansion. Such critical developments would enable the company to achieve better effective access and response to serve the broadening customer base and demands.

At the same time, the company would be required to explore prospects for expanding its manufacturing and business scope to further overseas destinations. The key to such success would apparently lie in the company's firm commitment and dedication towards upgrading its human resources capabilities to such level compatible with the intensifying international challenges.

Equally important was the company's firm commitment dedicated to upgrading its good corporate governance practices on a consistent basis, accompanied by its full responsibilities commitment towards the society, together playing the important roles in allowing company operations to be carried out in a transparent manner, with the interests of all stakeholders well in mind.

In recognition of these commitments, the company was chosen to receive an "Excellent" appraisal award for its good corporate governance practices, as the result of the survey conducted among SET-listed companies for the year 2013. To support such good cause further, at end-2013, The Board of Directors resolved to set-up The Corporate Governance Committee to provide full support to said corporate governance practices by the company. In addition, the company's campaign program entitled "Wacoal Pink Ribbon-Fighting Against Breast Cancer" was also credited with "The Outstanding CSR Award for the ASEAN Region" for the year 2013.

Finally, on behalf of The Board of Directors, may we express our sincere thanks to the shareholders, customers, business partners, company employees, and all the concerned parties, for their valuable contribution and support rendered the company throughout the past year. For this year, we would look forward to receiving such continued valuable trust and support further, in serving as the essential force driving our company towards further achievements and success, while preparing ourselves to be fully ready for the challenges of The Asean Economic Community coming into effect in this near future.

A handwritten signature in black ink, reading "Manu Leelanuwatana".

(Mr. Manu Leelanuwatana)

Chairman

# The Audit Committee's Report



Assoc.Prof. Dr. Kulpatra Sirodom  
Chairman of The Audit Committee

The Audit Committee of Thai Wacoal Public Company Limited consisted of 3 independent directors, with Associate Professor Dr. Kulpatra Sirodom as the Chairman, and Mrs. Punnee Worawuthichongsathit and Mrs. Saranya Chindavanig as members of The Audit Committee respectively. All committee members were duly qualified in accordance with the requirements by The Stock Exchange of Thailand.

For the year 2013, The Audit Committee convened total 12 meetings, including meetings held jointly with company auditors, without the attendance by members of the management. The Audit Committee duly carried out its assignments in accordance with such duties and responsibilities assigned by The Board of Directors, and specified per The Audit Committee Charter, which were in compliance with the good practice guidelines laid down by The Stock Exchange of Thailand. Major achievements by The Audit Committee during the year 2013 could be largely summarized as follows :

- Reviewed the financial statements of the company and its subsidiaries on both quarterly and yearly basis for 2013, to ensure their compliance with the accounting standards requirements, and the disclosure of the notes to the financial statements in accordance with the financial reporting standards. As the result in line with the opinions by The Company Auditor, The Audit Committee concluded that, those financial statements fairly presented substantial context in accordance with Thai Financial Reporting Standards. Those information were also deemed to have been disclosed in an adequate and timely manner.
- Reviewed the adequacy and efficiency of the internal control system and the internal audit system, to ensure proper good corporate governance and anti-fraud practices. Endorsed the annual audit plan and regularly monitored the assignments progress made by the internal audit office, supervised the review over the risk assessment and internal controls system assessment based on COSO-ERM standard. As the result, The Audit Committee did not come across any significant deficiency, and concluded that the company had adequate internal control system in place compatible with the prevailing business environments.
- Recommended the appointment of the certified public accountant as company auditor together with relevant remuneration proposal, by giving due consideration to the knowledge, ability, trustworthiness, and independence of the candidate in performing such duties. As the result, The Audit Committee proposed to The Board of Directors to seek further approval from the shareholders' meeting, to appoint Dr. Suphamit Techamontrikul and/or Mr. Niti Jungnitnirundr and/or Mr. Manoon Manusook, representing Deloitte Touche Tohmatsu Jaiyos Audit Company Limited to act as the auditor for the company and its subsidiaries for 2014 at the fees of Baht 4.39 million.
- Reviewed the connected transactions and the transactions with possible conflict of interests. As the result, The Audit Committee concluded that those transactions were duly based on regular business terms for the best interests of the company, whose transaction details were properly disclosed in accordance with the requirements of The Securities and Exchange Commission.
- Supervised to ensure that the company had proper risk management system compatible with the prevailing business environments.
- Supervised to ensure full compliance with the laws on business operations by the company. Furthermore, supervised self-appraisal review over assignment achievements by members of The Audit Committee.
- Endorsed The Internal Audit Charter and reviewed The Audit Committee Charter to ensure sufficient coverage over all assignments of The Audit Committee, in compliance with the good governance requirements by The Stock Exchange of Thailand.

The Audit Committee duly performed its assignments in a complete and independent manner. The Committee supervised corporate management through the implementation of effective internal control system, well compatible with the prevailing business environments. At the same time, The Committee supervised company operations to ensure proper risk management practices on a continuous basis. Furthermore, The Committee supervised to ensure that the financial statements were duly prepared in accordance with Thai Financial Reporting Standards, with adequate information disclosure, and in compliance with all the regulations, provisions, and legal requirements related to business operations. As the result, The Audit Committee concluded not to have come across any deficiency or irregularity deemed as significant.

A handwritten signature in black ink, appearing to read 'K. Sirodom'.

(Assoc.Prof. Dr. Kulpatra Sirodom)  
Chairman of The Audit Committee



# The Board of Directors



Mr. Boonsithi Chokwatana  
-----  
Advisor to The Board of Directors

## ■ THE BOARD OF DIRECTORS

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Mr. Yoshikata Tsukamoto  
-----  
Advising Director



Mr. Manu Leelanuwatana  
-----  
Chairman



Mr. Yuzo Ide  
-----  
Vice Chairman



Miss Sirikul Dhanasarnsilp  
-----  
Vice Chairman



Mr. Boondee Amnuayskul  
-----  
Managing Director



Mr. Atsushi Tabata  
-----  
Deputy Managing Director



Mr. Amnuay  
Bumroongwongtong  
-----  
Director



Mr. Thamarat Chokwatana  
-----  
Director



Mr. Ikuo Otani  
-----  
Director



Mr. Kiyotaka Hiroshima  
-----  
Director



Assoc.Prof.  
Dr. Kulpatra Sirodom  
-----  
Independent Director,  
Chairman of The Audit  
Committee and Chairman  
of The Corporate  
Governance Committee



Mrs. Punnee  
Worawuthichongsathit  
-----  
Independent Director and  
The Audit Committee  
Member



Mrs. Saranya Chindavanig  
-----  
Independent Director,  
The Audit Committee  
Member and The Corporate  
Governance Committee  
Member



Mr. Krish Follett  
-----  
Independent Director and  
Chairman of The Risk  
Management Committee



Assoc.Prof.  
Nares Kesaprakorn  
-----  
Independent Director and  
The Risk Management  
Committee Member



# Company Products

B'me  
BY Wacoal

## • Ladies' Lingerie



*born to be...*  
**BRABERRY**  
SPECIAL ELEGANCE

*mood*



Wacoal  
**FIRST bra**

Wacoal  
**APUS**









• Childrenwear

ELLE

Little  
Wacoal

ENFANT

ENFANT

GREEN FOR BABY

bsc  
Kiddo

De bon

ENFANT

Trömbone





WACOAL BLOUSE



# Corporate Business Policy and Business Overview

## Business Overview

Thai Wacoal Public Company Limited was established through joint-venture investments between Saha Pathanapibul Company Limited and Wacoal Corporation of Japan on October 1, 1970, as the first ladies' lingerie products manufacturer on an industrial basis in Thailand. In 1983, the company became a listed company on The Stock Exchange of Thailand, and later on in 1994 was transformed into a public company.

Today, the company was engaged in manufacturing operations for ladies' apparel products, covering the range of ladies' lingerie, ladies' outerwear, and childrenwear, with ladies' lingerie category serving as the core product group for the company.

With regard to the distribution of its products to the domestic market, I.C.C. International Plc. was appointed as the company's major distributor. Whereas for its export business operations, the company exported its products to affiliated companies under Wacoal Corporation, to major country destinations such as Japan, the U.S., and ASEAN countries.

## Corporate Vision, Mission, and Values

The company has laid down its vision, mission, and values as follows:

### Vision

To strive towards establishing itself as a World-Class-Integrated Lingerie Trading Specialist.

### Mission

To consistently engage in upgrading its competitiveness on a continuous basis, leading to sustainable growth and success, based on its adherence to morality, ethics, mutual trust and respect among all stakeholding parties.

We intend to present products and services fully satisfying customer needs and expectations, through its complete dedication to quality, together with due attention to changing ages, speedy response, professional human resources and responsibilities toward the society and the environments.

### Corporate Values

- W standing for Work in Team and Be Professional
- A standing for Achievement and Positive Attitude
- C standing for Creative and Initiative
- O standing for Open to Experience
- A standing for Active and Dynamic to Change
- L standing for Love and Mutual Trust

## Significant changes and developments

Throughout the 43 years of business operation, the company is keen on studies, research and development of physiology, raw materials, design and tailoring continuously so as to develop quality products with comfortable wear, which suit the physiological structure to enhance the beauty and confidence for women at every age group.







## ● The First Decade: Establishment of Business Foundation (1970 -1979)

- 1970 • Started to produce lingerie products.
- 1971 • Expanded the production to cover girdle, underwear, short bodysuit, petticoat and nightwear products.
- 1972 • The company started to export to overseas market for the first time. The company further added children wear and outerwear products to its product line-up.
- 1973 • Increased the registered capital from 4 million baht to 8 million baht.
- 1974 • Started production for children wear to distribute locally.
- 1979 • Increased the registered capital to 20 million baht.

The First Decade is the pioneer stage of lingerie products, which employed marketing and innovation strategies for new products and services, such as arrange salespersons to give suggestions to customers so as to choose lingerie products which fit each individuals' physiology. The company is also the first to use the special term for lingerie salesperson as "Proportion Consultant" or "PC", which has become widely used today. The company also arranged for "Fitting Room" at stores and is the first to introduce the Cup and Size System as well as determine the lingerie products at fixed price. The company is also the first brand to air the lingerie advertisement on television in Thailand. As a result, the product brand became widely known and totally changed the behavior and concept of women towards lingerie products.



## ● The Second Decade: Exponential Growth (1980 - 1989)

- 1980 • Changed the company logo from  to the  due to the 10<sup>th</sup> Year Anniversary of its establishment on 1<sup>st</sup> October 1980. The logo looks like a blooming flower, which represents progress of the company. The color code for the company is red-wine and pink.
- The computer system was introduced in the production line for the first time.
- Joint-ventures with many raw materials producers to study and develop new raw materials with equal quality to foreign countries. As a result, it replaced more than 90% of import.
- 1984 • Expanded production by establishing the SR.W.Garment Company Limited at the Saha Group Sriracha Industrial Park, Cholburi.
- The company also launched "Wacoal Computer Service" to provide the proportion measurement service to customers with advanced computer program, so as to find out the Cup and Size and choose the lingerie which fits to the body.



- 1985 • Established the Wacoal Body Clinic at Sogo Department Store, Ratchaprasong to provide special lingerie tailoring service to individuals and persons with special physical features.
- 1986 • Changed the mini computer system to mainframe system to increase efficiency in all departments.
- 1987 • Increased the registered capital to 40 million baht and established the Wien Company Limited to produce lingerie products, brandname: WIENNA in the direct sales system. Currently, the company is the leader in the direct sales system with the most members and changed its name to Wien International Company Limited in 2011.



In the Second Decade, this is the age of improvement to management system, business expansion, search for new raw materials sources to provide stability and increase the competitive edge of the company amidst increasing competition.



### • Third Decade: Proof of Organization Strenght (1990 - 1999)

- 1990 • Introduced highly precise tools and equipment to analyze physiological features such as Sihouette Analyzer, Moire and Sketched Outlines.
- 1991 • Established the Product Research & Development Center to research, test and analyze the quality of textile materials based on the JIS (Japanese International Standard) as well as research and develop new raw materials.
- 1992 • Provide Clinical Wear Service to individuals, so that the wound dries quickly, treatment for burns, scald wounds.
- 1993 • Established 3 more subsidiaries: Wacoal Lamphun Company Limited, Wacoal Kabinburi Company Limited, and Pattaya Kabinburi Company Limited respectively.
- 1994 • Converted to public company limited and increase capital continuously respectively. Currently, the registered capital is 120 million baht.
- 1997 • Starting the Thailand Best Project and promote the products in the group to overseas market by organizing "Sahagroup Export & Trade", which is organized annually until present day.
- 1998 • Established the Call Center, Customers Relations Center
- 1999 • The company issued 500 million baht bond to reduce the loan from banks.



The Third Decade is a test to the strength and management strategy and the company was able to come through the economic crisis steadily. This is the age to meet the demand of customers and use information to develop products as well as expanded production capacity to other regions of the country, so as to conform to the industrial expansion policy to the regions.

- **The Fourth Decade: Move Forward with Innovations (2000 – 2009)**

- 2000 • Started the "Wacoal Pink Ribbon Fight Against Breast Cancer Project" campaign to Thai women, so that they become aware to take care of themselves and prevent against breast cancer.
- 2005 • Introduce the customers' demand analysis system: Quality Function Deployment and Kansei Engineering to design products.
- 2006 • Develop new innovation service "Balancing Bra Service", provide tailoring service to women who have lost their breasts and consistently gives Balancing Bra to women who have lost their breasts but could not afford to buy the Balancing Bra.
- 2008 • The company adjust the product image to premium grade, cut the borderline between underwear and casual wear by developing "Diamond Intimacy" as a new product with Swarovski crystal on underwear as first launch.



The Fourth Decade is an age of competition. The company marketing strategy is on the offensive, adjusted the product image, implement innovation where consumers are concerned about the environment, laid down solid information system so as to rapidly strengthen internal management and help the management to efficiently manage the supply chain.

- **The Fifth Decade: Free Trade Era (2010 - Present)**

- 2010 • Due to the 40<sup>th</sup> Anniversary of the company establishment, a fashion show Princess Collection under the royal patronage of Princess Siriwannawaree was organized and proceed was donated to build the Breast Cancer Center.
  - Started to produce and distribute Wacoal Gold, lingerie products for health conscious individuals and elderly women. This is a market base expansion as well as modernized the image of products to suit customers in every age group, as the slogan "40 Years of Deep Understanding towards Women".
- 2011 • Established the Tora 1010 Company Limited to export products to overseas market.
  - Adjusted the organizational structure based on the Lean Organization concept, so that working is highly versatile and can meet the demand of customers quickly.
  - Develop new marketing channels by opening "His & Her Shop" and use social network to reach more customers





- 2012 • Collaborate with business partners organize "School of Deep Textile" project which helps develop textile and garment specialists for new business model.
- Launch brand new product "B'me" and develop wide variety marketing channels to match with the customers' behavior in digital age.
- 2013 • Established Pattaya Mynma Co.,Ltd. to expand production base in C L M V
- Restructure Logistics and warehouse management system to improve efficiency.



## • Equivalent Standard to International Standard



**2002 :** Received International Standard Certification: ISO 9001:2000 from Bureau Veritas Quality International (BVQI) for "Design and Manufacturing of Ladies' Foundation Garment (Brassiere)"

**2009 :** ISO 9001: 2008 Certificate from Bureau Veritas Certification (Thailand) Ltd. for "Design and Manufacturing of Ladies' Foundation Garment (Brassiere)".



**2012 :** Receives ISO14001:2004 Environmental Management System Certification from Bureau Veritas Certification (Thailand) Ltd. for "Design and Manufacturing of Garment".



**2005 :** Received Product Certification as "Non-Toxic Brassiere" based on the standard label Oeko-Tex Standard 100 (Class2) from TESTTEX Swiss Textile-Testing Institute. Textiles Test Certification based on the Wacoal Corporation Standard.





- 2007 :** Laboratory Standard Certification ISO/IEC 17025 from the Thai Industrial Standards Institute, Ministry of Industry and expanded the scope of certification from Year 2009.
- 2010 :** Expanded the Laboratory International Standard Certification: ISO/IEC 17025 : 2005 to cover product usage.



- 2008 :** The first company in Thailand to receive the Thai Industrial Standards Certification 2346-2550 from the Thai Industrial Standards Institute, Ministry of Industry for women lingerie products concerning safety from harmful dyestuffs and chemical substances.



- 2009 :** The first "Green Label" Product Quality Certification in Thailand from the Thai Industrial Standards Institute, Ministry of Industry, and Thailand Environmental Institute for women lingerie products regarding safety from harmful substances and are environmental friendly.
- 2012 :** Expanded the "Green Label" Product Quality Certification to all Wacoal innerwear products



- 2009 :** Received the CoolMode sign for ladies nightwear and outerwear from Thailand Greenhouse Gas Management Organization (Public Organization) and Thailand Textile Institute as a company which produces garment and help to reduce global warming.
- 2012 :** Expanded the CoolMode sign for ladies innerwear for example, Cool Bra and Cool shape.



- 2011 :** Carbon Footprint Label Certification from Thailand Greenhouse Gas Management Organization (Public Organization), Ministry of Natural Resources and Environment and the Textiles Industry Institution and Thailand Industrial Standards Institute.
- 2013 :** Expanded Carbon Footprint Label Certification for ladies innerwear and baby diapers.



## Shareholding structure for companies under Thai Wacoal group

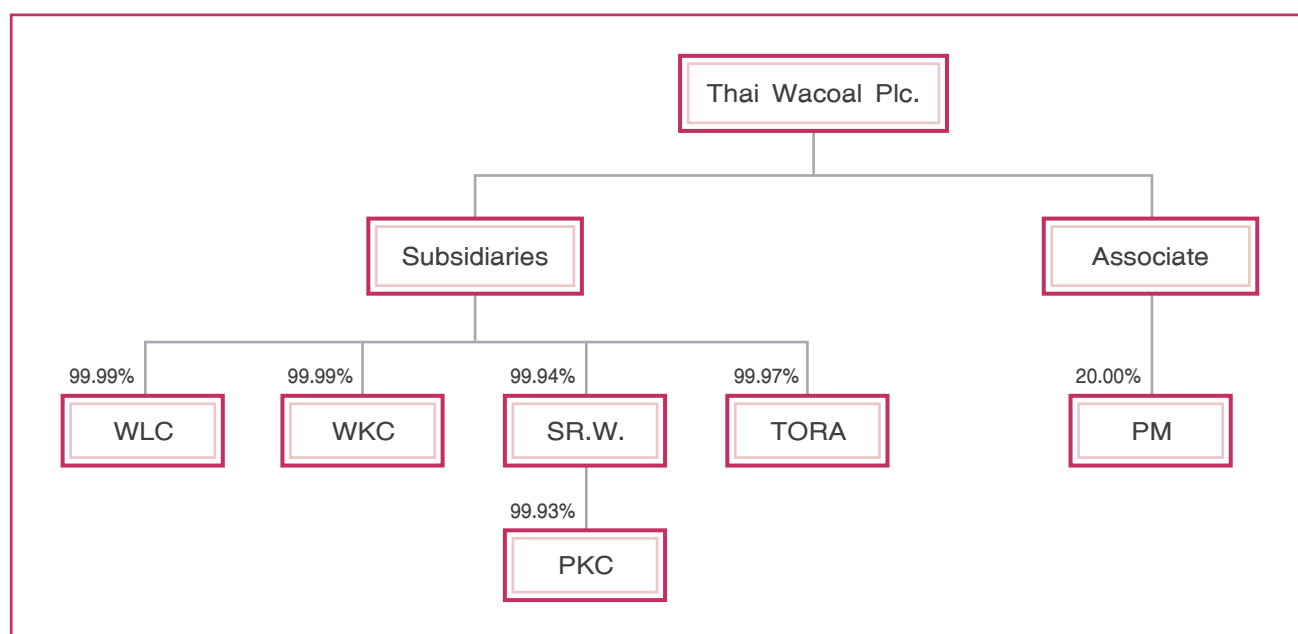
### Business interests allotment policy for companies within the group

**The company** Being responsible for key operational areas of, products design, research & developments, merchandising, materials procurement, and production planning, through coordination with its distributors and key retailing channels, while delegating order processing to its subsidiaries conforming to their respective skills and expertise, so as to achieve products manufacturing best conforming to overall market requirements. Apart from engaging in its own products manufacturing for distribution to both local and overseas markets, the company also supervised over key operational areas for its subsidiary companies, ranging from finance & accounting, personnel management, to selling operations for products of its subsidiary companies.

**Subsidiary companies** Serving as the company's manufacturing unit whereby most of the products manufactured would be further sold to the company. Nevertheless, in some certain case for export operations, one subsidiary company was authorized to engage in the manufacturing and export operations of such products to specified destinations in accordance with the exclusive orders from certain overseas customers. Basically, these subsidiary companies did not require any financial support from the company.

**Associate company** Referred to companies engaged in joint investments and business activities with the company and contributing to their common business interests, by utilizing their respective knowhow and expertise in supporting their mutual business operations and interests

### Shareholding structure and delegation of operational duties among companies within the group



**Remark :** Voting rights in the subsidiary and associate companies were allocated according to shareholding proportion

WLC	=	Wacoal Lamphun Co., Ltd.
WKC	=	Wacoal Kabinburi Co., Ltd.
SR.W.	=	SR.W. Garment Co., Ltd.
PKC	=	Pattaya Kabinburi Co., Ltd.
TORA	=	Tora 1010 Co., Ltd.
PM	=	Pattaya Myanmar Co., Ltd.

### Cross-shareholding as of December 31, 2013

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

Company name	Shareholding Percentage	
	Shareholding by the company	Shareholding in the company
<b>1. In the case of over 50% shareholding</b>		
(A) Other companies holding over 50% shares in the company		
Cross-shareholding by the company in other companies is not allowed.	-	-
(B) The company holding over 50% shares in other companies		
Cross-shareholding by other companies in the company is not allowed.		
1. Wacoal Lamphun Co., Ltd.	99.99	-
2. Wacoal Kabinburi Co., Ltd.	99.99	-
3. Tora 1010 Co., Ltd.	99.97	-
4. SR.W. Garment Co., Ltd. (SR.W.)	99.94	-
5. Pattaya Kabinburi Co., Ltd. (Equity held by SR.W. = 99.99%)	99.93	-
(C) The company holding over 50% shares in 2 other companies and over		
Cross-shareholding between other such companies is not allowed.	-	-
<b>2. In the case of over 25% shareholding, but not exceeding 50% shareholding</b>		
(A) Other companies holding over 25% but not exceeding 50% shares in the company		
Over 10% cross-shareholding by the company in other companies is not allowed.		
1. Wacoal Corporation	-	33.61
(B) The company holding over 25% but not exceeding 50% shares in other companies		
Over 10% cross-shareholding by other companies in the company is not allowed.	-	-
<b>3. In the case of not exceeding 25% shareholding*</b>		
(A) Other companies holding not exceeding 25% shares in the company		
Over 25% shareholding by the company in other companies is not allowed.	-	-
(B) The company holding not exceeding 25% shares in other companies		
Over 25% shareholding by other companies in the company is not allowed.		
1. Saha Pathana Inter-Holding Plc.	0.68	21.26
2. I.C.C. International Plc.	3.82	4.93
3. Bangkok Bank Plc.	0.01	3.90
4. Wien International Co., Ltd.	17.90	0.92
5. Grand Star Industry Co., Ltd.	17.80	1.15
6. Pattaya Manufacturing Co., Ltd.	14.67	0.21

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

## Business Relationship with the company's major shareholding parties

The company was engaged in the manufacturing operations of ladies' lingerie products under "Wacoal" brand as licensed by Wacoal Corporation, Japan, a major shareholding party in the company. In exporting its products to overseas destinations, the company was required to carry out such export activities through the network of companies under Wacoal Corporation group, to such major destinations as Japan, the U.S., and ASEAN countries.

At the same time, the company was engaged in joint business activities with Saha Pathana Inter-Holding Public Company Limited, another major shareholding party in the company. Such joint activities served to further strengthen the company's business operations, and complement further integration in industrial garment manufacturing processes, ranging from materials procurement to the retail-end of products distribution and sales.

# Corporate Business Nature

## Company's products

1. Ladies' lingerie – under the registered brands of Wacoal, POP Line, WIENNA, and B'me
2. Ladies' outerwear – under the registered brands of 5.up, Racé, WB Line II, in 9, seaquin, RICCO, 1 mile and WACOAL BLOUSE
3. Childrenwear – under the registered brands of ENFANT, Trombone, De bon, Little Wacoal, ELLE PETITE, ELLE POUPON, bsc and ST. ANDREWS

## Revenue structure

For 2013, the company's group could achieve total sales turnover being classified into domestic and export sales at the ratio 70% and 30% respectively.

## Classified upon product categories

Unit : Million Baht

Product	Company	Shareholder Percentage	2013		2012		2011	
			Income	%	Income	%	Income	%
Domestic income								
Ladies' lingerie	Thai Wacoal Plc.	–	2,162.55	59.58	2,366.65	57.80	2,152.81	58.36
	SR.W. Garment Co., Ltd.	99.94	52.83	1.46	48.95	1.20	53.07	1.44
	Wacoal Lamphun Co., Ltd.	99.99	0.40	0.01	–	–	0.06	0.00
	Wacoal Kabinburi Co., Ltd.	99.99	0.34	0.01	2.49	0.06	4.51	0.12
	Pattaya Kabinburi Co., Ltd.	99.93	10.08	0.28	11.71	0.29	9.70	0.26
	Tora 1010 Co., Ltd.	99.97	0.16	–	0.30	0.01	–	–
Ladies' outerwear	Thai Wacoal Plc.	–	85.44	2.35	106.24	2.59	93.77	2.54
Childrenwear	Thai Wacoal Plc.	–	228.86	6.31	287.24	7.01	286.81	7.78
	SR.W. Garment Co., Ltd.	99.94	–	–	0.11	–	1.07	0.03
Total			2,540.66	70.00	2,823.69	68.96	2,601.80	70.53
Export income								
Ladies' lingerie	Thai Wacoal Plc.	–	1,033.11	28.46	1,203.34	29.39	1,050.50	28.48
	Tora 1010 Co., Ltd.	99.97	47.77	1.32	59.40	1.45	22.82	0.62
Childrenwear	Thai Wacoal Plc.	–	7.97	0.22	8.26	0.20	13.70	0.37
Total			1,088.85	30.00	1,271.00	31.04	1,087.02	29.47
Total Income								
Ladies' lingerie			3,307.24	91.12	3,692.84	90.19	3,293.47	89.28
Ladies' outerwear			85.44	2.35	106.24	2.59	93.77	2.54
Childrenwear			236.83	6.53	295.61	7.22	301.58	8.18
Total Income			3,629.51	100.00	4,094.69	100.00	3,688.82	100.00



## Significant developments during the past year

### Research & Development Activities

The company was regularly engaged in the research & development activities for both the materials and products, aimed at creating quality products while properly addressing environmental concern on a consistent basis. As its long-term business objective, the company would dedicate its efforts seeking to establish itself as a global leader in lingerie business.

For the year 2013, the company's achievements in materials in materials and products developments could be largely summarized as follows :

#### **Thermo°Cool™**

##### **Smart fiber with innovative cross-section design**

Fiber with cross-section design allowing better moisture transport property, contributed by several "rib" feature on the fiber surface, resulting in better effective moisture transport than other fibers in general. Furthermore, the fiber base contained maize content, a natural material contributing to better consumer care and lessening environmental impact. Said fiber features could be found in Wacoal COOL product collection.

#### **MicroModal®AIR**

##### **Feather light soft & smooth-created from natural plant**

Fine, delicate fiber extracted from natural plants, lightweight yet strong enough to retain smoothness even after repeated washing. Organic fiber contributing to long-lasting product value. Said fiber features could be found in Super Soft short and Next Body camisole collections.

#### **Cool Cup & Cool Pad**

An innovation giving light & cool comfort away from dampness. Perforated cup pad allowing better heat transfer and ventilation. Lightweight with easy dry features. Said features could be found in Wacoal COOL and Boost-up Pants collections.

#### **Healthy Energy**

New high-performance fabric allowing body heat to be transformed into heat wave energy or FIR (Far Infrared Rays), having property in better regulating blood circulation. The fabric also provided soft & smooth wearing touch, with easy-care feature. Said fabric features could be found in Hygienic sanitary pant and Shape Wear products.

#### **Viscosilk**

##### **Soft as cotton, glossy as silk. Cool & easy wearing comfort.**

Luxurious glossy fabric employing rich satin fabric structure. The exceptional features of viscose fiber provides cool wearing sensation, accompanied by outstanding moisture transfer and air passage features, lessening any static impact problem. Good shape retention even after repeated washing. Said fabric features could be found in Wacoal Viscosilk sleepwear collections.

#### **Aromatherapy**

##### **The art and science of healing aromatherapy treatment**

Innovative fabric development containing lavender natural extract, providing relaxing effect to help relieve and lesson stress for both the body and mind, thus contributing to better sound sleep. Anti-bacterial feature helps contribute to better hygiene. Said fabric features could be found in Wacoal Beauty Night sleepwear collections.

## **Sensitive®Fabrics BODYWEAR**

Easy wearing blending freshness with comfort

**Pure by HeiQ** : The application of silver-based anti-bacterial finishing on Sensitive®Fabrics provides effective safeguard and disposal of unpleasant odors caused by bacteria. A complete safeguard from ill odors throughout the product life, guaranteed by copy right patent registration.

**ADAPTIVE by HeiQ** : The innovative adaptive feature of Sensitive®Fabrics helps adjust temperature balance between the body and fabric, allowing both the fabric movement and breathability at the same time. Said fabric features could be found in Wacoal Boost-up Pants product.

## **Product quality standard developments**

The company was regularly engaged in such development activities seeking to maintain and upgrade the quality standards for its products on a consistent basis, in terms of the products safety, free from dyestuff and other chemical hazards, accompanied by its firm commitment dedicated to lessening environmental impacts.

Such quality standards compliance covered a broad range of scope, ranging from ISO 9001:2008–the quality system management standard, ISO14001:2004–the environmental management standard, the compliance with Wacoal Corp. testing standard, ISO/IEC 17025:2005–the laboratory certification standard, TIS 2346:2550–the Thai Industrial Standard, the Green Label certifying over all the lingerie product range, the CoolMode label certifying greenhouse reduction, to the Carbon Footprint label certifying less carbondioxide emission, among others. Furthermore, the company was engaged in collaboration activities with the government sector on environmental protection, through the assessment of environmental impacts by its products (Life Cycle Assessment), to serve as the basis for sustainable environmental safeguard activities.

In addition, the company was also bestowed the outstanding innovation award from Saha Group Innovation Contest 2013, for its entry of Wacoal COOL "Cool Feel Cool The World" innovation dedicated to keeping both yourself and the world cool down, based on such lingerie creation concept seeking to lesson environmental impact on a sustainable basis.

## **Ladies' lingerie**

### **Product nature**

Ladies' lingerie products represented the main product category being manufactured and distributed by the company, whose sales figures accounting for 91% of its total sales turnover. The company offered a wide range of products well covering and responding to differing requirements of women of all age groups, together with some niche product collections, such as Wacoal Balancing Bra. During 2013, the company launched some new collections as follows:

### **Wacoal COOL**

#### **Cool Innovation 2013**

**Thermo Cool Eco** Innovation for cooling, comfortable, light, not fuggy, with Cool Cup, sponge with holes, lightweight, dry faster and can ventilate air up to 50%. The Cool Feel function, innovation with special technology provides skin with soft touch, feel cool at breasts, not irritating, reduce accumulation of bacteria and fuggy smell. It also helps to reduce global warming with raw materials innovation, where fiber is woven from corn mixture and can replace petroleum crude oil natural resource up to 30%.

**Cool Free** Innovation from WACOAL Shapewear made from Nylon-Spandex textile provides soft touch, coated with HeiQ which can absorb moisture from perspiration, ventilates air well, dry faster, reduce accumulation of bacteria that causes fuggy smell, provides refreshing and cool feeling during wearing the whole time. Moreover, the special sewing technique, Free Cut style, with smooth edge without cut and joint mark as well as seam. The special technology Bonding can help to firm up the abdominal surface and lift up the hip to give attractive and charming shape, and is comfortable to wear all day long.

### **Boost up Bra**

Brassiere which can boost up bigger breasts for women with small Cup sizes. The concept is to firm up the breasts to look full and close up breast cleavage with sponge innovation that is soft and lightweight. The shoulders straps can be removed and adjust the fastening position in several ways. Wearing Boost up Bra beautifies breasts and looks natural, boost up confidence in women with small Cup sizes.

### Boost up Pants

Innovation for sewing to reinforce the buttocks and hip to look outstanding. The PAD is made of special textile, soft touch, ventilation holes to ventilate air, dry faster and cool to wear throughout wearing. Moreover, it also reduces the accumulation of bacteria. Besides this, it helps to firm up the upper legs and abdominal surface to look balanced and gorgeous.

### 3-Step Click

Brassiere for women in the working age group, who need beautiful breasts and breast cleavage to be closer. The sewing innovation with Support sheet can help to embrace the breasts firmly at 3 levels and the Hand Pad, hand-shaped support sheet can be adjustable. Therefore, the breast shape can be cupped to attractive full breasts. Use sponge 3 D Fiber Fill at different levels, which has the quality of retaining figure, not yellow after using for a period of time. It is lightweight and can ventilate air well. Moreover, the sewing development into 3 D Cutting by hiding the hook in front of the Bra, to enable choosing to adjust the breasts to become closer at 3 levels.

### X-Support

Brassiere for women with large breasts, with the sewing procedure: X-shape on the inner lining of textile to collect and firm up the flesh on the side. The protruding flesh makes the breasts look full and gorgeous, more natural look. Women with Pineapple-shaped breasts now can have beautiful Green Apple breasts.

### S – Curve

Lingerie which helps to build up confidence in women who want to have charming figure, silky and smooth with new raw material innovation: Power Net textile from elastic yarn (Spandex). It is very effective in keeping the abdominal surface firm and smooth. The Two-way textile is highly flexible, stretch and return to its original form well. When wearing, the textile is silky and smooth, gives beautiful shape and can move freely.

### Wacoal Gold 3 G

Lingerie innovation and comfortable to wear for higher age groups and health conscious people with mixed design concept between FUNCTION & MIND to help improve body shape and look beautiful with age yet retain the soft and silky touch as well as comfortable to wear with 3 outstanding qualities.

- GOOD CUP Beautiful balanced breasts with X- BALANCE sewing type.
- GOOD SIDE Embrace extra flesh at the side more firmly with HIGH SIDE FIT.
- GOOD STRAP Shoulder straps are wide, soft and light with soft straps.

### Wacoal Sports ECO

Lingerie for workouts which take care of breasts and earth at the same time with environmental friendly production process. Its texture is woven from fiber produced from plastic bottles and yet retains the qualities of Sport Bra that can handle collision force, embrace firmly, comfortable to wear and provide confidence.

### CW-X

**Stabilyx** New latest product, which emphasizes on providing stability to pelvic bones, upper legs and knees for every movement and reduce body swaying, give balance to legs efficiently. This technology is derived from mixed advantages from Expert and Pro Mode together.

### Market and competitive situations

The lingerie market continued to be subject to intensifying competition, in term of design, product and service quality, pricing, as well as sales channels, supported by customers' diverse and sublime requirements pertaining to the products. Accordingly, the major players were obliged to exercise their full efforts and strategies, in seeking to secure the target customers.

The competition within the medium-to-high-end market segment placed much emphasis on better value-added benefits, in term of both products and services to better appeal to the customers. Such benefits ranged from offering new innovations and techniques in term of materials, production, designs and product features, to the upgrading of services quality, aimed at better responding to and satisfying more diverse customers' requirements.

On the other hand, the competition in the low-end market segment concentrated more or less on pricing strategy rather than products quality and features aspect, seeking to attract and capture increasing number of the customers having limited purchasing potential.

For year 2013, Thailand's economy had to endure persistent slowdown conditions, caused by lower spending potentials by the consumers in general, as the consequence to the government's implementation of several populist policies, including such programs as the first car policy and the sharp hike in minimum wages to Baht 300 level across the country. These programs substantially drained normal purchasing powers by regular households away from mainstream consumption market, and aggravated further by the prolonged political conflict ongoing in the country.

To cope with such severe adverse impacts, several ladies' lingerie manufactures chose to resort to aggressive pricing policy and lower profit margins in order to better appeal to the customers, coupled with their efforts to penetrate the hypermarket channel, to gain broader customer base and sale revenue.

In line with above market developments, during 2013, the company unveiled its new lingerie brand called "B'me by Wacoal", aimed at the major target group of teenagers and working women, through the sales channels of discount stores and 7-11 convenience stores, supported by aggressive advertising and sale promotion activities, and could achieve satisfactory sale results to date.

At the same time, the company was engaged in efforts seeking to locate further new markets, to contribute to better business advantages and prospects for the company. Such activities included the prospect in expanding its product sales to neighboring countries within the region, to accommodate the imminent launch of the Asean Economic Community (AEC) in the near future.

Furthermore, the company also devoted efforts to promote further product sales through the online marketing channel, the popular shopping venue for modern-day customers seeking both convenience and speedy response to their demands. At the same time, in its effort to better service the customers, the company sought to improve and upgrades its warehousing and logistics network further, through the introduction of automated product sorting and delivery systems, allowing for better effective and speedy response to the customer's requirements in the coming days.

Whereas on the products front, the company was regularly engaged in the activities dedicated to creating "better value and satisfaction" for its customers for both the domestic and overseas markets. Based on such firm commitment, the company dedicated consistent efforts seeking to further upgrade and develop its products covering various areas, ranging from materials selection, production techniques, product designs, to product features developments, surpassing such normal requirements within the market.

At the same time, in its efforts seeking to develop the products better serving and complying with the changing physical developments, as well as providing solutions to proportion problems faced by the customers, The Products Research & Development Department was regularly engaged in collaboration activities with other companies within Saha Group, as well as other business alliance companies, aimed at creating materials innovation offering better performance features than those currently available in the market on a continuous basis. Together with its commitment to creating better products quality and value, the company aimed to provide its customers with the products showcasing the best image and appeal, completely free from hazardous substances and friendly to the environments, thus providing complete trust and confidence to the customers, and leading to sustainable competitiveness by the company as the result.

## Ladies' Outerwear

### Product nature

The company acted as the manufacturer and distributor for ladies' outerwear products, whose sales revenue accounted for about 2% of its total sales turnover. During 2013, there were significant developments regarding ladies' outerwear products as follows:

- The company has expanded the product line for trademark in 9 for women after giving birth. This collection is called "TIMELESS" and emphasizes on raw materials that are comfortable to wear, which can wear to work and is suitable for new age mothers.
- The company has expanded product distribution channel under the company trademark through Catalog sales.



### Market and competitive situations

In the face of fast-changing developments and demands by the customers, the company was required to adapt itself and its product developments to better meet such demands with better competitive product costs. By acting as both the manufacturer and distributor of its products, the company had better flexibility to adjust its production activities, with the option to employ outsourcing manufacturing activity for lower production cost, while maintaining its reliable product quality standard. However, due to the prevailing nature of ladies' apparel products in the overall market, coupled with more intensifying competition by the days, the company would be required to exercise efforts to differentiate its products from other regular products in the market, through such development of value-added features and quality for its products.

## Childrenwear

### Product nature

The company acted as the manufacturer of premium-quality of childrenwear products, for distribution to the domestic market through its major distributor, while directly exporting its products to overseas destinations. Yearly childrenwear sales turnover accounted for about 7% of the company's total sales revenue. For 2013, some significant developments regarding childrenwear products were as follows:

- To promote better environmental care on a continuous basis, the company dedicated its effort to developing childrenwear items compatible to both hot and cool weather, together with the development of other accessory items such as baby diaper, protective baby pants etc., to provide broader applications to the customers for further market expansion in the future.
- Furthermore, the company devoted its effort to expand its export business operations further to other countries within AEC, together with the introduction of its childrenwear products to the China market in 2013.

### Market and competitive situations

In the face of intensifying competition in the traditional selling channel of department stores, brought on by the surge in childrenwear imports from overseas, the company was compelled to dedicate more effort to better develop its products to serve the demands by its customers, in terms of appealing designs and better product features.

Furthermore, the company was engaged in activities seeking to develop new innovative products, free from hazardous substances and friendly to the environments, providing better hygiene and safety to the babies, and contributing to its further competitiveness in the days ahead.

## Future industrial developments and competition trends

The lingerie manufacturing industry in Thailand could still be regarded as having relatively good prospects, due to its existing comprehensive manufacturing facilities network within the country. The country also had an edge in manufacturing skills and products quality widely recognized among the global lingerie manufacturing industry, subsequently establishing Thailand as one of the world's leading production base for lingerie products, particularly for the medium to high-end market segment. To enhance the lingerie industry's competitiveness both at home and abroad, Thai manufacturers sought to engage in closer collaboration to develop value chain network, both on manufacturing and sales & marketing fronts, to allow better flexible adjustments complying with developments in both the regional and global levels.

On the other hand, for the low-end market segment, major regional manufactures such as China, Hong Kong and Vietnam, held the advantage through their lower manufacturing costs, resulting in the influx of cheap foreign lingerie imports into the country affecting local manufacturing industry could not compete with them in term of lower prices. Accordingly, they were forced to concentrate more on products developments, rather than simply resorting to price competition.

Export is expected to increase due to demand of main markets such as the U.S. and the European Union as their economy begins to recover.

## The company's status and competitive potentials

In view of those opportunity and threat factors facing Thailand's lingerie manufacturing business at present, our company could still be regarded as having substantially favorable potentials, when compared to other competitors in general. Such advantages could be attributed to the companies within our group having comprehensive manufacturing facilities network in place. At the same time, the company also had solid technological and manufacturing base supported by continuous products research & development investments, its extensive database on Thai women's physical developments over a long period of time, quality control system in compliance with international requirements, outstanding "Wacoal" brand image long recognized and appreciated by Thai women over the past 40 years in term of both products quality and services, as well as its careful and effective financial management system. Altogether, these factors contributed to the company's competitive potentials on a sustainable and long-term basis.

## Product sources for the company and its subsidiaries

The company procures products by acting as the manufacturer for those products. Its manufacturing base was first set-up in Bangkok, which later expanded to cover manufacturing facilities in subsidiary companies in upcountry areas, namely SR.W. Garment Co., Ltd., Wacoal Lamphun Co., Ltd., Wacoal Kabinburi Co., Ltd., and Pattaya Kabinburi Co., Ltd., all having been granted promotional privileges by The Board of Investment. In 2011, the company set up another subsidiary company named Tora 1010 Co., Ltd., to engage in products export business to overseas market. Factory details for the company and its subsidiary companies as of December 31, 2013 are as follows:

Company Name	Location	Employee Number (Person)	Factory Building (Number)	Space Total (SQ.M.)
Thai Wacoal Plc.	Bangkok	2,535	7	43,306
SR.W. Garment Co., Ltd.	Sriracha, Chonburi	997	1	6,060
Wacoal Lamphun Co., Ltd.	Muanglamphun, Lamphun	401	2	10,152
Wacoal Kabinburi Co., Ltd.	Kabinburi, Prachinburi	333	2	6,840
Pattaya Kabinburi Co., Ltd.	Kabinburi, Prachinburi	468	2	6,656
Tora 1010 Co., Ltd.	Bangkok	2	–	12
<b>Total</b>		<b>4,736</b>	<b>14</b>	<b>73,026</b>

## Consolidated production capacity and output total

Unit : Piece

Production Capacity Classified Per Product Category	2013	2012	2011
<b>Full production capacity</b>			
Ladies' lingerie	20,000,000	20,300,000	21,600,000
Ladies' outerwear	200,000	200,000	200,000
Childrenwear	2,800,000	3,500,000	3,000,000
<b>Total</b>	<b>23,000,000</b>	<b>24,000,000</b>	<b>24,800,000</b>
<b>Actual production</b>			
Ladies' lingerie	18,133,988	20,082,236	21,026,011
Ladies' outerwear	133,406	121,736	164,107
Childrenwear	2,434,396	3,490,652	3,196,473
<b>Total</b>	<b>20,701,790</b>	<b>23,694,624</b>	<b>24,386,591</b>
Capacity utilization rate	90.01%	98.73%	98.33%
Output this year vs the year earlier	87.37%	97.16%	104.96%

# Risk Factors

With due recognition by The Board of Directors of Thai Wacoal Public Company Limited of the various risk factors posing as possible threats to the company's business operations, The Board therefore assigned The Risk Management Committee to be responsible for the supervision of the organization's risk management practices in a systematic manner.

The Risk Management Committee has formulated risk management policies as follows:

1. To enable the company to manage any probable risk in an efficient manner, with such management procedures implemented in a sound and systematic manner.
2. To promote preventive risk management procedures to be carried out in a swift, transparent, accurate, and complete manner on a systematic and consistent basis.
3. To encourage and develop all employees and management members at all levels to have thorough understanding and recognition of the significance of risk management procedures, while promoting participation in said risk management system throughout the organization.
4. To facilitate risk management procedures to be implemented in an appropriate manner well conforming to the company's mission and policy.

For such purpose, The Risk Management Committee has engaged in the evaluation and analysis of those risks possibly affecting the organization, covering both internal and external risk factors, setting priorities for the risk management plan, as well as engaging in regular follow-up on the implementation of such plans. At the same time, The Committee provided regular updates to The Board of Directors on the progress and developments regarding said plans on a quarterly basis.

Those risk factors likely to have impacts on the company's operations could be summarized as follows:

## Risk stemming from products distribution structure relying on few players

### Domestic

The company is mainly engaged in the manufacturing business of ladies' lingerie products, with I.C.C. International Public Company Limited, acting as its distributor for the domestic market, having yearly order volume accounting for over 50% of the company's turnover total. Until the present, said distributor has achieved consistent favorable results, thanks to its existing close relationship with major retailing channel of department stores. At the same time, the company has enjoyed good business relationship with said distributor, and therefore is relatively confident of said company's sound business operations, together with the company's products served as major contributor for said distributor's yearly turnover total.

However, in the event that said major distributor became subject to serious adverse factors with regard to the economy, political stability, market competition, or other negative factors causing substantial decline in products sales, the company would then be affected by the reduction in purchase orders for its products from said distributor as the result. Accordingly, as its fallback measure, the company was engaged in activities seeking to expand its sales channels further, so as to minimize such adverse impacts.

### Overseas

The company mostly exports its products to overseas countries, through such channel of companies belonging to Wacoal Group located mainly in Japan, the U.S. and ASEAN. While the company may be susceptible to risk stemming from order cancellation by said distribution group, nevertheless, upon considering other relevant factors, such event appears to be quite unlikely. In view of said distribution group being major shareholder in the company who actively engages in the manufacture of ladies' lingerie products with extensive distribution network in overseas countries, together with the company's capability in manufacturing ladies' lingerie products in an efficient and competitive manner in the international scene, such products distribution arrangements through Wacoal Group can be seen as significantly contributing to business interests for both the parties.

## Risk stemming from the use of licensed trademark

The company was mainly engaged in the manufacture of products under licensing rights granted by Wacoal Corporation, with such products contributing to over 80% of the company's total turnover. Accordingly, its revenue could become seriously affected on a long-term basis, should it come to lose said licensing rights for the products.

Nevertheless, in view of the existing favorable factors at present, namely, Wacoal Corporation holding 33.61% of the company's shares total, the long-standing close business relationship between the two parties, the company's continuing domestic market leadership, together with its favorable business performances so far, the extreme adverse scenario of licensing rights revocation or licensing agreement termination would appear unlikely, particularly in view of the company having been granted licensing rights extension from a previous 5-year term to the 10-year term at present.

### **Risk stemming from the launch of the ASEAN Economic Community (AEC)**

To date, ladies' lingerie products had been subject to intensifying competition, in term of better product designs and features, competitive pricing, and extreme sales promotion campaigns, aimed at capturing increasing market share and expanding existing customer base further.

The imminent launch of the AEC for this region would expedite and open up further resources free-flow across the ASEAN region, in terms of both trade, products, services, capital flow, investment, and labour, thereby generating much more serious challenges and competition in the coming days.

Basically, such regional market liberalization would open up our domestic market to more aggressive competition from products coming from other ASEAN countries, possibly enjoying better competitive advantages due to their lower manufacturing costs, and leading to more severe pricing competition as the result. As such, the year 2014 should expect to witness further intensifying competition across all segments of ladies' lingerie market, for both domestic as well as overseas markets.

Nevertheless, based on its vast knowhow and extensive experiences accumulated over the years, the company was engaged in various activities in preparation to cope with such oncoming challenges. Preparation plans included ongoing materials and products developments and innovations, further investment dedicated to developing more comprehensive manufacturing network, to the effect in upgrading its services quality to better serve the customers. Equally important was the company's dedication to further improve and develop better knowledge, skills, and competency for its human resources, leading to further competitiveness and sustainable growth for the company in the days ahead.

### **Risk stemming from changing consumer behavior**

Today, consumers have placed less emphasis on brand loyalty, and more on product value. In its objective to provide best satisfaction to the customers, the company has concentrated on creating new product innovations, as well as engaging in the study of customer behavior and requirements on a consistent basis, thereby enabling the company to better meet changing customer lifestyle. The company products could also be seen as adopting constant changes and developments well compatible with customer behavior and lifestyle.

### **Foreign exchange risks**

Since its business operations significantly relied on imports and exports in foreign currencies, the company was subject to risks stemming from exchange rates fluctuation. Nevertheless, since the company was also engaged in managing its revenue and expenses accounts in foreign currency term, such exchange risks could be addressed to a certain extent, by properly scheduling its foreign exchange payments to correspond to incoming foreign exchange revenue (natural hedge). Furthermore, the company was also engaged in currency forward contract, so as to minimize the impact from such exchange risk, without any policy to become engaged in exchange rates speculation. At the same time, the company regularly monitored the movements in foreign exchange markets, to better safeguard itself from any adverse exchange risks.

### **Risks from natural disasters**

The company has formulated plans to prevent and lessen risks stemming from flooding, fire, and earthquake disasters. To cope with fire danger risk, the company implemented fire prevention plan and campaign, fire drill and evacuation training, and installation of emergency fire alarm and sprinkler system. The company carried out regular checking and testing of its fire-fighting equipments, to ensure their proper functioning condition. The company also formulated plan to accommodate temporary employees transfer and workplace relocation in the case of serious fire accident, to allow continuous operations running for the company.

To alleviate possible damage incurred by the disasters, the company entered into insurance agreements covering its assets against disaster risks, so as to minimize the damages stemming from such risks. With regard to flooding threat, the company set up specific committee to take charge of prevention and solution measures to tackle the flood, both before, during, and after the crisis situation, accompanied by its regular updates to keep abreast of the situation developments.

### **Risks stemming from political instability in the country**

The prolonged political conflict ongoing in the country had caused severe adverse impacts upon the business investments and tourism sectors, in turn affecting the prospects in generating jobs and income. Such stagnant economic situation led to substantial slowdown in consumer spending due to more careful spending and saving, subsequently resulting in lower products sales on an overall basis. In view of such challenges, the company was engaged in efforts seeking to establish further sales channels, together with plans to expand its export sales revenue further.

### **Other risks**

In due recognition of the fast changing economic environments both at home and abroad, the company always adopted an alert attitude with necessary preparations to implement changes in its strategies and plans, to cope with any serious developments possibly affecting the company's operations.



# General Information and Other Significant Details

## 1. General Information

### 1.1 General Information

#### Thai Wacoal Public Company Limited (WACOAL)

Type of Business	: Manufacturer of finished garments
Registered Number	: 0107537001455
Registered Capital	: Baht 120 million classified into 120 million ordinary shares, fully paid-up
Address	: 930/1 Soi Pradoo 1, Sathupradith Road, Bangkok, Bangkoklaem, Bangkok 10120, Thailand
Tel.	: 0-2289-3100-9
Fax.	: 0-2291-1788
Website	: <a href="http://www.wacoal.co.th">http://www.wacoal.co.th</a>

#### Contact Information

Department	Telephone Number	E-mail Address
Company Secretary	0-2689-8324	secretariat@wacoal.co.th
Investor Relations	0-2289-3100-9 Ext. 331	invest@wacoal.co.th
Customer Relations	0-2689-8515-6 1800 295-565-6 (Free call in Bangkok)	service@wacoal.co.th
Innerwear Business	0-2689-8705	sompong@wacoal.co.th
Childrenwear Business	0-2291-8373	pojadech@wacoal.co.th
Outerwear Business	0-2289-3100-9 Ext. 402	somporn@wacoal.co.th
Wacoal Body Clinic (Special custom-made service)	0-2689-8542	bodyclinic@wacoal.co.th
Human Resources and General Affairs Division	0-2289-3100-9 Ext. 201, 202, 223	personnel@wacoal.co.th
Internal Audit Office	0-2289-3100-9 Ext. 207, 422	audit@wacoal.co.th

## 1.2 Investment in Other Companies in which the Company Holds 10% or More of Paid-Up Shares as of December 31, 2013

Company/Address	Type of Business	Type of Shares	No. of Paid-up Shares	Shareholding by the Company	
				No. of Shares	%
Direct Subsidiaries					
1. Wacoal Lamphun Co., Ltd. 99, 99/4 Moo 5, Liengmuang Rd., Paa-Sak, Muanglamphun, Lamphun Tel. 0-5353-7652-3 Fax. 0-5358-4082	Manufacturer of finished garments	Ordinary	500,000	499,993	99.99
2. Wacoal Kabinburi Co., Ltd. 121-121/1 Moo 5, Suwannasorn Rd., Nonsee, Kabinburi, Prachinburi Tel. 0-3720-5140-2 Fax. 0-3720-5144	Manufacturer of finished garments	Ordinary	500,000	499,993	99.99
3. Tora 1010 Co., Ltd. 930/1 Soi Pradoo 1, Sathupradith Rd., Bangklo, Bangkholaem, Bangkok Tel. 0-2689-8705 Fax. 0-2689-8706	Procurement and distribution of finished garments	Ordinary	100,000	99,970	99.97
4. SR.W. Garment Co., Ltd. 173/2 Moo 5, Sukabhibal 8 Rd., Boung, Sriracha, Chonburi Tel. 0-3848-0666 Fax. 0-3848-0606	Manufacturer of finished garments	Ordinary	200,000	199,870	99.94
Indirect Subsidiary (Equity held by no.4 = 99.99%)					
5. Pattaya Kabinburi Co., Ltd. 123-123/1 Moo 5, Suwannasorn Rd., Nonsee, Kabinburi, Prachinburi Tel. 0-3720-5051-3 Fax. 0-3720-5051-3	Manufacturer of finished garments	Ordinary	200,000	199,860	99.93
Associate					
1. Pattaya Myanmar Co., Ltd. 16 Panchatun U Shwe Owe Road, Hlaing Tharyar Industrial Zone 2, Hlaing Tharyar Township, Yangon, Myanmar	Manufacturer and distributor of finished garments	Ordinary	8,000	1,600	20.00
Other Companies					
1. SSDC (Tigertex) Co., Ltd. 111 Moo 5, Suwannasorn Rd., Nonsee, Kabinburi, Prachinburi Tel. 0-3720-5038 Fax. 0-3720-5038	Bleaching and dyeing	Ordinary	32,400,000	6,065,570	18.72
2. Sunrise Garment Co., Ltd. 475-479 Moo 18, Suksawad Rd., Bangphung, Phrapradaeng, Samuthprakarn Tel. 0-2463-5999 Fax. 0-2463-5998	Manufacturer of sweater knitwear	Ordinary	100,000	18,150	18.15

Company/Address	Type of Business	Type of Shares	No. of Paid-up Shares	Shareholding by the Company	
				No. of Shares	%
<b>3. Textile Prestige Plc.</b> 704/1-9 Rama 3 Rd., Bangpongpan, Yannawa, Bangkok Tel. 0-2294-0071 Fax. 0-2294-2386	Manufacturer and distributor of textile	Ordinary	108,000,000	19,598,850	18.15
<b>4. International Commercial Coordination (Hong Kong) Limited</b> Room 408 4 <sup>th</sup> Floor Hope Sea Industrial Center, No. 26 Lam Hing Street, Kowloon Bay, Kowloon, Hong Kong Tel. 001 852 2756 5622 Fax. 001 852 2753 8631	Distributor of consumer goods	Ordinary	20,000	3,600	18.00
<b>5. Wien International Co., Ltd.</b> 4236/218-222 Soi Pradoo 1, Sathupradith Rd., Bangklo, Bangkholaem, Bangkok Tel. 0-2689-8520 Fax. 0-2689-8836	Direct Sales	Ordinary	300,000	53,700	17.90
<b>6. Grand Star Industry Co., Ltd.</b> 66, 68, 70 Rama 3 Soi 29, Sathupradith Rd., Bangpongpan, Yannawa, Bangkok Tel. 0-2683-8291-2 Fax. 0-2683-8293	Manufacturer of garment components	Ordinary	200,000	35,600	17.80
<b>7. Bangkok Tokyo Socks Co., Ltd.</b> 673 Moo 11, Sukaphibal 8 Rd., Nongkharm, Sriracha, Chonburi Tel. 0-3848-0355-7 Fax. 0-3848-0358	Manufacturer of socks	Ordinary	1,432,200	245,000	17.11
<b>8. Five Stars Plus Co., Ltd.</b> 911 Moo 15 Thepharak Rd., Bangsaonthong, Bangsaonthong, Samutprakarn Tel. 0-2295-0911-9 Ext. 250 Fax. 0-2294-5101	Manufacturer of leather coats for export	Ordinary	500,000	85,000	17.00
<b>9. Thai Naxis Co., Ltd.</b> 222 Moo 5, Suwannasorn Rd., Nonsee, Kabinburi, Prachinburi Tel. 0-3720-5145-7 Fax. 0-3720-5229	Manufacturer of woven and printed textile label	Ordinary	200,000	32,910	16.46
<b>10. Erawan Textile Co., Ltd.</b> 49 Moo 3, Poochaosamingprai Rd., Samrongtai, Phrapradaeng, Samutprakarn Tel. 0-2183-3898-9 Fax. 0-2183-3916	Textile spinning and weaving	Ordinary	4,650,938	745,124	16.20
<b>11. Pattaya Manufacturing Co., Ltd.</b> 611/28 Trok Wat Channai, Bangklo, Bangkholaem, Bangkok Tel. 0-2291-2390-8 Fax. 0-2291-2378	Manufacturer of finished garments	Ordinary	3,000,000	440,000	14.67

Company/Address	Type of Business	Type of Shares	No. of Paid-up Shares	Shareholding by the Company	
				No. of Shares	%
12. S.T.G.C. Co., Ltd. 930/1 Soi Pradoo 1, Sathupradith Rd., Bangklo, Bangkholaem, Bangkok Tel. 0-2689-8634 Fax. 0-2689-8635	Textile and garment business researcher	Ordinary	25,000	3,250	13.00
13. International Leather Fashion Co., Ltd. 129/1 Chongnonsri Rd., Chongnonsri, Yannawa, Bangkok Tel. 0-2295-0911 Fax. 0-2294-5101	Manufacturer of leather products	Ordinary	500,000	60,000	12.00
14. Morgan De Toi (Thailand) Co., Ltd. 129/1 Chongnonsri Rd., Chongnonsri, Yannawa, Bangkok Tel. 0-2295-1730 Fax. 0-2295-1757	Distributor of apparel	Ordinary	400,000	48,000	12.00
15. T.U.C. Elastic Co., Ltd. 704/1-5 Rama 3 Rd., Bangpongpan, Yannawa, Bangkok Tel. 0-2294-0071 Fax. 0-2294-0151	Manufacturer and distributor of stretch fabric and woven elastic tape	Ordinary	1,600,000	172,000	10.75
16. Champ Ace Co., Ltd. 58 Soi Charoenraj 7, Bangklo, Bangkholaem, Bangkok Tel. 0-2689-8240 Fax. 0-2291-2537	Manufacturer of finished garments	Ordinary	400,000	40,000	10.00

## 1.3 Reference

### Share Registrar

Thailand Securities Depository Company Limited

62 The Stock Exchange of Thailand Building

Rachadapisek Road, Klongtoey, Klongtoey, Bangkok 10110, Thailand

Tel : 0-2229-2800

Call Center : 0-2229-2888

Fax : 0-2359-1259

### Auditor

Deloitte Touche Tohmatsu Jaiyos Audit Company Limited

Rajanakarn Building, 25<sup>th</sup> Floor, 183 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120, Thailand

Tel : 0-2676-5700

Fax : 0-2676-5757

By Dr. Suphamit Techamontrikul

Certified Public Accountant Registration

No.3356 and/or

Mr. Chavala Tienpasertkij

Certified Public Accountant Registration

No.4301 and/or

Mr. Manoon Manusook

Certified Public Accountant Registration

No.4292

## 2. Other Significant details

- None -

# Information on Company Securities and Shareholders

## Registered capital and paid-up capital

Thai Wacoal Public Company Limited is a company listed on The Stock Exchange of Thailand, with its securities transaction code designated as "WACOAL". The company has total registered capital of Baht 120 million, fully paid-up, and classified into total 120 million ordinary shares, with the par value of Baht 1 per share.

The company has not issued other types of shares having the rights or terms different from ordinary shares. Moreover, the company has never issued any securities other than the ordinary shares.

## Shareholders

### 10 Major shareholders (As of December 31, 2013)

Name	No. of shares	%
1. Wacoal Corporation	40,331,250	33.61
2. Saha Pathana Inter-Holding Public Company Limited	25,512,500	21.26
3. Saha Pathanapibul Public Company Limited	9,084,750	7.57
4. I.C.C. International Public Company Limited	5,913,020	4.93
5. Bangkok Bank Public Company Limited	4,679,400	3.90
6. I.D.F. Company Limited	4,492,000	3.74
7. Mr. Weerapat Punsakudomsin	3,907,800	3.26
8. Sariraporn Company Limited	1,990,850	1.66
9. Bangkok Life Assurance Public Company Limited	1,725,400	1.44
10. Thanulux Public Company Limited	1,670,200	1.39
<b>Total 10 Major Shareholders</b>	<b>99,307,170</b>	<b>82.76</b>
<b>Total Shareholders</b>	<b>120,000,000</b>	<b>100.00</b>

**Note :** Investors can review the latest shareholding information via company website at <http://www.wacoal.co.th>, under the heading "Investor Relations : Shareholding Structure", prior to the shareholders' meeting no.45



### Shareholding proportion by institutional invertors

As of December 31, 2013, shareholding proportion in the company by institutional invertors stood at 6.14%, exceeding the minimum shareholding level of 5% specified for institutional investors under the corporate governance criteria for Thai listed companies.

### Shareholding structure classified by shareholding party categories (As of December 31, 2013)

Shareholder Category	Number	No. of shares	%
<b>Legal entity</b>			
Thai nationality	40	60,858,120	50.72
Foreign nationality	5	40,524,750	33.77
Total legal entity	45	101,382,870	84.49
<b>Ordinary person</b>			
Thai nationality	1,050	18,580,610	15.48
Foreign nationality	2	36,520	0.03
Total ordinary person	1,052	18,617,130	15.51
Total	1,097	120,000,000	100.00

### Outstanding agreement between major shareholding parties

Thai Wacoal Public Company Limited is a joint-venture business company jointly set-up by Saha Group companies and Wacoal Corporation of Japan. Both parties had an outstanding agreement on the allocation of director positions that, out of the total 15 directors, both the Thai and Japanese parties shall equally be allocated 5 directors each, with the remaining 5 directors specified as outside independent directors.

### Issuance of other securities

– None –

## Dividend Payment Policy

In general, the company had laid down the policy to authorize dividend payments to the shareholders each year, at the rate of Baht 0.25 per share (equivalent to 25% of the share par value). However, the final decision on the rate of such dividend payments would be based on the performance results by the company, together with the prevailing economic and business situations in each particular year.

The company had based its consideration and decision on dividend payments allocation, on the outstanding net profits and retained profits appearing per the separate financial statements, whose details could be summarized as follows:

Thai Wacoal Plc.	2013*	2012**	2011	2010	2009
Dividends per share (Baht)	2.25	2.40	2.10	2.00	1.50
Payout Ratio (%) (Consolidated)	106.16	69.01	63.97	67.33	50.67
Payout Ratio (%) (Separate)	99.88	67.26	60.59	59.86	46.25

**Note :** \* The Board of Directors resolved to set dividend payment rate at Baht 2.25 per share, for further proposal to the shareholders' general meeting no.45 for approval, on April 21, 2014.

\*\* The financial statements for 2012 were revised in accordance with related updated accounting standards.

**Subsidiaries :** The company has set the policy for subsidiary companies to effect dividend payments, from outstanding cash surplus exceeding their normal operational requirements, or from surplus exceeding their business expansion requirements.

# The Nominating Committee's Report



Mr. Manu Leelanuwatana  
Chairman of The Nominating Committee

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Thai Wacoal Public Company Limited has appointed The Nominating Committee, with 3 members as follows:

1. Mr. Manu	Leelanuwatana	Chairman of The Nominating Committee
2. Miss Sirikul	Dhanasarnsilp	Member of The Nominating Committee
3. Mr. Amnuay	Bumroongwongtong	Member of The Nominating Committee

The Nominating Committee has carried out the duties as assigned by The Board of Directors which is specified in The Charter of The Nominating Committee. Its duties are to select suitable candidates with proper qualifications, knowledge and expertise in various professions, to serve as company directors and the senior management.

The Nominating Committee has determined the criteria and methods for nominating which conform to the Charter and related regulations by considering basic qualifications and qualities that meet the demand of the vacant positions. Moreover, the nominated persons must be the person with leadership, vision, morality, ethics, and transparent work experience as well as no characteristics as forbidden by laws and the Articles of Association of the company. The company has provided opportunity for minor shareholders to participate in nominating candidates to be appointed as company directors prior to the Annual General Meeting of shareholders. In 2013, none of the shareholders nominated any candidates to be considered as company directors.

In 2013, The Nominating Committee held 1 meeting to carry out duties as assigned. At the 44<sup>th</sup> General Meeting of Shareholders, The Nominating Committee excluding the Directors with conflict of interest considered the qualifications of 5 persons who had been nominated to serve as Company Directors replacing the Directors who retired by rotation, which are Mr. Manu Leelanuwatana, Mr. Yuzo Ide, Miss Sirikul Dhanasarnsilp, Mr. Kiyotaka Hiroshima, and Assoc.Prof.Dr. Kulpatra Sirodom to become Company Directors for another term. Another issue for consideration was to nominate Mr. Atsushi Tabata to serve as Company Director and Deputy Managing Director replacing Mr. Akihisa Nakano, the Company Director who had resigned. The Charter of the The Nominating Committee is also reviewed annually, while The Nominating Committee has performed its duties as assigned discreetly and reasonably.

A handwritten signature in black ink, appearing to read 'Manu Leelanuwatana'.

(Mr. Manu Leelanuwatana)  
Chairman of The Nominating Committee

# The Remuneration Committee's Report



Mr. Boonsithi Chokwatana  
Chairman of The Remuneration Committee

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Thai Wacoal Public Company Limited has appointed The Remuneration Committee with 3 members as follows:-

- |                  |               |  |
|------------------|---------------|--|
| 1. Mr. Boonsithi | Chokwatana    | Chairman of The Remuneration Committee |
| 2. Mr. Manu      | Leelanuwatana | Member of The Remuneration Committee   |
| 3. Miss Sirikul  | Dhanasarnsilp | Member of The Remuneration Committee   |

The Remuneration Committee has performed its duties as assigned by The Board of Directors, which is specified in The Charter of The Remuneration Committee. Its duties are to determine remuneration to Company Directors, others various committees and the senior management at the appropriate level, and to create incentive to obtain work efficiency as well as retain knowledgeable and capable persons to work with the Company and propose to The Board of Directors' Meeting.

The Remuneration Committee has determined the criteria policy for consideration, based on the authority, assigned responsibility, and operating results, as well as growth and the Company's performance, business liquidity and factors which may affect the Company or overall economic situation. The methods are in accordance with the Charter and related regulations.

In 2013, The Remuneration Committee held 2 meetings to carry out the duties as assigned. Moreover, The Charter of The Remuneration Committee is reviewed annually. The remunerations of Company Directors, others various committees and the management are disclosed in this Annual Report. The Remuneration Committee agreed that it is appropriate for their responsibilities and in accordance with the Company Policy.

A handwritten signature in black ink, appearing to be 'Boonsithi Chokwatana'.

(Mr. Boonsithi Chokwatana)

Chairman of The Remuneration Committee



# Management Structure

## 1. The Board of Directors

### 1.1 The Board of Directors

At present, The Board of Directors consisted of 15 members, classified into :

- 10 non-executive directors (including 5 independent directors)
- 5 executive directors

#### Name list of The Board of Directors

Name		The Board of Directors	The Audit Committee	The Nominating Committee	The Remuneration Committee	The Risk Management Committee	The Corporate Governance Committee	The Executive Board
1. Mr. Yoshikata	Tsukamoto	Advising Director	–	–	–	–	–	–
2. Mr. Manu	Leelanuwatana	Chairman	–	Chairman	Member	–	–	Chairman
3. Mr. Yuzo	Ide	Vice Chairman	–	–	–	–	–	–
4. Miss Sirikul	Dhanasarnsilp	Vice Chairman	–	Member	Member	–	–	Vice Chairman
5. Mr. Boondee	Amnuayskul	Director	–	–	–	–	–	Managing Director
6. Mr. Atsushi	Tabata	Director	–	–	–	–	–	Deputy Managing Director
7. Mr. Amnuay	Bumroongwongtong	Director	–	Member	–	–	–	Executive Director
8. Mr. Thamarat	Chokwatana	Director	–	–	–	–	–	–
9. Mr. Ikuo	Otani	Director	–	–	–	–	–	–
10. Mr. Kiyotaka	Hiroshima	Director	–	–	–	–	–	–
11. Assoc.Prof. Dr. Kulpatra Sirodom		Independent Director	Chairman	–	–	–	Chairman	–
12. Mrs. Punnee	Worawuthichongsathit	Independent Director	Member	–	–	–	–	–
13. Mrs. Saranya	Chindavanig	Independent Director	Member	–	–	–	Member	–
14. Mr. Krish	Follett	Independent Director	–	–	–	Chairman	–	–
15. Assoc.Prof. Nares	Kesaprakorn	Independent Director	–	–	–	Member	–	–

**Remark :** Qualification standards for independent director and The Audit Committee members were in accordance with the provisions set forth in related announcements.

## Directors representing the company

To represent the company, 2 out of the following 6 directors are required to sign their names, together with the affixing of company seal, namely:

1. Mr. Manu Leelanuwatana
2. Miss Sirikul Dhanasarnsilp
3. Mr. Boondee Amnuayskul
4. Mr. Amnuay Bumroongwongtong
5. Mr. Thamarat Chokwatana
6. Mr. Atsushi Tabata

## 1.2 Personal information of company directors

The details of personal information of company directors were display per the section "Personal information of company directors and management members"

## 1.3 The number of Directors' meetings

During 2013, The Board of Directors and other committees regularly held their meetings, whose attendance record by the directors were summarized as follows:

Unit : Times

Name of directors and management members		Directors' Meeting						
		The Board of Directors	The Audit Committee	The Nominating Committee	The Remuneration Committee	The Risk Management Committee	The Executive Board	General Shareholders' Meeting
		(6 times / year)	(12 times / year)	(1 time / year)	(2 times / year)	(12 times / year)	(12 times / year)	(1 time / year)
1. Mr. Boonsithi	Chokwatana	–	–	–	2/2	–	–	1/1
2. Mr. Yoshikata	Tsukamoto*	1/6	–	–	–	–	–	0/1
3. Mr. Manu	Leelanuwatana	6/6	–	1/1	2/2	–	12/12	1/1
4. Mr. Yuzo	Ide*	1/6	–	–	–	–	–	0/1
5. Miss Sirikul	Dhanasarnsilp	6/6	–	1/1	2/2	–	12/12	1/1
6. Mr. Boondee	Amnuayskul	6/6	–	–	–	–	12/12	1/1
7. Mr. Akihisa	Nakano*	2/2 (Jan.–Mar.)	–	–	–	–	2/3 (Jan.–Mar.)	–
8. Mr. Atsushi	Tabata*	4/4 (Since Apr.)	–	–	–	–	8/9 (Since Apr.)	1/1
9. Mr. Amnuay	Bumroongwongtong	6/6	–	1/1	–	–	12/12	1/1
10. Mr. Thamarat	Chokwatana	6/6	–	–	–	–	–	1/1
11. Mr. Ikuo	Otani*	1/6	–	–	–	–	–	0/1
12. Mr. Kiyotaka	Hiroshima*	1/6	–	–	–	–	–	0/1
13. Assoc.Prof. Dr. Kulpatra	Sirodom*	5/6	11/12	–	–	–	–	1/1
14. Mrs. Punnee	Worawuthichongsathit	6/6	12/12	–	–	–	–	1/1
15. Mrs. Saranya	Chindavanig**	5/6	12/12	–	–	–	–	1/1
16. Mr. Krish	Follett	6/6	–	–	–	12/12	–	1/1
17. Assoc.Prof. Nares	Kesaparakorn	6/6	–	–	–	12/12	–	1/1
18. Mr. Manus	Ongsaranakorn	–	–	–	–	12/12	12/12	1/1
19. Mr. Suvit	Wongcharoenvutporn**	–	–	–	–	–	11/12	1/1
20. Mrs. Nonglaks	Techaboonanek	–	–	–	–	–	12/12	1/1

Name of directors and management members		Directors' Meeting						
		The Board of Directors	The Audit Committee	The Nominating Committee	The Remuneration Committee	The Risk Management Committee	The Executive Board	General Shareholders' Meeting
		(6 times/year)	(12 times/year)	(1 time/year)	(2 times/year)	(12 times/year)	(12 times/year)	(1 time/year)
21. Miss Natcharinthorn	Pongsupachintapa	–	–	–	–	–	12/12	1/1
22. Mrs. Siriwan	Vilassakdanont**	–	–	–	–	–	11/12	1/1
23. Miss Karunee	Surai**	–	–	–	–	–	11/12	1/1
24. Mrs. Onanong	Saengpumpong	–	–	–	–	–	12/12	1/1

Remark : \* Meeting leave due to overseas assignments

\*\* Meeting leave due to own engagement

In addition, during the year 2013, one meeting was held among independent directors only, without the attendance by management members, with full attendance by all the independent directors.

## 1.4 Controller

The company does not have any controller who has the influence over the company's management policy, or its operations, in such manner deemed as significant.

## 2. The Management

### 2.1 The Management

At present, there were 9 company's management members in accordance with the definition of the management set by The Securities and Exchange Commission. The management were authorized by the company to carry out duties in accordance with the company's policies.

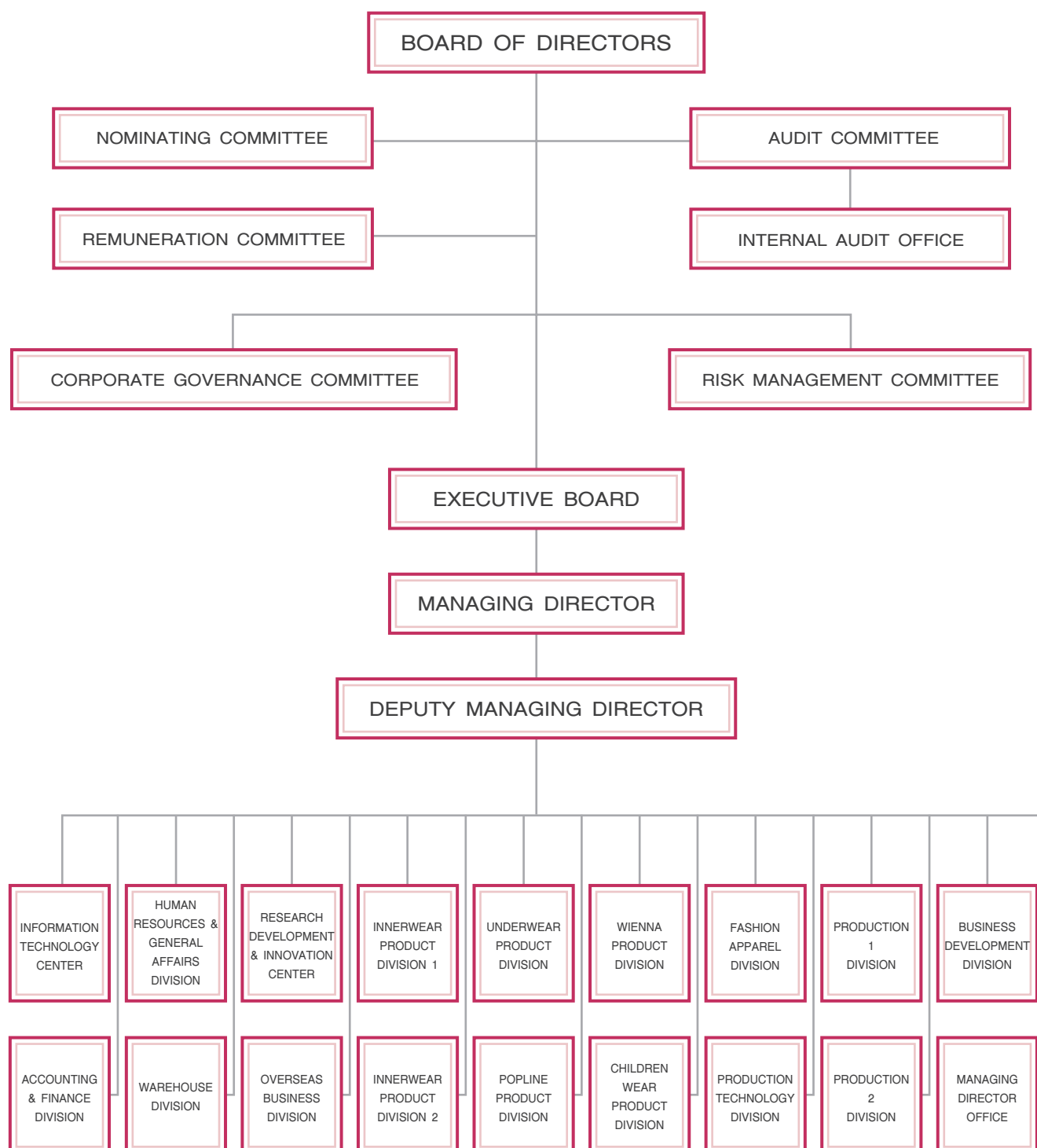
#### Name list of the Management as of December 31, 2013

Name		Position
1. Mr. Boondee	Amnuayskul	Managing Director
2. Mr. Atsushi	Tabata	Deputy Managing Director
3. Mr. Manus	Ongsaranakom	Executive Director and Chief Financial Officer
4. Mr. Suvit	Wongcharoenutporn	Executive Director and Director of Children Wear Division
5. Mrs. Nonglaks	Techaboonanek	Executive Director and Director of Innerwear Division
6. Miss Natcharinthorn	Pongsupachintapa	Executive Director and Director of Research Development and Innovation Center
7. Mrs. Siriwan	Vilassakdanont	Executive Director and Director of Vienna Division
8. Miss Karunee	Surai	Executive Director and Director of Human Resources and General Affairs Division
9. Mrs. Onanong	Saengpumpong	Executive Director and Director of Accounting and Finance Division

### 2.2 Personal information of management members

The details of personal information of management members were display per the section "Personal information of company directors and management members"

## 2.3 Organization Structure as of December 31, 2013





### 3. Company Secretary

The Board of Directors resolved to appoint Mrs. Onanong Saengpumpong, Executive Director and Director Accounting & Finance Division, who was duly qualified, with sound knowledge and experiences, as the Company Secretary effective from May 8, 2008 (See the details on her education and career background under the heading "Personal information of company directors and management members", having the duties and responsibilities as specified in The Securities and Exchange Act (no. 4) B.E. 2551, together with other duties assigned by The Board of Directors.

#### The Company Secretary was assigned the following responsibilities:

1. To provide preliminary advice to the directors on laws, regulations and articles of the company, and to monitor proper and regular compliance, as well as to report substantive changes to the directors.
2. To coordinate between the company directors and the management, to supervise and coordinate matters pertaining to the relevant laws and regulations, including proceedings to ensure compliance with resolutions of The Board of Directors.
3. To organize shareholders' meeting and The Board of Directors' meeting in accordance with laws, company articles and other directives.
4. To record minutes of the shareholders' meeting and The Board of Directors' meeting as well as to monitor compliance with resolutions of the shareholders' meeting and The Board of Directors' meeting.
5. To oversee the disclosure of information and file the relevant reports under the rules and regulations of The Securities and Exchange Commission and The Stock Exchange of Thailand.
6. To prepare and archive the following documents:
  - Directors' register
  - Notice of The Board of Directors' meeting and minutes of The Board of Directors' meeting
  - Notice of the shareholders' meeting and minutes of shareholders' meeting.
  - Annual registration statement (Form 56-1) and Annual report (Form 56-2).
7. To maintain report of interest reports filed by directors or executives.
8. To carry out other proceedings as prescribed by The Capital Market Supervisory Board.

### 4. Remuneration for the directors and management members

#### 4.1 Remuneration criteria for the directors and management members

The Board of Directors earlier appointed The Remuneration Committee to set the budget and allocation criteria for the directors, on a comparative basis with other companies in the same business category. Consideration were given to such areas as, expansion in the company's business activities, business growth rate, operating results, together with proper reference to the authority, duty, responsibility scope, and performances by the directors, for setting the criteria on meeting allowance and yearly remuneration. Said resolution would be forwarded to The Board of Directors' meeting for their consideration prior to submitting to the shareholders' meeting for final approval of said remuneration budget.

Whereas the remuneration authorization for top management and other management members would be required to follow the criteria set forth by the company, in term of the duty and responsibility scope, as well as the performance results by said top management and management members, who would be entitled to such same remuneration criteria.

#### 4.2 Remuneration amount

##### (A) Remuneration for company directors

The shareholders' meeting approved annual remuneration budget for company directors for total amount not exceeding Baht 20 million each year. The disbursement of said remuneration budget required the consideration by The Remuneration Committee, and the approval of The Board of Directors, with such disbursement not exceeding the budget amount earlier approved by the shareholders' meeting.

## Structure of remuneration for company directors

The company had set the same remuneration structure for company directors, regardless of whether they also served as members of the Management of not, by classifying remuneration categories as follows :

1. **Annual remuneration** : paid to all directors, based on the consideration by The Remuneration Committee.
2. **Meeting allowance** : paid to person attending the meeting.

Details of meeting allowance payments were as follows:

	2013	2012
<b>1. Meeting allowance</b>		
<b>1.1 For The Board of Directors</b>		
– Chairman	Baht 12,000 / time	Baht 10,000 / time
– Member	Baht 10,000 / time	Baht 8,000 / time
<b>1.2 For The Audit Committee, The Nominating Committee, The Remuneration Committee, The Risk Management Committee</b>		
– Chairman	Baht 10,000 / time	Baht 10,000 / time
– Member	Baht 8,000 / time	Baht 8,000 / time
<b>2. Quarterly meeting allowance (For The Audit Committee)</b>		
– Chairman	Baht 60,000 / time	Baht 60,000 / time
– Member	Baht 30,000 / time	Baht 30,000 / time

For the year 2013, the company authorized total meeting allowance payments of total Baht 1,542,000, and total remuneration amount of Baht 15,000,000, altogether amounting to Baht 16,542,000.–

## Remuneration details for The Board of Directors and other committees

Unit : Baht

Remuneration details	2013		2012	
	Meeting allowance	Annual remuneration	Meeting allowance	Annual remuneration
The Board of Directors	640,000	15,000,000	572,000	13,000,000
The Audit Committee	628,000	–	688,000	–
The Nominating Committee	26,000	–	52,000	–
The Remuneration Committee	32,000	–	32,000	–
The Risk Management Committee	216,000	–	216,000	–
<b>Total</b>	<b>1,542,000</b>	<b>15,000,000</b>	<b>1,560,000</b>	<b>13,000,000</b>

Whereas The Corporate Governance Committee was only set-up in December 2013, and thus did not warrant for payments of meeting allowances and remuneration to said Committee members.

**(B) Remuneration for management members :** Referred to the remuneration for The Executive Board members, the 4 top-ranking executives under the Managing Director, and other executives in the same level as the 4th ranking executive, altogether totaling 12 persons. The remuneration details were classified into salary, bonus, allowance, and meeting allowance accorded their status as company employees.

#### Remuneration details for management members

Remuneration	2013		2012	
	Number of persons	Amount (Baht)	Number of persons	Amount (Baht)
Salary, bonus, and allowance	12	46,099,978	12	48,364,274
Meeting allowance	12	913,000	12	897,000
<b>Total</b>		<b>47,012,978</b>		<b>49,261,274</b>

### 4.3 Other remuneration

The company does not have the policy to provide any extra benefits to its executives, whether in term of shares, debentures, other than those remuneration normally accorded the directors and company employees.

#### (A) Other remuneration for company directors

– None –

#### (B) Other remuneration for management members

The Executive Directors, together with those 4 top-ranking executives under the Managing Director, and other executives in the same level as the 4th ranking executive, totaling 12 persons, altogether received the company's contribution to their provident funds.

#### Other remuneration details for management members

Other remuneration	2013		2012	
	Number of persons	Amount (Baht)	Number of persons	Amount (Baht)
Provident fund contribution	12	124,131	12	202,956
<b>Total</b>		<b>124,131</b>		<b>202,956</b>

## 5. Employees

### 5.1 Total number of employees by function and Total remuneration

Data	2013	2012	2011
Total Employee at the end of December 2013 (persons)	4,736	5,258	5,029
– Production (persons)	2,643	3,141	3,148
– Support Production and Administration (persons)	2,093	2,117	1,881
Total remuneration of total employee (million baht)	1,274	1,388	1,272
Labour Dispute	– None –	– None –	– None –

Total remuneration of employees are salary/wage, overtime wage, allowance, fringe benefit, and provident fund.

## 5.2 Human Resource Development and Training

In 2013, Wacoal met the challenges with global economic slowed down, monetary value fluctuations as well as fiercer local competition, therefore, the Company has adjusted short-term and long-term business operation plans to handle these challenges. The human resource preparation to handle changes within the organization is an important issue to achieve the targeted goal.

### Human Resource Development Policy

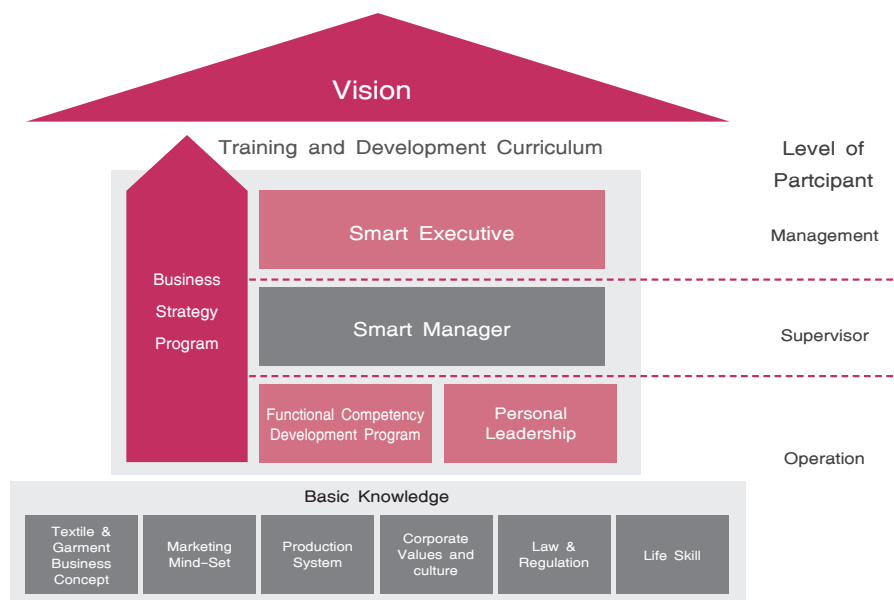
Human resource is an important resource to retain the competitive edge in the business. Therefore, human resource development is a long-term investment, which Wacoal determines to develop and improve their knowledge, skills and characteristics continuously. The focus is to educate and develop them into experts in various fields. Open their viewpoints in marketing, business and trading and prepare them towards free trade in AEC market and world market.

Wacoal has determined human resource development ratio by using the principle 70:20:10 ie. Use 70% for practical training and 20% for self-learning, instructional media or activities to gain experiences and 10% to learn from classroom training and applicable to every level of employees in the organization. There are several methods such as in-house training and outside training Classroom Training Type and On the Job Training, preparation of projects, give education scholarships, organize excursions for studies in and outside of country, encourage the atmosphere to exchange knowledge etc..



### Training

To ensure that human resource development conforms to the vision and elevate the competitive edge, Wacoal thus plans human resource training for every level of employees as follows:-



#### Management Level

Focus on building vision and business operation strategy to coincide with changing situation.

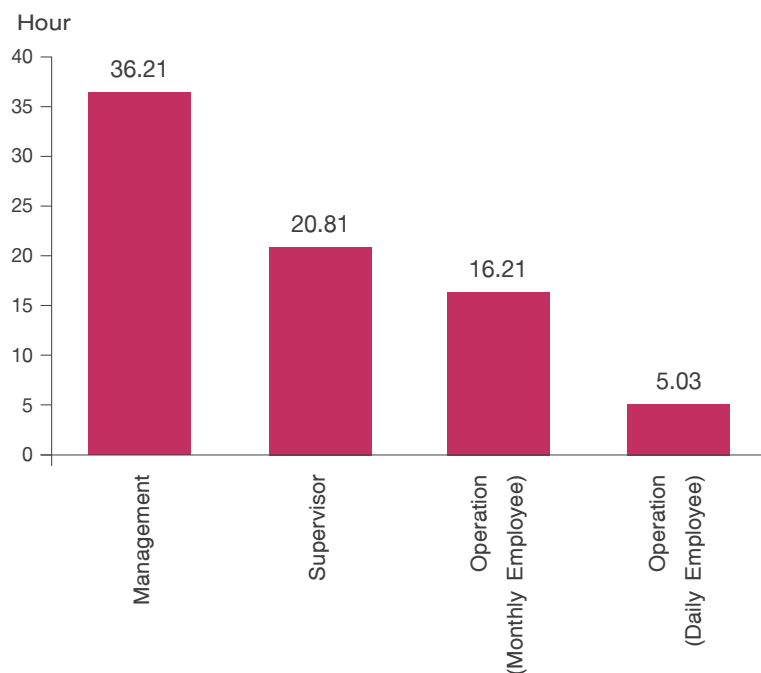
#### Supervisor Level

To develop knowledge and skills in managing work and resources to achieve the goal and conform to the organizational policy. Encourage good teamwork atmosphere.

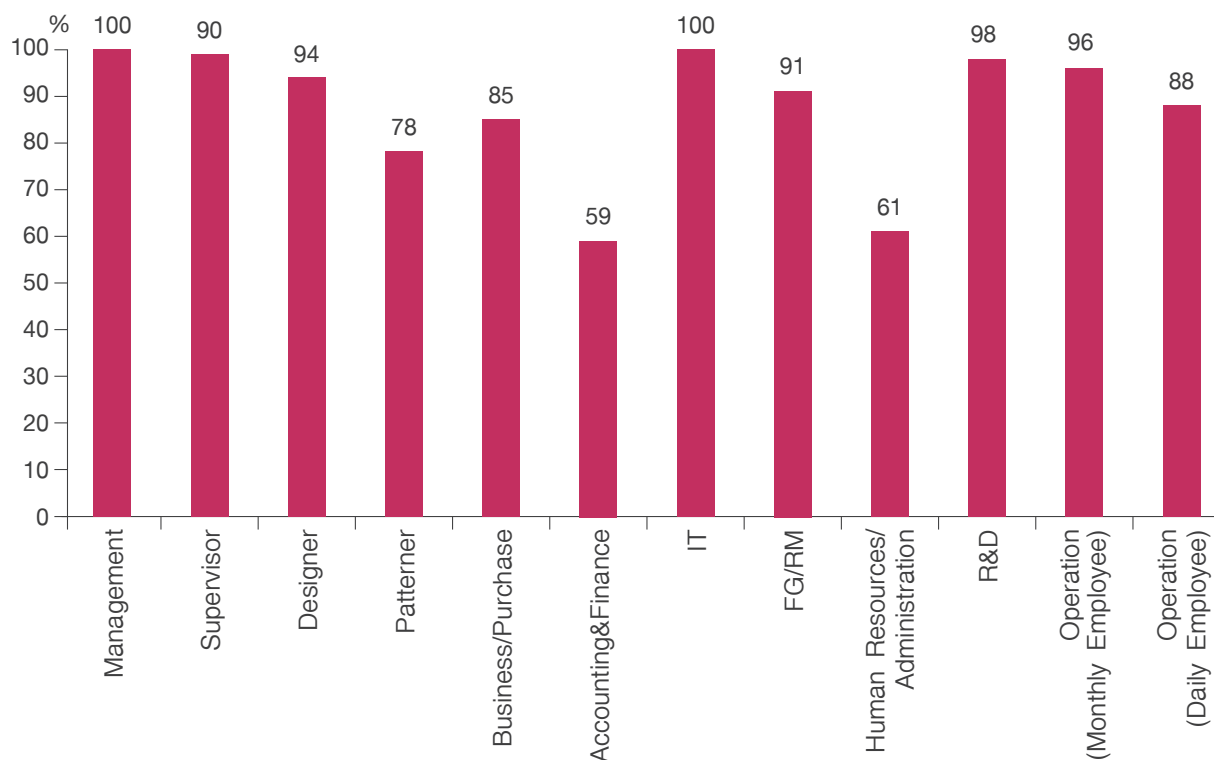
#### Operation Level

To develop knowledge, expertise according to jobs, be aware about customers' needs. Emphasize on training within the Company and On the Job Training according to job position.

In 2013, total number of employees who received training is 2,282 persons (87% of all employees). The total training hours is 22,236 hours. The average training hours per person per year for each level are as follows:-



Organize in-house training and outside training classroom training type total 148 courses Employees who have received training are divided into groups as follows:-





## Professional Development

Wacoal emphasizes on professional development and thus organizes specific courses for employees in each field in order to improve their performance such as:

### Design and Pattern Business Group

- "Fashion Outlook & Update : Retail, Merchandising and Trend" Course
- "Lingerie Fashion Trend" Course
- "Marketing Trend & Customer Insight 2013" Course

### Research and Development Group

- "Color Science Theory" Course
- "Assessment of Employees' Ability to Check Raw Materials" Course

### Production Work Group

- "Kaizen Knowledge Sharing" Course
- "Basic Knowledge in Sewing Products" Warehouse Group
- "Drive ForkLift Safely" Course

## School of Deep Textile Project

The Deep Textile Experts Development Project: Wacoal has cooperated with business allies to organize practical training to improve employees' ability and knowledge about textile industry from upstream, mid-stream and downstream. This also includes improving raw materials and textiles products to meet customers' demand. Currently, there are 46 persons who have graduated from the course.

## Wacoal Spirit

Wacoal focus on management of variety, stresses on teamwork, mix knowledge between old and new employees through the Wacoal Spirit Project, to create transfer of thoughts, working methods from elders to younger people. And prepare new generation of employees to have deeper understanding about business and working in the Company. Implant good values in working and adjust to organizational culture quickly.



## Employees Scholarship

To encourage and strengthen human resource in order to meet the demand of company business growth in the future. In 2013, Wacoal gave two Master Degree Scholarship for leading local universities, Industrial Engineering Major, Business Information System Major and 1 Scholarship at the Certificate Level. Major Fashion Creation and Fashion Professional at Bunka Fashion Institute. Currently, there are 29 employees who have received the Scholarships.



## Excursions

To develop viewpoints and more successful business operation. Wacoal encourages and organizes excursions locally within the Sahapat Group of Companies as well as other companies which are good examples in various fields. The Company also organizes excursions to foreign countries such as United States of America, France, Italy, Japan, China, Hong Kong, Korea, Taiwan to study the market, fashion trends, attend textiles and fashion exhibitions and inspect products and raw materials.



## Encourage Learning and Creativity Atmosphere

Wacoal has organized the Kaizen & Suggestion Board to encourage creativity and innovation within the organization. In 2013, there were 142 suggestions from Kaizen & Suggestion which were implemented to improve working efficiency. They were exhibited at the "Wacoal Innovation Challenge" to create exchange, learning atmosphere among employees. Moreover, the works are sent to compete in the Saha Group Innovation Award continuously every year.



# Corporate Governance

## Corporate Governance Policies

The Board of Directors is confident that a proper, transparent and accountable governance system is in place along with checks and balances and an internal control system that is sufficient and appropriate. Alongside these mechanisms are due respect for the rights and equality of shareholders and accountability to all stakeholders. These key factors contribute to the enhancement of the organization's immunity and promotion of a balanced and sustainable growth in the long-term.

In pursuance thereof, the Board of Directors thereby prescribed the following corporate governance policies as a practice guideline for the Company directors, Executives and all employees.

1. Company Directors, Executives and all employees are fully committed to the application of corporate governance principles, business ethics and Codes of Conduct for Company Directors, Executives and employees to Company operations.
2. Company Directors, Executives and all employees must perform their duties responsibly, prudently, earnestly and honestly in accordance with the relevant laws, Company Articles and Notifications.
3. Actions shall be taken to ensure that the Company management structure contains clear prescriptions of powers, duties and responsibilities of each Company Committees and Executives.
4. An internal control system shall be installed and risks management shall be managed at suitable levels, including an accounting system and financial statement which are accurate and reliable.
5. Information shall be disclosed in a sufficient, reliable and timely matter to the extent that the legitimate interests of the Company are not prejudiced.
6. The ownership rights of shareholders shall be appreciated and respected. Shareholders shall be treated equitably.
7. Undertakings shall have regard to the responsibilities of shareholders, stakeholders, communities, society and the environment.
8. There shall be a determination to strive towards business excellence with commitment to the creation of customer satisfaction by receiving comments and self-assessments in order to enhance management capabilities and continually promote productive creativity.
9. Virtue, ethics and good values shall be instilled. Employees shall be treated fairly with a commitment to develop and enhance the capabilities of personnel.
10. Dishonest conduct, corruption and intellectual property violations shall be suppressed. Laws and human rights shall be respected.
11. Conflict of interests shall be dealt with prudently and reasonably with due regard for the Company's interests.

With this regard, the company has revealed corporate governance policies, business ethics, and code of conduct for company directors, the management and employees to employees, shareholders, and general public via the company website, under the heading "Investor relations: About Us (Corporate Governance)".

## Various committees

The Board of Directors appointed several committees comprising of competent and experienced members, to supervise over each particular aspect of company operations, to ensure careful and effective management and operations for the company. Those committees consisted of The Audit Committee, The Nominating Committee, The Remuneration Committee, The Risk Management Committee, The Corporate Governance Committee, and The Executive Board.

The Board of Directors clearly laid down the authority and responsibility scope for each committee per the charter for said committee. The chairman of every other committee was responsible for supervising the operations in accordance with the policies of The Board of Directors and reported the results in The Board of Directors' meeting

### 1. The Board of Directors

At present, The Board of Directors consisted of 15 members, classified into :

- 10 non-executive directors (including 5 independent directors)
- 5 executive directors



### Name list of The Board of Directors

Name		Position
1. Mr. Yoshikata	Tsukamoto	Advising Director
2. Mr. Manu	Leelanuwatana	Chairman
3. Mr. Yuzo	Ide	Vice Chairman
4. Miss Sirikul	Dhanasarnsilp	Vice Chairman
5. Mr. Boondee	Amnuayskul	Director
6. Mr. Atsushi	Tabata	Director
7. Mr. Amnuay	Bumroongwongtong	Director
8. Mr. Thamarat	Chokwatana	Director
9. Mr. Ikuo	Otani	Director
10. Mr. Kiyotaka	Hiroshima	Director
11. Assoc.Prof. Dr. Kulpatra	Sirodom	Independent Director
12. Mrs. Punnee	Worawuthichongsathit	Independent Director
13. Mrs. Saranya	Chindavanig	Independent Director
14. Mr. Krish	Follett	Independent Director
15. Assoc.Prof. Nares	Kesaprakorn	Independent Director
Mrs. Onanong	Saengpumpong	Company Secretary

### Term for company directors

The term for company directors is in accordance with company articles of association and Charter for The Board of Directors as follows:

1. At each annual shareholders' general meeting, one-third of the sitting directors are required to retire from directors, whereas if the number of directors cannot be divided into 3 equal portions, the closet to such number shall apply. Retiring directors are eligible for re-election. At present, The Board of Directors had 15 members, therefore each director shall have a 3-year term.
2. Apart from retiring upon term completion, the company director shall also relieved of his/her position upon resignation or death or having disqualifications as prohibited by laws or the resolution adopted by the shareholders' meeting to remove that person from the position, or court ruling remove that person from the position.
3. In the case where the position of Board member is left vacant due to reasons other than term completion, with such remaining term not less than 2 months, The Board of Directors are required to appoint other persons having full qualifications to succeed in that position. In such case, the newly-appointed Board member may only serve out the term remaining for the person he/she succeeds.
4. The company director resigning from the position before term completion is required to submit his/her resignation letter to the company, with such resignation coming into effect on the date of said submission.
5. The shareholders' meeting may vote for any of director to be out before retiring upon term completion, by a vote of not less than three-fourths of the number of shareholders attending the meeting and having the right to vote and the total number of shares being not less than half of the number of shares held by the shareholders attending the meeting and having the right to vote.

### Authority of The Board of Directors

1. Appoint, remove, and assign authority to advisors to The Board of Directors, various committees, and The Managing Director, to carry out the assigned duties.
2. Seek advices from specialists or company consultants (if any), or solicit the services of outside specialists or consultants at the company's expenses.

3. Approve loan transaction to be used as the company's working capital, for such portion exceeding the authority of The Executive Board.
4. Approve or cancel credit facility, for such portion exceeding the authority of The Executive Board.
5. Approve loan extension to companies having business connection with the company, either as the shareholder or the company engaging in business transaction, or other companies, for such portion exceeding the authority of The Executive Board.
6. Approve the entering into guarantee for credit facility, for companies having business connection with the company, either as the shareholder or the company engaging in business transaction, or other companies, for such portion exceeding the authority of The Executive Board.
7. Approve the set-up, merger, or dissolution of subsidiary company.
8. Approve the investment for the purchase or sales of common shares, and/or other securities, for such portion exceeding the authority of The Executive Board.
9. Approve the procurement and investment in fixed asset, for such portion exceeding the authority of The Executive Board.
10. Approve the adjustment, disposal, and write-off for fixed assets, and/or intangible assets no longer in use, or being subject to damage, loss, destruction, deterioration, out-of-date, or no longer functionable, for such accounting value (historical cost) exceeding the authority of The Executive Board.
11. Approve the settlement of conflicts by reconciliation or by the resolution through arbitration, petition, lawsuit, and/or court proceedings on the company's behalf, for such case not considered as normal business practice, and/or such case considered as normal business practice, for such portion exceeding the authority of The Executive Board.
12. Approve the entering into such transaction not considered as normal business practice, for such portion exceeding the authority of The Executive Board.
13. Propose the capital increase or capital decrease, or the change in par value, change or amendment to memorandum of association, articles of association, and/or objectives of the company to the shareholders for consideration.
14. Authorize The Executive Board members, management members, managers or other persons, to act on their behalf.
15. Authorize to summon management members or employees concerned to provide explanation or opinion, to join the meeting, and to submit those documents deemed necessary.
16. Appoint and remove Company Secretary
17. The authority scope for The Board of Directors pertaining to the acquisition and disposal of assets and connected transactions, shall comply with the Notification of The Capital Market Supervisory Board.

#### **Duty and responsibility scope of The Board of Directors**

1. Set the direction, target, and business policy for the company.
2. Approve the annual business plan and annual budget, as well as supervising the operations by the management to well comply with the laws, policies, and plans in an efficient and effective manner.
3. Promote the establishment of corporate governance policy, business ethics, and business morality in writing, to serve as guidelines for the directors, the management, and the employees, in carrying out their business practices, while regularly following up to ensure their strict adherence and compliance accordingly.
4. Set up adequate internal control systems, so as to ensure that all transactions receive proper approval from the authorized persons, and that proper accounting review and bookkeeping practice are carried out, while proper checking systems are in place to safeguard against unauthorized exploitation of company assets.
5. Ensure that careful consideration is given to the issue of conflict of interests, and that clear practice guidelines are in place to safeguard the interests of the shareholders and the company. Also ensure that the persons having interests at stake do not take part in adopting the decision, and that all concerned parties strictly follow the procedures and regulations to disclose relevant information in a proper manner.
6. Grant approval to financial statements already audited and verified by the certified public accountant, and earlier approved by The Audit Committee.
7. Being accountable to all shareholders on an equal basis, while ensuring that information are disclosed to the shareholders and investors in an accurate, reliable, and transparent manner.



8. Acknowledge the corporate management report prepared by The Executive Board.
9. Set the date, time, and place for the annual shareholders' general meeting, and convene said meeting accordingly. Also set the rate for dividend payments (if any), and provide comments relating to the meeting agenda to the shareholders.  
In that regard, the company may suspend shares transfer registration for the period of 21 days leading up to the meeting, whereby the company is required to post such announcement to the shareholders at the company's head office and its subsidiaries for the period of no less than 14 days prior to such suspension. Otherwise, the company may set the date to finalize the shareholders' list (Record Date) no longer than 2 months prior to the meeting, and then set the date for shares registration suspension 1 day later, in order to compile the shareholders' list according to article 225 of The Securities and Exchange Act, to entitle the shareholders to attend the meeting, and to be eligible for dividend payments.
10. Prepare The Board of Directors' responsibility report toward financial statements compilation, and disclose said report in the company's annual report (form 56-2) and the annual registration statement (form 56-1).
11. Supervise the compilation of the documents required to be submitted to concerned regulating agencies, to ensure that all information contained therein are true and accurate in accordance with the information appearing in the accounting books, the registration book, and other official documents of the company.
12. Grant approval to the charter for The Board of Directors, and/or other committees.
13. Engage in those acts lying beyond The Executive Board's authority, or as deemed necessary by The Board of Directors.

During 2013, The Board of Directors convened total 6 meetings, whereby the meeting dates had been earlier decided throughout the entire year. Furthermore, additional meeting could also be summoned according to necessary circumstances.

## 2. The Audit Committee

The Board of Directors was authorized to appoint 3 independent directors to serve as The Audit Committee Members. All of them are qualified as required by security law and the Stock Exchange, whose term was 1 year from May 2013–May 2014. Each member of The Audit Committee did not hold any company share.

### Name list of The Audit Committee

Name		Position	
1. Assoc.Prof. Dr. Kulpatra Sirodom		Chairman	Well-experienced in finance & accounting
2. Mrs. Punnee Worawuthichongsathit		Member	Well-experienced in finance & accounting
3. Mrs. Saranya Chindavanig		Member	Well-experienced in finance & accounting
Mrs. Nuanchan Tuangjareontip		Secretary to The Audit Committee	

Whereby, all Audit Committee Members had extensive knowledge and experiences regarding the audit of the company's financial statements. (See the details on their education and career background under the heading "Personal information of company directors and management members")

### Authority of The Audit Committee

1. Coordinate to facilitate common understanding regarding company operations among the certified public accountant, The Board of Directors, and the internal control office.
2. Seek advices from specialists or company consultants (if any), or solicit the services of outside specialists or consultants at the company's expenses.
3. Authorized to summon the management and company staff to provide comments and clarification, to take part in meetings, and to submit documents deemed necessary, while being allowed to gain access to all levels of information.
4. Authorized to carry out investigation on concerned persons relating to such matters lying within the authority and duty scope of The Audit Committee.

### Duty and responsibility scope of The Audit Committee

1. Review the company's financial statements to ensure that they are accurate and adequate.
2. Review the company's internal control system and internal audit system to ensure that they are effective and suitable.
3. Review the independence of the internal audit office, and grant approval to the appointment, transfer, or dismissal of the chief of internal audit office or any other office responsible for carrying out internal audit work.
4. Review to ensure that the company duly follows the laws on securities and stock exchange, the regulations of The Stock Exchange of Thailand, and the laws concerning the company's business operations.
5. Review, select and nominate independent persons to serve as the company auditor, and propose related remuneration. Also take part in joint meeting with the company auditor, in the absence of the management for at least once a year.
6. Review connected transactions or transactions with possible conflict of interests, to ensure that they follow the laws, and the regulations of The Stock Exchange of Thailand, and that they are justified and are of maximum benefits to the company.
7. Prepare the report by The Audit Committee and disclose it in the company's annual report. Said report requires the signature of the Audit Committee Chairman, and needs to contain at least the following information:
  - a. Opinion regarding the accuracy, complete coverage and reliability of the company's financial statements
  - b. Opinion regarding the adequacy of the company's internal control system
  - c. Opinion regarding the practices in compliance with the laws on securities and stock exchange, the regulations of The Stock Exchange of Thailand, or other laws concerning the company's business operations
  - d. Opinion regarding the suitability of the company auditor
  - e. Opinion regarding the transaction with possible conflict of interests
  - f. The number of The Audit Committee's meetings, and the attendance record of each member
  - g. Overall opinion or comment provided by The Audit Committee out of its practices in accordance with the charter
  - h. Other items deemed to benefit the shareholders and general investors, in accordance with the authority and duty scope assigned by The Board of Directors
8. During the course of its duty, should The Audit Committee come across or have any doubt relating to below transactions that they may significantly affect the company's financial position or performances, they are then required to report the matter to The Board of Directors, in order for necessary remedial actions to be taken within the timeframe decided upon by The Audit Committee.
  - a. Transaction incurring conflict of interests
  - b. Significant fraud, irregularity, or deficiency within the internal control system
  - c. Breach of laws concerning securities and stock exchange, the regulations of The Stock Exchange of Thailand, and other laws concerning the company's business operationsIn the case where The Board of Directors or the management fail to rectify the items within the timeframe assigned by The Audit Committee, any member of The Audit Committee may report said problems to The Securities and Exchange Commission or The Stock Exchange of Thailand.
9. Encourage and follow-up to ensure that the company has effective risk management system.
10. Revise and improve the charter of The Audit Committee, and submit to The Board of Directors for approval.
11. Engage in other acts as assigned by The Board of Directors and deemed justified by The Audit Committee, in accordance with company regulations and the laws.

In carrying out its above duties, The Audit Committee is directly responsible to The Board of Directors, who in turn is responsible to the shareholders and general investors.

The Audit Committee regularly held its meeting once a month, whereby the meeting dates had been decided in advance throughout the entire year. The Audit Committee regularly reported its findings to The Board of Directors, and also attended joint meetings with the company's auditor and the Chief Financial Officer each quarter, to review the company's quarterly financial statements.

### 3. The Nominating Committee

The Board of Directors appointed 3 company directors to serve as members of The Nominating Committee, whose term was 1 year from May 2013–May 2014.

#### Name list of The Nominating Committee

	Name	Position
1. Mr. Manu	Leelanuwatana	Chairman
2. Miss Sirikul	Dhanasarnsilp	Member
3. Mr. Amnuay	Bumroongwongtong	Member

#### Authority of The Nominating Committee

1. Seek advices from specialists or company consultants (if any), or solicit the services of outside specialists or consultants at the company's expenses.
2. Authorized to summon the management and company staff to provide comments and clarification, to take part in meetings, and to submit documents deemed as necessary.

#### Duty and responsibility scope of The Nominating Committee

1. Set the criteria and method in selecting the persons to be nominated as directors.
2. Review the background and relevant information of the persons to be nominated as directors, by considering their knowledge, experiences, and expertise from various professions, so as to secure qualified persons according to the selection criteria, company regulations, and related laws.
3. Select the persons to be nominated as company directors, for The Board of Directors to consider and approve. However, in the case of the director retiring upon term completion, such nomination needs to be submitted to the shareholders' meeting for approval.
4. Prepare comment and suggestion to serve as references for The Board of Directors' consideration.
5. Review and revise the charter for The Nominating Committee, to be proposed to The Board of Directors for consideration and approval.
6. Engage in other acts as assigned by The Board of Directors.

During 2013, The Nominating Committee held its meeting 2 times, and subsequently reported the results to The Board of Directors, whereby the meeting dates had been decided in advance throughout the entire year.

### 4. The Remuneration Committee

The Board of Directors appointed an advisor to The Board of Director, together with 2 company directors to serve as members of The Remuneration Committee, having a 1–year term from May 2013–May 2014.

#### Name list of The Remuneration Committee

	Name	Position
1. Mr. Boonsithi	Chokwatana	Chairman
2. Mr. Manu	Leelanuwatana	Member
3. Miss Sirikul	Dhanasarnsilp	Member

#### Authority of The Remuneration Committee

1. Seek advices from specialists or company consultants (if any), or solicit the services of outside specialists or consultants at the company's expenses.
2. Authorized to summon the management and company staff to provide comments and clarification, to take part in meetings, and to submit documents deemed as necessary.

#### Duty and responsibility scope of The Remuneration Committee

1. Review the remuneration criteria for The Board of Directors, and if deemed necessary, propose the suggestion or revision to existing criteria, in order to make them more suitable.
2. Review the remuneration budget earmarked for The Board of Directors, by taking into account the practices by other companies in the same business category, the business growth and the company's performances, the remuneration budget approved by the shareholders' meeting, and the actual remuneration amount for the previous year, for further presentation to The Board of Directors for consideration, and for final approval by the shareholders' meeting.
3. Review the remuneration budget for the company's directors, the Audit Committee members, the Nominating Committee members, the Remuneration Committee members, and the Risk Management Committee members by taking into account their duty and responsibility scope and related performances, based on the remuneration budget approved by the shareholders' meeting.
4. Review the remuneration budget for the Nominating Committee members, the Remuneration Committee members, and the Risk Management Committee members (who do not serve as company directors), by taking into account their duty and responsibility scope, and related performances.
5. Review and revise the charter for The Remuneration Committee, and present to The Board of Directors for approval.
6. Engage in other acts as assigned by The Board of Directors.

During 2013, The Remuneration Committee held its meeting 2 times, and subsequently reported the results to The Board of Directors, whereby the meeting dates had been decided in advance throughout the entire year.

#### 5. The Risk Management Committee

The Risk Management Committee consisted of 3 members, with independent directors serving as the Chairman and committee member, further joined by members representing The Executive Board, having a 1-year term, from May 2013-May 2014.

#### Name list of The Risk Management Committee

Name		Position
1. Mr. Krish	Follett	Chairman
2. Assoc.Prof. Nares	Kesaparakorn	Member
3. Mr. Manus	Ongsaranakorn	Member
Mrs. Nuanchan	Tuangjareontip	Secretary to The Risk Management Committee

#### Authority, duty, and responsibility scope of The Risk Management Committee

1. Prepare risk management policy.
2. Identify and evaluate various risks stemming from both internal and external causes.
3. Prepare risk prevention plan, for proposal to The Board of Directors.
4. Manage and control company risks so as to be at adequate level and in a systematic manner. Report the results to The Board of Directors.
5. Provide support and recommendation on risk management procedures to various departments within the organization.
6. Engage in other acts as assigned by The Board of Directors.

During 2013, The Risk Management Committee held total 12 meetings, and subsequently reported the results to The Board of Directors, whereby the meeting dates had been decided in advance throughout the entire year.

## 6. The Corporate Governance Committee

At The Board of Directors' meeting no. 4/2013 on December 25, 2013, The Board resolved to appoint The Corporate Governance Committee of 3 members, with independent directors serving as the Chairman and committee member, further joined by members representing The Executive Board, having a 5-month term, from December 2013-May 2014.

### Name list of The Corporate Governance Committee

Name		Position
1. Assoc.Prof. Dr. Kulpatra Sirodom		Chairman
2. Mrs. Saranya Chindavanig		Member
3. Mrs. Onanong Saengpumpong		Member
Miss Chama	Sungrungsan	Secretary to The Corporate Governance Committee

### Authority, duty, and responsibility scope of The Corporate Governance Committee

1. Specify corporate governance policy framework, as well as review and improve to be in accordance with the rules and regulations relating to standards of good corporate governance.
2. Provide suggestions regarding regulations and guidelines on business ethics and code of conduct for the company directors, the management, and employees.
3. Encourages the company directors, the management, and employees to follow the principles of good corporate governance.
4. Engage in other acts as assigned by The Board of Directors.

Since The Corporate Governance Committee was appointed at the end of 2013, there was no meeting in 2013.

## 7. The Executive Board

The Executive Board was set up to carry out management duties for the company as assigned by The Board of Directors, comprising 12 members being appointed by The Board of Directors, subsequent to the annual shareholders' meeting each year. Each Executive Board member was assigned a 1-year term from May 2013-May 2014.

During 2013, The Executive Board convened total 12 meetings, whereby the meeting dates had been decided in advance throughout the entire year.

### Name list of The Executive Board

Name		Position
1. Mr. Manu Leelanuwatana		Chairman
2. Miss Sirikul Dhanasarnsilp		Vice Chairman
3. Mr. Boondee Amnuayskul		Managing Director
4. Mr. Atsushi Tabata		Deputy Managing Director
5. Mr. Amnuay Bumroongwongtong		Executive Director
6. Mr. Manus Ongsaranakom		Executive Director
7. Mr. Suvit Wongcharoenvutporn		Executive Director
8. Mrs. Nonglaks Techaboonanek		Executive Director
9. Miss Natcharinthorn Pongsupachintapa		Executive Director
10. Mrs. Siriwan Vilassakdanont		Executive Director
11. Miss Karunee Surai		Executive Director
12. Mrs. Onanong Saengpumpong		Executive Director
Mrs. Onanong	Saengpumpong	Secretary to The Executive Board

### Authority of The Executive Board

1. Appoint, remove, transfer, and evaluate the performances, as well as deciding on the remuneration and benefits to be granted to the employees at all levels.
2. Appoint and remove any committee assigned to carry out duties for the benefits of the company.
3. Seek advices from specialists or company consultants (if any), or solicit the services of outside specialists or consultants at the company's expenses.
4. Issue the rules and announcement pertaining to company operations, and assign the authority to executive directors and/or staff members acting in the management position, to sign their names approving the disbursement of company assets.
5. Approve loan transaction to be used as the company's working capital, not to exceed Baht 200 million per such transaction.
6. Approve or cancel credit facility, with credit amount not to exceed Baht 50 million each time.
7. Approve loan extension to companies having business connection with the company, either as the shareholder or the company engaging in business transaction, or other companies, with such loan extension not to exceed Baht 50 million for each company.
8. Approve the entering into guarantee for credit facility, for companies having business connection with the company, either as shareholders or companies engaging in business transaction, or other companies, with such loan guarantee not to exceed Baht 50 million for each company.
9. Approve the investment for the purchase or sales of common shares, and/or other securities, with such investment not to exceed Baht 30 million for each transaction.
10. Approve the procurement and investment in fixed assets, with the amount not to exceed Baht 50 million for each transaction.
11. Approve the adjustment, disposal, and write-off for fixed assets, and/or intangible assets no longer in use, or being subject to damage, loss, destruction, deterioration, out-of-date, or no longer functional, with the accounting value (historical cost) not to exceed Baht 5 million for each disposal.
12. Approve value adjustment and disposal for raw materials and/or inventory already deteriorated or out-of-date, to reflect lower accounting value according to actual situation.
13. Approve the settlement of conflicts by reconciliation or by the resolution through arbitration, petition, lawsuit, and/or court proceedings on the company's behalf, with its authority over such case not considered as normal business practice, not to exceed the value of Baht 5 million each time, whereas for such case considered as normal business practice, its authority shall not exceed the value of Baht 20 million each time.
14. Approve the entering into such transaction not considered as normal business practice for the company, with the transaction amount not to exceed Baht 20 million each time.
15. Assign management members, managers or other persons, to act on their behalf.
16. Authorize to summon management members or employees concerned to provide explanation or opinions, to join the meetings, and to submit those documents deemed necessary.
17. Issue work guidelines deemed necessary and appropriate.
18. The authority scope for The Executive Board pertaining to the acquisition or disposal of assets and connected transactions, shall comply with the Notification of The Capital Market Supervisory Board.

### Duty and responsibility scope of The Executive Board

1. Present the company's objectives, policy, plan, and annual budget to The Board of Directors.
2. Supervise the company's operations, so as to comply with the direction, target, and business policy of the company.
3. Promote the competitiveness of the company, while encouraging consistent innovation development activities.
4. Supervise company operations so as to well comply with the laws, objectives, company regulations, resolutions by the shareholders' meeting, resolutions by The Board of Directors, as well as other standard practices.
5. Supervise the compilation of financial statements, for review and/or verification by the certified public accountant, prior to submitting to The Audit Committee, and The Board of Directors, for endorsement respectively.



6. Review the matters to be submitted to The Board of Directors for further acknowledgment or approval.
7. The Executive Board members may allocate work responsibilities among themselves, whereby they are required to report the progress of own responsible work to The Executive Board.
8. Review and revise the charter for The Executive Board, to be submitted to The Board of Directors for further approval.
9. Engage in other acts as assigned by The Board of Directors.

## 8. The Chairman and the Managing Director

The Board of Directors has clearly assigned the authority, duty and responsibility of the Chairman and Managing Director as a guideline to serve as the Chairman and Managing Director. The details are as follows:

### Authority, duty, and responsibility scope of the Chairman

1. Take responsibility as the leader of The Board of Directors in monitoring and supervising the operations of The Board of Directors and various committees.
2. Preside at The Board of Directors' meeting. In case of tie, the Chairman adds an additional vote as a casting vote.
3. Summon The Board of Directors' meeting or may assign another person to act on own behalf.
4. Preside at the shareholders' meeting and control the meeting to be in accordance with the company's regulations regarding the meeting. Conduct the meeting according to the agenda specified in the invitation to the meeting, unless the meeting resolves to change the order of the agenda by votes of not less than two-thirds of the shareholders present at the meeting.
5. Engage in other acts as assigned by The Board of Directors.

### Authority, duty, and responsibility scope of the Managing Director

1. Manage company operations so as to well comply with the laws, objectives, company regulations, resolutions by the shareholders' meeting, resolutions by The Board of Directors, resolutions by The Executive Board, and other standard practices.
2. Instruct or engage in necessary and appropriate acts, so as to achieve those purposes laid down in above item 1. Should the matter be deemed significant, the Managing Director is required to report said matter to The Board of Directors or The Executive Board.
3. Review and approve the recruitment, appointment, transfer, and dismissal of employees, granting approval to the promotion or disciplinary action against employees, as well as deciding on the remuneration and welfare benefits for employees. However, such action must not contradict with the authority and the decision by The Executive Board.
4. Set company regulations regarding work practice, which must not contradict with the policies, regulations, provisions, instructions, or resolutions, set forth by the shareholders' meeting, The Board of Directors' meeting, and/or The Executive Board's meeting.
5. Authorize and/or assign other persons to carry out specific assignment on own behalf.
6. Promote and encourage company operations to be carried out with morality, to well comply with the laws, ethics, and cultures, based on good governance principles.
7. The exercise of authority by the Managing Director shall not be permitted, if he/she is deemed to have interests at stake, or have conflict of interests with the company.
8. In the exercise of authority by the Managing Director, should there arise any doubt or unclear aspect regarding such action, the matter shall be forwarded to The Board of Directors for consideration and conclusion.
9. Engage in other acts as assigned by The Board of Directors, and/or The Executive Board.

## The selection and appointment of the directors and chief executive officer

### 1. The selection method of persons to be appointed directors and independent directors

The Nominating Committee has been assigned to select qualified persons having appropriate qualifications to be nominated as company directors for consideration by The Board of Directors, prior to submitting to the shareholders' meeting for approval by the majority votes of the shareholders present at said meeting.

In the case where the retirement took place prior to term completion with the remaining term being not less than 2 months, The Board of Directors' meeting shall then be authorized to select the persons from the candidates proposed by The Nominating Committee, for further appointment as company directors, by the majority votes of not less than 3/4 of the remaining directors. In such case, the newly-appointed directors shall serve out the remaining term of their predecessors.

For such nominating process of the persons to be appointed directors, the company has set the screening criteria for such candidates based upon their basic qualifications and qualities that can meet the requirements of the vacancy, in order to have The Board of Directors with knowledge and various field of expertise, including leadership, vision, integrity and ethics, as well as transparent work experiences and not be prohibited under the laws and regulations of the company. With this regard, the company provided an opportunity for minor shareholders to participate in nominating qualified directors. In addition, The Nominating Committee also considered the person to be nominated to serve as directors, apart from professional directors of the Thai Institute of Directors Association (IOD).

With regard to the selection of persons to be appointed independent director, The Nominating Committee shall select from those persons having qualifications required for independent directors, in accordance with The Notification by The Capital Market Supervisory Board, in addition to basic qualification requirements above.

#### **Independent director's qualifications**

The Board of Directors resolved to adopt the definition for "independent director" having qualifications in accordance with the notification of The Capital Market Supervisory Board as follows:

1. Holding shares not exceeding 1 percent of the total number of voting rights of the company, its parent company, subsidiary, affiliate, major shareholders or controlling person of the company, including the shares being held by related persons of independent directors.
2. Neither being nor having been an executive director, employee, staff, or advisor who received regular salaries, or being a controlling person of the company, its parent company, subsidiary, affiliate, same-level subsidiary, major shareholders or persons having supervision authority over the company, unless the foregoing status ended not less than two years prior to the date of their appointments as independent directors. Nevertheless, such prohibited nature would not apply in the case of these independent directors having earlier served as government officials, or advisors to government agency acting as major shareholder in the company or having supervision authority over the company.
3. Not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children, executive, major shareholder, controlling person, or person to be nominated as executive or as controlling person of the company or its subsidiary.
4. Not having business relationship with the company, its parent company, subsidiary, affiliate, major shareholders or controlling person of the company, in such manner likely to interfere with own independent judgement, and neither being nor having been a significant shareholder or person having supervision authority over the person who has business relationship with the company, its parent company, subsidiary, affiliate, major shareholders or controlling person of the company, unless the foregoing relationship ended not less than two years prior to the date of appointment as independent director.  
The term 'business relationship' aforementioned under paragraph one included any normal business transaction, rental or lease of immovable property, transaction relating to the assets or services or the granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar action, resulting in the company or its counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the company or twenty million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for the value of connected transactions under The Notification of The Capital Market Supervisory Board regarding The Compromise Criteria for Connected Transactions. The combination of such indebtedness shall include indebtedness taking place during the course of one year prior to the date on which the business relationship with the person commences.

5. Neither being nor having been an auditor of the company, its parent company, subsidiary, affiliate, major shareholders or controlling person of the company, and not being a significant shareholder or person having supervision authority, or partner of an audit firm which employs auditors of the company, its parent company, subsidiary, affiliate, major shareholders or controlling person of the company, unless the foregoing relationship has ended not less than two years prior to the date of appointment as independent director.
6. Neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million Baht from the company, its parent company, subsidiary, affiliate, major shareholders or controlling person of the company, and not being a significant shareholder or person having supervision authority or partner of the professional advisor, unless the foregoing relationship has ended not less than two years prior to the date of appointment as independent director.
7. Not being a director who has been appointed as the representative of the company's director, major shareholder, or being a shareholder who is related to the major shareholder.
8. Not engaging in business operations of the same business nature or in competition against the business operations of the company or its subsidiaries, nor serving as a significant partner in a limited partnership or otherwise serving as a director participating in the management, or serving as employee or consultant receiving regular salary or holding over 1% shares out of total shares in other companies engaging in the same business nature or in competition against the company and its subsidiaries.
9. Not having any characteristics which make him incapable of expressing independent opinions with regard to the company's business affairs.

In the event of any announcement by The Capital Market Supervisory Board imposing the revision to the qualifications for independent director, the company's independent director would thereby be required to possess such qualifications well complying with such revision.

After being appointed independent director having qualifications complying with the criteria under item 1 to 9, the independent director may then be assigned by The Board of Directors to participate in the decision-making procedures for the company, its parent company, subsidiary, affiliate, same-level subsidiary, major shareholders or controlling person of the company on the condition that such decision must be a collective one.

Additionally, in the past accounting period, the independent directors of the company had neither business relationship nor professional services. Also, the appointed independent directors never have or had business relationship or professional services exceeded than the rules stipulated in the notification of The Capital Market Supervisory Board regarding the Application for and Approval of Offer for Sale of Newly Issued Shares

## 2. The number of directors representing each major shareholding group

Directors representing Thai shareholders' group	5	positions
Directors representing Japanese shareholders' group	5	positions
Independent directors	5	positions

## 3. The rights accorded minor shareholders regarding director(s) appointment

### Nomination of Directors

The company provided minor shareholders with the opportunity to nominate candidates to be appointed as company directors at the annual shareholders' general meeting in advance according to the criteria specified by the company, whose further details were displayed on the company website under the heading "Investor Relations : IR News".

### Vote-casting method for director appointment

According to company articles of association no.20, the shareholders' meeting was authorized to appoint company directors according to the criteria and method as follows:

- One shareholder shall have one vote per one share.
- Each shareholder must exercise all of the votes he or she has under the first paragraph to elect one or several persons to be a director or directors and must not allot his or her votes to any person in any number.

- The persons receiving the highest number of votes, followed by those with descending highest number of votes shall be elected as the directors fulfilling the number of directorship required to be elected by the shareholder's meeting. In case the number of votes for the candidates in descending order are equal and exceed the number of directors to be elected at said meeting, the Chairman shall cast the deciding vote.

#### 4. The selection method for the persons to be appointed Chief Executive Officer

##### The selection of the management

The selection process for the persons to further serve in management positions for the company begins with the selection of the persons having good qualifications and sound morality and ethics to join the company. The company then trains and develops these people to be well-prepared to meet the challenges as future management members, through its consistent evaluation process of employees' potentials and capabilities.

Those employees so selected and trained by the company would be assigned to work in the positions having higher authority and responsibility scope. As general practice, the company regularly carries out training programs seeking to upgrade employees' potentials to a higher level, so as to be well-prepared to take up further significant positions when they become vacant.

##### The selection of the Chief Executive Officer

With the regard of selection methods for the company's Chief Executive Officer, The Nominating Committee shall consider and select from the current management or others, with qualified knowledge and abilities, who understand the company's business very well, as well as be able to manage to achieve the objectives and targets set by The Board of Directors, and also not be prohibited by laws. Accordingly, such person is then proposed to The Board of Directors for consideration of appointment.

#### Supervising the operations of subsidiaries and associates

The company's directors were assigned to hold a joint meeting to consider selecting the person nominated and appointed by the company to be a director in subsidiaries and associate. The number of individual that the company voted to appoint as a director is in accordance with the company's proportion of shareholding. The person who was appointed as a director in subsidiary or associated companies was entitled to perform the operations for the best interests of their subsidiaries or associate, unless it is important policies affecting the company's business operations. The company required the appointed person to be approved by The Executive Board prior to cast a vote.

The company has laid down the policy for subsidiaries and associate that are the company's main business to have proper and adequate internal control systems. Such internal control systems of subsidiaries were monitored by the Internal Audit Office of the company annually.

Furthermore, the company has assigned the person who was appointed by the company to oversee its subsidiaries to operate and disclose significant information according to the rules in the same way as the company performed, such as making connected transaction, the acquisition or disposition of assets, or making other important transactions, including to supervise the information storage and bookkeeping of the subsidiaries for the company, so that it can be reviewed and collected for financial statements in due time.

The company had no agreements between the company and other shareholders in the management of subsidiaries, since it is a major shareholder and no other persons holding shares more than 10 percent of the shares with voting rights of subsidiaries. In addition, the company had no agreements between the company and other shareholders in sharing returns beyond normal returns according to proportion of their shareholding in subsidiaries.

## Inside information supervision

The company placed much emphasis on the protection and supervision over inside information, by clearly specifying in the business ethics guidelines, barring company directors, management members, and company employees having access to inside information, from engaging in any act in exploitation of such information, particularly those information not yet disclosed to the general public. Any violation would be deemed as a disciplinary offence of company regulations. Furthermore, for the period of 1 month prior to the disclosure of financial statements to the public, the company sent out related circular to the directors, the management, and the employee having access to inside information, instructing them to refrain from any purchase or sales transaction of company shares during said period. During 2013, the company directors, management members, and company employees were not found to have committed any authority abuses related to inside information.

At the same time, company directors, management members were required by the company to report their shareholding status, as well as those by spouses and children not yet reaching legal maturity, within 30 days from the day of their appointments to become directors or management members. Furthermore, in the case of any change occurring to their shareholding status, they were required to report such change details within 3 days from the day of change to The Securities and Exchange Commission according to article 59 of The Securities and Exchange Act B.E. 2535. Furthermore, The Board of Directors was regularly informed each quarter, of the securities holding status by the directors and management member.

At the same time, the company also developed internal control system regarding inside information, by applying information technology system to classify inside information access level for each employee level, through the setting of ID code for accessing such information.

## Auditor's remuneration

### 1. Audit fees

In accordance with the resolution by the shareholders' meeting, the company and its subsidiaries made remuneration payments as audit fees to Deloitte Touche Tohmatsu Jaiyos Audit Company Limited, where the auditors were attached to, according to the details as follows:

Unit : Baht		
Audit remuneration	2013	2012
Thai Wacoal Plc.	1,735,000	1,705,000
5 Subsidiary companies	2,495,000	2,195,000
<b>Total</b>	<b>4,230,000</b>	<b>3,900,000</b>

### 2. Non-audit fees

During 2013, the company and its subsidiaries did not make other remuneration payment for other services, either to the auditors of the company and its subsidiary companies, the audit office where the auditors were attached to, or other parties or businesses relating to the auditors or the audit office where the auditors were attached to.

## Compliance with good corporate governance principles in other matters

The Board of Directors have placed much emphasis on building good corporate governance practice, and upgrading those practice on continuous basis, to enable company operations to be carried out in a transparent and effective manner, leading to further growth and stability for the company. Furthermore, such practice was aimed at contributing to further economic value and long-term wealth for the shareholders, while providing fair treatment to all stakeholders concerned. The company has set the policy to achieve balanced business operations under changing social and economic environments, based on sufficiency economy principles, and in compliance with good governance practice principles for listed companies.

The company has improved and issued good corporate governance principles (revised edition No. 1), according to the guidelines from "Good Corporate Governance Principles for Listed Companies B.E. 2555" of The Stock Exchange of Thailand and has been approved by The Board of Directors' Meeting No. 5/2013 on February 20, 2014, to take effect from February 20, 2014 onwards. This contains four parts: corporate governance policies, corporate governance principles, business ethics, and code of conduct for company directors, the management and employees, which can be viewed for more details on the company's website under the heading "Investor Relations: About Us (Corporate Governance)".

Said good corporate governance practice could be largely classified into 5 sections as follows:

### Section 1 : The Rights of Shareholders

The Board of Directors duly recognized the importance of the shareholders and duly respected their ownership rights. Accordingly, the company ensured that its corporate governance policy also carried provisions to safeguard the shareholders' rights, while ensuring that any action taken by the company would not infringe upon their rights. Accordingly, the company provided for the facilitation of rights exercise by all shareholders, including minor shareholders and institution investors, as follows:

#### 1.1 Basic rights

Referred to the right for shares transaction, the right to receive profits allocation in term of dividend payment based on outstanding shares, the right to access company information in sufficient, timely, and consistent manner, the right to attend and cast votes at the shareholders' meeting, the right to elect individual company director and approve directors' remuneration, the right to appoint company auditor and approve audit remuneration, and the right to appoint proxy to attend and cast vote on his/her behalf.

#### 1.2 The right to significant information access

Shareholders were entitled to access information on an equitable basis. In that regard, the company facilitated information distribution in both Thai and English languages, via the channels of The Stock Exchange of Thailand and company website, to provide shareholders with additional access channel. Such information included performance results, connected transactions, changes in the funding structure, changes in supervisory control, transactions of significant company assets, and other information essential for decision-making by shareholders.

#### 1.3 The right to attend the shareholders' meeting

The company held its annual shareholders' meeting regularly each year, within 4 months after completing its accounting year. Nevertheless, in the event of such emergency situations possible affecting the shareholders' interests, or involving amendments to the laws or company articles requiring approval by the shareholders, the company was authorized to convene the extraordinary shareholders' meeting on a case by case basis. The company held its meeting at such date, time, and venue, deemed convenient to the shareholders, to facilitate their meeting attendance. For 2013, the company convened the shareholders' general meeting once, without convening any shareholders' extraordinary meeting, according to the following details:

- Prior to the shareholders' meeting

(1) The company provided the shareholders with the opportunity to propose meeting agenda prior to the meeting date for 2014, during the period of December 1 – 30, 2013, by providing related conditions on company website, together with news channel of The Stock Exchange of Thailand. Nevertheless, there were no shareholders proposing any meeting agenda during said specified period.



(2) The company informed the shareholders of the resolution to convene the shareholders' meeting 47 days prior to said meeting date, namely on March 6, 2013, to allow the shareholders sufficient time to plan their meeting attendance.

(3) The company disseminated the meeting invitation letter via company website, carrying the same content as the letter sent to the shareholders, in both Thai and English, 32 days prior to the meeting, to provide the shareholders with necessary information in a swift, convenient, and sufficient manner in advance.

(4) The company sent out the meeting invitation letter to the shareholders 21 days prior to the meeting, exceeding the minimum time limit specified by law.

(5) The company also posted the announcement notifying said meeting invitation to the shareholders in the newspapers for 3 consecutive days, 13 days prior to the meeting namely during April 9 – 11, 2013.

(6) The company provided the shareholders with the opportunity to submit questions related to the agenda of the general meeting of shareholders prior to the shareholders' meeting since March 21, 2013 – April 12, 2013, and informed the shareholders through the company website, as well as delivered mentioned procedures, along with the meeting invitation letter. 1 shareholder sent questions in advance to the company prior to the meeting of shareholders in 2013.

(7) The documents sent out to the shareholders were, the meeting invitation letter providing details on the rationale for each meeting agenda, together with related opinions by The Board of Directors and the documents in support of the voting decision by the shareholders for each meeting agenda. Furthermore, the documents also included the annual report publication, profile of the persons nominated as directors replacing those due to retire upon term completion, definition of independent director, profile of independent directors proposed as proxies by the shareholders, company regulations regarding the shareholders' meeting, the documents and evidences required for the shareholders to present for meeting attendance, meeting regulations, meeting procedures, the map of the meeting venue, and the registration form. Other documents were the proxy appointment letter form B for voting in line with the shareholders' decision, or the proxy appointment letter either form A and C which shareholders could download from company website, as well as procedures for shareholders to post advance questions prior to the shareholders meeting.



#### • On the day of the shareholders' meeting

(1) The company decided to set the meeting date, time, and venue in such manner being most convenient and not posing problems to the shareholders to attend. For 2013, the company held the shareholders' meeting on Monday, April 22, 2013, at 14.00 p.m., at The Montien Riverside Hotel.

(2) The shareholders were allowed to register by barcode system not less than 2 hours prior to the meeting, and continued until the meeting completion. At the registration desk, the company prepared sufficient personnel to take care of the registration, as well as providing stamp service for proxy appointment forms authorized by the shareholders. Furthermore, the company handed out vote placard and vote-casting ballot to each shareholder.

(3) The Board of Directors placed much emphasis on the shareholders' meeting, by considering as their obligations to always attend the meeting in person unless facing inevitable circumstances or becoming seriously ill.

For the shareholders' meeting for the year 2013, 11 directors attended said meeting, including Chairman of all committees. Furthermore, the meeting was also attended by the Managing Director, the Chief Financial Officer, Executive Directors, as well as the company auditor, so as to provide shareholders with the opportunity to ask questions related to the meeting agenda in progress. In addition, the company also invited representatives from the company's audit office of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited, to act as meeting observers during vote tallying for each meeting agenda, to ensure that the meeting was conducted in a transparent manner, complying with legal and company articles requirements.

(4) Prior to meeting commencement, the Company Secretary informed the meeting of the meeting quorum, the vote-casting and vote-counting methods for each meeting agenda according to laws and company regulations. In the case where some shareholders joined the meeting after the meeting commencement, the company still allowed said shareholders to cast votes for the remaining agenda not yet considered and voted upon by including them as the meeting quorum.

(5) During the meeting, The Chairman proceeded with the meeting agenda in such order earlier set forth in the meeting invitation letter without adding any further agenda or altering any significant information without prior notice to the shareholders, while allowing equal opportunity for all shareholders to present question, comment or suggestion for each meeting agenda.

In that regard, for the shareholders' meeting in 2013, there was 4 shareholders presenting question and suggestion to the meeting, where by The Chairman and the Managing Director responded in a straightforward manner.

(6) The barcode system was employed to tally the votes cast for each meeting agenda, whose results were displayed on the screen in the meeting room, to provide immediate access to all the shareholders who were present.



- **Subsequent to the shareholders' meeting**

(1) The company disclosed the resolutions adopted by the shareholders' meeting, together with the voting results for each meeting agenda, in both Thai and English, via the news channel of the SET, and the company website, on the following day.

(2) The company compiled the meeting minutes subsequent to the shareholders' meeting, by incorporating all essential details and summarizing voting results for each meeting agenda, classified as consent, dissent, and abstention votes, together with the record on the discussion and conclusion regarding significant topics. Said minutes was submitted to The Stock Exchange of Thailand and The Securities and Exchange Commission within 14 days subsequent to the meeting, and disseminated on the company website, in both Thai and English, so as to enable the shareholders to review said minutes content without having to wait until the next shareholders' meeting.

(3) The company recorded the meeting on VDO, for further distribution to the shareholders upon request.

In recognition of its consistent efforts dedicated to holding the shareholders' general meeting efficiently on a continuous basis, the company was awarded the "very good" appraisal result in 2013 for the quality of its shareholders' meeting for the 7<sup>th</sup> consecutive year by the Thai Investors Association.

## **Section 2 : Equitable Treatment of Shareholders**

The Board of Directors ensured that every shareholder was entitled to fair and equitable treatment as follows:

### **2.1 The shareholders' meeting**

(1) The company provided the shareholders with the opportunity to nominate candidates as directors prior to holding the shareholders' meeting in 2014, during the period of December 1 – 30, 2013. For such purpose, the company compiled the nomination conditions and disseminated them on the company website, as well as notifying the shareholders via the news channel of The Stock Exchange of Thailand. Nevertheless, there was no shareholder nominating any candidate for consideration as company directors.

(2) The allocation of votes in the meeting was based on the number of shares being held by each shareholder, with 1 vote representing 1 share with no shareholding any special privilege in restricting the right of other shareholders.

(3) In the case of foreign shareholders, the company sent out meeting invitation letter in English, to facilitate the understanding by foreign shareholders, as well as disseminating said information on company website made accessible at the same time as The Thai version.

(4) In the case where shareholders could not attend the meeting in person, the company allowed said shareholders to appoint proxies from independent directors or other parties, to attend the meeting on own behalf. The company provided clear details pertaining to the proxy appointment letter, sent together with the proxy appointment letter (form B), allowing the shareholders to instruct own voting direction.

For the shareholders' meeting in 2013, there were 4 shareholders holding the combined 184,000 shares who had appointed an independent director to act as the proxy on their behalf.

(5) The voting procedure for each meeting agenda was carried out in a transparent manner, with the voting ballot provided the shareholders for each agenda, whereas only disapproval and abstention votes were kept afterwards. Nevertheless, for the agenda related to directors' appointment, all voting ballots bearing the signature of each shareholder were collected and kept as evidence. Vote tallying was carried out using the barcode system and displayed on-screen in the meeting room, to facilitate convenience, transparency, and easy verification.

### **2.2 Supervision over inside information**

The company has laid down the policy safeguarding against inside information abuse, by stating in writing in the business ethics manual, and the code of conduct for company directors, the management and employees, not allowing company directors, the management, and employees, to exploit the information or assets belonging to the company, or accorded own position, in such manner seeking unjust gains for own self or for others. In relation to this, the company handed out relevant manuals to company directors, the management, and the employees, to serve as guidelines for their business operations and assignments, while also disseminating those information on company website.

Furthermore, the company also incorporated above information into company regulations, together with the penalty provision. During the past year, the directors, the management, and the employees strictly followed those company policies on a consistent basis.

### 2.3 Supervision over the transaction of company securities

The company clearly specified conditions regarding the transaction of company securities in its business ethics, by forbidding the directors, the management, and the employees working in those departments accessible to inside information, to engage in the transaction of company securities, during the period of 1 month before the disclosure of such information to the public. The company distributed said instructions in circular to all concerned parties each quarter, together with the penalties to be imposed in the case of violation or non-compliance with said regulation.

In 2013, all the company directors and management members strictly followed accordingly, without engaging in such transactions during said period.

In this regard, the company laid down the regulation requiring company directors and management members to duly report own first securities holding, together with any subsequent change in securities holding, to The Securities and Exchange Commission, in accordance with article 59 of The Securities and Exchange Act B.E. 2535. Furthermore, the company provided for the report on securities holding by the directors and their spouses, as a regular item in The Board of Directors' meeting.

### 2.4 Treatment of conflict of interests

The company treated the issue of conflict of interests with caution and reason, with the company's interests in mind, by laying down operations systems in a transparent manner, deemed as one major policy regarding good governance practice and business ethics for the company. The company supervised the implementation of connected transactions so as to comply with the announcement by The Capital Market Supervisory Board. Before implementing each connected transaction requiring prior approval from The Board of Directors, the item was first proposed to The Audit Committee for endorsement prior to submitting to The Board of Directors for further approval. The directors with possible conflict of interests were not allowed to take part in the meeting. Afterwards, the company informed said meeting resolution to the shareholders via the news channel of the SET together with the company website. The information included the disclosure of names and relationship of connected parties, pricing policy, transaction value, and other related details, as well as the opinions of The Board of Directors pertaining to such transactions.

Furthermore, the company held The Board of Directors' meeting subsequent to the shareholders' meeting each year, to decide on the approval criteria for business transactions under normal business term, conducted between the company and the directors, management members, or connected persons. Such transaction items were to be concluded and reported to The Board of Directors on a quarterly basis.

### 2.5 Supervision over assets transaction

The company supervised assets transaction in accordance with the announcement by The Capital Market Supervisory Board regarding the acquisition and disposal of assets, whereby directors with possible conflict of interests were not allowed to participate, so as to facilitate fairness and transparency.

## Section 3 : Consideration of The Roles of Stakeholders

Based on its recognition of the rights of stakeholders, The Board of Directors duly laid down relevant policies and guidelines in the company's business ethics manual, and distributed them to the directors, management members and the employees, to be followed as practice guidelines, to ensure that all stakeholders receive fair and equitable treatment.

### 3.1 Shareholders

The company duly respected the basic rights accorded the shareholders in accordance with the laws, regulations, and business ethics of the company. At the same time, the company had proper mechanism in place to ensure that the shareholders receive accurate and reliable information, having proper measures safeguarding against conflict of interests, and against the exploitation of inside information for personal gain. Furthermore, the company also aimed to generate justifiable return for the shareholders, by laying down appropriate dividend payment policy on a consistent basis.

In 2013, the company implemented dividend payments by drawing from the company's operating profits in 2012, at the rate of Baht 2.40 per share, for total dividend payments accounting for 66.69% of total net profits displayed in the separate financial statements, representing the company's dividend payments for 40 consecutive years. All shareholders were invited to attend and cast votes for each meeting agenda, whereby they could receive the information through several channels, such as documents and electronic data. Furthermore, the company regularly reported its performance results for each quarter, as well as disclosing the details relating to the connected parties via the news channel of The Stock Exchange of Thailand and the company website.



### 3.2 Company employees

In the company's recognition of company employees as its valuable human resources playing the critical role in leading the organization toward success, The Board of Directors therefore set the company's policy to devote its best efforts to develop and upgrade the employees' potentials on a consistent basis. At the same time, the company sought to provide job security and advancement opportunities to all employees based on their own potentials, as well as encouraging the employees to play a part in charting the company policies. At the same time, the company laid down its remuneration policy toward the employees by providing the employees with fair and reasonable remuneration commensurate with the capability, responsibility, and performance results for each employee (See details under the heading "Management Structure" on employees).

At the same time, the company placed much emphasis on the employees' safety, hygiene, and property protection, by laying down in writing the policy regarding work safety, sanitation, and work environments for the employees. In relation to this, a Committee was set up, together with a center supervising work safety, with monitoring activities regularly carried out. Furthermore, the company provided for the billboard display of accident statistics related to work. In 2013, the company organized training sessions regarding work safety, such as "Safety in machine-related works for a technician", "Creating a safety culture", and "Preliminary fire-fighting and evacuation", together with regular checking of building conditions to ensure work safety both inside and outside the buildings once a month. At the same time, the company implemented preparatory measures to safeguard against fire accidents, such as checking fire escape route, checking fire-fighting equipments and fire alarm systems. The company also provided for the appraisal over work environments on an annual basis, to ensure complete safety in the workplace for company employees. Furthermore, the company implemented campaigns and disseminated work safety information via PR board, in-house public address system, and the company's intranet system, for such activities as accident reduction campaign during Songkran and New Year holidays, the anti-smoking campaign for the world's anti-smoking day, the campaign against AIDS disease, the campaign against re-emerging infectious diseases, among others.

In 2013, the employees had an accident while working and 4 of them took off for 1 or more days. The rate of accidents causing absence is at 0.16 percent of total employees and the company's hours of working activity on the campaign to reduce accidents to zero is accounted for 7,535,666 hours.

Furthermore, the company provided necessary welfare benefits to the employees to promote better livelihood and living quality, such as, the provident fund, credit union, clinic, library, annual check-up, special welfare product items, work uniform, and residence loan program, Day care center for employee's children among others. Moreover, the company also set up The Welfare Committee, allowing employees to participate in the management of welfare-related items, while promoting various activities for the employees, such as annual sports event and regular activities for various clubs within the company. At the same time, the company also provided communication venue for the employees, allowing them to offer suggestions or lodge complaints relating to their daily work, via the company's intranet system (details about implementation of the policy are under the heading "Corporate Social Responsibility (CSR)").

### 3.3 Customers

Based on The Board of Directors' recognition of the importance of cultivating and retaining customer's loyalty, the company duly carried out its business practices based on loyalty, honesty, fairness and not taking any actions in violation of the customers' right. The company paid the highest attention to the customers' complaints, in order to provide them with fair and reasonable solutions based on their interests in a speedy manner, while devoting its full efforts toward developing new innovations contributing to better value for its products and services to meet the needs of customers on a consistent basis. These objectives were clearly reflected in the company's policy pertaining to "Customer satisfaction, quality development, and international standard" (See the details about implementation of the policy under the heading "Corporate Business Nature" on the significant developments during the past year, and heading "Corporate Social Responsibility (CSR)"). Furthermore, the company placed utmost emphasis in safeguarding all the customers' secrets, strictly forbidding any abuse of such information for personal gain or connected persons' interests in a prohibitive manner.

In addition, the company set up "Customer Relations Services" where customers could lodge complaints, comments, suggestions, or ask for information, through various channels as, the 24 hours direct line service at tel no. 02-689-8515-6, 1800 295-565-6 (free service within Bangkok) or e-mail address at [service@wacoal.co.th](mailto:service@wacoal.co.th), or at the company's sales counters at department stores nationwide.

For 2013, there was no significant complaint from the customers. Whereas the company duly took into consideration all the complaints received from the customers, in order to devise proper measures to safeguard against and provide solutions to the problems on a systematic basis, to ensure that similar problem would not occur again in the future.



### 3.4 Competitors

The Board of Directors placed much importance on fair and honest business competition under the framework specified by law. Accordingly, the company always implemented its business operations according to fair competition rules. Over the years, the company was never engaged in any trade dispute with other competitors.

### 3.5 Business partners

The company duly upheld its policy to deal with partners on the basis of fair competition, equality and mutual respect by following business agreement terms, providing true and accurate information, promoting sound business relationship and understanding exchanging information and know-how, as well as engaging in joint efforts to develop and promote better value for the products and services. The company had selection system of business partners in the Value Chain by choosing partners who conduct their business according to laws, and comply with occupational health and safety standard which is environmentally friendly (See the details about implementation of the policy under the heading "Corporate Business Nature", on the significant developments during the past year).

During 2013, there was no case of the company failing to abide by its outstanding agreements with business partners

### 3.6 Creditors

The company has set a policy to treat all groups of creditors equally and fairly by strictly following contracts or conditions as earlier agreed-upon with the creditors. The company's financial position was disclosed accurately and on time. In case of noncompliance with any conditions, the company shall inform the creditors in advance to jointly solve the problem and prevent from damage.

The company allowed the trade account payables to submit their invoices to the company during the 25<sup>th</sup> of that month to the 5<sup>th</sup> of the following month, with payments to be made on each 3<sup>rd</sup> Friday of the month.

During 2013, the company duly observed its payment commitments with the trade account payables, without causing any payment default. At present, the company did not have any outstanding loan creditor, whereas in the past, the company duly observed its payment obligations for both the principal and interests to creditors all along.

### 3.7 The community and society

Based on its due recognition of the responsibilities toward the community and society, the company laid down the policy seeking to promote conscience and responsibilities among company employees at all levels on a consistent basis, as well as promoting those activities contributing to the interests of the community and society as a whole (See the details about implementation of the policy under the heading "Corporate Social Responsibility (CSR)").

During 2013, the company continued to place emphasis on social responsibilities alongside its regular practice. A committee overseeing its social responsibility activities was set up together with relevant policies for proper implementation and follow-up, subsequently leading to the accreditation of the company for its compliance with the social responsibility requirements set forth by The Department of Industrial Works, The Ministry of Industry (CSR-DIW Continuous), which is the award for industrial enterprises that have been certified for CSR-DIW, with development on social responsibility in a continuous and sustainable manner

### 3.8 The environments

The company has recognized responsibilities toward the environments, and assigned it to be one of the policies in the company's missions. The Board of Directors laid down clear policy pertaining to corporate governance practice and business ethics, by ensuring that the company carried out its business operations with due concern toward natural resources and the environments. Accordingly, the company paid due attention to ensure that every production process remained completely environmentally-friendly. Such recognition for its commitment was evident in the company's lingerie products becoming the first in Thailand to be certified as free from harmful substance in accordance with the Thai Industrial Standards no. 2346-2007, while also receiving certification for its all products as safe from harmful substance and environmentally-friendly, under the "Green Label" mark, jointly awarded by the Thai Industrial Standards Institute (TISI), The Ministry of Industry, and Thailand Environmental Institute (TEI).

At the same time, the company was also granted the CoolMode, marks by Thailand Greenhouse Gas Management Organization (Public Organization) and Thailand Textile Institute (THTI), for its sleepwear collection (Cool Night) and ladies' lingerie (Cool Bra and Cool Shape) for its contribution to the global warming campaign, together with the company's lingerie product model no.WB 9832 being certified as "global-warming reducing lingerie item" for the first time in Thailand and the world, with the issuance of the Carbon Footprint label, displaying the greenhouse gas emission level throughout its life cycle, by Thailand Greenhouse Gas Management Organization (Public Organization).

Furthermore, the company was granted the ISO 14001 : 2004 certification by Bureau Veritas Certification (Thailand) Ltd., together with the certification for its business operations as a Green Industry in the 3<sup>rd</sup> tier of Green System from Ministry of Industry, in testimony of the company's systematic and sustainable environmental management systems.

During 2013, the company continued to place significant emphasis on carrying out its business operations in compliance with environmental requirement standards, as evident in its expansion of the product certification, labelling Carbon Footprint, such as lingerie product model no.WB 3A14, WB 9877, and WB 1518, which are all size B75 in nude colour, including 10 pieces of packed diapers. Moreover, the company has participated in the environmental program with the government sector to assess the environmental impact by using Life Cycle Assessment in 18 areas, for example, calculate the amount of greenhouse gas emissions of lingerie products, and of the organization, as well as toxicity to humans, acidify the soil, and waste the fossil resource, in order to sustainably reduce environmental impact (See the details about implementation of the policy under the heading "Corporate Social Responsibility (CSR)").

### **3.9 Promotion of efficient resources utilization**

The Board of Director duly recognized the importance of resources utilization, in such manner contributing to efficient resources utilization alongside its business operations by laying down its energy conservation policy in writing that "the company was determined to encourage energy consumption to achieve the best efficiency by reducing energy consumption by 10% for each production output." Over the past years, the company was regularly engaged in campaign activities promoting energy saving awareness activities promoting energy awareness, by providing guidelines on such energy utilization methods contributing to the best interests and value across all organizational activities, for electricity, water, paper, and other exhaustible supplies. During 2013, the company has increased the implementation on energy saving measures in many areas, such as switching from Package Air to Chiller Water Cooled and installing heat insulator under the roof. As the result of these measures, the company could succeed in achieving less energy consumption by 849,000 kWh per year

Furthermore, in 2013, the company carried out its energy management systems ISO 50001: 2011 and arranged the assessment for accreditation and was certified the ISO 50001: 2011 in 2014 from Bureau Veritas Certification (Thailand) Ltd. (See the details about implementation of the policy under the heading "Corporate Social Responsibility (CSR)").

### **3.10 Training and learning sessions concerning the environments for company employees**

The Board of Directors encouraged company employees to recognize the importance of environments, by disseminating information regarding the environments via the intranet system, information board, and in-house communications system. Furthermore, the company organized training sessions providing information regarding the environments for company employees on a continuous basis. There were significant training sessions regarding the environments organized by the company in 2013, such as "Energy saving in the organization", and "ISO 14001: 2004".

### **3.11 The company's support for activities related to community developments**

Based on The Board of Directors' due recognition of the significance of community development activities, the company consistently provided its support for such dedicated activities. Those community development activities supported by the company in 2013 are the campaign "Wacoal promoting better income, better skills for community developments", together with Wat Bangklo Nok community, the campaign "Wacoal...Pink Ribbon Fight Against Breast Cancer for Suanluang community 1" to encourage women in the community with the knowledge, understanding and place importance on self-care and prevent from breast cancer, as well as activities to build relationships with communities, such as the activity "National Children's Day" in collaboration with the Bangkolaem District Office, the activity "Joy and Fun on Good Kids' Day", for the surrounding schools and communities, and the activity "Teaching kids to love reading and learning" to promote learning for youth in the community.

### **3.12 Policies and guidelines for refraining from such actions infringing upon human rights**

The Board of Directors duly recognized the significance of human rights, by laying down the policy to refrain and not support those actions infringing upon human rights. Some of those actions were anti-child labour campaign by refusing to accept person less than 18 years of age as company employee, entitlement of employee's rights to protest against allegation of fraud or misdeed, no unfair discharge of company employee, fair treatment of employees in accordance with labour laws supervising strict human rights compliance, as well as providing a better understanding of human rights to employees in order to be used as part of the operation. Throughout its business operations to date, the company had no previous bad record pertaining to any violations of human rights lodged with court. (See the details about implementation of the policy under the heading "Corporate Social Responsibility (CSR)").

### **3.13 Policy and guidelines against business practice infringing upon patents or intellectual properties**

The company strictly adhered to its policy of not engaging in any act in possible infringement upon intellectual property rights, either by means of copying or unauthorized usage of intellectual properties belonging to other parties. On the other hand, the company consistently dedicated its efforts to developing materials, products, and new services on a continuous basis. As the result, the company was able to register some licenses and copyrights safeguarding its creative achievements from any infringement attempts. The company's achievements were recognized by several awards bestowed upon the company on a continuous basis.

In testimony of such dedication, the company was awarded the STI Thailand Award 2011, from The National Science Technology and Innovation Policy Office and the IP Champion 2011 Award in the patent and sub-patent category, by Department of Intellectual Property. Furthermore, to encourage its employees to engage in innovation development activities on a consistent basis, in term of products, services, and production system, the company regularly held its "Wacoal Innovation Challenge" campaign each year, and submitted the winning entries to compete in the Saha Group Innovation Award contest on a regular basis, with consecutive favorable successes so far.

During 2013, the company was not engaged in any activities infringing upon the patents or intellectual properties.

### **3.14 Policy and guidelines fighting against fraud and bribery seeking business benefits**

The Board of Directors laid down the policy against authority abuse and bribery, to safeguard the company's interests, by including them in the business ethics, together with promoting awareness, values, and attitudes to employees in performance according to laws and regulations with integrity. Moreover, the business ethics also prohibited the company's directors, the management and employees from seeking, accepting, or agreeing to receive any assets or benefits that are dishonest from the customers, or outside persons in connection with the work of the company. Also, it prohibited them from giving or offering to give any assets or benefits so the person may act or omit the action that is against the law or against the position. The company has the stipulation of penalties for those committing offence.

The company had a process of risk assessment on corruption, and plans to prevent such risks by assigning the Internal Audit Office to audit and present to the meeting of The Audit Committee in order to consider and review internal control system and monitor the results from internal audit. The company has arranged the transfer of policies and practices in anti-corruption and bribery for business interests to executives, and supervisors at all levels, as well as provided training sessions for employees in orientation. During 2013, the company duly followed said practice guidelines, and did not come across any irregularity as the result. (See the details about implementation of the policy under the heading "Corporate Social Responsibility (CSR)").

Furthermore, the company has signed up to join Collective Action Coalition of Thailand's private sector in anti-corruption.

### **3.15 Participation channels for the stakeholders**

The company provided the channel for all the stakeholders to file the report or complaint on those matters likely to cause damage to the company, whether they concerned the accuracy of financial statements, internal control system deficiency, or any act likely to violate the laws and business ethics, or the matters that the stakeholders' right is violated. They could directly communicate through the channel as follows:

Agencies	Telephone Number	E-mail Address
Investor Relations	0-2289-3100-9 ext. 331	invest@wacoal.co.th
Internal Audit Office	0-2289-3100-9 ext. 207 or 422	audit@wacoal.co.th
The Company's Audit Committee	–	auditcommittee@wacoal.co.th

Or send a registered mail to Investor Relations, Internal Audit Office, or The Company's Audit Committee at  
 Thai Wacoal Public Company Limited  
 930/1, Soi Pradoo1, Sathupradith Rd., Bangkhlo, Bangkoklaem,  
 Bangkok 10120

The company would carefully examine the complaints by the rules, using mechanism that does not cause an impact on the whistle-blower. The results obtained through the investigation would then be reported directly to The Board of Directors, whereby the information of the claimant would be kept secret by the company, unless it is required to be disclosed by law.

Apart from the above complaint channels, the company has established a process to manage with employees' complaints about matters that may be misconduct, by allowing them to file a complaint directly to the supervisor. If employees are unable to file a complaint through the supervisor directly, they may submit such matters to the next higher level of supervisors or Human Resources and Administration supervisor, or the Executive Director. The company also had a policy to protect employees who file a complaint, thus the complainers will not be punished from such events, and no changes of job position, type, or any other actions that is considered to be unfair treatment to that person. The information of the complaints would be kept secret by the company, unless it is required to be disclosed by law

In 2013, the company did not receive any such claim from the stakeholders.

## Section 4 : Information Disclosure and Transparency

The company duly recognized the importance of disclosing significant company information relating to both financial and non-financial topics, which was regarded as one of the company's policies regarding good corporate governance. The company ensured that the shareholders and investors receive such information, in a fast, accurate, and equitable manner, through such channels as, the annual report, annual information disclosure form 56-1, news distribution channel of The Stock Exchange of Thailand, and The Stock and Exchange Commission, as well as the company website, in both Thai and English (<http://www.wacoal.co.th>), with those information being regularly updated.

During 2013, the company facilitated information disclosure in accordance with the requirements of The Stock Exchange of Thailand and The Stock and Exchange Commission, as well as disclosing other significant information, in display of transparency toward its business operations as follows:

**4.1 Corporate governance :** The company disclosed its corporate governance policies, corporate governance principles, business ethics, and code of conduct for company directors, the management, and employees, together with those reports relating to such topics, by disseminating them on the company website.

**4.2 Social and environmental management policy :** The company incorporated these topics under the policies on corporate governance and business ethics with regard to the society and environments (See the details about implementation of the policy under the heading "Corporate Social Responsibility (CSR)").

**4.3 Risk management policy :** The company has set up Risk Management Committee to supervise risk management of the organization in a systematic and effective manner, and cover all areas appropriately, as well as assign risk management policies, according to the details under the heading "Risk Factors".

**4.4 Shareholding structure :** The company disclosed the names of the top 10 shareholders at the time of closing shares registration book for the shareholders' meeting, and at the ending date for each quarter, on the company website.

**4.5 The Board of Directors' responsibility report toward financial statements :** The Board of Directors recognized the importance of compiling financial statements in such manner deemed accurate and reliable, to serve as references for decision-making by the investors, by displaying said report carrying the signatures of the Chairman and the Managing Director, accompanied by the certified public accountant's report in the annual report publication. Furthermore, in 2013, the company received unconditional certification for its financial statements from the company auditor, and facilitated the submission of said financial statements to The Securities and Exchange Commission and The Stock Exchange of Thailand within the timeframe required, and was never subject to any instruction to revise its financial statements.

**4.6 Duty performances by The Board of Directors and various committees :** The company disclosed the details on the roles and authority of The Board of Directors and other committees, the number of meetings held, the number of meeting attendance by each director during the past year, details under the heading "Management structure", and "Corporate Governance" on various committees.

**4.7 Shareholding by the directors and the management :** The company annually disclosed shareholding and changes of the company's shareholding of the directors and the management both directly and indirectly in the annual report. Details are under the heading "Personal information of company directors and management members" on report on changes in securities holding by company directors and management members, and "Corporate Governance" on the inside information supervision.

**4.8 The remuneration for the directors and the management :** The company disclosed the policy regarding the remuneration for directors and the management, the nature and number of remuneration accorded the directors for The Board of Directors and other committees, under the heading "Management structure", on the remuneration for the directors and management members.

**4.9 The policy to report possible conflict of interests by the directors :** The Board of Directors laid down the policy requiring company director and management member to report to the company each time possible conflict of interests arose by either themselves or connected persons, within 3 month of that event causing an appointment or change. Regarding this, the company secretary was required to submit related report to The Chairman and The Audit Committee Chairperson within 7 days after the company learned of such event. During 2013, company directors and management members strictly followed said policy, by not taking part in such meeting agenda having possible conflict of interests. Moreover, the company facilitated information disclosure pertaining to any conflict of interests by company director or management member, via the letter informing the meeting's resolution to the news system of The Stock Exchange of Thailand.

**4.10 Development for the directors and the management :** The company disclosed the development and training of directors and the management. Details are under the heading "Personal information of company directors and management members" and "Corporate governance" on compliance with good corporate governance principles in other matters (Section 5 : Responsibilities of The Board of Directors, no. 5.7).

**4.11 Inter-transaction :** The Board of Directors laid down the policy for the company to comply with the regulations of the Capital Market Supervisory Board. In the case of important inter-transaction; although the approved amount of money is under the Executive Board's approval, the company shall present to the Executive Board for approbation. After that, the company will bring the issue to The Audit Committee's meeting and The Board of Directors' meeting for consideration respectively, so The Audit Committee can comment in case there are different opinions, and the directors and the management can acknowledge the details before the company informs the Stock Exchange of Thailand. Details are under the heading "Inter-Transaction".

**4.12 Quarterly Performance Report :** In the case of net profit according to last financial statement changed from the financial statements in the same period last year more than 20 percent, the company has revealed the explanation of the operation's results for the quarter on the website of the Stock Exchange of Thailand and the company website.



**4.13 The relationship with investors :** The company earlier set up The Investor Relations Center, to serve as the center in communicating and distributing significant information useful to the investors and other parties concerned. With this regard, the company has assigned the code of conduct of investor relations for staff in The Investor Relations Department to take as a guideline of practice. Interested person could view the company's latest developments via the company website, under the heading "About Us" and "Investor Relations", and the news system of The Stock Exchange of Thailand. Interested person could contact said Investor Relations Center represented by

Mrs. Onanong Saengpumpong	or	Miss Chama Sungrungsan
Company Secretary		Manager of Investor Relations Department
Tel. 0-2689-8324		Tel. 0-2289-3100 ext.331
E-mail : secretariat@wacoal.co.th		E-mail : invest@wacoal.co.th

In 2013, the company and Saha Group companies in collaboration with The Stock Exchange of Thailand organized the event "Analysts and Investors Meeting Saha Group" for the 5<sup>th</sup> consecutive year, at Queen Sirikit National Convention Center on Friday June 28, 2013. The event was held as part of the 17<sup>th</sup> Saha Group Fair. The company and Saha Group companies printed the publication compiling their profile and performance results which were distributed to analysts and investors, and the mass media attending the event.

During the past year, the company regularly provided information and answers to inquiries from shareholders, investors, and other concerned parties via the channels of e-mail, letter, and telephone.



## Section 5 : Responsibilities of The Board of Directors

The Board of Directors had important responsibility in setting the direction for the company's business operations, following up on the work results by its management members, and being responsible for their duties to contribute to the best interests of the shareholders and the company.

### 5.1 Structure of The Board of Directors

#### (1) Composition of The Board of Directors

The Board of Directors comprised	15	directors, classified into:
- Non-executive directors	10	persons (including 5 independent directors)
- Executive directors	5	persons

The Board of Directors consisted of qualified directors with knowledge, proficiency, and various experiences in accounting, finance, management, marketing, laws and textiles, as well as no gender discrimination. The number of directors of the company is at the appropriate proportion since the four directors are representatives of major shareholders and are stationed overseas. However, they provided useful suggestion and advice in business operation to the company consistently.

In addition, non-executive directors who have experience in work related to the business of the company amounted to 5 persons, which are Mr. Yoshikata Tsukamoto, Mr. Yuzo Ide, Mr. Thamarat Chokwatana, Mr. Ikuo Otani, and Mr. Kiyotaka Hiroshima.

The company's number of directors, excluding independent directors is a fair proportion of the investments of each group of shareholders. Independent directors accounted for 33.33% of the total number of The Board of Directors, complying with the requirements by The Capital Market Advisory Board, whereas non-executive directors accounted for 66.67% of the total number of The Board of Directors.

## **(2) Independent director's qualifications**

Every member of the company's independent directors is fully qualified to serve as an independent director under the rules set by the company. Independent directors who are women are accounted for 60 percent of all independent directors. None of independent directors are appointed as the company's director for more than 9 years, or take a position as director in more than 5 listed companies.

The Board of Directors resolved to adopt the definition for "independent director" having qualifications in accordance with the notification of The Capital Market Supervisory Board. Nonetheless, practically the independent directors of the company are truly independent from the management and major shareholders of the company. Independent directors and the person being involved have no shareholding in the company, parent company, subsidiaries, associates, major shareholders, or person in authority of the company.

## **(3) Directors selection process**

The Board of Directors appointed The Nominating Committee, to supervise the director selection process to be carried out in a transparent manner (See the details under the heading "Corporate Governance", on the selection and appointment of the directors and chief executive officers).

## **(4) Directorship term for independent directors**

The Board of Directors were elected by the shareholders' meeting, with directorship term complying with company regulations, while being eligible for re-election after term completion. At present, independent directors were allowed to serve not more than 3 consecutive terms and did not serve as director in more than 5 listed companies.

## **(5) The number of companies served by each director**

The company disclosed the information regarding the holding of directorship by each company director in other companies in the attached document 1 on details about the company directors, the management, person in authority, and company secretary. At present, none of the company's directors serve as director in more than 5 listed companies. Nevertheless, the company has not specified the number of listed companies and non-listed subsidiaries that each director hold directorship for not more than 5 places, since the company needed the directors to supervise operation management of subsidiaries to be in the same direction.

Furthermore, the company believed that each director's business expertise and capabilities should not be restricted by the number of companies said director served, as long as he/she proved to be capable and devoted enough to carry out own assignments in fulfilling the expectations by The Board of Directors and shareholders. There was 1 director serving as the director in more than 2 listed companies. Nonetheless, the company believed that such situation would not affect his assignments, since the director could still devote sufficient time to carry out the assignments for the company, by regularly attending meetings and presenting comments beneficial to company operations all along.

In addition, the company assigned a policy to appoint the Managing Director as directors in its subsidiary companies and affiliate companies, so as to facilitate smooth and consistent operations management for these companies.

#### **(6) The separation of the positions of Chairman from the Managing Director**

Based on the different responsibility and authority scope between Chairman of The Board of Directors and the Managing Director, the company therefore specified the Chairman of The Board of Directors and the Managing Director to be different persons, so as to clearly separate the supervision and management authority for the company, and contributing to proper authority balance in company management within the company. In relation to this, the company has set up The Board of Directors Charter, setting the authority and duty scope for each committee and clearly separating Chairman from those of The Managing Director.

Furthermore, despite the Chairman of The Board of Directors not being an independent director, nevertheless, both of them duly carried out their assignments in an independent manner, and providing opportunities to all directors to act freely in expressing own opinions and suggestions contributing to the best interests of the organization.

#### **(7) Company Secretary**

The Board of Directors resolved to appoint Mrs. Onanong Saengpumpong, Executive Director and Director Accounting & Finance Division, as the Company Secretary, having the duties and responsibilities as specified by the company. (See the details under the heading "Management structure" on company secretary.)

### **5.2 Various committees**

The Board of Directors appointed several committees comprising of competent and experienced members to supervise over each particular aspect of company operations, and clearly laid down the authority and responsibility scope for each committee per the charter for said committee. (Additional details are under the heading "Corporate Governance" on various committees and "Management structure" on The Board of Directors)

Although The Nominating Committee and The Remuneration Committee are not Independent Directors, all of them are directors with knowledge and experience who served the positions for a long period of time. They have performed their duties with responsibility and honesty, while never voted when they are stakeholders. On the other hand, The Risk Management Committee, and The Corporate Governance Committee have the Chairman as independent directors and consisted of mostly independent directors.

Furthermore, the directors and senior executives of the company have never been employees or partners of outside auditing companies that serviced the company in the past 2 years.

### **5.3 The roles, authority, and responsibility scope of The Board of Directors**

#### **(1) Leadership and vision**

The Board of Directors consisted of members who had extensive capabilities and experiences beneficial to company management, together with leadership and independent decision-making qualities, necessary to supervise company operations in such manner best contributing to the objectives and goals of the company and shareholders.

The Board of Directors were obliged to assign the vision and mission of the company, also to schedule the review every five years, as well as to approve strategy, target, plan, and annual budget of the company proposed by the management. At the same time, they were required to ensure that there were adequate mechanisms in supervising, monitoring, and evaluating performances by the management, so as to meet the targets contributing to further value and wealth for both shareholders and the company, while properly safeguarding the interests of all stakeholders concerned.

#### **(2) Good corporate governance**

In due recognition of the importance of good corporate governance practice, The Board of Directors therefore laid down good corporate governance policy in writing, consisting of 4 parts of information which are corporate governance policies, corporate governance principles, business ethics, and code of conduct of the company's directors, the management and employees. There was evaluation of compliance and review of good corporate governance principles annually, and revealed through the company website. The manual was distributed to directors, the management, and employees, which required that all of them comply with such manual strictly, in order to strengthen the company's management system with transparent business operations. (See full details of corporate governance policies, business ethics, and code of conduct for company directors, the management and employees on the company website).

### **(3) The policy regarding possible conflict of interests**

The Board of Directors placed much importance on ensuring that any transaction with possible conflict of interest was carried out in a cautious, careful, and honest manner. Accordingly, the company incorporated the policy regarding possible conflict of interest into its policy pertaining to corporate governance and business ethics, with said policy details displayed on the company website. For 2013, the company displayed such items with possible conflict of interest under the heading "Inter-Transaction".

### **(4) Supervision over internal control and audit systems**

The Board of Directors placed much emphasis on the systems overseeing financial control, company management, and corporate supervision, by assigning The Internal Audit Office to supervise over the audit, review, and monitoring of those operations results. Furthermore, The Internal Audit Office also provided recommendations to ensure independent and effective practices according to those guidelines in an independent and balanced manner.

Accordingly, The Board of Directors instructed The Internal Audit office to directly report to The Audit Committee each month, so as to allow the Committee to review and ensures sufficient internal control practice. At The Board of Directors' meeting no.5/2013, also attended by The Audit Committee members, the meeting together reviewed the adequacy of the internal control system and risk management system, and then concluded that the company had adequate internal control system in place. (The details are disclosed under the heading "Internal control and risk management").

With this regard, The Audit Committee is responsible for considering and giving approval for the appointment, transfer and dismissal of the head of internal audit office. Currently, the head of the company's internal audit office is Mrs. Nuanchan Tuangjareontip, who has good quality of knowledge, abilities and experiences in internal audit.

### **(5) Risk management**

Regarding risk management The Board of Directors supervised to ensure that the company had adequate systems overseeing the review, monitoring, and management of possible risks, by placing emphasis on the detection of advance danger signals and significant irregularities.

The Board of Directors appointed The Risk Management Committee, to set policies regarding risk management, and supervising risk management practices for the overall organization, to ensure that all risks were properly maintained at acceptable levels. Furthermore, The Committee analyzed and evaluated possible risks, and compiled risk management report, for submission directly to The Board of Directors. (See the details on risk management for each area of the company under the heading "Risk factors").

## **5.4 The Board of Directors' meeting**

The Board of Directors set the meeting schedule in advance all year, by holding the meeting at least once every 3 months as specified in the charter for The Board of Directors, with additional meeting to be summoned according to necessary circumstances. For each meeting and agenda for The Board of Directors' meeting, each director was able to propose agenda, and the Chairman together with the Managing Director shall consider the matter to be brought into the meeting. After that, the Company Secretary sent out meeting invitation letter, meeting agenda, and relevant meeting documents, to the directors not less than 7 days in advance, to allow them sufficient time to review the information prior to the meeting.

All directors considered as their duties to attend the meeting each time, unless unable to do so due to significant obligation or illness. During the meeting, The Chairman allowed the directors to present opinions and comments freely, while those directors having conflict of interests would not be allowed to attend or cast votes at such meetings. The Company Secretary recorded the meeting minutes and then classified those minutes in a systematic manner, to facilitate easy references.

The Board of Directors supported the joint meeting between The Board of Directors and The Executive Board at least once a year, to deliver yearly strategic targets and operation plans of the company, as well as to build good relationships between directors and executives. In addition, Chief Financial Officer has joined The Board of Directors' meeting at all times.

The Board of Directors has laid down a policy that Independent Directors arrange their own meeting, without executive directors or the management of the company, at least once a year so that Independent Directors can consider and discuss various issues about management or issues that are of interest. The results of the meeting were informed to the Managing Directors.

During 2013, The Board of Directors held 6 meetings altogether and Independent Director of the Company held 1 meeting, without the management in attendance. (See the details about the meetings under the heading "Management structure" on The Board of Directors, no. 1.3 the number of directors' meeting).

### 5.5 Self-evaluation by The Board of Directors

The Board of Directors provided the opportunity for each director to carry out evaluation of the performances by entire The Board of Directors in 2013, which was implemented on a yearly basis, so as to review performance results, problems, and obstacles faced during the past year, in order to contribute to better effective performances by The Board of Directors.

In 2013, the company delivered an evaluation form on the performance of The Board of Directors to all directors. Every director was independent in taking such evaluation. The evaluation form was returned to the Company Secretary once completed to be collected, summarized, and reported to The Board of Directors at The Board of Directors' meeting no. 5/2013 on February 20, 2014 which resulted in an overall evaluation as "good", with the average score of 79 percent. The evaluation criteria accounted to a percentage of the full score in each of the following:

Criteria	Score
Excellent	Up to 80 percent
Good	Up to 70 percent
Fair	Up to 60 percent
Poor	Up to 50 percent
Bad	Less than 50 percent

During 2013, each Audit Committee member also presented own appraisal version of The Audit Committee's overall achievements, to contribute to better effectiveness and efficiency in its operations.

Nevertheless, the company did not evaluate directors individually, since the evaluation in the form of The Board of Directors can reflect the performance as a whole, which each director can improve deficient parts of the topic very well.

With regard to the appraisal of the performances by The Managing Director, this would be carried out by The Chairman and Vice-Chairman, by considering the work results relating to each management aspect carried out by The Managing Director during each particular year.

### 5.6 Directors' remuneration

The Board of Directors appointed The Remuneration Committee, to supervise and ensure that the remuneration process for directors and senior executives were carried out in a transparent manner (See the regulations and criteria on remuneration policy for directors and the management under the heading "Management structure", on remuneration for the directors and management members).

### 5.7 Developments for the directors and the management

#### • Training attended by the directors

The Board of Directors has set up a policy to promote and support those training activities seeking to promote further knowledge for the directors, the management, and all parties concerned on a consistent basis, so as to gain better effective skills and understanding regarding their duty assignments. These activities included the programs organized by Thai Institute of Directors Association (IOD) and other agencies concerned (See the details under the heading "Personal information of company directors and management members"), as well as the meeting to exchange opinions with The Board of Directors and the management of other organizations, in order to apply the knowledge and experience gained to develop the company.



The company directors and management members paid much attention to attending training courses or seminars designed to promote their management abilities. During 2013, the company directors and management members attended training courses on significant operations topics, such as, "Japanese for Business Communication", "Preparation for financial reporting and taxation standards for 2014", and "Fashion Outlook & Update Trend 2014 – 2015".

#### Training and seminar attended by The Board of Directors in 2013

List of Directors		Training Course / Seminar
1. Miss Sirikul	Dhanasarnsilp	<ul style="list-style-type: none"> <li>• Japanese for Business Communication</li> <li>• Educational Activities for Leadership Development</li> </ul>
2. Mr. Boondee	Amnuayskul	<ul style="list-style-type: none"> <li>• Japanese for Business Communication</li> <li>• Internal Control and Risk Management</li> </ul>
3. Mr. Atsushi	Tabata	<ul style="list-style-type: none"> <li>• Thai for Japanese Executive</li> </ul>
4. Mr. Amnuay	Bumroongwongtong	<ul style="list-style-type: none"> <li>• Marketing Trend Customer Insight 2013</li> </ul>
5. Mrs. Saranya	Chindavanig	<ul style="list-style-type: none"> <li>• Internal Control and Risk Management</li> <li>• FRU Day in the following topics <ul style="list-style-type: none"> <li>– International Financial Reporting Standards on financial instruments–hedging and lease</li> <li>– Financial Reporting Standards 6 issues (TFRS 10 TFRS 11 TFRS 12 TFRS 13 TAS 27 TAS 28)</li> <li>– Accounting Standards for Financial Instruments...Coming Soon</li> <li>– The Way Forward...TFRS</li> </ul> </li> </ul>

#### • Orientation for new directors

The company hosted the orientation course for new directors, to properly prepare them for director assignments. The company arranged factory tour, organized presentations on company background, business perspective and business policies for these new directors. The company also provided them with the manual for directors for listed company, clearly summarizing and comparing the provision in the company regulations, with those in The Securities and Exchange Act, The Public Company Act, Good Governance Practice Principles, as well as the charter for each respective Committee and the corporate governance policies, corporate governance principles, business ethics, and code of conduct for the company directors, the management, and employees. In addition to related regulations issued by concerned agencies in supervising over listed companies, to serve as their practice guidelines during the directorship term.

### 5.8 Developments for the directors and the management

The company has set succession plans for key management positions at all levels, starting from the process of nominating the persons who will be responsible, in a proper and transparent manner. The persons were prepared in different areas, as well as continuously participated in training for development. There was also monitoring activities to create the management with knowledge, abilities, leadership, who is professional and honest, allowing the company to precede its operations continuously and effectively.

Additionally, The Board of Directors has recognized the importance of creating the management to succeed to Chief Executive Officer, with the principles as follows:

1. Specify description for the position of chief executive officer, and relation with targets and strategies of the organization, including qualifications of knowledge and skills required
2. Select subordinate executives with potential and capabilities
3. Analyze their qualification individually to find prominence and what needs to be further developed
4. Create individual developing plan to promote potential and capability development

# Social and Environmental Responsibilities Report



Mr. Boondee Amnuayskul  
Managing Director

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Currently, the textile and apparel business is more competitive due to rapid changing of consumers' behavior. It takes much more concern towards environment-friendly products, helping reduce global warming throughout the product line, and taking part in social responsibility. Wacoal has therefore determined sustainable growth strategy focusing on creativity and new innovations, so as to provide customers more value added products. We also emphasizes on every process of business chain, from product design until delivery to customers, including keeping, maintaining, and reducing effects on the environment in disposal and destruction for efficient environmental and energy conservation.

Throughout the past, Wacoal has utilized its potential and organizational knowledge to develop new environment-friendly innovations as well as to provide opportunity to every customer group to gain access to our products, such as Balancing Bra and artificial breasts for women who have lost their breasts due to breast cancer operation, so that they regain their confidence to lead their normal lives through the "Wacoal...Pink Ribbon Fight Against Breast Cancer" Project. Another is the Clinical Wear which helps tighten wounds from fire and hot water scalding. These projects are carried out in parallel to working process management in the business chain to achieve the least effects on the environment.

All in all, Wacoal is aware of the importance of its role and determines to build up confidence and trust for every interested group. The business operation under social and environmental responsibility is an important strategy, which helps Wacoal to integrate management for lasting growth in the organizational management system, and covers every interested group and important issues. By this operation, we do setting up distinct policy, planning, risk assessment, execution, controlling, and following-up on the result systematically. Along with these, we also increase our social and environmental responsibilities, seek for cooperation with trading partners and business allies, which ensures steady business growth, and co-develop with them to encourage promising economic, social and environmental outlook. This also includes building up confidence and increase competitive edge in the long run.



(Mr. Boondee Amnuayskul)  
Managing Director

# Corporate Social Responsibility (CSR)



## 1. Business Operation with Morality

Wacoal is aware about significance of business operation under the Law, transparent with full disclosure and verifiable based on business morality and ethics, and is also concerned about those with interests, retain reliability and trust.

In 2013, the Company has made new edition of Good Corporate Governance and Ethics Handbook for business operation, so as to comply with Principle of Good Corporate Governance for Registered Companies Year 2012 of Securities Exchange of Thailand. The Handbooks have been distributed and trainings were organized in order to implant good conscience and apply the Principle by the management, supervisors and every level of employees.

### Respect Rights of Others' Assets

1. Respect the ownership right of stockholders, look after their interests, support, promote and provide opportunity for every group of shareholders fairly and equally, for example such as access to computer information, join in meetings to determine business operation direction and make decision on issue which affect the Company significantly.

2. Produce and distribute products and services which are safe, friendly to the environment under the Green Label Standard. Determine product prices according to costs of goods and stay competitive, keep promises and agreements in product distribution, take care of and meet customers' demand and complaints. The policy of Wacoal is to guarantee satisfaction, improve quality of products and even can exchange the product when quality problem occurs.

3. Manage work so that debtors feel confident about financial status and ability to pay debts. Strictly carry out as stated in contracts or other conditions.

4. Treat employees and respect their existence as human being and basic human rights in working. Promote equality in employment, opportunity in professional development, not selective against nationality, sex, religion and others. Encourage participation to determine the direction, business operation and development of the Company.

### Fair Competition

1. Focus on building business allies with trading partners for long term growth and joint development. Compete fairly, do not take advantage and do not claim benefits not included in trading agreements. Adhere to satisfaction on both sides in business negotiations.

2. Respect fair competition rules. Do not destroy competitors' fame. Do not copy or use others' intellectual property in business without approval. Implement policy to use products and services with copyrights. Do not support products or actions which violate intellectual property.

## Promote Social Responsibility in Business Chain

1. Build up good relationship between company and community. Take care, be aware, prevent and responsible for effects which may occur from business operation.

2. Social and Environmental Responsibilities by improving and developing processes in accordance to efficient Environmental and Energy Management Standard, in order to reduce effects on the environment and business chain. Selective about trading partners, contractors who operate business with social and environment responsibility.

3. Cooperate with government sector to abide to the Law, change rules and regulations to conform to Laws which have been changed and various information correctly such as labor information, regular product selling price disclosures to the Ministry of Commerce.



**Thai Wacoal was evaluated for Corporate Governance Year 2013 at the "Excellent" Level.**

The survey for Good Corporate Governance for Thai registered companies for Year 2013, Wacoal has been rated for good corporate governance of registered company at the Top Quartile Level based on the company asset with market price between 3,000 – 9,999 million baht from the Institute of Directors of Thai Companies Association (IOD) jointly with the Securities Exchange Commission Office and Stock Exchange of Thailand. The result of such assessment reflects the determination of Wacoal to operate business under Good Corporate Governance all along.

## 2. Resistance to Corruption

Resistance to corruption is an important policy of the Company besides implanting values, attitudes and ethics as basics for performance for management, supervisors and every level of employees. The Company has drawn up audit process and internal control system to check and balance power appropriately. Wacoal also laid out risk management plan against corruption in business and those with interests. The Risk Management Board and Internal Control Office are responsible to examine, assess and report corruption risk.

Wacoal has participated in the Collective Action Coalition Project of Thai Private Sector, which fights against corruption. This Project is the cooperation between the government, private sectors and every section to co-operate and buildup joint network to fight against every type of corruption.

Moreover, Wacoal has made implementation to create confidence in accordance to Resistance to Corruption Policy as follows:-

1. Review rules and regulations about purchase, employment. Determine requirements for authorized signatures for expense and purchase documents to control and prevent corruption within the Company.

2. Determine the Security Policy for the Computer Information and System by appointing an Audit Board to audit the computer information usage within the Company.

3. The directors, management and employees are forbidden to engage in any action to claim or accept or offer to give assets, other benefits to induce to carry out or refrain from performing duty which is wrongful. The Company has determined severe disciplinary punishment in case of violation is found.

4. Organize trainings to give knowledge to the management and employees about risk management frame and internal control in order to manage risk.

5. Determine communication channels, receive complaints or information about corruption, the informers will be protected in strict confidence and will not be disclosed. The issue informed will be examined by the Board fairly.

6. Communicate action guideline against corruption and inform to trading partners. Support and join in fight against corruption network.

In 2013, no issue was found about corruption and unlawful operation or related requirements as well as no violation about business operation ethics.

### 3. Respect Human Rights

Wacoal emphasizes on building good relationship and happy co-existence with every related group from employees, trade partners, contractors, communities and society by respecting values, honour, human rights of every person. Do not violate basic rights. Do not discriminate against class levels, sex, nationality, religions and handicapped. This is the Principle which the Company adheres to while carrying out activities in business operation as follows:-

1. Determine respect human rights issue as social responsibility policy. This is publicized and communicated to the management, supervisors and every level of employees, including related persons.
2. Organize meetings to inspect, review, and improve procedure which may be against human rights. The Social Responsibility Board will propose to the Management Board to proceed in accordance to International Human Rights Principle.
3. Encourage and give chance to employees, community and society to participate and express their opinion. Organize discussion platform about human rights violation issue to determine appropriate corrective measure.
4. Organize products sales at the company premise for those with lower income or less opportunity to purchase and use the services.
5. Give every employee equal opportunity in job employment, occupational development, sufficient and appropriate safety measures, environment and quality of working life.
6. Encourage employees' education by giving scholarships for Masters Degree Level and Certificate Level, as well as provide flexible working time for continuing education.
7. Take care and put emphasis on female employees who are pregnant and after birth. Organize proper working environment. Provide trainings about pregnancy care and quality child care, as well as prepare "Mother's Milk Corner" to encourage employees to feed their baby with mother's milk.
8. Employ the handicapped persons to work and respect their rights. Let them work with other employees in normal working areas.
9. Encourage Democracy system by organizing election for various Boards. Respect employees' freedom to express their political thought. Encourage employees to exercise their voting rights to select representatives in accordance to required occasions.



### 4. Treat Employees Fairly

Wacoal emphasizes on happy working environment, stresses on building good understanding among employees and employees and corporation. This is the basic of good labor relations. Love and bonding with the company under management will create balance between working life and living.

#### Employment and Labor Relations

1. Employ employees, contractors, sub-contractors legally. Give remuneration and determine working days, holidays, rights to take leave, health care, safety standard as required by Law, so as to create balance between working life and living. Dress codes or performing in accordance to religions and customs are allowed.
2. Encourage and support to organize the Welfare Board in the Company to be employees' representative to join in discussions and propose ideas to the Management Board.



3. Organize trainings for every level of employees including new employees to improve their skills and receive sufficient training to perform their job. Provide occupational development based on ability.

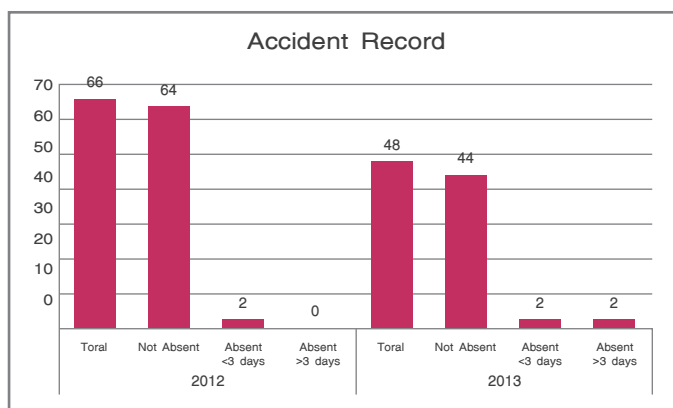
4. Establish Childcare Center for employees' children to take care of them after school on weekdays and Saturdays while employees are working overtime, so that they can work without worries.



## Occupational Hygiene and Safety in Working Environment

1. Determine the Safety, Hygiene and Environment in Working Policy. The Safety Board will be responsible to draw up training plan for every level of employees, prepare equipment to prevent danger in working and campaign to encourage employees to be aware about safe working environment. In 2013, the company safety statistic showed 48 injured people or 0.16% from overall employee.

2. Look after employees' health by preventive measures, treatment and health care. Organize Annual Health Check-up, x-ray breasts, check cancer at cervix, prepare nursing room with full-time doctor and nurse as well as medical care benefits in case of sickness. Moreover, the Company also encourages exercises, eat healthy food and organize training to provide knowledge and give documents so that all employees are informed and can prevent themselves from various diseases.



## Variety and Equal Opportunity

1. Provide opportunity for employees' participation to express their opinion to improve the organization. Prepare channels to receive complaints and make improvements.
2. Support Democracy System by organizing elections for various Boards and respect employees' rights and freedom to express political thoughts.
3. Employment opportunity after retirement for employees with knowledge, skills, ability and good health, so that they can work with the Company for another appropriate period of time.
4. Treat every level of employee equally. When wrongdoing is found against company regulation, the Discipline Investigation Board is appointed to give fair trial to employee. Give employees the chance to explain, change and improve, so that they become good members of the organization. Nevertheless, the wrongdoing in working regulation will lead to disciplinary measure and consider punishment according to rank.



## 5. Responsibility to Consumers

Wacoal produces products with quality, safety standard and concern about the environment. The Company has been certified for Quality Management System: ISO9001:2008 since the process of design, raw materials sourcing, sewing, checking, packaging and every process can be checked. There is fitting process to obtain the cup/size standard, Fit Perfect to wear with confidence.

### Customers' Health and Safety

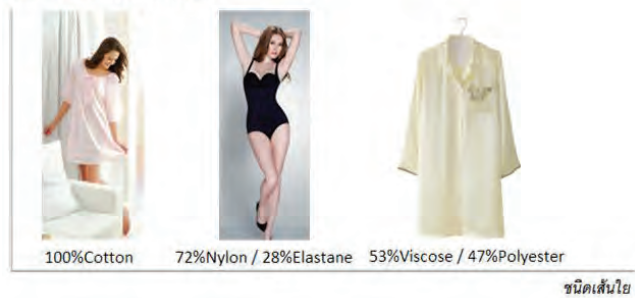
Wacoal has been certified by various standards and systems to give confidence to customers as follows:-

1. Quality Test Laboratory System with International Standard ISO/IEC17025:2005 under the Test Standard of JIS and Wacoal Corporation, Japan. Products stay in firmed shape for washing, colors are durable and products are strong throughout their life time.
2. Industrial Products Standard, safe from hazardous colors and chemicals Mor Or Kor.2346:2550 Consumers can be confident that the colors and chemicals used in the dyeing process are free from carcinogen. Certification for production process and products are free from toxins and environmentally friendly.
3. Improve products and services to meet consumers' social and environmental demand and to create benefits to organization in parallel to business operation such as Wacoal Sports Eco, Wacoal Cool.
4. Environmental Management Standard ISO14001: 2004, Green Label Products, Cool Mode Products and Carbon Footprint Products.



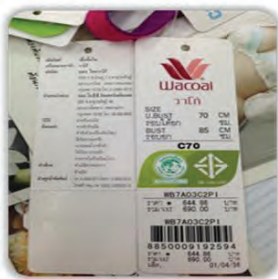


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## Label Display for Products and Services

Wacoal displays product labels or on packaging in accordance to international principle and criteria of Consumers Protection Office (Sor Kor Bor), so that consumers can receive correct information. Markings are displayed for consumers to be aware about quality Safety Standard certification and concerned about the environment, reduce global warming. Thus consumers can make decision to purchase products and be a part to reduce effects on the environment.



## Marketing Communication and Customers' Privacy

Wacoal is aware about importance of communication process and maintain secret or privacy of customers. The guidelines are as follows:-

1. Provide correct, sufficient and up-to-date information to customers, so that they know about the products and services without overstatement from reality, which may cause misunderstanding.
2. Contact customers with good manners, efficiency and trust. Provide channels for customers to file in complaints about quality and safety of products.
3. Retain customers' secret and do not use for personal or related person's interests wrongfully.
4. Wacoal also gives recommendations about usage methods for products and services efficiently and most beneficial for customers. The Company organizes various marketing communication channels as follows:-

- Display product and service labels, provide product details on product labels (Name of Product, Model, Size, Color, Ingredient as well as Maintenance Method and Cautious Point during Usage) clearly. Display products in shops or distributors with expert staff to introduce about products.
- Communicate product information through the media, pamphlets, brochures, television etc.
- Provide product information before and after sales by expert team through the Customers Relations Call Center, so that customers can receive service quickly.
- Communication channel through company website: [www.wacoal.co.th](http://www.wacoal.co.th). Through this channel, consumers can look at the products, calculate cups/sizes and conveniently select products suitable for their body shape.
- Social Media Channels to receive news and information, suggestions and criticism Facebook: [wacoalthailand](https://www.facebook.com/wacoalthailand)



## 6. Environmental Management

### Permanent Resource Utilization

The "Wacoal Bra Day : Your Old Bras, Their New Occupation" Project receives old bra donations and use bra materials to create occupations and income through the Woman Status Support Association under the Royal Patronage of Princess Somsawali. In 2013, a total of 36,000 bras were donated. Materials from old bras were separated and make into souvenirs. Unusable old bras were used as replacement energ

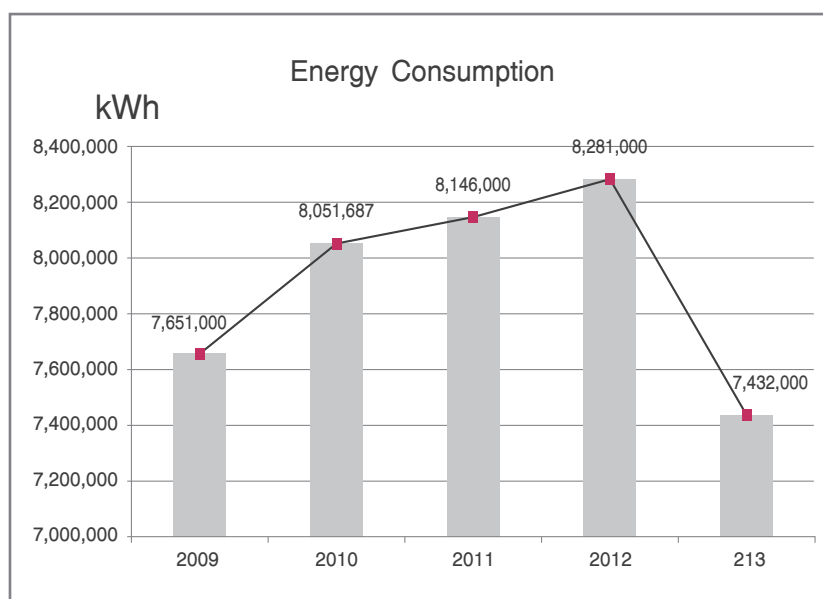
### Energy Management

Wacoal is determined to elevate excellence in energy management standard, which will be certified to International Standard System ISO-50001 in Year 2014. Focus on efficient energy consumption and systematic management to create permanent energy conservation in the corporation.

In 2013, Wacoal has changed factory building to permanent energy conservation building by changing the air conditioning system from Package Air to Chiller. Install heat insulation under the roof and tempered glass. Change the wall material to light weight bricks to prevent heat into the building. Use energy saving equipment, No.5 label such as LED light bulb which help reducing energy consumption for 10.25% comparing to 2012.



"Wacoal Bra Day"  
Project help to reduce  
carbon dioxide emission  
by 5.4 tons / year.



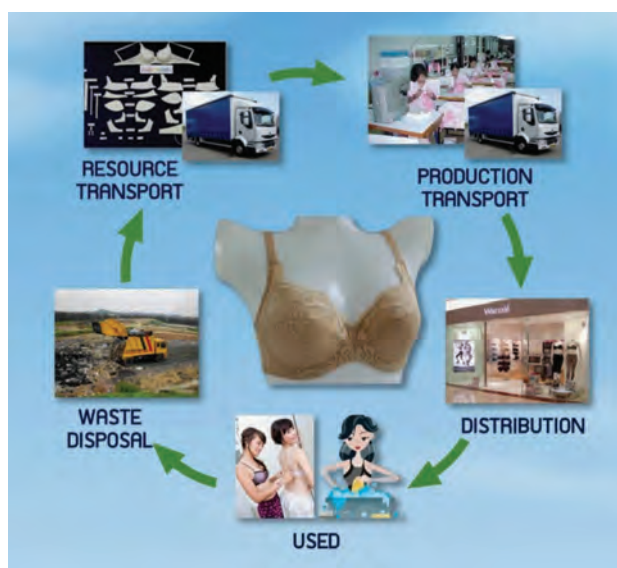
As a result of Energy  
management, Wacoal  
received Thailand Energy  
Awards 2012 and  
ASEAN Energy Awards 2012.

Besides this, Wacoal has organized seminars and campaigns such as switch off lights before lunch break and after work 30 minutes. Control and maintain air conditions so that they are always effective.

## Prevention and Reduce Effects from Pollution

Wacoal has been certified for Environmental Management System Standard ISO 14001: 2004 with Environmental Policy "3Do 1 Reduce" i.e. Abide to the Pollution Prevention Law, continuous improvements, and energy and resource consumption reduction. Specify problems and effects on the environment. Plan environmental management to control, prevent and reduce effects on the environment or pollution which may occur.

Moreover, in 2013, Wacoal has participated in Greenhouse Gas Reduction in Business Premise Project with ISO 14064-1 Standard, to become low carbon emission industry and Thai Way to Fashion in Year 2013 Project. The activity topic is Product Life Cycle Assessment: LCA) with the Textiles Industrial Development Institute. This will assess the effects of products on the environment from receiving raw materials to disposal of product remains after usage. One underwear can reduce carbon dioxide by 48%



No.	Results	2013	2012	2011
1	Energy Consumption (KWh)	7,432,000	8,281,000	8,146,000
2	Water Consumption (m <sup>3</sup> )	33,545	53,090	50,402
3	Percentage of recycling water usage	–	–	–
4	Direct greenhouse gas emissions (ton CO <sub>2</sub> e)	–	–	–
5	Indirect greenhouse gas emissions through electricity usage (ton CO <sub>2</sub> e) 1 KWh = 0.625 KgCO <sub>2</sub>	4,645,000	5,175,625	5,091,250
6	Waste			
	Hazardous waste (ton)	1.27	0.74	–
	Non-hazardous waste (ton)	57,571	80,912	79,500

## Environmental Recovery and Protection and Biological Variety

Wacoal has planted trees and take care of them within and outside of factory area to create shade for employees and people in the communities around the factory. This is to keep natural balance in the hot weather. The Company also organizes activities for employees to plant trees in the forests every year.





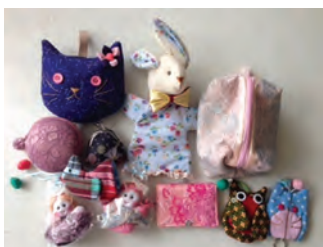
## 7. Community and Social Joint Development

Wacoal emphasizes on continuous community and social joint development and care as an organization in society, especially activities which conform to business operation. The objective is to apply the capability and potentials of company to support economic, social and community culture activities. Wacoal also encourages employees to have volunteer spirit, sacrificial and engage in social activities.

### Role in Marketing and Job Creation

#### "Wacoal Bra Day"

Donate old bras and bring materials form old bras to create new occupation and extra income through the Women Status Support Association under the Royal Patronage of Princess Somsawali.



In 2013, 36,000 old bras were donated to the project for making souvenirs which help generating extra income for the women.



#### "Career Promotion for Military Housewives"

Wacoal in cooperation with the 9th Infantry Division (Surasri Camp) Kanchanaburi Province provides job to housewife group and families of military by teaching them how to sew clothing such as underwear, undergarments, pajamas etc. Wacoal has continuously carried out this Project since 1989 until present, more than 24 years, which provides more than 150 million baht income to housewife group. Expand cooperation to other housewife groups such as 1st Army Engineer Bureau: Burachat Camp etc.

#### "Wacoal...Extra Income, Increase Skills and Develop Community"

Provides income to more than 10 families in the Wat Bang Klo Nok Community by making parts of women underwear. Their income is about 6,000 baht per month.



## Community and Social Participation

### The "Wacoal Pink Ribbon...Fight Against Breast Cancer"

Wacoal has launched "Wacoal Pink Ribbon..... Fight Against Breast Cancer" Project seriously and continuously for more than 10 years. Encourage Thai women to take care and prevent themselves from breast cancer by checking their breasts regularly. Besides this, the Company also carries out research and design underwear for women who have lost their breasts due to cancer. (Balancing Bra) since 1981 until present. Wacoal has donated 3,700 Balancing Bras, with total value more than 5 million baht, to Thai women who have lost their breasts nationwide. This is a continuous activity until present.

### "Wacoal Pink Ribbon Never Ending Heart to Heart 2013"

Income from product distribution is donated to help poor patients in the Ramathibhodi Foundation under the Royal Patronage of Princess Thepparat Ratchasuda

### "Wacoal Cares Your Breasts. Mammogram Saves Your Life."

in cooperation with the National Cancer Institute, Cancer Hospital in the Region, Bangkok Hospital Group and Samitivej Hospital to encourage Thai women to check and x-ray their breasts with digital mammogram machine.

### "Wacoal Pink Ribbon Fight Against Breast Cancer for Community"

Cooperate with the National Cancer Institute encourage women in various communities to prevent themselves from breast cancer and learn how to check for breast cancer by themselves. Expert nurses checked the participants for breast cancer. If any abnormality is found, the Company will send the person to check in details again with digital mammogram machine.



## Social Investments and Social Effects Assessment

### Educational Support

- Give research fund to Mahidol University and educational funds to students at various universities.
- Support educational institutes to provide practical training during summer, Cooperative Education Project and other special projects. Provide opportunity for various educational institutes to bring students to visit company premise.



### "First Bra On Tour"

To give knowledge and understanding about changing body shape in female teenagers and steps to teenage for schools nationwide.

Area	No. of Schools	No. of Participants
Bangkok	63	14,782
Eastern Region	22	6,189
Central Region	33	9,880
Southern Region	22	6,558
Northern Region	29	5,725
North Eastern Region	15	7,220
<b>Total</b>	<b>197</b>	<b>50,354</b>



### Drugs Prevention

Wacoal has the intention to implement drugs preventive and protective measures in business premise by appointing the Working Committee to prepare Drugs Preventive and Protective Measures in business premise, carry out campaigns, watch out, prevent and solve drugs problems within the Company. Cooperate with Bang Ko Laem District Office and organize random drug testing twice a year.

### Charitable Activities for Society and Communities

In 2013, Wacoal has donated money and goods to various organizations as charities, which include communities, temples, hospitals, charitable organizations such as

- Provide fund to build Bhumisirimangkalanusorn Building, Thai Red Cross.
- Donate fund for "30 May" Establishment Anniversary for Chulalongkorn Hospital.
- Donate products to typhoon victims in Philippines.
- Give fund to Wat Prayakrai Metropolis Police Station in the Electrical Bicycle Patrol Project.
- Provide fund to Research Association to buy medical equipment and donate to hospitals in border provinces in the South Region.
- Give reward to youth who participate in National Skills Competition organized by Labor Skills Development Bureau.





## 8. Innovation and Innovation Publicity

### Balancing Bra with Artificial Breast

Wacoal has invented Balancing Bra Innovation, bra and artificial breast for women who have lost their breasts due to breast cancer, so that they can lead their lives with confidence after operation. Currently, Wacoal has registered copyright for this innovation "BALANCING BRA". The design, raw materials selection and tailoring with special technique appropriate for those who have lost their breasts by placing artificial breasts inside.

"Artificial Breasts" have been researched, designed and produced meticulously based on body figure in terms of shape and weight so that it is comfortable and feel real by using small size Micro Bead to replace weight and use Micro Foam to replace softness. This can be felt when wearing the bra and create balance and fill in the lost part, which is as near to nature as possible. Consumers can conveniently select products proper for their body shape. Wacoal has prepared finished goods based on the Cups, Sizes especially artificial breasts total 12 sizes.

Wacoal continuously donates to women who have lost their breasts and lack fund under the "Wacoal...Pink Ribbon Fight Against Breast Cancer" Project by delivering bras to women nationwide, which are donated without deducting any expense.



Donation	No.
- Cancer Victims	1,201 persons
- Innerwear	1,201 pieces
- Artificial breasts	1,224 pieces



Wacoal has received the AREA Awards2013 (ASIA RESPONSIBLE ENTREPRENEURSHIP AWARDS), Social Responsibility Category Health Promotion Type, South East Asia Regional Level from Enterprise Asia (NGO organization) on 29 June 2013 at Marina Bay Sands, Singapore as a result of improving innovation in parallel to launching the "Wacoal...Pink Ribbon Fight Against Breast Cancer" Project consistently and earnestly.



Environmental Friendly Products, Help to Reduce Global Warming

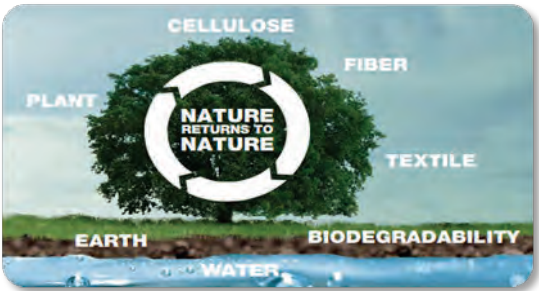
The company has focused on developing innovations to reduce environmental impact, reduce greenhouse gas emissions and reduce the use of natural resources with renewable materials which appear in the product such as

- Thermo°Cool™eco
- MicroModal®AIR
- Viscosilk



Under "Nature Returns to Nature" concept, the renewable Materials are synthesized from plants and can be degradable by natural processes.

The materials production process starting from planting trees, they grow up by converting the carbon dioxide and water by means of photosynthesis. This process is the best way to reduce global warming and also release pure oxygen to the world which make a living, whether people or animals use to breathe to live on.



Wacoal Sport ECO (Re-PET) → Fibers made of plastic bottles (ECO Material)

**Reduce  
Reuse  
Recycle**

**Advanced Innovation**

which look after breasts together with saving the world with environmentally friendly manufacturing process.

"Green Procurement"

Wacoal procure raw materials which are environmental friendly (Green Procurement) by focusing on quality, price, products and services delivery, and reducing the environmental impact caused by the production. The company considers the entire product life cycle (from the sourcing of raw materials, procurement, transportation, till deliver the products) and also seek corporation with suppliers to meet customer needs and promote clean production and pollution prevention principles in the organization, which will result in producing products and saving the environment as well.





## Honor Award 2014



- Rated as one of the companies with "Excellent CG" score in the Corporate Governance Report of Thai Listed Companies 2013. In addition, the company was also ranked in the top quartile of listed companies with good corporate governance in the the market capitalization segment of 3,000 – 9,999 Million Baht, according to the survey conducted by Thai institute of Directors Association in collaboration with The Securities and Exchange Commission and The Stock Exchange of Thailand.

- Received the "Platinum" Trusted Brand Award 2013 for "Wacoal" brand in lingerie category for 3rd consecutive year and "ENFANT" brand in childrenwear category for 4<sup>th</sup> consecutive year from Reader's Digest Magazine.



- Received AREA Awards 2013 (ASIA RESPONSIBLE ENTREPRENEURSHIP AWARDS), Social Responsibility Category Health Promotion Type, South East Asia Regional Level from Enterprise Asia (NGO organization)

- Received CSR-DIW Continuous Award 2013 from the Department of Industrial Works, the Ministry of Industry. The award aim to honor those manufacturing workplace consistently displaying their social responsibilities as industrial manufacturers towards the society on a continuous basis.



- Received The 1st Place Outstanding Award from Saha Group Innovation Contest 2013, in Product Category "Wacoal Cool" and in Energy Saving & Global Warming & Environment Category, was from "Save Energy Today...Save the World Tomorrow".



- Awarded the certificate for its recent participation in the "Life Cycle Assessment Study for Industrial Textile Products", under the "Thailand Grand Living 2013" project, organized by Thailand Textile Institute.



- Received certificated for participating in "Regional Industrial Greenhouse Gas Reduction with ISO 14064-1" project.

# Internal Control and Risk Management

## The Board of Directors' opinion regarding the internal control system of the company

Thai Wacoal Public Company Limited has recognized the importance of internal control system. The Board of Directors has appointed The Audit Committee to review the assessment of the company's internal control to ensure that it is a sufficient and appropriate system, as well as to provide accurate and credible accounting system and financial report, also to contribute asset protection and mitigate damage occurred from errors and corruption, along with effective compliance with relevant laws and regulations.

At The Board of Directors' meeting no.5/2013, on February 20, 2014, The Board of Directors, including 3 members of The Audit Committee evaluated the company's internal control system for 2013. According to the internal audit and inquiring for information from the management, The Board of Directors did not find any significant deficiency regarding internal control system; therefore, they agreed that the company had sufficient and appropriate internal control system which was compatible with the current operation. These can be summarized as follows:

### 1. Control Environment

The company has assigned explicit policies and objectives of business with concrete evaluation by considering fairness to employees, customers, trading partners, and responsibility to shareholders, society, community and environment. It has also reviewed the implementation of the goals set on a regular basis to comply with the conditions at that time.

Moreover, the company has established organizational structure and a charter of various committees in order to separate duties and responsibilities of The Board of Directors and the management apart, thus allowing effective operation. There were policy on corporate governance, business ethics, and code of conduct of directors, executives and employees in writing, which were acknowledged by all directors, executives and employees as guidelines for everyone to perform their duties with integrity, and restrain from posing conflict of interest with the company, including not corrupting which causes damage to the organization. The company has set up monitoring and evaluation process, based on the principles of good corporate governance and regulations in such work. Provided the company found disobedience, it would have the process which could appropriately punish and manage with any violations in due time.

With human resource management philosophy "The Better the Employees do, the More Excellent WACOAL is.", the company has assigned policies and procedures for recruiting, elevating capabilities and retaining key personnel consistently and continuously, including a fair and proper performance evaluation system.

### 2. Risk Assessment

The company has set up The Risk Management Committee in order to take care of risk management in a systematic and effective manner. There was risk analysis that revealed probable risks causing from internal and external factors which could affect business conduct of the organization. It has also decided clear working plan and working procedures, as well as constantly followed up on risk management result to ensure that it is at acceptable level. This included all executives to engage in risk management and communicated to all employees to comply with as a part of organizational culture.

The company has evaluated the potential for corruption and carefully reviewed the targets of operations, as well as considered the reasonableness of offering incentives or rewards to employees that does not encourage them to act in an inappropriate manner. In addition, The Audit Committee has considered and inquired from the management about the likelihood of fraud, and the company's measures to prevent or resolve corruption. With this regard, the company communicated to all employees to understand and follow the policies and guidelines on anti-corruption, also not to pay a bribe for business interests as stated by the company.

At the same time, the company has evaluated the changes of business models, and the changing of corporate leaders. It has also set measures to respond to the changes that may affect the business, internal control, and financial report.

Moreover, the company complied with generally accepted accounting principles and suitable for business, by revealing financial report that is fully accurate and reflects the operating activities of the company.

### 3. Control Activities

The company has clearly specified the limitations of authority and approved credit line for each management level in writing, as well as separated duties and responsibilities of each department apart for counter-verification. It has also set the concise regulations concerning financial transaction, purchasing, and general management in writing, to prevent from authority abuse seeking to misappropriate company assets, or acting beyond the authority assigned by the company. Additionally, the company also had monitoring measures allowing the company operations to correspond with related laws. In the case of transactions with the major shareholders, directors, executives, or those who are involved with such persons, the company has followed related procedures and regulations with regard to the best interest of the company (at arms' length basis). There was also a policy about the approval of business transactions that must be carried out by those with no conflict of interest to prevent from putting the interests of the company to private use.

Furthermore, in the case of the approval of business transactions with long-term binding effects on the company, the company has follow-up measure to ensure full compliance according to agreed conditions. Also, the company has regularly reviewed over the appropriateness of the contract in accordance with the situations, as well as consistently monitored business operations of its subsidiaries and associate.

### 4. Information & Communication

The company has presented sufficient information and documents to The Board of Directors in advance as relevant references for their decision-making. In addition, the company has applied the policy in compliance with Thai Financial Reporting Standards (TFRS), which is suitable with the business nature of the company. The company also stored accounting documents and other related accounts in an orderly and classified manner, kept in the safe place according to the duration of time required by law. Moreover, the company hired the outside consulting agency to examine and assess the risks in protecting and safeguarding the IT structure on a yearly basis.

The company effectively communicated information to inside and outside the organization with appropriate channels, in order to encourage internal control to be proceeded as required by the company. It also provided a whistle blower hotline for information or clues about fraud or corruption, while the detail of the complainers and complaints will be kept confidential.

### 5. Monitoring Activities

The company has set its business targets and compared operating results to meet its goals. If there are differences to consider, the company would review and adjust its business operations in accordance with the situations. Monitoring process and operating results assessment are assigned based on the principles of good corporate governance to ensure that internal control is carried out fully and appropriately. In that regard, The Internal Audit Office was responsible for the checking, analysis and assessment of various internal control systems, together with the regular follow-up on their implementation. The results of the audit were reported directly to The Audit Committee, who holds their joint meetings every month. Provided that significant deficiency is detected, The Audit Committee will report the matter to The Board of Directors, suggesting improving the situation and monitoring progress in improving deficiencies regularly.

## The Audit Committee's opinion

The Board of Directors saw that the company's internal control system and subsidiaries' management control system are sufficiently appropriate, as well as The Audit Committee, that agreed with the opinions from The Board of Directors (For more information, see The Audit Committee's Report), including auditors who had no observations on internal control.

## Head of Internal Audit Office and Head of Compliance Unit

### 1. Head of Internal Audit Office

The Audit Committee approved of Mrs. Nuanchan Tuangjareontip, to take a position as head of Internal Audit Office, since the person has good quality of knowledge, abilities and experiences in such work.

Name/ Position	Education	Trainings
Mrs. Nuanchan Tuangjareontip Internal Audit Manager, Secretary to The Audit Committee and Secretary to The Risk Management Committee	Bachelor Degree Faculty of Economics and Business Administration, Majoring in Finance and Banking Kasetsart University	<ul style="list-style-type: none"><li>- Internal control system by COSO</li><li>- Risk management framework</li><li>- Internal control for financial report for CFO</li><li>- Fraud Audit</li><li>- Sampling in Audit</li></ul>

Accordingly, the Audit committee agreed that the company's head of Internal Audit Office possesses adequately appropriate education, experiences, and trainings to perform as head of Internal Audit. (For more information, see The Audit Committee's report).

In case of appointment, transfer, and dismissal of the company's head of Internal Audit Office, the approval from The Audit Committee must be received as stated in the Charter of The Audit Committee.

### 2. Head of Compliance Unit

The company has not appointed the position of head of Compliance Unit directly, but assigned the supervisors to be responsible for each field of the work. This is to ensure that the operations are in accordance with the laws, regulations, and requirements of related agencies.

# Inter-Transaction

## Information disclosure for inter-transaction

During 2013, the company and its subsidiaries entered into inter-transactions with parties with possible conflict of interests, according to the details as follows:

1. Normal business transaction, normal business support transaction, rental or lease transaction for immovable property (not more than 3 years), and transaction related to assets and services

Unit : Million Baht

Company name	Relationship	Shareholding Percentage		Significant item	Inter-transaction Value
		Shareholding by the company	Shareholding in the company		
1. Wacoal Corporation Group	A	–	33.61	– Purchase of products/ raw materials	285.25
				– Sale of products/ raw materials	1,079.49
				– Royalty fees expenses	39.79
2. Saha Pathana Inter-Holding Plc.	A	0.68	21.26	– Consultancy fees expenses	1.20
				– Utility charges expenses	7.69
3. SRP Nanasai Co., Ltd.	B	7.69	–	– Design and renovation fees	0.09
4. I.C.C. International Plc.	B	3.82	4.93	– Sale of products/ raw materials	2,024.38
				– Hire of work income	3.53
				– Royalty fees expenses	0.41
				– Utility charges income	0.25
				– Inventory management income	0.74
				– Immovable property rental income	1.02
				– Information technology system services income	0.62
5. Grand Star Industry Co., Ltd.	B	17.80	1.15	– Sale of products/ raw materials	10.01
6. Wien International Co., Ltd.	B	17.90	0.92	– Sale of products/ raw materials	179.29
				– Royalty fees income	0.30
				– Utility charges income	1.06
				– Immovable property rental income	2.64
				– Information technology system services income	5.68



Company name	Relationship	Shareholding Percentage		Significant item	Inter-transaction Value
		Shareholding by the company	Shareholding in the company		
7. Pattaya Manufacturing Co., Ltd.	B	14.67	0.21	– Purchase of products/ raw materials – Sale of products/ raw materials – Hire of work income – Hire of work expenses – Immovable property rental expenses – Immovable property rental income – Movable property rental income – Information technology system services income	64.14 29.32 1.22 18.38 0.66 3.98 0.48 1.39
8. Pattaya Lamphun Co., Ltd.	B	–	–	– Hire of work expenses	24.83
9. SSDC (Tigertex) Co., Ltd.	B	18.72	–	– Purchase of products/ raw materials	1.79
10. International Commercial Coordination (Hongkong) Ltd.	B	18.00	–	– Sale of products/ raw materials	5.91
11. Textile Prestige Plc.	B	18.15	–	– Purchase of products/ raw materials – Sale of products/ raw materials	300.77 1.32
12. Mangkorn.1 2 Co., Ltd.	B	–	–	– Purchase of products/ raw materials	199.64
13. Thanulux Plc.	B	–	1.39	– Consultancy fees income	0.30
14. H & B Intertex Co., Ltd.	B	–	–	– Purchase of products/ raw materials	3.73
15. Thai Gunze Co., Ltd.	B	–	–	– Purchase of products/ raw materials – Hire of work income	5.11 10.03
16. S & J International Enterprises Plc.	B	–	–	– Purchase of products/ raw materials – Utility charges income – Immovable property rental income	6.64 0.16 0.60
17. Carbon Magic (Thailand) Co., Ltd.	B	8.33	–	– Utility charges income – Immovable property rental income	0.04 3.39

Unit : Million Baht

Company name	Relationship	Shareholding Percentage		Significant item	Inter-transaction Value
		Shareholding by the company	Shareholding in the company		
18. Waseda Education (Thailand) Co., Ltd.	B	7.14	–	– Training expenses	0.37
19. Thai Naxis Co., Ltd.	B	16.46	–	– Purchase of products/ raw materials	12.36
20. S.T.G.C. Co., Ltd.	B	13.00	–	– Consultancy fees expenses	4.57
				– Utility charges income	0.03
				– Immovable property rental income	0.06
21. Thai Takeda Lase Co., Ltd.	B	–	–	– Purchase of products/ raw materials	45.93
22. Thai Bunka Fashion Co., Ltd.	B	8.00	–	– Training expenses	3.46
23. PTK Multi Services Co., Ltd.	B	–	–	– Security fees expenses	7.09
24. Thaisecom Pitakkij Co., Ltd.	B	–	–	– Security fees and security equipments rental fees expenses	3.10
25. Erawan Textile Co., Ltd.	B	16.02	–	– Purchase of products/ raw materials	9.06
26. Kabin Patthanakij Co., Ltd.	B	–	–	– Sale of products/ raw materials	30.31

**Relationship Nature**    A = The company's major shareholders    B = The company's major shareholder with over 10% shareholding

**Pricing Policy**    The company jointly decides with the distributor company to set retail selling price, by considering product design, complexity level of production process, sales forecast, sales volume, and production cost. After deciding on retail selling price (the same price applicable nationwide), the company consequently decides on wholesale price applicable to the distributor, whereby profit sharing rate generated from retail sales shall depend on the relative cost for each product model.

**Remuneration Policy**    The company carried out inter-transactions with other companies, on a fair business practice basis, based on market prices and normal business terms being applied to those transactions conducted with unconnected outside business parties or persons.

Item	Remuneration Policy
- Inventory management fees	: Fees depending on the volume of transported products
- Utility charges	: According to the rates announced by Saha Group Industrial Park, based on actual units or volume used
- Movable property rental fees	: Fees depending on the condition and duration of such property in use
- Immovable property rental fees	: Fees depending on the location, surrounding, building condition, and utilization purpose for said assets
- Information technology system services fees	: Fees depending on the number of hardware, software, and man-day in services
- Design and renovation fees	: Remuneration based on the nature, difficulty level for such services, area size, materials used, and the renovation knowhow and techniques applied.
- Business consultancy fees	: Fees depending on the complexity level of such services
- Security fees	: Fees depending on the number of security personnel for each shift
- Security equipments rental fees	: Fees depending on the type and number of security equipments selected for use in the security system
- Training fees	: Fees depending on the expenses incurred during each training course

## 2. Transaction in providing or receiving financial assistance

Unit : Million Baht

Company name	Loan Extension					Guarantee
	Balance As of Dec. 31, 12	Additions	Settlements	Balance As of Dec. 31, 13	Interest Rate	Balance As of Dec. 31, 13
1. SSDC (Tigertex) Co., Ltd.	4.00	5.00	-	9.00	4.25%	-
2. Erawan Textile Co., Ltd.	90.00	-	-	90.00	4.75%	-
3. International Commercial Coordination (Hongkong) Ltd.	-	-	-	-	-	6.28
<b>รวม</b>	<b>94.00</b>	<b>5.00</b>	<b>-</b>	<b>99.00</b>		<b>6.28</b>

**Loan facilities provision** The company and its subsidiaries provided short-term loan to related parties for total amount of Baht 99 million as of December 31, 2013 (Please refer to supplementary note to financial statements no. 7), under such policy basing interest rate on fixed deposit rate plus the increment specified by the company and its subsidiaries and the specified business tax rate.

The company and its subsidiaries did not provide long-term loan to related parties as of December 31, 2013.

**Financial guarantees provision** As of December 31, 2013, the company and its subsidiaries posted outstanding financial guarantees to related parties in total of Baht 6.28 million. (Please refer to supplementary note to financial statement no. 37)

## The necessity and rationale for entering into transactions with parties with possible conflict of interests

To sustain the company's operations under the prevailing severe competitive situation, the company needed to secure the support of business partners and business alliance network from upstream to downstream industries, further contributing to its competitiveness and business potentials, and leading to its further development and sustainable growth in the future.

While its business partners and business alliance members might be parties with possible conflict of interests, nevertheless, The Board of Directors might find it reasonable and necessary to enter into agreement or transaction with said parties, with the interests of the shareholders and the company in mind. In such case, the transaction price would be based on normal business terms, without harboring any intention to engage in unjust transfer of company asset or interest to such parties with possible conflict of interests.

At the same time, The Board of Directors duly followed the requirements in The Securities and Exchange Act (no.4) B.E. 2551 article 89/12, by authorizing the company's management, after the completion of the annual shareholders' meeting, to enter into such transactions considered to normal business transactions and business support transactions under normal business terms in such same manner as other business partners under the same circumstances. Such transactions would be carried out without any exercise of undue influence due to such status as director, management member, or related persons, with such transactions duly reported to The Board of Directors' meeting held each quarter.

## Opinions regarding inter-transactions by independent directors

For such inter-transactions considered significant, the company followed its policy in proposing such transactions to The Board of Directors' meeting, either for their approval or for further forwarding to the shareholders' meeting for their approval.

The independent directors concluded not to have any different opinions regarding inter-transactions in 2013, from those resolutions adopted by The Board of Directors' meeting.

## Policy and trend for future inter-transaction

The Board of Directors duly recognized their responsibilities as the directors of public company in carrying out their duties toward the shareholders, employees, and all stakeholders, in accordance with good corporate governance practices. Accordingly, those inter-transactions likely to take place in the future, would represent normal business transactions, with the disclosure of information duly carried out in accordance with The Notification of The Capital Market Supervisory Board, regarding "rules on connected transactions".

## Persons with possible conflict of interests holding combined shareholding in subsidiary / associate companies over the level of 10%

The company did not have persons with possible conflict of interests holding combined shareholding in subsidiary companies over the level of 10%. However, the company had 2 persons with possible conflict of interests holding combined shareholding in associate company over the level of 10%, as the result of the engagement in joint business investments by the company and such persons with possible conflict of interests, in utilizing their outstanding knowledge and expertise in their roles as business associates to the company.

# The Board of Directors' Responsibility Report towards Financial Statements

The Board of Directors duly recognized their obligations and responsibilities in their status as the directors of SET listed company, with regard to the compilation of financial statements for Thai Wacoal Public Company Limited and its subsidiary companies. Said financial statements were prepared in accordance with Thai Financial Reporting Standards (TFRS), based on the adoption of appropriate accounting policies on a consistent basis, accompanied by careful consideration and justifiable accounting estimates.

Furthermore, adequate significant information was disclosed per the notes to the financial statements, together with necessary clarification and analysis regarding the financial positions and performances by the company and its subsidiaries, so as to contribute to the interests of the shareholders and general investors. Moreover, said financial statements were duly audited and unconditionally verified by independent certified public accountants.

At the same time, The Board of Directors had exercised efforts to promote good governance practice, and to establish risk management system and internal control system in an efficient and effective manner. These practices were intended to ensure that the recording of accounting information was carried out in an accurate, complete, and sufficient manner, in order to safeguard the assets of the company and its subsidiaries, while also safeguarding against any significant fraud or abuse.

In the regard, The company's Audit Committee whose members comprising independent directors had duly carried out audit work on the quality of the financial statements and the efficiency of internal control system. The opinions of The Audit Committee were displayed per the Audit Committee's report contained in the annual report publication, as well as the annual registration statement (form 56-1).

Accordingly, The Board of Directors concluded that, the good corporate governance practice, the risk management system, as well as the internal control system already in place at the company, were well adequate and sufficient, reasonably providing sufficient confidence to all the concerned parties that, the financial statements of the company and its subsidiaries ending December 31, 2013, were prepared and presented in substantial context, in an accurate and reliable manner.



(Mr. Manu Leelanuwatana)  
Chairman



(Mr. Boondee Amnuayskul)  
Managing Director



# Report of the Independent Certified Public Accountants

## TO THE SHAREHOLDERS AND BOARD OF DIRECTORS THAI WACOAL PUBLIC COMPANY LIMITED

We have audited the consolidated financial statements of Thai Wacoal Public Company Limited and its subsidiaries and the separate financial statements of Thai Wacoal Public Company Limited, which comprise the consolidated and separate statements of financial position as at December 31, 2013, and the related consolidated and separate income statements and statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion, the aforementioned consolidated and separate financial statements present fairly, in all material respects, the financial position of Thai Wacoal Public Company Limited and its subsidiaries and of Thai Wacoal Public Company Limited as at December 31, 2013, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Emphasis of Matter

Without modifying our opinion, as discussed in Note 3 to the financial statements, Thai Wacoal Public Company Limited and its subsidiaries have adopted Thai Accounting Standard No. 12 "Income Taxes" for the first time. The corresponding figures thus have been retrospectively restated to be in accordance with the new accounting policy.



Dr. Suphamit Techamontrikul  
Certified Public Accountant (Thailand)  
Registration No. 3356

BANGKOK  
February 20, 2014

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

# Statement of Financial Position

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
AS AT DECEMBER 31, 2013

UNIT : BAHT

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS			SEPARATE FINANCIAL STATEMENTS		
		As at December 31, 2013	As at December 31, 2012 "Restated"	As at January 1, 2012 "Restated"	As at December 31, 2013	As at December 31, 2012 "Restated"	As at January 1, 2012 "Restated"
ASSETS							
CURRENT ASSETS							
Cash and cash equivalents		105,497,651	174,757,490	339,969,357	72,366,459	155,706,101	267,961,702
Temporary investments	5	558,448,843	1,183,151,581	1,224,424,674	462,840,086	967,115,962	1,101,202,927
Trade and other receivables	6	611,982,175	636,542,118	567,976,667	705,464,283	731,608,907	672,513,508
Short-term loans to							
related parties	7	99,000,000	94,000,000	99,000,000	99,000,000	94,000,000	99,000,000
Other short-term loans	8	11,800,000	1,900,000	2,500,000	11,800,000	1,900,000	2,500,000
Inventories	9	913,092,331	994,695,891	917,422,309	790,457,718	844,354,337	737,829,566
Other current assets							
Refundable value-added tax		1,346,369	3,140,005	4,070,847	543,267	1,951,379	3,562,698
Supplies		19,200,511	19,025,051	18,318,443	13,687,819	13,898,534	13,371,988
Others		2,104,491	1,394,657	1,439,923	1,933,454	1,051,775	1,318,490
		22,651,371	23,559,713	23,829,213	16,164,540	16,901,688	18,253,176
Total Current Assets		2,322,472,371	3,108,606,793	3,175,122,220	2,158,093,086	2,811,586,995	2,899,260,879

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

# Statement of Financial Position (Continued)

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
AS AT DECEMBER 31, 2013

UNIT : BAHT

NOTES		CONSOLIDATED			SEPARATE		
		FINANCIAL STATEMENTS			FINANCIAL STATEMENTS		
		As at December 31, 2013	As at December 31, 2012 "Restated"	As at January 1, 2012 "Restated"	As at December 31, 2013	As at December 31, 2012 "Restated"	As at January 1, 2012 "Restated"
ASSETS (CONTINUED)							
NON-CURRENT ASSETS							
Deposit at bank under							
obligation	10	6,281,550	5,856,450	6,049,950	6,281,550	5,856,450	6,049,950
Long-term deposits at							
financial institution		37,000,000	11,000,000	–	37,000,000	11,000,000	–
Available-for-sale							
securities investments	11	1,742,872,776	1,735,998,418	1,420,961,875	1,731,322,776	1,723,473,418	1,408,061,875
Investments in subsidiaries	12	–	–	–	132,032,600	132,032,600	132,032,600
Investments in associated	13	4,737,942	–	–	5,084,800	–	–
Other long-term investments	14	700,670,971	701,702,368	526,747,289	697,400,971	698,432,368	523,477,289
Investment property	15	75,547,634	80,310,767	84,366,398	80,949,511	85,886,412	90,648,011
Property, plant and equipment	16	887,909,848	738,469,829	742,014,964	654,103,484	607,936,868	596,840,524
Intangible assets	17	25,500,881	15,492,897	15,596,135	24,685,848	14,728,474	14,669,477
Leasehold rights	18	7,651,371	8,861,095	10,070,819	7,651,371	8,861,095	10,070,819
Land deposit	19	207,500,000	–	–	207,500,000	–	–
Other non-current assets	20	8,598,167	8,222,567	10,926,408	7,767,289	7,391,688	10,084,689
Total Non-Current Assets		3,704,271,140	3,305,914,391	2,816,733,838	3,591,780,200	3,295,599,373	2,791,935,234
TOTAL ASSETS		6,026,743,511	6,414,521,184	5,991,856,058	5,749,873,286	6,107,186,368	5,691,196,113

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
AS AT DECEMBER 31, 2013

UNIT : BAHT

	NOTES	CONSOLIDATED FINANCIAL STATEMENTS			SEPARATE FINANCIAL STATEMENTS		
		As at December 31, 2013	As at December 31, 2012 "Restated"	As at January 1, 2012 "Restated"	As at December 31, 2013	As at December 31, 2012 "Restated"	As at January 1, 2012 "Restated"
LIABILITIES AND EQUITY							
CURRENT LIABILITIES							
Trade and other payables	22	448,969,508	567,514,440	546,014,335	487,478,598	581,412,830	580,271,002
Current portion of financial lease liabilities	23	151,963	–	–	151,963	–	–
Accrued income tax		13,187,474	39,019,976	56,767,194	7,026,241	28,678,448	34,744,186
Other current liabilities							
Provision for loss from goods returned		48,000,000	57,000,000	69,000,000	48,000,000	57,000,000	69,000,000
Withholding tax payable		6,708,335	7,222,521	7,242,752	5,610,525	6,156,765	5,997,629
Others		5,791,481	4,304,664	6,421,946	986,895	422,287	1,360,159
		60,499,816	68,527,185	82,664,698	54,597,420	63,579,052	76,357,788
Total Current Liabilities		522,808,761	675,061,601	685,446,227	549,254,222	673,670,330	691,372,976
NON-CURRENT LIABILITIES							
Financial lease liabilities	23	1,217,974	–	–	1,217,974	–	–
Deferred tax liabilities	24	39,866,395	84,290,500	35,505,220	65,421,183	109,246,698	56,496,174
Retirement benefit obligation	25	460,840,638	445,618,713	403,548,076	318,197,728	317,843,624	295,172,194
Total Non-Current Liabilities		501,925,007	529,909,213	439,053,296	384,836,885	427,090,322	351,668,368
TOTAL LIABILITIES		1,024,733,768	1,204,970,814	1,124,499,523	934,091,107	1,100,760,652	1,043,041,344

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

# Statement of Financial Position (Continued)

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
AS AT DECEMBER 31, 2013

UNIT : BAHT

NOTES	CONSOLIDATED			SEPARATE		
	FINANCIAL STATEMENTS			FINANCIAL STATEMENTS		
	As at December 31, 2013	As at December 31, 2012 "Restated"	As at January 1, 2012 "Restated"	As at December 31, 2013	As at December 31, 2012 "Restated"	As at January 1, 2012 "Restated"
<b>LIABILITIES AND EQUITY (CONTINUED)</b>						
<b>EQUITY</b>						
SHARE CAPITAL						
Authorized share capital						
120,000,000 ordinary shares of						
Baht 1.00 each	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000
Issued and paid-up share capital						
120,000,000 ordinary shares of						
Baht 1.00 each, fully paid	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000
PREMIUM ON ORDINARY SHARES	297,190,000	297,190,000	297,190,000	297,190,000	297,190,000	297,190,000
RETAINED EARNINGS						
Appropriated						
Legal reserve 26	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
General reserve 28	309,836,383	288,244,740	267,448,303	309,836,383	288,244,740	267,448,303
Unappropriated	3,657,798,123	3,713,054,740	3,587,736,086	3,473,290,445	3,512,568,706	3,371,450,285
OTHER COMPONENTS OF EQUITY	604,938,674	778,816,169	582,785,526	603,465,351	776,422,270	580,066,181
EQUITY ATTRIBUTABLE TO						
OWNERS OF THE PARENT	5,001,763,180	5,209,305,649	4,867,159,915	4,815,782,179	5,006,425,716	4,648,154,769
NON-CONTROLLING INTERESTS	246,563	244,721	196,620	-	-	-
<b>TOTAL EQUITY</b>	<b>5,002,009,743</b>	<b>5,209,550,370</b>	<b>4,867,356,535</b>	<b>4,815,782,179</b>	<b>5,006,425,716</b>	<b>4,648,154,769</b>
<b>TOTAL LIABILITIES</b>						
<b>AND EQUITY</b>	<b>6,026,743,511</b>	<b>6,414,521,184</b>	<b>5,991,856,058</b>	<b>5,749,873,286</b>	<b>6,107,186,368</b>	<b>5,691,196,113</b>



# Income Statement

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
FOR THE YEAR ENDED DECEMBER 31, 2013

UNIT : BAHT

	NOTES	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2013	2012 "Restated"	2013	2012 "Restated"
Revenues from sale of goods and rendering of services	30	3,629,512,015	4,094,687,908	3,901,293,907	4,417,815,898
Cost of sale of goods and rendering of services		(2,837,242,355)	(3,110,288,660)	(3,293,240,771)	(3,659,927,451)
Gross Profit		792,269,660	984,399,248	608,053,136	757,888,447
Dividend income		67,636,264	57,458,003	162,495,503	180,844,035
Other income	31	129,123,492	125,055,870	130,725,740	122,556,149
Profit before expenses		989,029,416	1,166,913,121	901,274,379	1,061,288,631
Selling expenses		(96,816,441)	(63,339,839)	(94,002,058)	(60,375,712)
Administrative expenses		(510,272,859)	(518,865,565)	(425,826,876)	(430,163,522)
Management benefit expenses		(69,513,350)	(71,647,002)	(64,231,342)	(65,284,578)
Reversal of loss on impairment of investments		5,618,000	17,469,487	5,618,000	17,469,487
Other expenses		(21,935,820)	(20,474,396)	(23,588,122)	(21,353,434)
Profit before financial cost and income tax expenses		296,108,946	510,055,806	299,243,981	501,580,872
Financial cost		(60,568)	(470)	(60,568)	(302)
Share of loss from investments for the equity method		(346,858)	–	–	–
Profit before income tax expenses		295,701,520	510,055,336	299,183,413	501,580,570
Income tax expense	33	(41,337,414)	(92,643,809)	(28,870,031)	(73,379,554)
NET PROFIT FOR THE YEAR		254,364,106	417,411,527	270,313,382	428,201,016
PROFIT ATTRIBUTABLE TO					
Owners of the parent		254,335,026	417,315,825	–	–
Non-controlling interests		29,080	95,702	–	–
		254,364,106	417,411,527	–	–
BASIC EARNINGS OF THE COMPANY					
PER SHARE	BAHT	2.12	3.48	2.25	3.57
WEIGHTED AVERAGE NUMBER OF					
ORDINARY SHARES	SHARES	120,000,000	120,000,000	120,000,000	120,000,000

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

# Statement of Comprehensive Income

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
FOR THE YEARS ENDED DECEMBER 31, 2013

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012 "Restated"	2013	2012 "Restated"
Net profit for the year	254,364,106	417,411,527	270,313,382	428,201,016
Other comprehensive income (loss)				
Unrealized gain (loss) on the changes in value of available-for-sale securities	(217,346,435)	245,055,026	(216,196,148)	245,474,781
Income tax relating to components of other comprehensive income (loss)	43,468,513	(49,024,575)	43,239,229	(49,118,692)
Actuarial losses on retirement benefit plans	–	(19,203,185)	–	(14,286,158)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>80,486,184</b>	<b>594,238,793</b>	<b>97,356,463</b>	<b>610,270,947</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO</b>				
Owners of the parent	80,457,531	594,145,734	–	–
Non-controlling interests	28,653	93,059	–	–
	<b>80,486,184</b>	<b>594,238,793</b>	<b>–</b>	<b>–</b>

# Statement of Changes in Equity

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
FOR THE YEAR ENDED DECEMBER 31, 2013

UNIT : BAHT

CONSOLIDATED FINANCIAL STATEMENTS										
Notes	Issued and paid-up share capital	Premium on common stocks	Legal reserve	Appropriated General reserve	Retained Earnings	Unappropriated	Unrealized gain on the available-for-sale securities	Equity attributable to owners of the parent	Non-controlling interests	Total equity
<b>"Restated"</b>										
Balance as at January 1, 2012 – as previously reported	120,000,000	297,190,000	12,000,000	267,448,303	3,477,572,053		728,464,940	4,902,675,296	186,459	4,902,861,755
Effect of the change in accounting policy	3	-	-	-	110,164,033		(145,679,414)	(35,515,381)	10,161	(35,505,220)
Balance as at January 1, 2012 – as restated	120,000,000	297,190,000	12,000,000	267,448,303	3,587,736,086		582,785,526	4,867,159,915	196,620	4,867,356,535
Dividend paid	28	-	-	-	(252,000,000)		-	(252,000,000)	-	(252,000,000)
General reserve	28	-	-	20,796,437	(20,796,437)		-	-	-	-
Dividend paid to non-controlling interests		-	-	-	-		-	-	(44,958)	(44,958)
Total comprehensive income		-	-	-	398,115,091		196,030,643	594,145,734	93,059	594,238,793
Ending balance as at December 31, 2012	120,000,000	297,190,000	12,000,000	288,244,740	3,713,054,740		778,816,169	5,209,305,649	244,721	5,209,550,370
Balance as at January 1, 2013 – as previously reported	120,000,000	297,190,000	12,000,000	288,244,740	3,602,653,271		973,520,210	5,293,608,221	232,649	5,293,840,870
Effect of the change in accounting policy	3	-	-	-	110,401,469		(194,704,041)	(84,302,572)	12,072	(84,290,500)
Balance as at January 1, 2013 – as restated	120,000,000	297,190,000	12,000,000	288,244,740	3,713,054,740		778,816,169	5,209,305,649	244,721	5,209,550,370
Dividend paid	28	-	-	-	(288,000,000)		-	(288,000,000)	-	(288,000,000)
General reserve	28	-	-	21,591,643	(21,591,643)		-	-	-	-
Dividend paid to non-controlling interests		-	-	-	-		-	-	(26,811)	(26,811)
Total comprehensive income		-	-	-	254,335,026		(173,877,495)	80,457,531	28,653	80,486,184
Ending balance as at December 31, 2013	120,000,000	297,190,000	12,000,000	309,836,383	3,657,798,123		604,938,674	5,001,763,180	246,563	5,002,009,743

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

# Statement of Changes in Equity (Continued)

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2013

UNIT : BAHT

SEPARATE FINANCIAL STATEMENTS								
Notes	Issued and paid-up share capital	Premium on common stocks	Legal reserve	Appropriated	Retained earnings	Unappropriated	Unrealized gain on the changes in value of available-for-sale securities	Total equity
"Restated"								
3	120,000,000	297,190,000	12,000,000	267,448,303	3,282,959,584		725,053,056	4,704,650,943
	-	-	-	-	88,490,701		(144,986,875)	(56,496,174)
	120,000,000	297,190,000	12,000,000	267,448,303	3,371,450,285		580,066,181	4,648,154,769
28	-	-	-	-	(252,000,000)		-	(252,000,000)
28	-	-	-	20,796,437	(20,796,437)		-	-
	-	-	-	-	413,914,858		196,356,089	610,270,947
	120,000,000	297,190,000	12,000,000	288,244,740	3,512,568,706		776,422,270	5,006,425,716
3	120,000,000	297,190,000	12,000,000	288,244,740	3,427,709,837		970,527,837	5,115,672,414
	-	-	-	-	84,858,869		(194,105,567)	(109,246,698)
	120,000,000	297,190,000	12,000,000	288,244,740	3,512,568,706		776,422,270	5,006,425,716
28	-	-	-	-	(288,000,000)		-	(288,000,000)
28	-	-	-	21,591,643	(21,591,643)		-	-
	-	-	-	-	270,313,382		(172,956,919)	97,356,463
	120,000,000	297,190,000	12,000,000	309,836,383	3,473,290,445		603,465,351	4,815,782,179
	120,000,000	297,190,000	12,000,000	309,836,383	3,473,290,445		603,465,351	4,815,782,179
	-	-	-	-	-		-	-

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

# Statement of Cash Flows

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
FOR THE YEAR ENDED DECEMBER 31, 2013

UNIT : BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2013	2012 "Restated"	2013	2012 "Restated"
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before income tax	295,701,520	510,055,336	299,183,413	501,580,570
Adjustments :				
Depreciation	77,811,318	72,072,145	53,254,999	49,945,016
Amortization of intangible assets and leasehold rights	4,806,593	4,744,677	4,503,713	4,479,942
Gain on sales of investment property	(4,149,108)	–	(4,149,108)	–
Gain on sales of property, plant and equipment	(4,826,227)	(2,841,482)	(1,756,069)	(1,650,425)
Share of loss from investments for the equity method	346,858	–	–	–
Unrealized (gain) loss on exchange rate	(428,568)	1,460,586	(428,568)	1,460,586
Dividend income from investments	(67,636,264)	(57,458,003)	(162,495,503)	(180,844,035)
Reversal of loss on impairment of long-term investments	(5,618,000)	(17,469,487)	(5,618,000)	(17,469,487)
Reversal of loss from goods returned	(9,000,000)	(12,000,000)	(9,000,000)	(12,000,000)
Loss on devaluation of inventories	52,571,181	50,508,105	43,612,463	42,508,978
Loss on sales of investments	7,309,839	20,474,396	8,962,141	21,353,434
Unrealized loss on trading securities	14,625,981	–	14,625,981	–
Employee benefit expense	52,674,437	47,670,899	34,255,594	32,898,269
Interest income	(56,605,422)	(71,538,487)	(55,885,486)	(67,060,627)
Interest expense	–	470	–	302
	357,584,138	545,679,155	219,065,570	375,202,523



# Statement of Cash Flows (Continued)

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
FOR THE YEAR ENDED DECEMBER 31, 2013

UNIT : BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2013	2012 "Restated"	2013	2012 "Restated"
<b>CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)</b>				
Operating assets (increase) decrease				
Trade and other receivables	21,305,568	(66,654,970)	23,314,764	(56,918,094)
Inventories	29,032,379	(127,781,687)	10,284,156	(149,033,749)
Refundable value added tax	1,793,636	930,842	1,408,112	1,611,319
Supplies	(175,460)	(706,608)	210,715	(526,546)
Other current assets	(709,834)	45,266	(881,679)	266,715
Operating liabilities increase (decrease)				
Trade and other payables	(128,955,493)	22,803,716	(104,359,282)	2,409,808
Withholding tax payable	(514,186)	(20,231)	(546,240)	159,136
Other current liabilities	1,486,817	(2,117,282)	564,608	(937,871)
Cash paid for employee benefit	(37,452,512)	(24,803,447)	(33,901,490)	(24,512,997)
Cash received from operations	243,395,053	347,374,754	115,159,234	147,720,244
Cash paid for interest	-	(470)	-	(302)
Cash paid for income tax	(68,124,429)	(110,630,322)	(51,108,524)	(75,813,460)
Net cash provided by operating activities	175,270,624	236,743,962	64,050,710	71,906,482

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
FOR THE YEAR ENDED DECEMBER 31, 2013

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012 "Restated"	2013	2012 "Restated"
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Decrease in temporary investments	846,243,116	252,905,129	724,340,317	344,884,718
Payment for short-term loans to related parties	(9,000,000)	–	(9,000,000)	–
Proceeds from short-term loans to related parties	4,000,000	5,000,000	4,000,000	5,000,000
Payment for short-term loans to others	(10,000,000)	–	(10,000,000)	–
Proceeds from short-term loans to others	100,000	600,000	100,000	600,000
Payment for long-term deposits at financial institution	(26,000,000)	–	(26,000,000)	–
Payment for purchase of associated investments	(5,084,800)	–	(5,084,800)	–
Payment for purchase of general investments	(66,375,603)	(1,585,080)	(66,375,603)	(1,585,080)
Proceeds from sale of general investment	1,807,227	926,827	1,807,227	926,827
Payment for purchase of available-for-sale securities	(843,330,569)	(266,985,224)	(843,330,569)	(266,985,223)
Proceeds from sale of available-for-sale securities	466,850,271	57,069,936	466,850,271	57,069,936
Payment for purchase of held-to-maturity securities	(40,000,000)	(260,000,000)	(40,000,000)	(260,000,000)
Proceeds from redemption of held-to-maturity securities	20,000,000	–	20,000,000	–
Proceeds from sale of investment property	4,229,109	–	4,229,109	–
Proceeds from sale of property, plant and equipment	9,321,838	5,350,604	5,303,771	3,903,751
Payment for purchase of property, plant and equipment	(215,249,255)	(68,134,612)	(86,283,366)	(59,651,568)
Cash received from dividends	67,636,264	57,458,003	162,495,503	180,844,035
Cash received from interest	59,859,798	69,628,006	58,715,347	64,883,322
Payment for land deposit	(207,500,000)	–	(207,500,000)	–
Increase in other non-current assets	(13,980,453)	(877,374)	(13,626,964)	(785,715)
Net cash provided by (used in) investing activities	43,526,943	(148,643,785)	140,640,243	69,105,003

# Statement of Cash Flows (Continued)

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
FOR THE YEAR ENDED DECEMBER 31, 2013

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012 "Restated"	2013	2012 "Restated"
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Dividends paid to shareholders	(288,000,000)	(252,000,000)	(288,000,000)	(252,000,000)
Dividend paid to non-controlling interests	(26,811)	(44,958)	–	–
Payment for financial lease liabilities	(34,063)	–	(34,063)	–
Net cash used in financing activities	(288,060,874)	(252,044,958)	(288,034,063)	(252,000,000)
Effect of exchange rate changes on cash and cash equivalents	3,468	(1,267,086)	3,468	(1,267,086)
Net decrease in cash and cash equivalents	(69,259,839)	(165,211,867)	(83,339,642)	(112,255,601)
Cash and cash equivalents as at January 1,	174,757,490	339,969,357	155,706,101	267,961,702
Cash and cash equivalents as at December 31,	105,497,651	174,757,490	72,366,459	155,706,101
<b>Additional information</b>				
<b>Cash and cash equivalents</b>				
Cash in hand	867,473	565,902	763,346	454,211
Bank deposit in savings and current accounts	54,630,178	39,191,588	21,603,113	20,251,890
Bills of exchange and certificate of deposits with maturities within three months	50,000,000	135,000,000	50,000,000	135,000,000
	105,497,651	174,757,490	72,366,459	155,706,101
<b>Non-cash transactions</b>				
Increase (decrease) in payable on purchase of machinery, furniture, fixtures and office equipment	10,410,561	(1,303,611)	10,425,051	(1,267,980)
Increase in unrealized gains (loss) on the changes in value of available-for-sale securities in equity	(217,347,515)	245,055,270	(216,196,148)	245,474,781
Increase in actuarial loss	–	(19,200,733)	–	(14,286,158)
Increase in financial lease liabilities	1,369,937	–	1,369,937	–

# Notes to the Consolidated and the Separate Financial Statements

THAI WACOAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
FOR THE YEAR ENDED DECEMBER 31, 2013

## 1. OPERATIONS OF THE COMPANY AND SUBSIDIARIES

Thai Wacoal Public Company Limited which was registered in The Stock Exchange of Thailand and its subsidiaries are companies that registered in Thailand. The principal business of the Company and subsidiaries is to manufacture and sell clothes which mainly are ladies' lingerie. Locations of the Company and subsidiaries are as follows:

NAME	LOCATION
Thai Wacoal Public Co., Ltd.	930/1 Soi Pradoo 1, Sathupradith Road, Khwang Bangkhlo, Bangkholaem District, Bangkok 10120
<b>Direct subsidiaries</b>	
SR.W. Garment Co., Ltd.	173/2 Moo 5, Sukaphibal 8 Road, Tambol Bung, Sriracha District, Chonburi 20230
Wacoal Kabinburi Co., Ltd.	121, 121/1 Moo 5, Suwannasorn Road, Tambol Nonsee, Kabinburi District, Prachinburi 25110
Wacoal Lamphun Co., Ltd.	99, 99/4 Moo 5, Liongmuang Road, Tambol Paa-Sak, Muanglamphun District, Lamphun 51000
Tora 1010 Co., Ltd.	930/1 Soi Pradoo 1, Sathupradith Road, Khwang Bangkhlo, Bangkholaem District, Bangkok 10120
<b>Indirect subsidiary</b>	
Pattaya Kabinburi Co., Ltd.	123, 123/1 Moo 5, Suwannasorn Road, Tambol Nonsee, Kabinburi District, Prachinburi 25110

The Company has extensive transactions and relationships with the related companies. Accordingly, the accompanying financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations that would have occurred if the Company had operated without such affiliation.

## 2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

2.1 The Company's financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2009) "Presentation of Financial Statements", which was effective for financial periods beginning on or after January 1, 2011 onward, and the Regulation of The Stock Exchange of Thailand (SET) dated January 22, 2001, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2544 and the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statement B.E. 2554" dated September 28, 2011.

2.2 The Company maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with accounting standards and practices generally accepted in Thailand.

2.3 The Federation of Accounting Professions has issued the Notifications regarding the new and revised Thai Accounting Standard ("TAS"), Thai Accounting Standard Interpretations ("TSI"), Thai Financial Reporting Interpretations ("TFRI") and Thai Financial Reporting Standard (TFRS) as follows:

- 1) Thai Accounting Standard (TAS), Thai Financial Reporting Standard (TFRS), Thai Accounting Standard Interpretation (TSI) and Thai Financial Reporting Interpretation (TFRI) which are effective for the financial statements for the periods beginning on or after January 1, 2014:

**Thai Accounting Standards (TAS)**

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

**Thai Financial Reporting Standards (TFRS)**

TFRS 2	(Revised 2012)	Share-based Payment
TFRS 3	(Revised 2012)	Business Combinations
TFRS 5	(Revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8	(Revised 2012)	Operating Segments

**Thai Accounting Standard Interpretations (TSI)**

TSI 15	Operating Leases – Incentives
TSI 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSI 29	Disclosure – Service Concession Arrangements
TSI 32	Intangible Assets – Web Site Costs

**Thai Financial Reporting Interpretations (TFRI)**

TFRI 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRI 4	Determining Whether an Arrangement Contains a Lease
TFRI 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRI 7	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
TFRI 10	Interim Financial Reporting and Impairment
TFRI 12	Service Concession Arrangements
TFRI 13	Customer Loyalty Programmes
TFRI 17	Distributions of Non-cash Assets to Owners
TFRI 18	Transfer of Assets From Customers

- 2) TFRS which is effective for the financial statements for the periods beginning on or after January 1, 2016:

**Thai Financial Reporting Standard (TFRS)**

TFRS 4	Insurance Contracts
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The Company and its subsidiaries' management will adopt the above TFRSs relevant to the Company in the preparation of the Company and its subsidiaries' financial statements when they become effective. The Company and its subsidiaries' management has assessed the effects of these TFRSs and believes that they will not have any significant impact on the financial statements for the period in which they are initially applied.

2.4 The consolidated financial statements incorporate the accounts of Thai Wacoal Public Company Limited and subsidiaries by eliminating significant related transactions and intercompany balances.

Subsidiaries are those companies which Thai Wacoal Public Company Limited holds, directly or indirectly, more than 50% of the issued share capital, or those companies whose financial and operating policies are controlled by Thai Wacoal Public Company Limited.

The subsidiaries incorporated in the consolidated and separate financial statements are as follows:

	As at December 31,	
	2013 % of Ownership	2012 % of Ownership
<b>Subsidiaries</b>		
<b>Direct subsidiaries</b>		
SR.W. Garment Co., Ltd.	99.94	99.94
Wacoal Kabinburi Co., Ltd.	99.99	99.99
Wacoal Lamphun Co., Ltd.	99.99	99.99
Tora 1010 Co., Ltd.	99.97	99.97
<b>Indirect subsidiary (Equity held by SR.W. Garment Co., Ltd.)</b>		
Pattaya Kabinburi Co., Ltd.	99.93	99.93
<b>Associated</b>		
Pattaya Myanmar Co., Ltd.	20.00	–

### 3. ADOPTION OF NEW AND REVISED THAI FINANCIAL REPORTING STANDARDS

Since January 1, 2013, the Company and its subsidiaries have adopted the new and revised Thai Financial Reporting Standards (TFRS) issued by the Federation of Accounting Professions, which are effective for the financial statements for the accounting periods beginning on or after January 1, 2013 onwards, in preparation of financial statements. Such TFRS have no significant impact on the Company and its subsidiaries' financial statements except for the following TFRS.

#### TAS 12 "Income Taxes"

Since January 1, 2013, the Company and its subsidiaries have firstly adopted TAS 12 "Income Taxes" by changing accounting policy relating to income tax from accrual basis based on the taxable profit for the year to deferred income tax which income tax expense (income) represents the sum of the tax currently payable and deferred tax. The tax currently payable is the tax amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation. Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the reporting date.

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

Income tax expense or income related to profit or loss are presented in the income statement. For current income taxes and deferred taxes related to items recognized directly in other components of equity in the same or different period, they will be recognized directly in other comprehensive income.

Impacts from change in the accounting policy on the financial statements are summarized as follows:

Impacts on the statement of financial position as at January 1, 2012

BAHT '000

	CONSOLIDATED FINANCIAL STATEMENTS			SEPARATE FINANCIAL STATEMENTS		
	Balance as at January 1, 2012 as previously reported	Increase (decrease) from change in accounting policy	Balance as at January 1, 2012 as restated	Balance as at January 1, 2012 as previously reported	Increase (decrease) from change in accounting policy	Balance as at January 1, 2012 as restated
Deferred tax liabilities	–	35,505	35,505	–	56,496	56,496
Retained earnings – unappropriated	3,477,572	110,165	3,587,737	3,282,960	88,491	3,371,451
Other components of equity	728,465	(145,680)	582,785	725,053	(144,987)	580,066
Non-controlling interests	187	10	197	–	–	–

Impacts on the statement of financial position as at December 31, 2012

BAHT '000

	CONSOLIDATED FINANCIAL STATEMENTS			SEPARATE FINANCIAL STATEMENTS		
	Balance as at January 1, 2012 as previously reported	Increase (decrease) from change in accounting policy	Balance as at January 1, 2012 as restated	Balance as at January 1, 2012 as previously reported	Increase (decrease) from change in accounting policy	Balance as at January 1, 2012 as restated
Deferred tax liabilities	–	84,291	84,291	–	109,248	109,248
Retained earnings – unappropriated	3,602,653	110,402	3,713,055	3,427,710	84,858	3,512,568
Other components of equity	973,520	(194,704)	778,816	970,528	(194,106)	776,422
Non-controlling interests	233	11	244	–	–	–

Impacts on the statement of financial position as at December 31, 2013

BAHT '000

	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
Increase in deferred tax liabilities	39,866	65,421
Increase in retained earnings – unappropriated	111,369	85,445
Decrease in other components of equity	151,248	150,866
Increase in non-controlling interests	13	–

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Increase (decrease) in income tax expense	(955)	(239)	(586)	3,632
Increase (decrease) in net profit	955	239	586	(3,632)
Increase (decrease) in profit attributable to owners of the parent	955	237	586	(3,632)
Increase (decrease) in profit attributable to non-controlling interests	1	2	–	–
Increase (decrease) in basic earnings of the Company per share	0.01	0.02	(0.01)	(0.03)

Impacts on the statements of comprehensive income for years ended December 31, 2013 and 2012

BAHT '000

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Increase in income tax relating to components of other comprehensive income – income	43,469	(49,024)	42,340	(49,119)
Increase in comprehensive income attributable to owners of the parent	44,424	(48,787)	43,826	(52,751)
Increase (decrease) in comprehensive income attributable to non-controlling interests	1	(2)	–	–

#### 4. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies below.

##### 4.1 Cash and cash equivalents

Cash and cash equivalents are cash on hand, deposits at banks' savings accounts and current accounts, and short-term highly liquid investments with maturities within three months, excluding deposit at bank used as collateral.

##### 4.2 Recognition of revenues and expenses

Sales are recognized as revenue when title of the goods sold are passed to the buyer, which is generally at the time when goods are dispatched to the customer as ordered.

In case of export sales, sales are recognized when goods are delivered and the significant risks and rewards of ownership of the goods are transferred to the buyer according to the shipment term.

Revenues from services are recognized when the services are rendered.

Interest is recognized as income on an accrual basis. Dividend on investments is recognized as income when the dividend is declared.

Expenses are recognized on an accrual basis.

#### 4.3 Trade receivables

Trade receivables are stated at cost net of allowance for doubtful accounts.

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

#### 4.4 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost of the Company and subsidiary's inventories are determined on a moving average basis.

Cost of the finished goods and work in process is calculated from raw materials, wages and manufacturing overhead. The net realizable value of inventory is estimated from the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

#### 4.5 Investments

Available-for-sale securities are stated at fair value. The fair value of equity securities which are listed securities are estimated by using the bid prices at the Stock Exchange of Thailand on the last business day of the year. The fair value of unit trust is determined from the trusts' net asset value. The fair value of bonds and debentures is calculated by using the latest bid yield as quoted by the Thai Bond Market Association.

Held-to-maturity debt securities are stated at amortized cost.

Securities for general investment are stated at cost, less allowances for impairment (if any).

Investments in subsidiaries are accounted for by the cost method in the separate financial statements.

Investment in an associated company is accounted for using the equity method in the consolidated financial statements and by the cost method in the separate financial statements.

Gain or loss on the change in fair value of available-for-sale securities is presented as an item in other components of equity. In case impairment in value of investment has occurred, the resultant loss for all classification of investment is recognized in the income statement.

Cost of securities sold are determined by the moving average method.

#### 4.6 Investment property

Investment property consist of land and building and structures.

Investment property which is land is presented at cost.

Investment property which are building and structures are presented at cost less accumulated depreciation (if any). Depreciation is calculated by the straight-line method, based on the estimated useful lives of the assets of 20 years.

#### 4.7 Property, plant and equipment

Land is stated at cost. Plant and equipment are presented at cost less accumulated depreciation. Depreciation is calculated by the straight-line method, based on the estimated useful lives of the assets as follows:

Land improvement	20 years
Building and structures	20 – 25 years
Furniture, fixtures	5 years
Office equipment	5 – 10 years
Machinery	5 – 10 years
Equipment	3 – 5 years
Vehicles	5 – 7 years

The Company and subsidiaries record depreciation as either an expense for the year or as a part of the production cost.

#### 4.8 Intangible assets

Intangible assets consist of software, trademark and club and golf membership fee.

Intangible assets are presented at cost less accumulated amortization. Amortization is calculated by the straight-line method, based on membership period or useful lives of the assets as follows:

Software	3 – 10 years
Trademark	10 years
Club and golf membership fee	membership period

#### 4.9 Leasehold right

Leasehold right of the Company is stated at cost, net of accumulated amortization.

Leasehold of the Company is amortized by using the straight-line method over the lease periods.

#### 4.10 Foreign currency transactions

Transactions denominated in foreign currencies are translated into Baht at the rates of exchange prevailing on the transaction dates. When receiving or paying for debt settlement, realised gains or losses on exchange are recognized as income or expense as incurred. Monetary assets and liabilities at the date of statements of financial position denominated in foreign currencies are translated into Baht at the reference exchange rates established by the Bank of Thailand on that date. Gains or losses on exchange are recognized in the income statements.

#### 4.11 Lease

##### Operating lease

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

##### Finance lease

Lease in which substantially all the risks and rewards of ownership other than legal title are transferred to the Company is accounted for as a finance lease. The Company capitalizes the equipment at the lower of fair value of the equipment at the contractual date or estimated present value of the underlying lease payments. The leased assets are depreciated using the straight-line method over their estimated useful lives. Interest or financial charge is recognized by effective interest rate method over the term of contracts. Interest or financial charge and depreciation are recognized as expenses in the statement of comprehensive income.

#### 4.12 Provision for loss from goods returned

The Company has provided for the provision for loss from goods returned from customers who are allowed to return the goods within the period agreed between both parties. The provision is estimated based upon historical information of goods returned. Furthermore, the Company also provides for the provision for declining in net realizable value of such goods returned.

#### 4.13 Employment benefits

##### 4.13.1 Provident fund

The Company and its subsidiary set up a provident fund which is a defined contribution plan. Assets of the provident fund have been separated from assets of the Company and its subsidiary and managed by the fund manager. The fund has been contributed by the employee and also the Company and its subsidiary. The contributions for provident fund are recorded as expense in the income statements for the period they incur.



#### 4.13.2 Post-employment benefits

The Company and its subsidiary operate post-employment benefits plans under the Thai Labor Protection Act and the Company and its subsidiaries' retirement benefit plans. Such employee benefits are calculated based on actuarial assumptions at the end of reporting period using Projected Unit Credit Method, which is estimated based on the present value of expected cash flows of benefits to be paid in the future taken into account the actuarial assumptions, including salaries, turnover rate, mortality rate, years of service and other factors. Discount rate used in calculation of the post-employment benefits obligation is referred from the yield curve of government bond. Actuarial gain or loss is recognized in other comprehensive income for the period they incur. Expenses related to employee benefits are recognized in the income statements in order to allocate such costs throughout the service period.

#### 4.14 Derivative financial instruments

Derivative financial instruments are forward contracts. Such forward contracts are carried at fair value and presented in other current assets or other current liabilities. Unrealized gains or losses on changes in value of forward contracts are recognized as revenues or expenses in the income statements.

#### 4.15 Income tax expenses

Income tax expenses represent the sum of corporate income tax currently payable and deferred income tax.

##### 4.15.1 Current tax

The Company and its subsidiaries calculate corporate income tax at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### 4.15.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the reporting date. Deferred tax asset shall be reduced to the extent that utilized taxable profits are decreased. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available to allow total or part of the asset to be recovered.

The Company and its subsidiaries measure deferred tax assets and liabilities at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and the Company and its subsidiaries intend to settle on a net basis or to realize the asset and settle the liability simultaneously and when they relate to income taxes levied by the same taxation authority.

The Company and its subsidiaries present income tax expenses or income related to profit or loss in the statement of comprehensive income. For current income taxes and deferred taxes related to items recognized directly in other comprehensive income in equity in the same or different period, they will be recognized directly in other comprehensive income.

#### 4.16 Basic earnings per share

Basic earnings per share are calculated by dividing net profit for the years by the weighted average number of ordinary shares issued during the year. The Company and subsidiaries did not have any common share equivalents which would have a dilutive effect on earnings per share.

#### 4.17 Accounting estimates

The preparation of financial statements in conformity with TFRS also requires the Company's management to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the year. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

## 5. TEMPORARY INVESTMENTS

Temporary investments as at December 31, are as follows:

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Time deposits	33,000,000	370,000,000	–	298,000,000
Short-term investments in trading securities				
– equity securities	105,094,217	–	105,094,217	–
Short-term investments in available-for-sale securities – equity securities	228,665,972	213,081,861	166,057,215	69,046,242
Short-term investments in available-for-sale securities – debt securities	101,688,654	343,994,366	101,688,654	343,994,366
Investments in held-to-maturity securities due within 1 year	90,000,000	256,075,354	90,000,000	256,075,354
	<b>558,448,843</b>	<b>1,183,151,581</b>	<b>462,840,086</b>	<b>967,115,962</b>

Additional details of trading securities consist of the following:

UNIT : BAHT

	SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS			
	Cost Value/ Amortized cost As at December 31, 2013	Unrealized gross profit	Unrealized gross loss	Fair Value As at December 31, 2013
Trading securities				
Equity securities				
– Ordinary shares	119,720,198	2,829,563	(17,455,544)	105,094,217
	<b>119,720,198</b>	<b>2,829,563</b>	<b>(17,455,544)</b>	<b>105,094,217</b>

Additional details of short-term available-for-sale securities consist of the following:

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS			
	Cost Value/ Amortized cost As at December 31, 2013	Unrealized gross profit	Unrealized gross loss	Fair Value As at December 31, 2013
Available-for-sale securities				
Equity securities				
– Unit trust	228,491,022	174,950	–	228,665,972
Debt securities				
– Debentures	100,783,575	905,079	–	101,688,654
	<b>329,274,597</b>	<b>1,080,029</b>	<b>–</b>	<b>330,354,626</b>

UNIT : BAHT

## CONSOLIDATED FINANCIAL STATEMENTS

	Cost Value/ Amortized cost As at December 31, 2012	Unrealized gross profit	Unrealized gross loss	Fair Value As at December 31, 2012
Available-for-sale securities				
Equity securities				
- Unit trust	212,741,518	340,343	-	213,081,861
Debt securities				
- The Bank of Thailand's bonds	220,314,878	8,104	(603,575)	219,719,407
- Debentures	124,348,499	22,522	(96,062)	124,274,959
	<b>344,663,377</b>	<b>30,626</b>	<b>(699,637)</b>	<b>343,994,366</b>
	<b>557,404,895</b>	<b>370,969</b>	<b>(699,637)</b>	<b>557,076,227</b>

UNIT : BAHT

## SEPARATE FINANCIAL STATEMENTS

	Cost Value/ Amortized cost As at December 31, 2013	Unrealized gross profit	Unrealized gross loss	Fair Value As at December 31, 2013
Available-for-sale securities				
Equity securities				
- Unit trust	166,000,000	57,215	-	166,057,215
Debt securities				
- Debentures	100,783,575	905,079	-	101,688,654
	<b>266,783,575</b>	<b>962,294</b>	<b>-</b>	<b>267,745,869</b>

UNIT : BAHT

## SEPARATE FINANCIAL STATEMENTS

	Cost Value/ Amortized cost As at December 31, 2012	Unrealized gross profit	Unrealized gross loss	Fair Value As at December 31, 2012
Available-for-sale securities				
Equity securities				
- Unit trust	69,000,000	46,242	-	69,046,242
Debt securities				
- The Bank of Thailand's bonds	220,314,878	8,104	(603,575)	219,719,407
- Debentures	124,348,499	22,522	(96,062)	124,274,959
	<b>344,663,377</b>	<b>30,626</b>	<b>(699,637)</b>	<b>343,994,366</b>
	<b>413,663,377</b>	<b>76,868</b>	<b>(699,637)</b>	<b>413,040,608</b>

Additional details of investment in held-to-maturity securities due within 1 year consist of the following:

UNIT : BAHT

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
	Cost Value/ Amortized cost As at December 31, 2013	Unrealized gross profit	Unrealized gross loss	Fair Value As at December 31, 2013
Held-to-maturity securities				
Debentures	90,000,000	477,070	–	90,477,070
	<b>90,000,000</b>	<b>477,070</b>	<b>–</b>	<b>90,477,070</b>

UNIT : BAHT

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
	Cost Value/ Amortized cost As at December 31, 2012	Unrealized gross profit	Unrealized gross loss	Fair Value As at December 31, 2012
Held-to-maturity securities				
Debentures	77,500,000	477,355	–	77,977,355
Bill of exchange	178,575,354	–	–	178,575,354
	<b>256,075,354</b>	<b>477,355</b>	<b>–</b>	<b>256,552,709</b>

## 6. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at December 31, are as follows:

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Trade receivables – related companies	527,987,600	581,745,289	627,409,876	681,359,412
Trade receivables – other companies	65,301,254	30,705,697	60,582,373	26,586,874
<b>Total trade receivables</b>	<b>593,288,854</b>	<b>612,450,986</b>	<b>687,992,249</b>	<b>707,946,286</b>
Other receivables – related companies	801,540	1,078,892	940,582	1,078,892
Other receivables – other companies	295,223	3,606,218	169,959	3,505,914
Prepaid expenses	1,736,168	1,176,814	1,144,986	815,852
Advance payment	3,324,752	5,266,532	2,728,704	5,265,932
Accrued income	3,183,424	356,087	3,185,857	864,226
Accrued interest income	9,352,214	12,606,589	9,301,946	12,131,805
<b>Total other receivables</b>	<b>18,693,321</b>	<b>24,091,132</b>	<b>17,472,034</b>	<b>23,662,621</b>
	<b>611,982,175</b>	<b>636,542,118</b>	<b>705,464,283</b>	<b>731,608,907</b>

Analysis of aging trade accounts receivable as at December 31, are as follows:

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Current	398,960,827	553,295,410	487,377,710	642,967,338
Overdue				
Within 3 months	122,439,644	48,960,455	128,760,082	54,550,695
Between 3 and 6 months	70,474,380	5,774,232	70,440,454	5,906,056
Between 6 and 12 months	1,414,003	4,420,889	1,414,003	4,522,197
More than 12 months	177,631	177,631	177,631	177,631
Total trade accounts receivable	593,466,485	612,628,617	688,169,880	708,123,917
<u>Less</u> Allowance for doubtful accounts	(177,631)	(177,631)	(177,631)	(177,631)
Trade accounts receivable – net	593,288,854	612,450,986	687,992,249	707,946,286

## 7. SHORT-TERM LOANS TO RELATED PARTIES

Short-term loans to related parties consist of the following:

UNIT : BAHT

	Balance as at December 31, 2012	Additions	Settlements	Balance As at December 31, 2013
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>				
Short-term loans to related parties				
– SSDC (Tigertex) Co., Ltd.	4,000,000	5,000,000	–	9,000,000
– Erawan Textile Co., Ltd.	90,000,000	–	–	90,000,000
<b>Total</b>	<b>94,000,000</b>	<b>5,000,000</b>	<b>–</b>	<b>99,000,000</b>
<b>SEPARATE FINANCIAL STATEMENTS</b>				
Short-term loans to related parties				
– SSDC (Tigertex) Co., Ltd.	4,000,000	5,000,000	–	9,000,000
– Erawan Textile Co., Ltd.	90,000,000	–	–	90,000,000
<b>Total</b>	<b>94,000,000</b>	<b>5,000,000</b>	<b>–</b>	<b>99,000,000</b>

The Company has relationship with such related parties by mutual major shareholder which has over 10% shareholding. Short-term loans to related parties carry interest at the rate of fixed deposit plus the rate specified by the Company and the special business tax rate. Interest rates of the Company and subsidiaries charging to the related parties are at the rates from 4.25% to 4.75% per annum (Company : 4.25% to 4.75% per annum) for the year ended December 31, 2013 and from 4.00% to 4.50% per annum (Company : 4.00% to 4.50% per annum) for the year ended December 31, 2012.

## 8. OTHER SHORT-TERM LOANS

As at December 31, 2013 and 2012, other short-term loans in the consolidated and the separate financial statements are short-term loans to other company in the form of promissory notes at call, with interest rate at 4.50% to 6.25% per annum.



## 9. INVENTORIES

Inventories as at December 31, are as follows:

UNIT : BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Finished goods	510,381,022	522,937,974	498,405,511	512,583,024
Work in process	148,570,279	173,232,871	117,132,140	133,957,786
Raw materials	235,049,602	276,980,297	155,828,639	176,268,778
Raw materials in transit	20,423,334	22,282,399	20,423,334	22,282,399
Total inventories	914,424,237	995,433,541	791,789,624	845,091,987
<u>Less</u> Allowance for diminution in value of finished goods	(1,331,906)	(737,650)	(1,331,906)	(737,650)
<b>Inventories – net</b>	<b>913,092,331</b>	<b>994,695,891</b>	<b>790,457,718</b>	<b>844,354,337</b>

As at December 31, 2013, inventories presented at fair value less costs to sell in the consolidated and the separate financial statements are Baht 142.99 million and Baht 141.74 million, respectively (2012: Baht 101.25 million and Baht 99.87 million, respectively).

The costs of inventories recognized as expenses in the consolidated and the separate financial statements for the year ended December 31, 2013 are Baht 2,801.74 million and Baht 3,286.59 million, respectively (2012: Baht 3,074.83 million and Baht 3,654.65 million, respectively).

The Company recognized expenses in respect of write-downs of inventory to net realizable value in the consolidated and the separate financial statements for the year ended December 31, 2013 of Baht 52.57 million and Baht 43.61 million, respectively (2012: Baht 50.51 million and Baht 42.51 million, respectively).

## 10. DEPOSIT AT BANK UNDER OBLIGATION

Deposit at bank under obligation as at December 31, 2013 and 2012 in the consolidated and the separate financial statements are time deposit with maturity term of 12 months amounting to HKD 1.5 million which the Company used as collateral for credit facility from financial institution in favor of a related company (see Note 37).

## 11. AVAILABLE-FOR-SALE SECURITIES INVESTMENTS

Available-for-sale securities investments as at December 31, are as follows:

UNIT : BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2013	2012	2013	2012
<b>Available-for-sale securities</b>				
Ordinary shares				
– Related companies	712,819,489	772,274,198	701,269,489	759,749,198
– Other companies	441,658,447	594,444,048	441,658,447	594,444,048
	1,154,477,936	1,366,718,246	1,142,927,936	1,354,193,246
Debt securities	588,394,840	369,280,172	588,394,840	369,280,172
<b>Total</b>	<b>1,742,872,776</b>	<b>1,735,998,418</b>	<b>1,731,322,776</b>	<b>1,723,473,418</b>

## 11.1 Details of investments in related companies as at December 31, are as follows: (see Note 34)

UNIT : BAHT

Companies	Business Type	Relationship	CONSOLIDATED FINANCIAL STATEMENTS						SEPARATE FINANCIAL STATEMENTS								
			Paid-up capital		% of ownership		Cost value		Fair value		% of ownership		Cost value		Fair value		
			2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	
			Baht'000 Baht'000														
Available-for-sale securities																	
Textile Prestige Public Co., Ltd.	Manufacturing garment	The Company's major shareholder has over 10% shareholding	108,000	108,000	18.15	18.15	64,615,035	64,615,035	199,908,270	197,948,385	18.15	18.15	64,615,035	64,615,035	199,908,270	197,948,385	
I.C.C. International Public Co., Ltd.	Distributor	The Company's major shareholder has over 10% shareholding	290,634	290,634	3.92	3.92	144,639,849	144,639,849	438,787,195	475,827,673	3.82	3.82	134,814,849	134,814,849	427,237,195	463,302,673	
Saha Pathana Inter-Holding Public Co., Ltd.	Holding company	The Company's major shareholder	494,034	494,034	0.68	0.68	53,317,867	53,317,867	74,124,024	98,498,140	0.68	0.68	53,317,867	53,317,867	74,124,024	98,498,140	
Total available-for-sale securities							262,572,751		262,572,751				252,747,751		701,269,489		
									712,819,489				772,274,198		759,749,198		

## 11.2 Unrealized gains on changes in value of available-for-sale securities

Unrealized gains on changes in value of short-term and long-term of available-for-sale securities as at December 31, consist of the following:

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Beginning balance	778,816,169	582,785,526	776,422,270	580,066,181
Additions	(173,877,495)	196,030,643	(172,956,919)	196,356,089
Ending balance	604,938,674	778,816,169	603,465,351	776,422,270

Additional details of long-term available-for-sale securities consist of the following:

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS			
	Cost Value/ Amortized cost As at December 31, 2013	Unrealized gross profit	Unrealized gross loss	Fair Value As at December 31, 2013
Available-for-sale securities				
Equity securities				
- Related parties	262,572,751	450,246,738	-	712,819,489
- Other companies	140,171,063	301,579,384	(92,000)	441,658,447
Total	402,743,814	751,826,122	(92,000)	1,154,477,936
Debt securities				
- The Bank of Thailand's bonds	72,242,959	225,266	-	72,468,225
- Bank for Agriculture and Agricultural Cooperatives'bonds	10,001,726	46,797	-	10,048,523
- Debentures	502,789,883	3,302,975	(214,766)	505,878,092
Total	585,034,568	3,575,038	(214,766)	588,394,840
	987,778,382	755,401,160	(306,766)	1,742,872,776

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS			
	Cost Value/ Amortized cost As at December 31, 2012	Unrealized gross profit	Unrealized gross loss	Fair Value As at December 31, 2012
Available-for-sale securities				
Equity securities				
- Related parties	262,572,751	509,701,447	-	772,274,198
- Other companies	133,427,115	461,104,133	(87,200)	594,444,048
Total	395,999,866	970,805,580	(87,200)	1,366,718,246
Debt securities				
- The Bank of Thailand's bonds	60,304,125	100,211	-	60,404,336
- Bank for Agriculture and Agricultural Cooperatives'bonds	14,000,000	53,419	-	14,053,419
- Debentures	291,843,820	2,991,128	(12,531)	294,822,417
Total	366,147,945	3,144,758	(12,531)	369,280,172
	762,147,811	973,950,338	(99,731)	1,735,998,418

## SEPARATE FINANCIAL STATEMENTS

	Cost Value/ Amortized cost As at December 31, 2013	Unrealized gross profit	Unrealized gross loss	Fair Value As at December 31, 2013
<b>Available-for-sale securities</b>				
<b>Equity securities</b>				
- Related parties	252,747,751	448,521,738	-	701,269,489
- Other companies	140,171,063	301,579,384	(92,000)	441,658,447
<b>Total</b>	<b>392,918,814</b>	<b>750,101,122</b>	<b>(92,000)</b>	<b>1,142,927,936</b>
<b>Debt securities</b>				
- The Bank of Thailand's bonds	72,242,959	225,266	-	72,468,225
- Bank for Agriculture and Agricultural Cooperatives'bonds	10,001,726	46,797	-	10,048,523
- Debentures	502,789,883	3,302,975	(214,766)	505,878,092
<b>Total</b>	<b>585,034,568</b>	<b>3,575,038</b>	<b>(214,766)</b>	<b>588,394,840</b>
	<b>977,953,382</b>	<b>753,676,160</b>	<b>(306,766)</b>	<b>1,731,322,776</b>

## SEPARATE FINANCIAL STATEMENTS

	Cost Value/ Amortized cost As at December 31, 2012	Unrealized gross profit	Unrealized gross loss	Fair Value As at December 31, 2012
<b>Available-for-sale securities</b>				
<b>Equity securities</b>				
- Related parties	252,747,751	507,001,447	-	759,749,198
- Other companies	133,427,115	461,104,133	(87,200)	594,444,048
<b>Total</b>	<b>386,174,866</b>	<b>968,105,580</b>	<b>(87,200)</b>	<b>1,354,193,246</b>
<b>Debt securities</b>				
- The Bank of Thailand's bonds	60,304,125	100,211	-	60,404,336
- Bank for Agriculture and Agricultural Cooperatives'bonds	14,000,000	53,419	-	14,053,419
- Debentures	291,843,820	2,991,128	(12,531)	294,822,417
<b>Total</b>	<b>366,147,945</b>	<b>3,144,758</b>	<b>(12,531)</b>	<b>369,280,172</b>
	<b>752,322,811</b>	<b>971,250,338</b>	<b>(99,731)</b>	<b>1,723,473,418</b>

## 12. INVESTMENTS IN SUBSIDIARIES

UNIT : BAHT

Company	Business Type	SEPARATE FINANCIAL STATEMENTS					
		Paid-up capital		% of ownership		Cost method	
		December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Subsidiaries							
SR.W. Garment Co., Ltd.	Manufacturing clothing	20,000,000	20,000,000	99.94	99.94	22,037,000	22,037,000
Wacoal Kabinburi Co., Ltd.	Manufacturing clothing	50,000,000	50,000,000	99.99	99.99	49,999,300	49,999,300
Wacoal Lamphun Co., Ltd.	Manufacturing clothing	50,000,000	50,000,000	99.99	99.99	49,999,300	9,997,000
Tora 1010 Co., Ltd.	Trading clothing	10,000,000	10,000,000	99.97	99.97	49,999,300	9,997,000
Total investments in subsidiaries						132,032,600	132,032,600

## 13. INVESTMENTS IN ASSOCIATED

Investments in associated as at December 31, are as follows:

UNIT : BAHT

Company	Business Type	Paid-up capital		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2013	2012	2013	2012	2013	2012
Associated							
Pattaya Myanmar Co., Ltd.	Manufacturing clothing	25,424,000	–	4,737,942	–	5,084,800	–
Total investments in associated				4,737,942	–	5,084,800	–

On September 12, 2013, the Company has invested in Pattaya Myanmar Co., Ltd. with 1,600 common shares at par value of USD 100 each, totalling Baht 5.08 million, or 20% of its registered shares.

The Company recorded share of loss from investment in associated company in the consolidated financial statements, by using the information from the financial statements of the associated company for the period ended December 31, 2013 which were not audited and reviewed. Share of loss from investment in such associated company for the period ended December 31, 2013 was Baht 0.35 million.

## 14. OTHER LONG-TERM INVESTMENTS

Other long-term investments as at December 31, are as follows:

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
<b>General investments</b>				
<b>Ordinary shares</b>				
- Related companies	346,876,277	285,825,674	346,876,277	285,825,674
Less Allowance for impairment	(20,689,942)	(34,019,942)	(20,689,942)	(34,019,942)
	326,186,335	251,805,732	326,186,335	251,805,732
- Other companies	107,712,136	105,412,136	104,442,136	102,142,136
Less Allowance for impairment	(13,227,500)	(5,515,500)	(13,227,500)	(5,515,500)
	94,484,636	99,896,636	91,214,636	96,626,636
<b>Total</b>	<b>420,670,971</b>	<b>351,702,368</b>	<b>417,400,971</b>	<b>348,432,368</b>
<b>Held-to-maturity securities</b>				
Debentures	280,000,000	350,000,000	280,000,000	350,000,000
	<b>280,000,000</b>	<b>350,000,000</b>	<b>280,000,000</b>	<b>350,000,000</b>
	<b>700,670,971</b>	<b>701,702,368</b>	<b>697,400,971</b>	<b>698,432,368</b>



## 14.1 Details of investments in related companies as at December 31, are as follows: (see Note 34)

UNIT : BAHT

Companies	Business Type	Relationship	Paid-up capital Baht000		% of Ownership		CONSOLIDATED FINANCIAL STATEMENTS Carrying value*		SEPARATE FINANCIAL STATEMENTS Carrying value*		CONSOLIDATED FINANCIAL STATEMENTS Dividend received		SEPARATE FINANCIAL STATEMENTS Dividend received	
			2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
<b>General Investments</b>														
S.T.G.C. Co., Ltd.	Research Business	The Company's major shareholder has over 10% shareholding	2,500	2,500	13.00	13.00	415,812	415,812	415,812	415,812	-	-	-	-
Grand Star Industry Co., Ltd.	Manufacturing garment	The Company's major shareholder has over 10% shareholding	20,000	20,000	17.80	17.80	3,560,000	3,560,000	3,560,000	3,560,000	1,068,000	1,780,000	1,068,000	1,780,000
Pattaya Manufacturing Co., Ltd.	Manufacturing clothing	The Company's major shareholder has over 10% shareholding	30,000	30,000	14.67	14.67	11,611,400	11,611,400	11,611,400	11,611,400	1,980,000	1,980,000	1,980,000	1,980,000
SSDC (Tigerex) Co., Ltd.	Dyeing	The Company's major shareholder has over 10% shareholding	324,000	324,000	18.72	18.72	68,854,841	68,854,841	68,854,841	68,854,841	2,426,228	1,819,671	2,426,228	1,819,671
T.U.C. Elastic Co., Ltd.	Manufacturing elastic	The Company's major shareholder has over 10% shareholding	160,000	160,000	10.75	10.75	10,258,080	10,258,080	10,258,080	10,258,080	1,032,000	1,720,000	1,032,000	1,720,000
Thai Naxis Co., Ltd.	Weaving and Printing Labels	The Company's major shareholder has over 10% shareholding	20,000	20,000	16.46	16.46	2,865,803	2,865,803	2,865,803	2,865,803	197,460	543,015	197,460	543,015
Wien International Co., Ltd.	Direct sales	The Company's major shareholder has over 10% shareholding	30,000	30,000	17.90	17.90	14,352,367	14,352,367	14,352,367	14,352,367	1,074,000	1,342,500	1,074,000	1,342,500
Raja Uchino Co., Ltd.	Lining	The Company's major shareholder has over 10% shareholding	81,000	81,000	4.47	4.47	2,847,410	2,847,410	2,847,410	2,847,410	543,600	906,000	543,600	906,000
Champ Ace Co., Ltd.	Garment	The Company's major shareholder has over 10% shareholding	40,000	40,000	10.00	10.00	4,000,000	4,000,000	4,000,000	4,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Thai Monster Co., Ltd.	Garment	The Company's major shareholder has over 10% shareholding	20,000	20,000	5.00	5.00	300,000	300,000	300,000	300,000	-	-	-	-
Thai Asahi Kasei Spandex Co., Ltd.	Manufacturer of Spandex fiber	The Company's major shareholder has over 10% shareholding	1,350,000	1,350,000	2.00	2.00	27,000,000	27,000,000	27,000,000	27,000,000	557,330	-	557,330	-
Morgan De Toi (Thailand) Co., Ltd.	Distributor Brand "MORGAN"	The Company's major shareholder has over 10% shareholding	40,000	25,000	12.00	12.00	4,800,000	3,000,000	4,800,000	3,000,000	240,000	300,000	240,000	300,000
Five Stars Plus Co., Ltd.	Manufacturer of Leather coats	The Company's major shareholder has over 10% shareholding	50,000	50,000	17.00	17.00	-	-	-	-	-	-	-	-
International Commercial Coordination (HK)	Distributor	The Company's major shareholder has over 10% shareholding	8,805	8,805	18.00	18.00	650,000	150,000	650,000	150,000	-	-	-	-
Sriacha Bsc. Bowling Co., Ltd.	Bowling	The Company's major shareholder has over 10% shareholding	-	47,000	-	4.26	-	570,000	-	570,000	-	-	-	-
Indonesia Wacool	Garment	The Company's major shareholder has over 10% shareholding	108,472	108,472	6.00	6.00	6,508,176	6,508,176	6,508,176	6,508,176	363,678	-	363,678	-
Carbon Magic (Thailand) Co., Ltd.	Manufacturer of vehicles parts	The Company's major shareholder has over 10% shareholding	90,000	90,000	8.33	8.33	2,600,000	3,000,000	2,600,000	3,000,000	-	-	-	-
Waseda Education (Thailand) Co., Ltd.	Education Institution	The Company's major shareholder has over 10% shareholding	56,000	56,000	7.14	7.14	4,000,000	4,000,000	4,000,000	4,000,000	-	-	-	-
Thai Burika Fashion Co., Ltd.	Institute of Fashion Design	The Company's major shareholder has over 10% shareholding	25,000	25,000	8.00	8.00	630,000	530,000	630,000	530,000	-	-	-	-
Sun 108 Co., Ltd.	Retail	The Company's major shareholder has over 10% shareholding	100,000	100,000	5.00	5.00	2,500,000	400,000	2,500,000	400,000	-	-	-	-
Janome (Thailand) Co., Ltd.	Manufacturer of Sewing Machines	The Company's major shareholder has over 10% shareholding	97,400	88,000	7.73	7.73	19,254,283	15,393,680	19,254,283	15,393,680	1,700,000	1,700,000	1,700,000	1,700,000
Erawan Textile Co., Ltd.	Spinning Textile and Weaving	The Company's major shareholder has over 10% shareholding	452,729	181,832	16.46	15.18	110,769,363	54,653,163	110,769,363	54,653,163	-	827,916	-	827,916
Bangkok Tokyo Socks Co., Ltd.	Manufacturer and Export of Men's socks	The Company's major shareholder has over 10% shareholding	143,220	143,220	17.11	12.22	24,599,800	15,000,000	24,599,800	15,000,000	1,050,000	875,000	1,050,000	875,000
Fujik International Co., Ltd.	Thread Seller	The Company's major shareholder has over 10% shareholding	100,000	30,000	5.00	11.00	3,810,000	1,810,000	3,810,000	1,810,000	-	-	-	-
Dachis (Thailand) Co., Ltd.	Import and Distribute Coffee Bean, Tea Leaf	The Company's major shareholder has over 10% shareholding	-	7,500	-	5.50	-	725,000	-	725,000	-	-	-	-
<b>Total general Investments</b>							<b>326,186,335</b>	<b>251,805,732</b>	<b>326,186,335</b>	<b>251,805,732</b>	<b>13,289,021</b>	<b>14,737,377</b>	<b>13,289,021</b>	<b>14,737,377</b>

\* Net of allowance for impairment

## 14.2 Gain (loss) on sale of investments

For the years ended December 31, gain (loss) on sale of investments consists of the following:

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Gain (loss) on sale of investments				
– Trading securities	(11,227,295)	–	(11,227,295)	–
– Available-for-sale securities	5,135,229	2,198,264	3,482,927	1,319,226
– General investment	(1,217,773)	(22,672,660)	(1,217,773)	(22,672,660)
<b>Total loss on sale of investments</b>	<b>(7,309,839)</b>	<b>(20,474,396)</b>	<b>(8,962,141)</b>	<b>(21,353,434)</b>

## 14.3 Maturities of held-to-maturity securities

As at December 31, 2013 and 2012, maturities of held-to-maturity securities consist of the following:

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Between 1 and 5 years	240,000,000	260,000,000	240,000,000	260,000,000
Over 5 years	40,000,000	90,000,000	40,000,000	90,000,000
<b>Total</b>	<b>280,000,000</b>	<b>350,000,000</b>	<b>280,000,000</b>	<b>350,000,000</b>

Additional details of held-to-maturity securities consist of the following:

UNIT : BAHT

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	Cost Value/ Amortized cost As at December 31, 2013	Unrealized gross profit	Unrealized gross loss	Fair Value As at December 31, 2013
<b>Held-to-maturity securities</b>				
Debentures	280,000,000	3,894,920	(343,252)	283,551,668

UNIT : BAHT

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	Cost Value/ Amortized cost As at December 31, 2012	Unrealized gross profit	Unrealized gross loss	Fair Value As at December 31, 2012
<b>Held-to-maturity securities</b>				
Debentures	350,000,000	3,703,540	(91,554)	353,611,986

## 15. INVESTMENT PROPERTY

UNIT : BAHT

CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at December 31, 2012	Additions	Disposals	Transfer/ Other	Balance as at December 31, 2013
<b>Cost</b>					
Land	31,487,562	–	(80,000)	–	31,407,562
Building and structures	101,007,980	–	(1,432,647)	–	99,575,333
<b>Total investment property</b>	<b>132,495,542</b>	<b>–</b>	<b>(1,512,647)</b>	<b>–</b>	<b>130,982,895</b>
<b>Accumulated depreciation</b>					
Building and structures	(52,184,775)	(4,683,132)	1,432,646	–	(55,435,261)
<b>Total accumulated depreciation</b>	<b>(52,184,775)</b>	<b>(4,683,132)</b>	<b>1,432,646</b>	<b>–</b>	<b>(55,435,261)</b>
<b>Investment property</b>	<b>80,310,767</b>	<b>(4,683,132)</b>	<b>(80,001)</b>	<b>–</b>	<b>75,547,634</b>

UNIT : BAHT

CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at December 31, 2011	Additions	Disposals	Transfer/ Other	Balance as at December 31, 2012
<b>Cost</b>					
Land	30,837,512	–	–	650,050	31,487,562
Building and structures	101,007,980	–	–	–	101,007,980
<b>Total investment property</b>	<b>131,845,492</b>	<b>–</b>	<b>–</b>	<b>650,050</b>	<b>132,495,542</b>
<b>Accumulated depreciation</b>					
Building and structures	(47,479,094)	(4,705,681)	–	–	(52,184,775)
<b>Total accumulated depreciation</b>	<b>(47,479,094)</b>	<b>(4,705,681)</b>	<b>–</b>	<b>–</b>	<b>(52,184,775)</b>
<b>Investment property</b>	<b>84,366,398</b>	<b>(4,705,681)</b>	<b>–</b>	<b>650,050</b>	<b>80,310,767</b>
Depreciation for the years ended December 31,					
2013					4,683,132
2012					4,705,681

UNIT : BAHT

SEPARATE FINANCIAL STATEMENTS					
	Balance as at December 31, 2012	Additions	Disposals	Transfer/ Other	Balance as at December 31, 2013
<b>Cost</b>					
Land	32,891,823	-	(80,000)	-	32,811,823
Building and structures	125,867,180	-	(1,432,647)	-	124,434,533
<b>Total investment property</b>	<b>158,759,003</b>	<b>-</b>	<b>(1,512,647)</b>	<b>-</b>	<b>157,246,356</b>
<b>Accumulated depreciation</b>					
Building and structures	(72,872,591)	(4,856,900)	1,432,646	-	(76,296,845)
<b>Total accumulated depreciation</b>	<b>(72,872,591)</b>	<b>(4,856,900)</b>	<b>1,432,646</b>	<b>-</b>	<b>(76,296,845)</b>
<b>Investment property</b>	<b>85,886,412</b>	<b>(4,856,900)</b>	<b>(80,001)</b>	<b>-</b>	<b>80,949,511</b>

UNIT : BAHT

SEPARATE FINANCIAL STATEMENTS					
	Balance as at December 31, 2011	Additions	Disposals	Transfer/ Other	Balance as at December 31, 2012
<b>Cost</b>					
Land	32,891,823	-	-	-	32,891,823
Building and structures	121,522,980	-	-	4,344,200	125,867,180
<b>Total investment property</b>	<b>154,414,803</b>	<b>-</b>	<b>-</b>	<b>4,344,200</b>	<b>158,759,003</b>
<b>Accumulated depreciation</b>					
Building and structures	(67,994,092)	(4,878,499)	-	-	(72,872,591)
<b>Total accumulated depreciation</b>	<b>(67,994,092)</b>	<b>(4,878,499)</b>	<b>-</b>	<b>-</b>	<b>(72,872,591)</b>
Construction in progress	4,227,300	-	-	(4,227,300)	-
<b>Investment property</b>	<b>90,648,011</b>	<b>(4,878,499)</b>	<b>-</b>	<b>116,900</b>	<b>85,886,412</b>

Depreciation for the years ended December 31,	
2013	4,856,900
2012	4,878,499

Fair value of investment property as at December 31, 2013 and 2012 consist of the following:

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	CARRYING VALUE	FAIR VALUE	CARRYING VALUE	FAIR VALUE
<b>As at December 31, 2013</b>				
Land	31,407,562	107,278,800	32,811,823	182,290,000
Building and structures	44,140,073	113,819,600	48,137,688	137,432,800
<b>As at December 31, 2012</b>				
Land	31,487,562	109,216,800	32,891,823	184,228,000
Building and structures	48,823,205	114,939,400	52,994,589	138,552,600

Fair value of investment property was appraised by an independent appraiser using the Cost Approach or the Market Approach.

Items recognized in profit or loss from investment property for the years ended December 31, 2013 and 2012 consist of the following:

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Rental income from investment property	7,826,100	7,994,600	11,829,300	11,997,800
Direct operating expenses arising from investment property that generated rental income during the year	5,094,819	5,099,836	5,358,587	5,844,865

## 16. PROPERTY, PLANT AND EQUIPMENT

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at December 31, 2012	Additions	Disposals	Transfer/ Other	Balance as at December 31, 2013
<b>Cost</b>					
Land	438,177,524	–	–	–	438,177,524
Land improvement	3,736,581	–	–	–	3,736,581
Building and structures	378,326,437	–	(8,756,380)	400,000	369,970,057
Furniture, fixtures and office equipment	489,801,111	5,470,150	(15,468,502)	23,298,937	503,101,696
Machinery and equipment	939,088,649	20,800,283	(31,278,986)	70,777,800	999,387,746
Vehicles	48,596,828	2,344,083	(4,313,238)	3,047,249	49,674,922
<b>Total property, plant and equipment</b>	<b>2,297,727,130</b>	<b>28,614,516</b>	<b>(59,817,106)</b>	<b>97,523,986</b>	<b>2,364,048,526</b>
<b>Accumulated depreciation</b>					
Land improvement	(1,142,806)	(78,334)	–	–	(1,221,140)
Building and structures	(269,864,046)	(13,510,751)	8,756,370	–	(274,618,427)
Furniture, fixtures and office equipment	(414,825,776)	(25,090,246)	15,054,084	–	(424,861,938)
Machinery and equipment	(850,956,347)	(30,375,426)	31,158,050	–	(850,173,723)
Vehicles	(35,282,424)	(4,073,429)	3,581,216	–	(35,774,637)
<b>Total accumulated depreciation</b>	<b>(1,572,071,399)</b>	<b>(73,128,186)</b>	<b>58,549,720</b>	<b>–</b>	<b>(1,586,649,865)</b>
Construction in progress and machinery under installation	12,814,098	198,449,299	(3,228,224)	(97,523,986)	110,511,187
<b>Property, plant and equipment</b>	<b>738,469,829</b>	<b>153,935,629</b>	<b>(4,495,610)</b>	<b>–</b>	<b>887,909,848</b>



CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at December 31, 2011	Additions	Disposals	Transfer/ Other	Balance as at December 31, 2012
<b>Cost</b>					
Land	438,827,574	–	–	(650,050)	438,177,524
Land improvement	3,736,581	–	–	–	3,736,581
Building and structures	373,158,939	–	–	5,167,498	378,326,437
Furniture, fixtures and office equipment	461,902,507	9,157,460	(2,294,518)	21,035,662	489,801,111
Machinery and equipment	910,738,685	11,606,538	(17,199,143)	33,942,569	939,088,649
Vehicles	49,115,784	1,592,197	(5,732,445)	3,621,292	48,596,828
<b>Total property, plant and equipment</b>	<b>2,237,480,070</b>	<b>22,356,195</b>	<b>(25,226,106)</b>	<b>63,116,971</b>	<b>2,297,727,130</b>
<b>Accumulated depreciation</b>					
Land improvement	(1,064,471)	(78,335)	–	–	(1,142,806)
Building and structures	(256,140,759)	(13,723,287)	–	–	(269,864,046)
Furniture, fixtures and office equipment	(392,323,119)	(24,797,146)	2,294,489	–	(414,825,776)
Machinery and equipment	(842,863,120)	(24,925,666)	16,832,439	–	(850,956,347)
Vehicles	(35,680,344)	(3,842,030)	4,239,950	–	(35,282,424)
<b>Total accumulated depreciation</b>	<b>(1,528,071,813)</b>	<b>(67,366,464)</b>	<b>23,366,878</b>	<b>–</b>	<b>(1,572,071,399)</b>
Construction in progress and machinery under installation	32,606,707	44,474,806	(649,894)	(63,617,521)	12,814,098
<b>Property, plant and equipment</b>	<b>742,014,964</b>	<b>(535,463)</b>	<b>(2,509,122)</b>	<b>(500,550)</b>	<b>738,469,829</b>
Depreciation for the years ended December 31,					
2013					73,128,186
2012					67,366,464

## SEPARATE FINANCIAL STATEMENTS

	Balance as at December 31, 2012	Additions	Disposals	Transfer/ Other	Balance as at December 31, 2013
<b>Cost</b>					
Land	400,323,268	–	–	–	400,323,268
Land improvement	2,237,838	–	–	–	2,237,838
Building and structures	192,571,415	–	(8,756,380)	–	183,815,035
Furniture, fixtures and office equipment	333,026,627	4,809,575	(13,523,231)	22,954,049	347,267,020
Machinery and equipment	574,385,186	19,518,126	(12,567,568)	4,947,471	586,283,215
Vehicles	35,299,713	459,299	(609,200)	3,047,249	38,197,061
<b>Total property, plant and equipment</b>	<b>1,537,844,047</b>	<b>24,787,000</b>	<b>(35,456,379)</b>	<b>30,948,769</b>	<b>1,558,123,437</b>
<b>Accumulated depreciation</b>					
Land improvement	(1,138,470)	(75,860)	–	–	(1,214,330)
Building and structures	(127,757,040)	(5,690,861)	8,756,370	–	(124,691,531)
Furniture, fixtures and office equipment	(279,803,734)	(18,746,900)	13,202,350	–	(285,348,284)
Machinery and equipment	(506,924,918)	(20,772,617)	12,549,400	–	(515,148,135)
Vehicles	(26,353,986)	(3,111,861)	609,200	–	(28,856,647)
<b>Total accumulated depreciation</b>	<b>(941,978,148)</b>	<b>(48,398,099)</b>	<b>35,117,320</b>	<b>–</b>	<b>(955,258,927)</b>
Construction in progress and machinery under installation	12,070,969	73,325,416	(3,208,642)	(30,948,769)	51,238,974
<b>Property, plant and equipment – net</b>	<b>607,936,868</b>	<b>49,714,317</b>	<b>(3,547,701)</b>	<b>–</b>	<b>654,103,484</b>

UNIT : BAHT

SEPARATE FINANCIAL STATEMENTS					
	Balance as at December 31, 2011	Additions	Disposals	Transfer/ Other	Balance as at December 31, 2012
<b>Cost</b>					
Land	400,323,268	-	-	-	400,323,268
Land improvement	2,237,838	-	-	-	2,237,838
Building and structures	191,748,117	-	-	823,298	192,571,415
Furniture, fixtures and office equipment	310,679,652	7,441,962	(2,124,818)	17,029,831	333,026,627
Machinery and equipment	544,308,486	10,582,804	(8,949,336)	28,443,232	574,385,186
Vehicles	37,959,055	6,000	(4,492,445)	1,827,103	35,299,713
<b>Total property, plant and equipment</b>	<b>1,487,256,416</b>	<b>18,030,766</b>	<b>(15,566,599)</b>	<b>48,123,464</b>	<b>1,537,844,047</b>
<b>Accumulated depreciation</b>					
Land improvement	(1,062,611)	(75,859)	-	-	(1,138,470)
Building and structures	(122,038,602)	(5,718,438)	-	-	(127,757,040)
Furniture, fixtures and office equipment	(263,654,029)	(18,274,505)	2,124,800	-	(279,803,734)
Machinery and equipment	(497,308,744)	(18,218,787)	8,602,613	-	(506,924,918)
Vehicles	(26,810,811)	(2,778,928)	3,235,753	-	(26,353,986)
<b>Total accumulated depreciation</b>	<b>(910,874,797)</b>	<b>(45,066,517)</b>	<b>13,963,166</b>	<b>-</b>	<b>(941,978,148)</b>
Construction in progress and machinery under installation	20,458,905	40,352,821	(649,894)	(48,090,863)	12,070,969
<b>Property, plant and equipment – net</b>	<b>596,840,524</b>	<b>13,317,070</b>	<b>(2,253,327)</b>	<b>32,601</b>	<b>607,936,868</b>
Depreciation for the years ended December 31,					
2013					48,398,099
2012					45,066,517

Costs of fixed assets which are fully depreciated and still in use by the Company and subsidiaries as at December 31, 2013 and 2012 are approximately Baht 1,299.52 million and Baht 1,294.47 million, respectively (Company : Baht 810.40 million and Baht 810.02 million, respectively).

Lease assets included above, where the Company is a lessee under financial leases, classified in equipment as follows:

UNIT : BAHT

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS		
	As at December 31, 2013	As at December 31, 2012
Cost – capitalized finance leases	1,404,000	-
Less Accumulated depreciation	(58,981)	-
<b>Net book value</b>	<b>1,345,019</b>	<b>-</b>

## 17. INTANGIBLE ASSETS

Intangible assets as at December 31, consist of the following:

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at December 31, 2012	Additions	Disposals	Transfer/ Other	Balance as at December 31, 2013
<b>Cost</b>					
Software	40,666,922	12,371,345	–	–	53,038,267
Trademark and club and golf membership fee	4,498,457	14,500	–	250	4,513,207
<b>Total</b>	<b>45,165,379</b>	<b>12,385,845</b>	<b>–</b>	<b>250</b>	<b>57,551,474</b>
<b>Accumulated amortization</b>					
Software	(29,031,555)	(3,360,852)	–	–	(32,392,407)
Trademark and club and golf membership fee	(3,154,700)	(236,017)	–	–	(3,390,717)
<b>Total accumulated amortization</b>	<b>(32,186,255)</b>	<b>(3,596,869)</b>	<b>–</b>	<b>–</b>	<b>(35,783,124)</b>
Intangible assets pending transfer	2,513,773	1,219,008	–	(250)	3,732,531
<b>Intangible assets – net</b>	<b>15,492,897</b>				<b>25,500,881</b>
Amortization for the years	3,534,953				3,596,869

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at December 31, 2011	Additions	Disposals	Transfer/ Other	Balance as at December 31, 2012
<b>Cost</b>					
Software	37,429,188	3,237,734	–	–	40,666,922
Trademark and club and golf membership fee	4,388,406	12,500	–	97,551	4,498,457
<b>Total</b>	<b>41,817,594</b>	<b>3,250,234</b>	<b>–</b>	<b>97,551</b>	<b>45,165,379</b>
<b>Accumulated amortization</b>					
Software	(25,790,914)	(3,240,641)	–	–	(29,031,555)
Trademark and club and golf membership fee	(2,860,388)	(294,312)	–	–	(3,154,700)
<b>Total accumulated amortization</b>	<b>(28,651,302)</b>	<b>(3,534,953)</b>	<b>–</b>	<b>–</b>	<b>(32,186,255)</b>
Intangible assets pending transfer	2,429,843	330,981	–	(247,051)	2,513,773
<b>Intangible assets – net</b>	<b>15,596,135</b>				<b>15,492,897</b>
Amortization for the years	3,783,663				3,534,953

UNIT : BAHT

SEPARATE FINANCIAL STATEMENTS					
	Balance as at December 31, 2012	Additions	Disposals	Transfer/ Other	Balance as at December 31, 2013
<b>Cost</b>					
Software	38,190,492	12,017,855	–	–	50,208,347
Trademark and club and golf membership fee	4,498,457	14,500	–	250	4,513,207
<b>Total</b>	<b>42,688,949</b>	<b>12,032,355</b>	<b>–</b>	<b>250</b>	<b>54,721,554</b>
<b>Accumulated amortization</b>					
Software	(27,319,549)	(3,057,972)	–	–	(30,377,521)
Trademark and club and golf membership fee	(3,154,699)	(236,017)	–	–	(3,390,716)
<b>Total accumulated amortization</b>	<b>(30,474,248)</b>	<b>(3,293,989)</b>	<b>–</b>	<b>–</b>	<b>(33,768,237)</b>
Intangible assets pending transfer	2,513,773	1,219,008	–	(250)	3,732,531
<b>Intangible assets – net</b>	<b>14,728,474</b>				<b>24,685,848</b>
Amortization for the years	3,270,218				3,293,989

UNIT : BAHT

SEPARATE FINANCIAL STATEMENTS					
	Balance as at December 31, 2011	Additions	Disposals	Transfer/ Other	Balance as at December 31, 2012
<b>Cost</b>					
Software	35,055,258	3,135,234	–	–	38,190,492
Trademark and club and golf membership fee	4,388,406	12,500	–	97,551	4,498,457
<b>Total</b>	<b>39,443,664</b>	<b>3,147,734</b>	<b>–</b>	<b>97,551</b>	<b>42,688,949</b>
<b>Accumulated amortization</b>					
Software	(24,343,643)	(2,975,906)	–	–	(27,319,549)
Trademark and club and golf membership fee	(2,860,387)	(294,312)	–	–	(3,154,699)
<b>Total accumulated amortization</b>	<b>(27,204,030)</b>	<b>(3,270,218)</b>	<b>–</b>	<b>–</b>	<b>(30,474,248)</b>
Intangible assets pending transfer	2,429,843	330,981	–	(247,051)	2,513,773
<b>Intangible assets – net</b>	<b>14,669,477</b>				<b>14,728,474</b>
Amortization for the years	3,544,198				3,270,218

## 18. LEASEHOLD RIGHTS

Leasehold rights as at December 31, consist of the following:

UNIT : BAHT

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	Balance as at December 31, 2012	Additions	Disposals	Balance as at December 31, 2013
<b>Leasehold rights</b>				
Cost	33,754,000	-	-	33,754,000
Accumulated amortization	(24,892,905)	(1,209,724)	-	(26,102,629)
<b>Leasehold rights</b>	<b>8,861,095</b>	<b>(1,209,724)</b>	<b>-</b>	<b>7,651,371</b>
Amortization for the years	1,209,724			1,209,724

UNIT : BAHT

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	Balance as at December 31, 2011	Additions	Disposals	Balance as at December 31, 2012
<b>Leasehold rights</b>				
Cost	33,754,000	-	-	33,754,000
Accumulated amortization	(23,683,181)	(1,209,724)	-	(24,892,905)
<b>Leasehold rights</b>	<b>10,070,819</b>	<b>(1,209,724)</b>	<b>-</b>	<b>8,861,095</b>
Amortization for the years	1,209,723			1,209,724

## 19. LAND DEPOSIT

On November 22, 2013, the Company entered into the Land Buying and Selling contract with a company to purchase the land at a price of Baht 592.75 million and the Company had paid deposit for such purchase of land amounting to Baht 175 million. In addition, the Company will pay the remaining amount of Baht 417.75 million on the registration date of the title deed, within 180 days after signed contract date.

Subsequently, on December 4, 2013, the Company entered into the Land Buying and Selling contract with a person to purchase the land at a selling price of Baht 25 million and the Company had paid deposit for such purchase of land amounting to Baht 12.5 million. In addition, the Company will pay the remaining amount of Baht 12.5 million on the registration date of the title deed, within 180 days after signed contract date.

In addition, on December 18, 2013, the Company entered into the Land Buying and Selling contract with a person to purchase the land at a selling price of Baht 240.53 million and the Company had paid deposit for such purchase of land amounting to Baht 20 million. In addition, the Company will pay the remaining amount of Baht 220.53 million on the registration date of the title deed, within May 30, 2014.



## 20. OTHER NON-CURRENT ASSETS

Other non-current assets as at December 31, 2013 and 2012 in the consolidated and the separate financial statements mainly represent deposits for the rent of land and vehicle with related parties and other deposits.

## 21. BANK OVERDRAFTS AND SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

As at December 31, the Company and subsidiaries have unsecured credit facilities as follows:

UNIT : MILLION BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Facilities for bank overdrafts and short-term borrowings from financial institutions	1,013.90	1,013.90	867.90	867.90

The facilities for bank overdrafts and short-term borrowing from such financial institutions bear interest rates of MOR per annum.

As at December 31, 2013 and 2012, the Company has no outstanding balance of bank overdraft and short-term borrowing from financial institutions.

## 22. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, are as follows:

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Trade payables – related companies	153,549,755	199,316,035	251,625,417	293,745,847
Trade payables – other companies	118,547,167	122,588,242	92,931,536	99,772,296
<b>Total trade payables</b>	<b>272,096,922</b>	<b>321,904,277</b>	<b>344,556,953</b>	<b>393,518,143</b>
Other payables – related companies	608,031	12,600	528,710	12,600
Other payables – other companies	29,375,382	10,171,995	26,233,497	9,790,416
Accrued bonus expense	87,966,827	172,424,239	62,134,097	122,804,951
Accrued royalty fee	39,873,487	42,855,017	39,873,487	42,855,017
Accrued expense	16,170,262	16,753,014	11,985,732	10,701,890
Unearned revenue	179,374	131,738	179,374	131,738
Guarantees received	2,699,223	3,261,560	1,986,748	1,598,075
<b>Total other payable</b>	<b>176,872,586</b>	<b>245,610,163</b>	<b>142,921,645</b>	<b>187,894,687</b>
	<b>448,969,508</b>	<b>567,514,440</b>	<b>487,478,598</b>	<b>581,412,830</b>

## 23. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

The Company and its subsidiaries have entered into finance lease agreements for equipment under financial lease. Liabilities under finance lease agreements as at December 31, are as follows:

UNIT : BAHT

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2013	2012
Liabilities under finance lease agreements	2,176,536	–
<u>Less</u> Deferred interest under finance lease agreements	(806,599)	–
<b>Liabilities under finance lease agreements</b>	<b>1,369,937</b>	<b>–</b>
Installments due within 1 year	151,963	–
Installments due longer than 1 year but not over 5 years	1,217,974	–
<b>Liabilities under finance lease agreements – net</b>	<b>1,369,937</b>	<b>–</b>

## 24. DEFERRED TAX LIABILITIES

Deferred tax liabilities as at December 31, are as follows:

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	35,526	35,526	35,526	35,526
Consignment sales	2,200,000	1,800,000	2,200,000	1,800,000
Allowance for diminution in value of finished goods	266,381	147,530	266,381	147,530
Unrealized loss on the changes in value of trading securities	2,925,196	–	2,925,196	–
Unrealized loss on the changes in value of available-for-sale securities	–	65,734	–	124,554
Allowance for impairment of general investments	6,783,489	7,907,088	6,783,489	7,907,088
Provision for goods returned	9,600,000	11,400,000	9,600,000	11,400,000
Employee benefits obligation	89,562,881	89,123,743	63,639,546	63,568,725
	<b>111,373,473</b>	<b>110,479,621</b>	<b>85,450,138</b>	<b>84,983,423</b>
<b>Deferred tax liabilities</b>				
Unrealized gain on the changes in value of available-for-sale securities	(151,234,885)	(194,770,121)	(150,866,338)	(194,230,121)
Financial lease liabilities	(4,983)	–	(4,983)	–
	<b>(151,239,868)</b>	<b>(194,770,121)</b>	<b>(150,871,321)</b>	<b>(194,230,121)</b>
<b>Deferred tax liabilities – net</b>	<b>(39,866,395)</b>	<b>(84,290,500)</b>	<b>(65,421,183)</b>	<b>(109,246,698)</b>

Deferred tax assets and liabilities as at December 31, 2013 and 2012 are determined using corporate income tax rate that has been changed in accordance with the Royal Decree No. 530 dated December 14, 2011 (see Note 33).

The movements of deferred tax assets and deferred tax liabilities during the year are as follows:

BAHT '000

CONSOLIDATED FINANCIAL STATEMENTS				
	As at January 1, 2013	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at December 31, 2013
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	35	–	–	35
Consignment sales	1,800	400	–	2,200
Allowance for diminution in value of finished goods	147	120	–	267
Unrealized loss on the changes in value of trading securities	–	2,925	–	2,925
Unrealized loss on the changes in value of available-for-sale securities	66	–	(66)	–
Allowance for impairment of general investments	7,907	(1,123)	–	6,784
Provision for goods returned	11,400	(1,800)	–	9,600
Employee benefits obligation	89,124	439	–	89,563
	<b>110,479</b>	<b>961</b>	<b>(66)</b>	<b>111,374</b>
<b>Deferred tax liabilities</b>				
Unrealized gain on the changes in value of available-for-sale securities	(194,770)	–	43,535	(151,235)
Financial lease liabilities	–	(5)	–	(5)
	<b>(194,770)</b>	<b>(5)</b>	<b>43,535</b>	<b>(151,240)</b>
<b>Deferred tax liabilities – net</b>	<b>(84,291)</b>	<b>956</b>	<b>43,469</b>	<b>(39,866)</b>

BAHT '000

CONSOLIDATED FINANCIAL STATEMENTS				
	As at January 1, 2012	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at December 31, 2012
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	35	–	–	35
Consignment sales	1,840	(40)	–	1,800
Allowance for diminution in value of finished goods	–	147	–	147
Unrealized loss on the changes in value of available-for-sale securities	104	–	(38)	66
Allowance for impairment of general investments	12,087	(4,180)	–	7,907
Provision for goods returned	14,759	(3,359)	–	11,400
Employee benefits obligation	81,454	7,670	–	89,124
	<b>110,279</b>	<b>238</b>	<b>(38)</b>	<b>110,479</b>
<b>Deferred tax liabilities</b>				
Unrealized gain on the changes in value of available-for-sale securities	(145,784)	–	(48,986)	(194,770)
	<b>(145,784)</b>	<b>–</b>	<b>(48,986)</b>	<b>(194,770)</b>
<b>Deferred tax liabilities – net</b>	<b>(35,505)</b>	<b>238</b>	<b>(49,024)</b>	<b>(84,291)</b>

## SEPARATE FINANCIAL STATEMENTS

	As at January 1, 2013	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at December 31, 2013
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	35	–	–	35
Consignment sales	1,800	400	–	2,200
Allowance for diminution in value of finished goods	148	119	–	267
Unrealized loss on the changes in value of trading securities	–	2,925	–	2,925
Unrealized loss on the changes in value of available-for-sale securities	124	–	(124)	–
Allowance for impairment of general investments	7,907	(1,123)	–	6,784
Provision for goods returned	11,400	(1,800)	–	9,600
Employee benefits obligation	63,569	70	–	63,639
	<b>84,983</b>	<b>591</b>	<b>(124)</b>	<b>85,450</b>
<b>Deferred tax liabilities</b>				
Unrealized gain on the changes in value of available-for-sale securities	(194,230)	–	43,364	(150,866)
Financial lease liabilities	–	(5)	–	(5)
	<b>(194,230)</b>	<b>(5)</b>	<b>43,364</b>	<b>(150,871)</b>
<b>Deferred tax liabilities – net</b>	<b>(109,247)</b>	<b>586</b>	<b>43,240</b>	<b>(65,421)</b>

## SEPARATE FINANCIAL STATEMENTS

	As at January 1, 2012	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at December 31, 2012
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	35	–	–	35
Consignment sales	1,840	(40)	–	1,800
Allowance for diminution in value of finished goods	–	148	–	148
Unrealized loss on the changes in value of available-for-sale securities	182	–	(58)	124
Allowance for impairment of general investments	12,087	(4,180)	–	7,907
Provision for goods returned	14,759	(3,359)	–	11,400
Employee benefits obligation	59,770	3,799	–	63,569
	<b>88,673</b>	<b>(3,632)</b>	<b>(58)</b>	<b>84,983</b>
<b>Deferred tax liabilities</b>				
Unrealized gain on the changes in value of available-for-sale securities	(145,169)	–	(49,061)	(194,230)
	<b>(145,169)</b>	<b>–</b>	<b>(49,061)</b>	<b>(194,230)</b>
<b>Deferred tax liabilities – net</b>	<b>(56,496)</b>	<b>(3,632)</b>	<b>(49,119)</b>	<b>(109,247)</b>

## 25. RETIREMENT BENEFIT OBLIGATION

The Company and its subsidiaries operate retirement benefit plans under the Thai Labor Protection Act and the Company and its subsidiaries' retirement benefit plan, which are considered as unfunded defined benefit plans.

Amounts recognized in the income statements in respect of these defined benefit plans for the years ended December 31, are as follows:

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Current service cost	38,147,153	32,406,752	24,119,385	21,917,863
Interest cost	14,527,284	15,264,147	10,136,209	10,980,406
	<b>52,674,437</b>	<b>47,670,899</b>	<b>34,255,594</b>	<b>32,898,269</b>

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

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Beginning balance of post-employment benefits obligation	445,618,713	403,548,076	317,843,624	295,172,194
<u>Add</u> Current service cost	38,147,153	32,406,752	24,119,385	21,917,863
Interest cost	14,527,284	15,264,147	10,136,209	10,980,406
Actuarial loss	-	19,203,185	-	14,286,158
<u>Less</u> Benefit paid	(37,452,512)	(24,803,447)	(33,901,490)	(24,512,997)
<b>Ending balance of post-employment benefits obligation</b>	<b>460,840,638</b>	<b>445,618,713</b>	<b>318,197,728</b>	<b>317,843,624</b>

The principle actuarial assumptions used to calculate the provision under the retirement benefit plans as at December 31, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
Discount rate	3.32% – 3.70% p.a.	3.32% p.a.
Expected rate of salary increase	1.90% – 5.00% p.a.	1.90% – 5.00% p.a.
Voluntary resignation rate (Depended on employee's age)		
– Monthly employees	1% – 22%	1% – 15%
– Daily employees	2% – 73%	3% – 38%

The Company has the experience adjustments on plan liabilities in the consolidated and the separate financial statements for the year ended December 31, 2012 of Baht 10.59 million and Baht 11.37 million, respectively.

## 26. LEGAL RESERVE

Under the Public Companies Act, the Company is required to set aside as a statutory reserve at least 5% of its net profit after deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. Dividend cannot be paid out of the legal reserve.

Under the provision of the Civil and Commercial Code of Thailand, the subsidiary companies are required to set aside as a legal reserve at least 5% of their net profit each time a dividend is declared until the reserve reaches 10% of registered capital, such reserve is not available for dividend distribution.

As at December 31, 2013 and 2012, the Company's legal reserve has reached 10% of the registered share capital.

## 27. CAPITAL MANAGEMENT

The Company's objective in managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company does not apply any financial ratio to monitor its capital whilst manages its capital to be sufficient for its working capital.

## 28. DIVIDEND AND RESERVE

The Company and its subsidiaries' shareholders' meetings approved dividend payment and set aside reserve as follows:

Companies	Date of shareholders' Meeting	2013				Date of shareholders' meeting	2012			
		Baht per share	Total amount (Million Baht)	Legal reserve (Million Baht)	General reserve (Million Baht)		Baht per share	Total amount (Million Baht)	Legal reserve (Million Baht)	General reserve (Million Baht)
Thai Wacoal Public Company Limited	April 22	2.40	288.00	–	21.59	April 23	2.10	252.00	–	20.80
SR.W. Garment Co., Ltd.	April 3	190.00	38.00	–	2.15	April 3	330.00	66.00	–	3.54
Wacoal Kabinburi Co., Ltd.	April 3	69.00	34.50	–	1.79	April 3	72.00	36.00	–	–
Wacoal Lamphun Co., Ltd.	April 3	44.00	22.00	–	1.24	April 3	42.00	21.00	–	–
Pattaya Kabinburi Co., Ltd.	April 3	175.00	35.00	–	1.89	April 3	165.00	33.00	–	1.75
Tora 1010 Co., Ltd.	April 3	9.00	0.90	0.04	–	April 3	9.00	0.90	0.06	–

Dividends in the years 2013 and 2012 are the appropriation of net profit for the years 2012 and 2011, and paid in May 2013 and 2012, respectively.

The Company and its subsidiaries have appropriated a portion of retained earnings for the general reserve for their business activities in the future. The exact objectives of such reserves have not been specifically identified.

## 29. PROVIDENT FUNDS

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

For the years ended December 31, 2013 and 2012, the Company and subsidiaries' contributions are recorded as expenses in the amount of Baht 19.44 million and Baht 19.15 million, respectively (Company : Baht 12.56 million and Baht 12.60 million, respectively).



### 30. REVENUES FROM SALE OF GOODS AND RENDERING OF SERVICES

Revenues from sale of goods and rendering of services of the Company and subsidiaries for the years ended December 31, are as follows:

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Revenues from sale of goods	3,592,167,465	4,057,863,415	3,894,643,978	4,412,543,517
Revenues from rendering of services	37,344,550	36,824,493	6,649,929	5,272,381
<b>Total revenues from sale of goods and rendering of services</b>	<b>3,629,512,015</b>	<b>4,094,687,908</b>	<b>3,901,293,907</b>	<b>4,417,815,898</b>

### 31. OTHER INCOME

Other income for the years ended December 31, are as follows :

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Interest income	56,605,422	71,538,487	55,885,486	67,060,627
Rental income and service income	15,473,241	15,723,579	21,695,931	20,666,139
Net gain on exchange rate	17,107,065	10,376,968	16,847,780	9,962,975
Gain on sales of investment property	4,149,108	–	4,149,108	–
Gain on sales of property, plant and equipment	4,826,227	2,841,482	1,756,069	1,650,425
Other income	30,962,429	24,575,354	30,391,366	23,215,983
	<b>129,123,492</b>	<b>125,055,870</b>	<b>130,725,740</b>	<b>122,556,149</b>

### 32. EXPENSES BY NATURE

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

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Changes in finished goods and work in progress	37,797,577	(94,398,135)	31,597,415	(96,355,647)
Cost of finished goods purchased	120,029,215	144,547,544	1,304,961,965	1,502,432,396
Raw materials used	1,487,611,058	1,718,590,824	1,200,584,067	1,394,320,909
Employee benefits expense	1,273,634,596	1,387,837,755	837,920,238	916,046,337
Depreciation and amortization	82,617,911	76,816,822	57,758,711	54,424,958
Loss on devaluation of inventories	52,571,181	50,508,105	43,612,463	42,508,978
Royalty fee	40,259,552	43,403,182	40,259,552	43,403,182
Utilities expense	52,065,877	53,966,191	34,060,349	34,983,051
Management benefit expenses	69,513,350	71,647,002	64,231,342	65,284,578

### 33. CORPORATE INCOME TAX

Corporate income tax of the Company and subsidiaries for the years ended December 31, are as follows:

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
<b>Current income tax of the current period</b>				
Current tax expenses of the current period	(42,291,927)	(92,883,104)	(29,456,316)	(69,747,722)
<b>Deferred income tax</b>				
Deferred tax income (expense) and temporary differences	954,513	239,295	586,285	(3,631,832)
<b>Total</b>	<b>(41,337,414)</b>	<b>(92,643,809)</b>	<b>(28,870,031)</b>	<b>(73,379,554)</b>

Reconciliation of income tax expenses and the results of the accounting profit multiplied by the income tax rate are as follows:

UNIT : BAHT

	CONSOLIDATED FINANCIAL STATEMENTS For the years ended December 31,	
	2013	2012
Income before income tax	295,701,520	510,055,336
Tax rate	20%	23%
The result of the account profit multiplied by the income tax rate – expenses	(59,140,304)	(117,312,727)
Effect of the non-taxable income and non-deductible expense	17,802,890	24,668,918
<b>Income tax – expense</b>	<b>(41,337,414)</b>	<b>(92,643,809)</b>

UNIT : BAHT

	SEPARATE FINANCIAL STATEMENTS For the years ended December 31,	
	2013	2012
Income before income tax	299,183,413	501,580,570
Tax rate	20%	23%
The result of the account profit multiplied by the income tax rate – expenses	(59,836,683)	(115,363,531)
Effect of the non-taxable income and non-deductible expense	30,966,652	41,983,977
<b>Income tax – expense</b>	<b>(28,870,031)</b>	<b>(73,379,554)</b>

On October 11, 2011, the Thai Cabinet approved the reduction of corporate income tax rate and the Royal Decree No. 530 dated December 14, 2011 was announced to reduce corporate income tax rate from 30% to 23% for accounting period ending December 31, 2012 and to 20% for accounting periods ending December 31, 2013 and 2014.

### 34. TRANSACTIONS WITH RELATED PARTIES

In the normal course of business, the Company purchases inventories from subsidiaries and related companies, purchases and sells its main raw materials with related companies and engages the related company to be a distributor. The financial statements reflect the effects of these transactions on the basis determined by the Company and the related parties.

Significant balances with the related parties as at December 31, are as follows:

UNIT : MILLION BAHT

		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
Relationship		2013	2012	2013	2012
Trade accounts receivable					
I.C.C. International Public Co., Ltd.	The Company's major shareholder has over 10% shareholding	341	350	341	350
Wacoal America	Subsidiary of major shareholder company	8	27	8	27
Wacoal Corporation	The Company's major shareholder	41	25	41	25
Pattaya Manufacturing Co., Ltd.	The Company's major shareholder has over 10% shareholding	6	17	6	17
Wien International Co., Ltd.	The Company's major shareholder has over 10% shareholding	111	134	111	134
SR.W. Garment Co., Ltd.	Subsidiary	–	–	33	35
Wacoal Kabinburi Co., Ltd.	Subsidiary	–	–	28	14
Wacoal Lamphun Co., Ltd.	Subsidiary	–	–	14	14
Pattaya Kabinburi Co., Ltd.	Subsidiary	–	–	20	25
Tora 1010 Co., Ltd.	Subsidiary	–	–	12	18
Others		21	29	13	22
Total trade accounts receivable		528	582	627	681

Relationship		CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2013	2012	2013	2012
<b>Short-term loans to related parties</b>		99	94	99	94
(See Note 7)					
<b>Long-term investments in related companies</b>					
– Available-for-sale securities (See Note 11.1)		713	772	701	760
– General investments (See Note 14.1)		326	252	326	252
<b>Trade accounts payable</b>					
Textile Prestige Public Co., Ltd.	The Company's major shareholder has over 10% shareholding	92	124	61	90
Thai Takeda Lace Co., Ltd.	The Company's major shareholder has over 10% shareholding	6	9	4	6
Wacoal Corporation	The Company's major shareholder	12	5	12	5
Wacoal International Hongkong	The Company's major shareholder has over 10% shareholding	7	5	7	5
Mangkorn.1 2 Co., Ltd.	The Company's major shareholder has over 10% shareholding	28	31	18	23
Pattaya Manufacturing Co., Ltd.	The Company's major shareholder has over 10% shareholding	3	11	3	11
SR.W. Garment Co., Ltd.	Subsidiary	–	–	57	57
Wacoal Kabinburi Co., Ltd.	Subsidiary	–	–	27	31
Wacoal Lamphun Co., Ltd.	Subsidiary	–	–	24	22
Pattaya Kabinburi Co., Ltd.	Subsidiary	–	–	33	29
Others		6	14	6	15
<b>Total trade accounts payable</b>		<b>154</b>	<b>199</b>	<b>252</b>	<b>294</b>
<b>Accrued royalty fee</b>					
Wacoal Corporation	The Company's major shareholder	40	43	40	43

Significant transactions with the related companies for the years ended December 31, are as follows:

UNIT : MILLION BAHT

	Relationship	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2013	2012	2013	2012
<b>Sale of raw materials and finished products</b>					
I.C.C. International Public Co., Ltd.	The Company's major shareholder has over 10% shareholding	2,024	2,344	2,024	2,344
Wacoal America	Subsidiary of major shareholder company	272	322	272	322
Wacoal Corporation	The Company's major shareholder	724	847	724	847
Pattaya Manufacturing Co., Ltd.	The Company's major shareholder has over 10% shareholding	29	49	29	48
Wien International Co., Ltd.	The Company's major shareholder has over 10% shareholding	179	231	179	231
SR.W. Garment Co., Ltd.	Subsidiary	-	-	102	143
Wacoal Kabinburi Co., Ltd.	Subsidiary	-	-	77	77
Wacoal Lamphun Co., Ltd.	Subsidiary	-	-	65	70
Pattaya Kabinburi Co., Ltd.	Subsidiary	-	-	88	97
Tora 1010 Co., Ltd.	Subsidiary	-	-	51	59
Others		133	145	81	82
<b>Total sale of raw materials and finished products</b>		<b>3,361</b>	<b>3,938</b>	<b>3,692</b>	<b>4,320</b>
<b>Purchase of raw materials and finished products</b>					
Textile Prestige Public Co., Ltd.	The Company's major shareholder has over 10% shareholding	301	404	200	275
Wacoal Corporation	The Company's major shareholder	146	167	146	167
Wacoal International Hongkong	The Company's major shareholder has over 10% shareholding	128	160	128	160
Grand Star Industry Co., Ltd.	The Company's major shareholder has over 10% shareholding	-	105	-	72
Thai Takeda Lace Co., Ltd.	The Company's major shareholder has over 10% shareholding	46	63	30	42
Mangkorn.1 2 Co., Ltd.	The Company's major shareholder has over 10% shareholding	200	108	131	72
Erawan Textile Co., Ltd.	The Company's major shareholder has over 10% shareholding	9	15	9	15
SR.W. Garment Co., Ltd.	Subsidiary	-	-	425	501
Wacoal Kabinburi Co., Ltd.	Subsidiary	-	-	240	297
Wacoal Lamphun Co., Ltd.	Subsidiary	-	-	238	263
Pattaya Kabinburi Co., Ltd.	Subsidiary	-	-	297	313
Others		109	130	104	123
<b>Total purchase of raw materials and finished products</b>		<b>939</b>	<b>1,152</b>	<b>1,948</b>	<b>2,300</b>

		CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
Relationship		2013	2012	2013	2012
<b>Hire of work income &amp; rental income</b>					
Pattaya Manufacturing Co., Ltd.	The Company's major shareholder has over 10% shareholding	6	6	5	6
Thaigunze Co., Ltd.	The Company's major shareholder has over 10% shareholding	11	14	–	–
SR.W. Garment Co., Ltd.	Subsidiary	–	–	7	6
Others		12	11	13	11
Total hire of work income & rental income		29	31	25	23
<b>Wage hire of work &amp; rental expense</b>					
Pattaya Manufacturing Co., Ltd.	The Company's major shareholder has over 10% shareholding	19	18	19	18
SR.W. Garment Co., Ltd.	Subsidiary	–	–	26	37
Others		26	22	28	20
Total wage hire of work & rental expense		45	40	73	75
<b>Royalty fee</b>					
Wacoal Corporation	The Company's major shareholder	40	43	40	43
<b>Interest income</b>					
Erawan Textile Co., Ltd.	The Company's major shareholder has over 10% shareholding	4	4	4	4
<b>Management benefit expenses</b>					
Short-term benefit		68	70	63	64
Retirement benefit		2	2	1	1
Total management benefit expenses		70	72	64	65

The Company and subsidiaries sell finished products to related companies at the price and conditions as charging to other customers.

The Company sells raw materials to subsidiaries and related companies at cost plus margin as determined.

The Company purchases raw materials and finished products from related companies at the price and conditions as being charged by other suppliers.

The Company pays royalties based on percentage of sales (see Note 35).

The Company pays other services in accordance with conditions in the agreement.

### 35. TECHNOLOGY LICENSE AGREEMENT

On January 1, 1999, the Company entered into a technology license agreement with Wacoal Corporation, the major shareholder company, for the latter to grant the use of trademark and provide technical know-how for manufacturing the products set forth in the agreement. The Company has to pay royalty fee of 2% of net sales for such products. The agreement was effective for a period of 5 years as from January 1, 2004 until December 31, 2008, and is renewable for 5 years. In 2009, the Company renewed such agreement until December 31, 2013. However, on December 31, 2013, the Company renewed such agreement until December 31, 2023.



## 36. DISCLOSURE OF INFORMATION ON FINANCIAL INSTRUMENTS

### 36.1 Credit risk

Credit risk refers to the risk that accounts receivable will default on its contractual obligations resulting in a financial loss to the Company. The Company may have concentration of risks as most of trade accounts receivable are related companies. However, the Company does not have any damage incurred from non – compliance with its contractual obligations of the accounts receivable – related companies and expects that there is no credit risk.

In the case of recognized financial assets in the statement of financial position, the carrying amount of the assets recorded in the statement of financial position, represents the Company's maximum exposure to credit risk.

### 36.2 Interest rate risk

Interest rate risk arises from the potential for a change in interest rates to have an effect on the operation of the Company in the current reporting period and in future years. However, the effect of the change in interest rate does not have a material impact on the Company as the investments in debt securities have fixed interest rate and the Company has no significant loans.

### 36.3 Exchange rate risk

Exchange rate risk arises from the potential for a change in exchange rate to have an adverse effect on the Company in the current reporting period and in future years.

The Company uses derivative financial instruments which consist of forward contracts to reduce exposure to fluctuations in foreign currency exchange.

Forward contract protects the Company from movements in exchange rate by establishing the rate at which a foreign currency asset and liability will be settled. Any increase or decrease in the amount required to settle the asset or liability is off-set by a corresponding movement in the forward exchange contract.

The notional amount and the fair value of derivatives as at December 31, 2013 and 2012 are as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
December 31, 2013			
	Notional Amount due within 1 year		Fair Value
	Foreign Currency	Baht	Assets (Liabilities)
			Baht
Forward contracts			
– Sell	USD 1,159,064	37,744,666	(465,660)
– Sell	JPY 91,444,368	28,637,695	(104,918)
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
December 31, 2012			
	Notional Amount due within 1 year		Fair Value
	Foreign Currency	Baht	Assets (Liabilities)
			Baht
Forward contracts			
– Sell	USD 2,243,641	68,797,915	(331,848)
– Sell	JPY 242,041,002	89,063,947	2,669,573

### 36.4 Fair value of financial instruments

The following methods and assumptions were used by the Company and subsidiaries in estimating fair value of financial instruments as disclosed herein:

Cash and cash equivalents, temporary investments, trade accounts receivable, short-term loans and deposit at bank under obligation; the carrying values approximate their fair values.

Investments in marketable securities; fair value is based on quoted market prices. For investment in non-listed companies; fair value is based on net asset value of related securities. The fair value of unit trust is determined from the trusts' net asset value. The fair value of bonds and debentures is calculated by using the latest bid yield as quoted by the Thai Bond Market Association.

Trade accounts payable, the carrying value approximates fair values.

As at December 31, 2013 and 2012, the carrying values of the financial assets, which are different from the fair values, are as follows:

UNIT : BAHT		
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	Carrying Value	Fair Value
Investments in debentures		
– 2013	370,000,000	374,028,738
– 2012	427,500,000	431,589,341

## 37. CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities and commitments as at December 31, are as follows:

UNIT : MILLION BAHT				
	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2013	2012	2013	2012
Contingent liabilities in respect of guarantees issued on behalf of				
– Related parties (see Note 10)	6.28	5.86	6.28	5.86
Bank's letters of guarantee issued on behalf of the Company	18.17	18.64	16.06	16.63

### 38. OPERATING SEGMENT INFORMATION

The principal business of the Company and subsidiaries is to manufacture and sell clothes which mainly are ladies' lingerie, childrenwear and ladies' outerwear for both domestic sales and export sales. The Company considers operating segment information based on domestic sale and export sale. The Company and subsidiaries have no inter-segment revenue. Information of the Company and subsidiaries' segment revenues from external customers and segment profit and loss and reconciliation of total segment profit to profit or loss before income tax expense for the year ended December 31, 2013 are as follows:

UNIT : MILLION BAHT

	CONSOLIDATED FINANCIAL STATEMENTS					
	Domestic		Export		Total	
	2013	2012	2013	2012	2013	2012
Segment revenues from sale of goods and rendering of services	2,540.66	2,823.69	1,088.85	1,271.00	3,629.51	4,094.69
Segment profit (loss)	172.39	304.22	(56.78)	26.32	115.61	330.54
Unallocated income (expense)					(16.33)	(3.00)
Dividend income					67.64	57.46
Other income					128.78	125.06
<b>Net profit before income tax</b>					<b>295.70</b>	<b>510.06</b>

The Company is unable to allocate property, plant and equipment for each segment due to the joint-usage in the production.

In addition, the main customer of the Company is ICC International Public Co., Ltd., which is the Company's major shareholder which holds over 10% shareholding (see Note 34).

### 39. PROMOTIONAL PRIVILEGES

Subsidiaries have been granted promotional privileges from the Board of Investment as the following summary:

Items	Company name			
	SR.W. Garment	Wacoal Lamphun	Wacoal Kabinburi	Pattaya Kabinburi
<b>Project 2</b>				
- Certificate Number	2876(2)/2555	1075/2544	1074/2544	1649 (1)/2544
- Issued Date	Dec 14, 2012	Jan 24, 2001	Jan 24, 2001	Oct 11, 2001
- Exemption from income tax for 8 years	No first received promoted revenue	Jul 1, 2001 - Jun 30, 2009	Jun 1, 2001 - May 31, 2009	Jan 1, 2003 - Dec 31, 2010
- Income tax reduction of 50% of normal rate for 5 years	-	Jul 1, 2009 - Jun 30, 2014	Jun 1, 2009 - May 31, 2014	Jan 1, 2011 - Dec 31, 2015
- Exemption from import duties for machineries	Dec 14, 2012 - Jun 14, 2015	Jan 24, 2001 - Jan 24, 2003	Jan 24, 2001 - Jan 24, 2003	Oct 24, 2001 - Oct 11, 2004
<b>Project 3</b>				
- Certificate Number	-	2904(2)/2555	2877(2)/2555	2878(2)/2555
- Issued Date	-	Dec 20, 2012	Dec 14, 2012	Dec 14, 2012
- Exemption from income tax for 8 years	-	Jul 1, 2013 - Jun 30, 2021	Jul 1, 2013 - Jun 30, 2021	Jul 1, 2013 - Jun 30, 2021
- Income tax reduction of 50% of normal rate for 5 years	-	Jul 1, 2021 - Jun 30, 2026	Jul 1, 2021 - Jun 30, 2026	Jul 1, 2021 - Jun 30, 2026
- Exemption from import duties for machineries	-	Dec 20, 2012 - Jun 20, 2015	Dec 14, 2012 - Jun 14, 2015	Dec 14, 2012 - Jun 14, 2015

The above three companies thus have to comply with the terms and conditions as stipulated in the promotional certificates.

#### 40. REVENUE REPORTING OF A PROMOTED INDUSTRY

Based on the Announcement of the Board of the Investment No. Por. 14/2541 (1998) dated December 30, 1998 regarding revenue reporting of a promoted industry, the Company is required to report revenue from local sales and export sales separately and separately report between the promoted and non-promoted business. The required information for the years ended December 31, are as follows:

UNIT : BAHT

CONSOLIDATED FINANCIAL STATEMENTS	2013			2012		
	Promoted Business	Non-Promoted Business	Total	Promoted Business	Non-Promoted Business	Total
<b>Income</b>						
Income from export sales	-	1,088,852,295	1,088,852,295	-	1,271,001,038	1,271,001,038
Income from local sales	29,159	2,540,630,561	2,540,659,720	134,048	2,823,552,822	2,823,686,870
Total income from sales	29,159	3,629,482,856	3,629,512,015	134,048	4,094,553,860	4,094,687,908
Gain on exchange rate	-	17,107,065	17,107,065	-	10,376,968	10,376,968
Dividend received	-	67,636,264	67,636,264	-	57,458,003	57,458,003
Other income	110,681	111,905,746	112,016,427	93,605	114,585,297	114,678,902
<b>Total income</b>	<b>139,840</b>	<b>3,826,131,931</b>	<b>3,826,271,771</b>	<b>227,653</b>	<b>4,276,974,128</b>	<b>4,277,201,781</b>

## 41. RISK MANAGEMENT POLICIES FOR ASSETS AND LIABILITIES IN FOREIGN CURRENCIES

The Company and subsidiaries have adopted a policy to manage foreign exchange exposure of assets and liabilities in foreign currencies whereby the Company and subsidiaries will deposit money received from sales in foreign currencies into banks for payment of expenses and creditors in foreign currencies.

Significant assets and liabilities of the Company and subsidiaries in foreign currencies are as follows:

Description	Term of Receipt/ Payment Days	CONSOLIDATED FINANCIAL STATEMENTS						SEPARATE FINANCIAL STATEMENTS					
		AMOUNT						AMOUNT					
		USD	YEN	HKD	EURO	CNY	THB	USD	YEN	HKD	EURO	CNY	THB
As at December 31, 2013													
Cash and cash equivalent	-	1,707	509,822	-	2,495	16,973	414,709	1,707	509,822	-	2,495	16,973	414,709
Temporary investments	-	-	-	1,500,000	-	-	6,281,550	-	-	1,500,000	-	-	6,281,550
Trade accounts receivable	30 – 180	405,692	141,445,350	1,834,380	-	-	64,652,163	405,692	121,569,870	1,834,380	-	-	58,493,577
		407,399	141,955,172	3,334,380	2,495	16,973	71,348,422	407,399	122,079,692	3,334,380	2,495	16,973	65,189,836
Trade accounts payable	30	641,119	28,817,058	1,200	4,029	-	30,414,630	641,119	28,817,058	1,200	4,029	-	30,414,630
As at December 31, 2012													
Cash and cash equivalent	-	2,615	721,816	13,240	-	25,491	506,554	2,615	721,816	13,240	-	25,491	506,554
Temporary investments	-	-	-	1,500,000	-	-	5,856,450	-	-	1,500,000	-	-	5,856,450
Trade accounts receivable	30 – 180	1,053,622	85,944,469	3,112,882	-	-	74,287,707	1,053,622	71,687,210	3,112,882	-	-	69,263,671
		1,056,237	86,666,285	4,626,122	-	25,491	80,650,711	1,056,237	72,409,026	4,626,122	-	25,491	75,626,675
Trade accounts payable	30	350,803	36,058,253	1,096	75	-	23,711,690	350,803	36,058,253	1,096	75	-	23,711,690

## 42. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issue by the Board of Directors on February 20, 2014.

# Management Discussion and Analysis

## Analysis of the company's operating results and financial standings

### Overall economic situation during the past year 2013

The year 2013 proved to be a considerably difficult year for both Thailand's economy and the business community as a whole. Against the backdrop of a slowly recovering global economy, the country's economy, however, had to endure several harshly adverse developments during the year.

Major critical impacts included the sharp hike in minimum wages to Baht 300 per day implemented across the country, coupled with the drastic volatility in exchange rates movement, causing the Thai currency to strengthen its value at such rates higher than its counterparts in the region, particularly against such major currencies as the Japanese yen and the US dollar. Consequently, the stronger Baht led the country to lose its competitiveness against others in the international trade arena.

On the other hand, the domestic economy continued to face persistent stagnation, significantly affecting both the consumption and the investment sectors at the same time. Such harsh situation was aggravated further by the prolonged political conflict within the country, continuing unabated with no immediate end in sight, in turn hindering the country's economic developments, and eroding the confidence among international investors and visitors destined for the country.

### 1. Analysis of performance results for 2013 as compared to 2012

#### Overall performances

For 2013, Thai Wacoal Public Company Limited and its subsidiaries could achieve sales turnover of Baht 3,629.51 million, and net profits of Baht 254.34 million, representing a decline of 11.36% and 39.05% respectively, while its total assets stood at Baht 6,026.74 million, representing a 6.05% decline, with its return on equity, and return on assets standing at 4.98% and 4.09% respectively.

Major factors contributing to above results could be largely summarized as follows:

#### Sales turnover from product sales and services

For 2013, the company could achieve total sales turnover of Baht 3,629.51 million, representing the decline of Baht 465.18 million or 11.36% compared to Baht 4,094.69 million recorded earlier for 2012.

Above sales decline could be largely attributed to substantial drop for both the domestic and export sales revenue. The domestic sales turnover posted a decline of Baht 283.03 million or 10.02% compared to a year earlier, largely due to the changes implemented by its major distributor with regard to its inventory management system, causing the cutback in its purchasing orders as the result. The situation was further aggravated by the prolonged political conflict ongoing in the country, significantly affecting the tourism industry as well as the overall market consumption.

On the other hand, the company's export sales revenue was also subject to substantial decline of Baht 182.15 million or 14.33% compared to a year earlier, due to the Thai Baht appreciation, resulting in less revenue amount for the same export volume.





### Other income

For 2013, the company recorded other income of Baht 129.12 million, as compared to Baht 125.06 million achieved a year earlier, classified into interest income of Baht 56.61 million, rental income of Baht 15.47 million, and exchange gain of Baht 17.11 million, altogether representing a 3.25% or Baht 4.06 million increase over the preceding year. Said improvement could be attributed to the foreign exchange gain due to its earlier adoption of the forwarding contract.

### Cost of sales

For 2013, the company's cost of sales stood at 78.17% of total sales turnover, as compared to 75.96% recorded in earlier 2012, representing a 2.21% increase from the year earlier, as the result of the rise in direct expenses due to the sharp hike in minimum wages, coupled with less gross profit from export sales due to the Baht appreciation.

### Selling expenses

For 2013, the company posted selling expenses of Baht 96.82 million, as compared to Baht 63.34 million recorded a year earlier, representing an increase of Baht 33.48 million or 52.86%, largely caused by high advertising and sales promotion expenses budget, to promote the marketing of its new lingerie brand "B'me", mainly through the modern trade channel.

### Administrative expenses

For 2013, the company posted administrative expenses of Baht 510.27 million, as compared to Baht 518.87 million recorded a year earlier, representing a decline of 1.66%, largely due to the reversal of loss from goods returned and the decline in company employee expenses.

### Income tax expenses

For 2013, the company posted income tax expenses of Baht 41.34 million, representing a Baht 51.30 million decline over Baht 92.64 million recorded a year earlier, largely due to less profits achieved by the company, together with lower corporate income tax rate of 20%, compared to the previous 23% rate a year earlier.

### Net profits attributable to owners of the parent

For 2013, the company registered net profits of Baht 254.34 million, representing a decline of Baht 162.98 million or 39.05% from Baht 417.32 million recorded a year earlier. Whereas earnings per share stood at Baht 2.12, return on total revenue at 6.65%, return on equity at 4.98%, and return on assets at 4.09% respectively. Said decline in net profits could be largely attributed to less sales revenue from domestic sales, accompanied by lower gross profits from export sales due to the Baht appreciation, and higher production cost caused by the minimum wage increase.

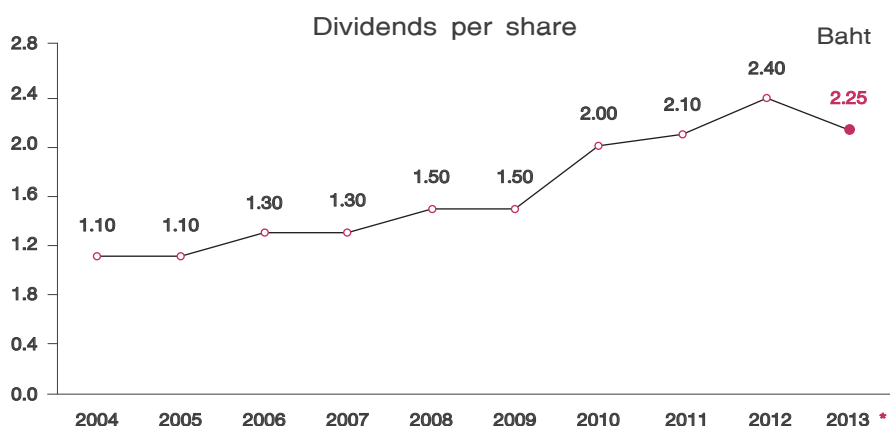
The company's profit quality could be considered favorable, with the company posting cash flow from operating activities of Baht 175.27 million, due to sales income and payment collections mostly achieved according to due dates.



## Dividend payments to the shareholders

The company has continuously adopted dividend payments policy at the rate of Baht 0.25 per share so far, while also taking into consideration the company's performance results and the prevailing economic situation. The company has continuously paid out dividend payments to the shareholders for 40 consecutive years from 1974 until the present.

For 2013, the company could achieve net profits of Baht 254.34 million and earnings per share of Baht 2.12. Accordingly, The Board of Directors resolved at its meeting no.6/2013 on March 4, 2014, to propose to the shareholders' general meeting to approve dividend payments for 2013 at the rate of Baht 2.25 per share, for total amount of Baht 270 million, and representing the payout ratio of 106.16%. The dividend payments date has been set for May 20, 2014.



**Remark** \* The Board of Directors resolved to set dividend payment rate at Baht 2.25 per share, for further proposal to the shareholders' general meeting for approval, on April 21, 2014.

## 2. Financial Standings

At end-2013, the company posted total assets of Baht 6,026.74 million, representing a 6.05% or Baht 387.78 million decline over the year earlier, as the result of the decline in current assets of Baht 786.13 million, and the increase in non-current assets of Baht 398.36 million respectively. The company posted the ratio of each asset item as compared to total assets as follows : cash and cash equivalents of 1.75%, current investments of 9.27%, trade and other receivables of 10.15%, inventories of 15.15%, available-for-sale securities investments of 28.92%, other long-term investments of 11.63%, property, plant, equipments-net of 14.73%, payment for land deposit of 3.44%, and other items 4.96% respectively.

### Current assets

At end-2013, the company posted total current assets of Baht 2,322.47 million, representing a Baht 786.13 million decline from a year earlier, due to lower standings in cash and cash equivalents, and temporary investments as the result of its earlier investments in such assets as land plots, buildings, and equipments to serve its further business expansion. Furthermore, the company could register lower inventory level, due to its better effective management system in achieving more optimum inventory level.

### Non-current assets

At end-2013, the company posted total non-current assets of Baht 3,704.27 million, representing a Baht 398.36 million increase from a year earlier, due to the payment for land deposit of Baht 207.50 million and the increase in property, plant, equipments-net of Baht 149.44 million.

### Cash and cash equivalents

At end-2013, the company recorded total cash and cash equivalents of Baht 105.50 million, representing a Baht 69.26 million decline over Baht 174.76 million recorded a year earlier, due to the transfer to long-term debt securities with over 1-year term, as displayed under heading of long-term investments.

### Temporary investments

At end-2013, the company recorded total temporary investments of Baht 558.45 million, representing a Baht 624.70 million decline from Baht 1,183.15 million recorded a year earlier, due to its higher investments in such assets as land plots, building, and equipments. Furthermore, the company also made further investment in ordinary shares, debentures, and bonds, serving as long-term investments with higher return yield.

### Trade and other receivables

At end-2013, the company posted total trade and other receivables of Baht 611.98 million, representing a Baht 24.56 million decline from a year earlier, as the result of lower sales turnover, which could be classified into : trade receivables of Baht 593.39 million, and other receivables of Baht 18.69 million. Whereas trade receivables could be classified as follows: undue account receivables of Baht 398.96 million, representing 67.25% of total account receivables, less than 3 months' overdue account receivables of Baht 122.44 million, representing 20.64% of total account receivables, largely due to the customers having different payment periods from the company, and beyond 3 month's overdue account receivables of Baht 71.89 million, representing 12.12% of total account receivables respectively. In general, the company's trade receivables could be considered as reliable with good payment record mostly meeting due dates.

### Short-term loans

At end-2013, the company posted total short-term loans of Baht 110.80 million, representing a Baht 14.90 million increase from the year earlier, due to its higher provision of loans to both related business facilities, as well as other business operations.

### Inventories

At end-2013, the company posted total inventories of Baht 913.09 million, representing a Baht 81.60 million decline from the year earlier, as the result of its implementation of inventory management system to keep inventories at optimum level compatible with production and sales situation.

### Property, plant and equipments

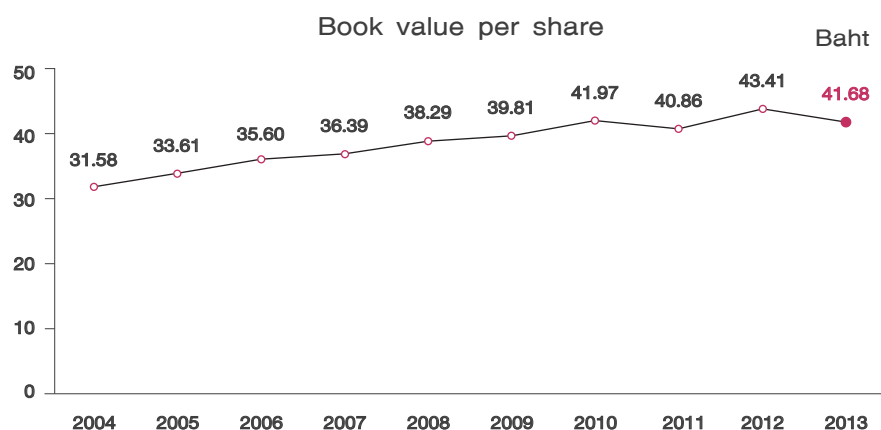
At end-2013, the company posted outstanding property, plant and equipments-net amounting to total value of Baht 887.91 million, representing a Baht 149.44 million increase from the year earlier, due to its further investments to renovate and expand factory buildings, machineries, and equipments for total amount Baht 222.57 million, accompanied by total depreciation amount of Baht 73.13 million.

### Total Liabilities

At end-2013, the company posted total liabilities of Baht 1,024.73 million, representing Baht 180.24 million or 14.96% decline from a year earlier, largely due to the company posting lower trade payables and other payables of Baht 118.54 million, classified into less trade payable accounts by Baht 49.80 million, and less other payable accounts by Baht 68.74 million, Said less liabilities could be attributed to less materials procurement due to the adjustment in production plan resulting in lower outstanding inventory level, together with less deferred tax liabilities by an amount Baht 44.42 million, due to the revision in accounting practice allowing unrealized gain on the change in value of available-for-sale securities.

### Equity

At end-2013, the company recorded total equity of Baht 5,002.01 million, representing a Baht 207.54 million or 3.98% decline over Baht 5,209.55 million recorded a year earlier. Such results were contributed by net profits of Baht 254.34 million, and its dividend payments to the shareholders for 2012 for total amount Baht 288 million, together with the decline in other components of equity of Baht 173.88 million, altogether resulting in the company eventually posting book value at end 2013 of Baht 41.68 per share, representing a Baht 1.73 decline over the previous Baht 43.41 recorded a year earlier.



### 3. Quality of assets

#### Available-for-sale securities investments

The company registered total available-for-sale securities investments of Baht 1,742.87 million, representing an increase of Baht 6.87 million over Baht 1,736 million recorded a year earlier, largely due to the investment in debentures for amount Baht 218.89 million and the additional investment in ordinary shares for amount Baht 6.74 million, together with the unrealized loss on the change in value of available-for-sale securities for amount Baht 218.76 million.

The company followed Thai Accounting Standard no.105 pertaining to the accounting for investment in debt and equity securities, which posted unrealized gain for the change in net investment value from deferred income tax, as displayed in other components of equity for amount Baht 604.94 million, as the result of the changes in securities value in accordance with the company's performance results and the prevailing economic situations. Such investments represented sound assets quality, supported by favorable dividend returns higher than normal fixed deposit rates.

#### Other long-term investments

The company registered other long-term investments of Baht 700.67 million, representing a decline of Baht 1.03 million from Baht 701.70 million recorded a year earlier, Said long-term investments largely consisted of the investments in net ordinary shares of Baht 63.35 million, net debentures of Baht 20 million, the reversal of loss on impairment of investment of Baht 5.62 million, and the transfer of debentures having due dates within 1-year period to short-term investment of Baht 90 million respectively.

The company followed Thai Accounting Standard no.36 regarding the impairment of assets for the investment in companies not being listed on the SET by reviewing such impairment of investments on a yearly basis. For 2013, an impairment of investment of Baht 5.62 million was re-entered, whereas said investment still posted overall book value higher than the company's investment cost, while its dividend yield was also higher than fixed deposit rate benefits.

#### Property, plant and equipments

The company possessed property, plant and equipments having market value higher than the value presented in the financial statements which displayed cost less accumulated depreciation. As for equipments, most were modern equipments with good production efficiency procured as replacement for older ones, and received proper maintenance regularly.

## 4. Liquidity status

### Cash flow

For 2013, the company recorded net cash and cash equivalents of Baht 105.50 million, representing a Baht 69.26 million decline from Baht 174.76 million recorded a year earlier, due to its investment in deposits and debt securities with over 1-year term maturity, classified as available-for-sale securities investments and other long-term investments.

The company posted cash receivable from operations of Baht 175.27 million, representing a Baht 61.47 million decline from Baht 236.74 million recorded a year earlier, as the result of the decline in sales turnover compared to a year earlier.

The company posted net cash flow from net investment activities of Baht 43.53 million, classified into cash receivable from matured net deposit of Baht 428.76 million, dividend receivable of Baht 67.64 million, interest receivable of Baht 60 million, and revenue from the sales of land plot, building, and equipment of Baht 13.55 million as against the expenses stemming from the purchase of land plot, building, and equipments, together with the deposit on land plot, for total amount Baht 422.75 million, ordinary shares purchase of Baht 71.45 million, net debenture investment of Baht 20 million, and other expenses of Baht 12.22 million respectively.

The company utilized Baht 288.06 million in net cash for financial activities during the past year, as dividend payments to the shareholders.

### Liquidity adequacy

The company registered better liquidity adequacy, as reflected in its current ratio of 4.44 recorded in 2013 compared to 4.60 a year earlier, whereas its quick ratio in 2013 stood at 2.40 compared to 2.92 recorded a year earlier. The company posted cash and cash equivalents well sufficient to carry out dividend payments and future investments. Furthermore, the company posted its low debt to equity ratio of 0.20 for 2013 and 0.23 for 2012 respectively, well reflecting sound and sufficient adequacy of the company's liquidity.

### Funding source

The funding source for the company's operations and investments came from its capital and accumulated profits, without any debts carrying interest burdens. The company's liabilities as shown in the financial statements mostly were trade and other payables, deferred tax liabilities, and provision for retirement benefit. According to the financial statements at end 2013, the company posted total liabilities of Baht 1,024.73 million and equity of Baht 5,002.01 million respectively.

### Factor or development posing possible impact on the company's future financial standing or business operations

During 2013, the company entered into joint business investment in Pattaya Myanmar Co., Ltd., an associate company, with the shareholding proportion of 20%. Said investment was aimed at exploring the investment prospects for countries within the AEC, in the efforts to expand the manufacturing base and consumption market to those countries enjoying lower production costs, so as to contribute to such better manufacturing and business competitiveness, leading to further profits and business growth on a long-term basis.

Nevertheless, the company and its subsidiaries were not presently engaged in any research & development activities posing possible impacts on its operating results and financial standings in a significant manner.

## 5. Financial ratios compared between 2013, 2012, and 2011

	Unit	2013	2012	2011
<b>Liquidity Ratio</b>				
1. Current Ratio	times	4.44	4.60	4.63
2. Quick Ratio	times	2.40	2.92	3.09
3. Liquidity of Cash Flow from Operations	times	0.29	0.35	0.27
4. Receivable Turnover	times	6.02	7.04	6.89
5. Collection Period	day	59.80	51.14	52.25
6. Inventory Turnover	times	5.40	6.61	7.23
7. Inventory Turnover Period	day	66.67	54.46	49.79
8. Account Payable Turnover	times	9.55	9.70	9.30
9. Payment Period	day	37.70	37.11	38.71
10. Cash Cycle	day	88.77	68.49	63.33
<b>Profitability Ratio</b>				
1. Gross Profit Margin	%	21.83	24.04	24.93
2. Return on Total Revenues	%	6.65	9.76	10.03
3. Return on Equity	%	4.98	8.25	7.93
<b>Efficiency Ratio</b>				
1. Return on Assets	%	4.09	6.73	6.79
2. Assets Turnover	times	0.62	0.69	0.68
<b>Financial Policy Ratio</b>				
1. Debt to Equity Ratio	times	0.20	0.23	0.22
2. Interest Coverage Ratio	times	3,577.28	700,826.04	2,786,816.53
3. Payout Ratio	%	106.16 *	69.01	63.97

**Remark** \* The Board of Directors resolved to set dividend payment rate at Baht 2.25 per share, for further proposal to the shareholders' general meeting for approval, on April 21, 2014.



# Personal Information of Company Directors and Management Members

Name / Position Date of appointment	Age	Highest Educational Level and Training Course	Shareholding Level*	Working Experience
1. Mr. Yoshikata Tsukamoto Advising Director April 21, 1986	65	Bachelor Degree Faculty of Education, majoring in Industrial Education Ashiya University, Japan	- %	Other Listed Company 2 companies - President and Representative Director : Wacoal Holdings Corp - Director : Shinyoung Wacoal Inc.  Other Non-Listed Company 8 companies - Representative Director and Chairman : Wacoal Corp. - Chairman : Wacoal America, Inc.
2. Mr. Manu Leelanuwatana Chairman of The Board of Directors, Chairman of The Nominating Committee, The Remuneration Committee Member and Chairman of The Executive Board April 30, 1973	68	Bachelor Degree Faculty of Engineering, majoring in Mechanical Engineering Chiba University, Japan  Training by Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP) 3/2003 - Director Certification Program (DCP) 68/2005	0.67%	Other Listed Company 4 companies - Chairman : Textile Prestige Plc. - Director : Saha Pathana Inter-Holding Plc. I.C.C. International Plc. O.C.C. Plc.  Other Non-Listed Company 29 companies - Chairman : Grand Star Industry Co., Ltd. Thai Naxis Co., Ltd. Pattaya Manufacturing Co., Ltd.
3. Mr. Yuzo Ide Vice Chairman of The Board of Directors May 13, 2010	59	Bachelor Degree Faculty of Economics, majoring in Economics Kobe University of Commerce, Japan	- %	Other Listed Company 1 company - Director : Wacoal Holdings Corp.  Other Non-Listed Company 15 companies - Director and Senior Corporate Officer : Wacoal Corp. - Director : Wacoal America, Inc.
4. Miss Sirikul Dhanasarnsilp Vice Chairman of The Board of Directors, The Nominating Committee Member, The Remuneration Committee Member and Vice Chairman of The Executive Board February 10, 1972	66	Master Degree Faculty of Commerce and Accountancy, majoring in Business Administration Thammasat University  Training by Thai Institute of Directors Association (IOD) - Board and CEO Assessment 2/2003 - Director Accreditation Program (DAP) 3/2003 - Director Certification Program (DCP) 68/2005	0.64%	Other Listed Company 1 company - Director : Textile Prestige Plc.  Other Non-Listed Company 21 companies - Chairman : SR.W. Garment Co., Ltd. Wacoal Lamphun Co., Ltd. Wacoal Kabinburi Co., Ltd. Pattaya Kabinburi Co., Ltd. Tora 1010 Co., Ltd. - Managing Director : Pattaya Manufacturing Co., Ltd.

Name / Position Date of appointment	Age	Highest Educational Level and Training Course	Shareholding Level*	Working Experience
5. Mr. Boondee Amnuayskul Director and Managing Director April 23, 1990	58	Bachelor Degree Faculty of Engineering, majoring in Industrial Engineering Khonkaen University  Training by Thai Institute of Directors Association (IOD) – Director Accreditation Program (DAP) 3/2003 – Understanding the Fundamental of Financial Statements (UFS) 2/2006 – Finance for Non-Finance Director (FND) 31/2006 – DCP Refresher Course in Directors' Legal Liabilities (RE DCP) 1/2008	0.03%	Other Listed Company – company  Other Non-Listed Company 10 companies – Managing Director : SR.W. Garment Co., Ltd. Wacoal Lamphun Co., Ltd. Wacoal Kabinburi Co., Ltd. Pattaya Kabinburi Co., Ltd. Tora 1010 Co., Ltd. – Director : Pattaya Manufacturing Co., Ltd.
6. Mr. Atsushi Tabata Director and Deputy Managing Director April 1, 2013	46	Bachelor Degree Faculty of Social Studies, majoring in Sociology Doshisha University, Japan	– %	Other Listed Company 1 company – Director : Textile Prestige Plc.  Other Non-Listed Company 8 companies – Deputy Managing Director : Tora 1010 Co., Ltd. – Director : SR.W. Garment Co., Ltd. Wacoal Lamphun Co., Ltd. Wacoal Kabinburi Co., Ltd. Pattaya Kabinburi Co., Ltd.
7. Mr. Amnuay Bumroongwongtong Director, The Nominating Committee Member and Executive Director March 12, 1981	63	Vocational Education Certificate Siam Business School  Training by Thai Institute of Directors Association (IOD) – Director Accreditation Program (DAP) 3/2003 – Director Certification Program (DCP) 68/2005 – DCP Refresher Course in Directors' Legal Liabilities (RE DCP) 1/2008	0.44%	Other Listed Company – company  Other Non-Listed Company 14 companies – Chairman : Sunrise Garment Co., Ltd. – Vice Chairman : Grand Star Industry Co., Ltd. – Director : Thai Naxis Co., Ltd.
8. Mr. Thamarat Chokwatana Director April 23, 2001	44	Bachelor Degree Faculty of Arts, majoring in Business English and minoring in Computer Assumption University  Training by Thai Institute of Directors Association (IOD) – Director Accreditation Program (DAP) 3/2003 – Director Certification Program (DCP) 68/2005	0.06%	Other Listed Company 1 company – Director : I.C.C. International Plc.  Other Non-Listed Company 34 companies – Director : Wacoal Lamphun Co., Ltd. Wacoal Kabinburi Co., Ltd. Pattaya Kabinburi Co., Ltd.
9. Mr. Ikuo Otani Director May 13, 2010	60	Bachelor Degree Faculty of Economics, majoring in Economics Rikkyo University, Japan	– %	Other Listed Company 1 company – Senior Managing Director : Wacoal Holdings Corp.  Other Non-Listed Company 11 companies – Director : Wacoal America, Inc. Wacoal Service Co., Ltd. Wacoal International Hong Kong Co., Ltd.
10. Mr. Kiyotaka Hiroshima Director May 10, 2012	55	Bachelor Degree Faculty of Fiber, majoring in Fiber Engineering Kyoto Craft Fiber University, Japan	– %	Other Listed Company – company  Other Non-Listed Company 10 companies – Director : Wacoal International Hong Kong Co., Ltd. Vietnam Wacoal Corp.

Name / Position Date of appointment	Age	Highest Educational Level and Training Course	Shareholding Level*	Working Experience
11. Assoc.Prof. Dr. Kulpatra Sirodom Independent Director Chairman of The Audit Committee and Chairman of The Corporate Governance Committee April 26, 2010	57	Ph.D. (Finance) University of Pittsburgh, Pittsburgh, PA, USA  Training by Thai Institute of Directors Association (IOD) – Director Certification Program (DCP) 0/2000 – Audit Committee Program (ACP) 29/2009	– %	Other Listed Company 3 companies – Independent Director and Chairman of The Audit Committee : Thai President Foods Plc. – Independent Director and The Audit Committee Member : The Siam Commercial Bank Plc. President Bakery Plc.  Other Non-Listed Company – company
12. Mrs. Punnee Worawuthichongsathit Independent Director and The Audit Committee Member April 26, 2010	61	Master Degree Faculty of Commerce and Accountancy, majoring in Accounting Chulalongkorn University  Federation of Accounting Professions Under The Royal Patronage of His Majesty The King – Certified Public Accountant (Thailand) Registration No. 2960  The Institute of Internal Auditors of Thailand – Certified Professional Internal Auditor (CPIA) – Qualified Internal Auditor (QIA)  The Institute of Internal Auditors (IIA) – Certified Internal Auditor (CIA)  Training by Thai Institute of Directors Association (IOD) – Director Accreditation Program (DAP) 2/2003 – Director Certification Program (DCP) 38/2003 – Audit Committee Program (ACP) 2/2004 – Improving the Quality of Financial Reporting (QFR) 1/2006 – Monitoring the Internal Audit Function (MIA) 1/2007 – Monitoring the Quality of Financial Reporting (MFR) 5/2007 – Monitoring the System of Internal Control and Risk Management (MIR) 2/2008 – Chartered Director Class (CDC) 3/2008 – Role of the Compensation Committee (RCC) 7/2008 – Monitoring Fraud Risk Management (MFM) 1/2009 – DCP Refresher Course (RE DCP) 2/2009 – Role of the Chairman Program (RCP) 25/2011 – Role of the Nomination and Governance Committee (RNG) 1/2011	– %	– Member of Accounting Committee : Federation of Accounting Professions under The Royal Patronage of His Majesty The King – Member of Taxation Committee : Board of Trade of Thailand  Other Listed Company 3 companies – Independent Director and Chairman of The Audit Committee : Mono Technology Plc. – Independent Director, The Audit Committee Member, Chairman of The Nominating Committee and Chairman of The Remuneration Committee : The Brooker Group Plc. – Independent Director, The Audit Committee Member, Member of The Corporate Governance Committee and The Nomination and Remuneration Committee Member : Hemaraj Land and Development Plc.  Other Non-Listed Company – company
13. Mrs. Saranya Chindavanig Independent Director, The Audit Committee Member and The Corporate Governance Committee Member April 23, 2012	50	Master Degree, majoring in Finance Eastern Michigan University, USA  Training by Thai Institute of Directors Association (IOD) – Director Certification Program (DCP) 40/2004	– %	Other Listed Company – company  Other Non-Listed Company – company

Name / Position Date of appointment	Age	Highest Educational Level and Training Course	Shareholding Level*	Working Experience
14. Mr. Krish Follett Independent Director and Chairman of The Risk Management Committee April 23, 2012	64	Master Degree Faculty of Commerce and Accountancy, majoring in Business Administration Thammasat University  Training by Thai Institute of Directors Association (IOD) - Director Certification Program (DCP) 149/2011	- %	Other Listed Company 4 companies - Independent Director and Chairman of The Audit Committee : Thoresen Thai Agencies Plc. Property Perfect Plc. - Independent Director and The Audit Committee Member and Chairman of The Risk Management Committee : Thanulux Plc. - Independent Director and The Audit Committee Member : Saha Pathana Inter-Holding Plc.  Other Non-Listed Company 1 company
15. Assoc.Prof. Nares Kesaparakorn Independent Director and The Risk Management Committee Member April 24, 2006	54	Master Degree Faculty of School of Law, majoring in Securities Regulation University of Georgia, USA  Training by Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP) 52/2006 - Director Certification Program (DCP) 77/2006 - Audit Committee Program (ACP) 12/2006 - Understanding the Fundamental of Financial Statements (UFS) 1/2006 - Finance for Non-Finance Director (FND) 28/2006 - Monitoring the System of Internal Control and Risk Management (MIR) 2/2008 - Chartered Director Class (CDC) 5/2009 - The Board's Role on Fraud Prevention and Detection 1/2010	- %	- The Audit Committee Member : The Thai Chamber of Commerce and Board of Trade of Thailand - Advisory Board, The Attellate Committee's Rule of Practice on Procedure for Consideration and Adjudication of Appeal on the Administrative Order of the SEC Office - Subcommittee : Law Reform Commission Office - Vice-Dean for Administration Affairs : School of Law, National Institute of Development Administration  Other Listed Company 1 company - Independent Director and The Audit Committee Member : Thanulux Plc.  Other Non-Listed Company - company
16. Mr. Manus Ongsaranakorn The Risk Management Committee Member, Executive Director and Chief Financial Officer May 9, 2000	60	Bachelor Degree Faculty of Accounting, majoring in Accounting University of the Thai Chamber of Commerce  Training by Thai Institute of Directors Association (IOD) - Director Certification Program (DCP) 27/2003	0.14%	Other Listed Company 1 company - Director : Asset Bright Plc.  Other Non-Listed Company 27 companies - Assistant Managing Director : SR.W. Garment Co., Ltd. - Director : Wacoal Lamphun Co., Ltd. Wacoal Kabinburi Co., Ltd. Pattaya Kabinburi Co., Ltd. Pattaya Manufacturing Co., Ltd.
17. Mr. Suvit Wongcharoenwutporn Executive Director and Director of Children Wear Division May 9, 2000	62	Higher Education Certificate, majoring in Industrial Technology Rajamangala University of Technology Krungthep Bangkok Technical Campus  Training by Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP) 3/2003	0.05%	Other Listed Company - company  Other Non-Listed Company 3 companies - Chairman : Royal Garment Co., Ltd. Silk Pearl Co., Ltd. - Managing Director : International Commercial Coordination (Hong Kong) Limited

Name / Position Date of appointment	Age	Highest Educational Level and Training Course	Shareholding Level*	Working Experience
18. Mrs. Nonglaks Techaboonanek Executive Director and Director of Innerwear Division May 9, 2000	59	Bachelor Degree Faculty of Communication Arts, majoring in Mass Communications and minoring in Public Relations Chulalongkorn University  Bachelor Degree Faculty of Business Administration, majoring in Marketing Ramkhamhaeng University  Training by Thai Institute of Directors Association (IOD) – Director Accreditation Program (DAP) 42/2005	–%	Other Listed Company – company  Other Non-Listed Company 5 companies – Managing Director : Mit Pathana Home Shopping Co., Ltd. SRP Nanasai Co., Ltd., – Director : S.T.G.C. Co., Ltd. Mangkorn.1 2 Co., Ltd.
19. Miss Natcharinthorn Pongsupachintapa Executive Director and Director of Research Development and Innovation Center May 9, 2000	61	Bachelor Degree Faculty of Political Science, majoring in Political Science Ramkhamhaeng University  Training by Thai Institute of Directors Association (IOD) – Director Accreditation Program (DAP) 3/2003	0.04%	Other Listed Company – company  Other Non-Listed Company 3 companies – Director : Pattaya Manufacturing Co., Ltd. Wien International Co., Ltd.
20. Mrs. Siriwan Vilassakdanont Executive Director and Director of Vienna Division November 12, 2009	59	Master Degree, majoring in Business Administration Sasin Graduate Institute of Business Administration of Chulalongkorn University  Training by Thai Institute of Directors Association (IOD) – Director Accreditation Program (DAP) 3/2003	0.12%	Other Listed Company 1 company – Director : Far East DDB Plc.  Other Non-Listed Company 8 companies – Managing Director : Wien International Co., Ltd. – Director : Pattaya Manufacturing Co., Ltd. Pattaya Lamphun Co., Ltd.
21. Miss Karunee Surai Executive Director and Director of Human Resources and General Affairs Division November 12, 2009	58	Master Degree Faculty of Education, majoring in Educational and Guidance Psychology Chulalongkorn University  Training by Thai Institute of Directors Association (IOD) – Board and CEO Assessment 2/2003	0.005%	Other Listed Company – company  Other Non-Listed Company 4 companies – Director : Royal Garment Co., Ltd. Sunrise Garment Co., Ltd.
22. Mrs. Onanong Saengpumpong The Corporate Governance Committee Member, Executive Director, Director of Accounting and Finance Division and Company Secretary November 12, 2009	51	Master Degree Faculty of Commerce and Accountancy, majoring in Accounting Thammasat University  Bachelor Degree Faculty of Commerce and Accountancy, majoring in Accounting Thammasat University  Training by Thai Institute of Directors Association (IOD) – Company Secretary Program (CSP) 9/2005 – Effective Minute Taking (EMT) 2/2006	0.0004%	Other Listed Company – company  Other Non-Listed Company 3 companies – Director : Wacoal Lamphun Co., Ltd. Royal Garment Co., Ltd.

Note : \* Including shareholding by spouse and underaged children

## Offence record of the companies directors, the management, and the controlling parties

During the past 5 years, there were no offence record committed by the company's directors or other management members, in violation of the provisions under The Securities and Exchange Act B.E. 2535, and The Derivatives Act B.E. 2546.

## Report on changes in securities holding by company directors and management members as of December 31, 2013

Name	No. of shares						Shareholding ratio in year		
	As of December 31, 2013			As of December 31, 2012			Increase (Decrease)		
	Direct	Indirect*	Total	Direct	Indirect*	Total	Direct	Indirect*	Total
1. Mr. Yoshikata	-	-	-	-	-	-	-	-	-
2. Mr. Manu	800,970	-	800,970	800,970	-	800,970	-	-	0.6675
3. Mr. Yuzo	-	-	-	-	-	-	-	-	-
4. Miss Sirikul	772,840	-	772,840	772,840	-	772,840	-	-	0.6440
5. Mr. Boondee	30,350	-	30,350	30,230	-	30,230	120	-	0.0253
6. Mr. Atsushi	-	-	-	-	-	-	-	-	-
7. Mr. Amnuay	503,230	20,630	523,860	503,230	20,630	523,860	-	-	0.4366
8. Mr. Thamarat	75,000	2,000	77,000	75,000	2,000	77,000	-	-	0.0642
9. Mr. Ikuo	-	-	-	-	-	-	-	-	-
10. Mr. Kiyotaka	-	-	-	-	-	-	-	-	-
11. Assoc.Prof. Dr. Kulpatra Sirodom	-	-	-	-	-	-	-	-	-
12. Mrs. Punnee Worawuthichongsathit	-	-	-	-	-	-	-	-	-
13. Mrs. Saranya Chindavanig	-	-	-	-	-	-	-	-	-
14. Mr. Krish Follett	-	-	-	-	-	-	-	-	-
15. Assoc.Prof. Nares Kesaprakorn	-	-	-	-	-	-	-	-	-
16. Mr. Manus Ongsaranakorn	161,130	5,020	166,150	161,130	5,020	166,150	-	-	0.1385
17. Mr. Suvit Wongcharoenvutporn	55,900	1,500	57,400	55,900	1,500	57,400	-	-	0.0478
18. Mrs. Nonglaks Techaboonanek	-	-	-	-	-	-	-	-	-
19. Miss Natcharinthorn Pongsupachintapa	53,290	-	53,290	53,290	-	53,290	-	-	0.0444
20. Mrs. Siriwan Vilassakdanont	120,850	28,120	148,970	120,850	28,120	148,970	-	-	0.1241
21. Miss Karunee Surai	6,000	-	6,000	5,000	-	5,000	1,000	-	0.0050
22. Mrs. Onanong Saengpumpong	500	-	500	-	-	-	500	-	0.0004
Total	2,580,060	57,270	2,637,330	2,578,440	57,270	2,635,710	1,620	-	2.1978

Note : \* Including shareholding by spouse and underage children



Position assignments for the directors, management members, and controller for the subsidiary, associate, and related companies

Name	Thai Wacoal Plc.	Subsidiaries					Associate	Related companies			
		SR.W. Garment Co., Ltd.	Wacoal Lamphun Co., Ltd.	Wacoal Kabinburi Co., Ltd.	Pattaya Kabinburi Co., Ltd.	Tora 1010 Co., Ltd.		Wacoal Corp.	Wacoal Holdings Corporation	Wien International Co., Ltd.	Pattaya Manufacturing Co., Ltd.
Mr. Yoshikata	/							XXX	XXX		
Mr. Manu	XXX									XXX	XXX
Mr. Yuzo	XX							/	/		
Miss Sirikul	XX	XXX	XXX	XXX	XXX	XXX	XXX			/	/
Mr. Boondee	/	/	/	/	/	/	/			/	/
Mr. Atsushi	/	/	/	/	/	/				/	/
Mr. Amnuay	/									/	/
Mr. Thamarat	/	/	/	/	/	/					
Mr. Ikuo	/							/			
Mr. Kiyotaka	/										
Assoc.Prof. Dr. Kulpatra Sirodom	/										
Mrs. Punnee	/										
Mrs. Saranya	/										
Mr. Krish	/										
Assoc.Prof. Nares	/										
Mr. Manus		/	/	/	/	/				/	/
Mr. Suvit											
Mrs. Nonglaks											
Miss Natcharinthorn										/	/
Mrs. Siriwan										/	/
Miss Karunee											
Mrs. Onanong			/								

XXX Chairman, XX Vice Chairman, / Director

Name	Related companies									
	International Commercial Coordination (Hong Kong) Ltd.	Mit Pathana Home Shopping Co., Ltd.	Thai Bunka Fashion Co., Ltd.	Waseda Education (Thailand) Co., Ltd.	Erawan Textile Co., Ltd.	SRP Nanasai Co., Ltd.	Celebrate Wealth Co., Ltd.	Bangkok Tokyo Socks Co., Ltd.	S D K C	
Mr. Yoshikata	Tsukamoto									
Mr. Manu	Leelanuwatana	XXX		/	/			XXX	XXX	
Mr. Yuzo	Ide									
Miss Sirikul	Dhanasarnsilp	/	/	/		XXX				
Mr. Boondee	Amnuayskul									
Mr. Atsushi	Tabata									
Mr. Amnuay	Bumroongwongtong		/		/		XXX	/	/	
Mr. Thamarat	Chokwatana	/							/	
Mr. Ikuo	Otani									
Mr. Kiyotaka	Hiroshima									
Assoc.Prof. Dr. Kulpatra	Sirodom									
Mrs. Punnee	Worawuthichongsathit									
Mrs. Saranya	Chindavanig									
Mr. Krish	Follett									
Assoc.Prof. Nares	Kesaprakorn									
Mr. Manus	Ongsaranakorn				/	/		/	/	
Mr. Suvit	Wongcharoenutporn	/								
Mrs. Nonglaks	Techaboonanek		/			/				
Miss Natcharinthorn	Pongsupachintapa									
Mrs. Siriwan	Vilassakdanont		/							
Miss Karunee	Surai									
Mrs. Onanong	Saengpumpong									

XXX Chairman, XX Vice Chairman, / Director

## Directorship details in subsidiary companies

Name		SR.W. Garment Co., Ltd.	Wacoal Lamphun Co., Ltd.	Wacoal Kabinburi Co., Ltd.	Pattaya Kabinburi Co., Ltd.	Tora 1010 Co., Ltd.
1. Miss Sirikul	Dhanasarnsilp	Chairman	Chairman	Chairman	Chairman	Chairman
2. Mr. Boondee	Amnuayskul	Managing Director	Managing Director	Managing Director	Managing Director	Managing Director
3. Mr. Atsushi	Tabata	Director	Director	Director	Director	Deputy Managing Director
4. Mr. Thamarat	Chokwatana	–	Director	Director	Director	–
5. Mr. Manus	Ongsaranakom	Assistant Managing Director	Director	Director	Director	–
6. Mrs. Onanong	Saengpumpung	–	Director	–	–	–
7. Mr. Chaivichit	Suthipongvarakul	Director	–	Director	Director	–
8. Mr. Peerathat	Utaivivatana	Director	–	–	–	Director
9. Miss Arunee	Sahakijphinyo	Director	–	–	–	–
10. Mr. Wattana	Tongaiem	Director	–	–	–	–
11. Mr. Somboon	Sangsuwanlert	–	Assistant Managing Director	–	–	–
12. Miss Sineenuch	Vudhicharoenchaiporn	–	Director	–	–	–
13. Mrs. Rungtip	Choakchaitham	Director	–	Director	Director	–
14. Mr. Niwat	Dechampai	–	–	Director	–	–
15. Mr. Sompong	Rasameetham	–	–	Director	–	Director
16. Mr. Metha	Supakorn	–	–	Director	–	–
17. Miss Dollaya	Chinasirikul	–	–	–	Director	–
18. Mr. Parinya	Chadee	–	–	–	Director	–

# Certificated

## 1. Production Quality Standards Management



ISO 9001 : 2008



ISO/IEC 17025 : 2005



Wacoal Corp.  
(Laboratory Accreditation)

## 2. Environmental Management & Energy Conservation



ISO 14001 : 2004



Green Industry



Thailand Energy Awards



ASEAN Energy Awards

## 3. Certification mark for products as being safe from harmful substances, environmental- friendly, and contributing to global warming reduction (Eco Label)



Green Label



CoolMode



Thai Industrial Standards  
(TIS 2346 : 2007)



Carbon Footprint  
(Product)



Carbon Footprint  
(Organization)



Life Cycle Assessment

## 4. Corporate Social Responsibility



CSR - DIW



CSR - DIW Continuous



AREA Awards



## วิสัยทัศน์

มุ่งมั่นสู่ความเป็นผู้เชี่ยวชาญการค้าธุรกิจชุดชั้นในสตรี  
ครบวงจรระดับชั้นนำของโลก

## Vision

To strive towards establishing itself as a World-  
Class-Integrated Lingerie Trading Specialist.

## พันธกิจ

ไทยวาโก้ จะมุ่งมั่นยกระดับขีดความสามารถในการแข่งขัน  
ขององค์กรอย่างต่อเนื่องเพื่อการเติบโตอย่างยั่งยืน  
บนพื้นฐานของคุณธรรม จริยธรรม รวมทั้ง ความเชื่อมั่น  
และความไว้วางใจซึ่งกันและกันของผู้มีส่วนได้เสียทุกกลุ่ม

เราจะนำเสนอผลิตภัณฑ์และบริการที่ตอบสนองความ  
คาดหวังของลูกค้าด้วยความใส่ใจอย่างพิถีพิถันถึงคุณภาพ  
การเปลี่ยนแปลงของยุคสมัย ความรวดเร็ว ทรัพยากร  
บุคคลที่เป็นมืออาชีพ ตลอดจนความรับผิดชอบต่อสังคม  
และสิ่งแวดล้อม

## Mission

To consistently engage in upgrading its  
competitiveness on a continuous basis, leading  
to sustainable growth and success, based on its  
adherence to morality, ethics, mutual trust and  
respect among all stakeholding parties.

We intend to present products and services fully  
satisfying customer needs and expectations, through  
its complete dedication to quality, together with due  
attention to changing ages, speedy response,  
professional human resources and responsibilities  
toward the society and environments.

## ค่านิยม/Corporate Values



**Work in Team  
& Be Professional**

ทำงานเป็นทีม  
กล้าตัดสินใจ  
ใช้ความรู้อย่างมืออาชีพ



**Achievement  
& Positive Attitude**

มุ่งมั่นสู่ความสำเร็จ  
คิดบวก มั่นใจ เราทำได้



**Creative  
& Initiative**

สร้างสรรค์นวัตกรรมใหม่  
เพื่อลูกค้า



**Open to  
Experience**

เปิดกว้างเรียนรู้สิ่งใหม่  
ยอมรับความคิดเห็น  
ที่แตกต่าง



**Active & Dynamic  
to Change**

คล่องแคล่ว กระตือรือร้น  
ปรับเปลี่ยน  
อย่างรวดเร็ว



**Love  
& Mutual Trust**

ทำงานและดำเนินชีวิต  
บนพื้นฐานความรัก  
และความเชื่อมั่นต่อกัน



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